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The Political Dynamics of Sustainable Coffee: Contested Value Regimes and the Transformation of Sustainability

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ABSTRACT The global coffee sector has seen a transformation towards more 'sustainable' forms of production, and, simultaneously, the continued dominance of mainstream coffee firms and practices. We examine this paradox by conceptualizing the underlying process of political corporate social responsibility (PCSR) as a series of long-term, multi-dimensional interactions between civil society and corporate actors, drawing from the neo-Gramscian concepts of hegemony and passive revolution. A longitudinal study of the evolution of coffee sustainability standards suggests that PCSR can be understood as a process of challenging and defending value regimes, within which viable configurations of economic models, normative-cultural values, and governance structures are aligned and stabilized. Specifically, we show how dynamics of moves and accommodations between challengers and corporate actors shape the practice and meaning of 'sustainable' coffee. The results contribute to understanding the political dynamics of CSR as a dialectic process of 'revolution/restoration', or passive revolution, whereby value regimes assimilate and adapt to potentially disruptive challenges, transforming sustainability practices and discourse.

Keywords: coffee, Gramsci, passive revolution, political corporate social responsibility, sustainability, sustainability standards, value regimes

INTRODUCTION

The global coffee sector, which involves more than 100 million people in over 80 countries, has pioneered sustainable production (Kolk, 2005; Ponte, 2002) and represents an important transnational arena for private regulation (Bartley, 2007; Muradian and Pelupessy, 2005; Reinecke et al., 2012). The advent of sustainability presents an intriguing paradox. By 2013, all the major coffee firms had adopted sustainability standards and 40 per cent of global coffee was produced in accordance with a standard (SSI, 2014). The

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powerful multinational coffee roasters who dominate the industry employ the discourse of sustainability to discuss their relationships with the natural environment and stakeholders, and are restructuring their supply chains to engage producers directly. From a contrary perspective, however, little has changed. Activists' early visions of a more sustainable, equitable, and accountable global coffee order have been diluted and absorbed by mainstream business. The idea of sustainability has been reduced to a set of standards and certifications for managing reputation, quality, and supply chain risk (Bitzer et al., 2008; MacDonald, 2007). Standards developed by non-governmental organizations (NGOs) increasingly resemble those promulgated by business in promoting these market-oriented goals.

This paradox reflects a broader debate in the literature on political corporate social responsibility (PCSR), including standard setting and labelling, which 'suggests an extended model of governance [. . .] where private actors such as corporations and civil society organizations play an active role in the democratic regulation and control of market transactions' (Scherer and Palazzo, 2011, p. 901). Some scholars have adopted an optimistic perspective that emphasizes the positive role of businesses as benign participants in pluralist global governance arenas, to further the public good where states lack capacity or will (Baur and Arenas, 2014; Matten and Crane, 2005; Scherer and Palazzo, 2007, 2011). More critical scholars view the political character of CSR in governance arenas as neither benign nor democratic, but rather as a strategy for enhancing private corporate power, profitability, and legitimacy, thereby undermining NGO efforts at progressive change (Banerjee, 2008; Fooks et al., 2013; Whelan, 2012). Our longitudinal study of the development of sustainability standards in the coffee sector is motivated by this puzzle of change versus stasis and the related divergent views on the political character of CSR. Our question is: How does PCSR operate as a process by which incumbents and challengers interact around sustainability practices, and how do the practice and meaning of sustainability shift in this process?

In addressing this question, the study contributes a key *temporal* dimension to our understanding of PCSR as an extended, interactive *process* of political contestation and accommodation. We suggest that the political dynamics of CSR represent a negotiated process of structuring or challenging a 'value regime', in which configurations of economic value and normative values coevolve within particular governance mechanisms (Appadurai, 1986; Levy and Spicer, 2013). Following Thompson's caution (2008, p. 498) that it is counterproductive to treat deliberative democracy as 'a testable hypothesis', we find that PCSR neither attains the ideals of deliberative democracy nor should it be dismissed as mere cosmetic greenwash. Taking temporality seriously, we develop a more pragmatic and nuanced perspective that integrates elements of the more optimistic and the critical perspectives, and points to the possibilities as well as the limitations of effecting longer term, substantive change. This approach also provides insight into a second core puzzle, how NGOs, despite their limited resources, have been able to achieve substantial influence over corporate sustainability practices and business models, business and consumer norms, as well as governance mechanisms. We find that PCSR extends beyond deliberation, as 'debate and discussion aimed at producing reasonable, well-informed opinions' (Chambers, 2003, p. 309; Thompson, 2008), to include a broader range of strategies and moves, both conflictual and collaborative, that lead to long-term and sometimes unintended change.

In developing our temporal and process-based perspective, we draw from neo-Gramscian theory to understand the hegemonic stability that arises when the economic, normative, and governance dimensions of value regimes are aligned, as well as the potential for actors to intervene strategically and leverage tensions and dynamics in value regimes (Cox, 1987; Levy and Scully, 2007). We suggest that the dynamic interactions between NGOs and business resemble the Gramscian process of 'passive revolution' (Gramsci, 1971, 2007; Morton, 2010), in which a hegemonic system adapts and evolves as it absorbs challenges and preserves essential features. In the following section, we review the scholarship on PCSR, and develop the value regime concept as a framework to understand CSR as a political, contested process of interactions between business and NGOs. Our empirical data on actors' interactions and the evolution of the coffee value regime is followed by our discussion and interpretation of findings. Theorizing from our results, we propose a more general process model to illuminate how passive revolution emerges from sequences of interactions and accommodations between dominant firms and challengers, which we characterize as *strategic concessions* and *stabilizing realignments*.

POLITICAL CSR AND CRITIQUES

The growing awareness of environmental and social issues in relation to global production, and the increasing influence of NGOs on corporate practices, have raised key challenges for economic and political governance and changed the dynamic among state, economy, and civil society (Braithwaite and Drahos, 2000; Sassen, 1998). While there is a long history of understanding the firm as a political actor (Cox, 1996; Eden, 1991; Strange, 1993), there has been growing interest recently in the political role of business at the intersection with contentious issues such as climate change and labour conditions (Teegen et al., 2004). This attention to the *politics* of CSR is a welcome development in a field long dominated by prescriptive assertions of the ethical duties of firms (Windsor, 2006), managerialist approaches to stakeholder management, and empirical explorations of the relationship between financial and social performance (Margolis and Walsh, 2003; Tang et al., 2012).

Ideal Perspectives on PCSR

The term 'political CSR' is most closely associated with the work of Scherer, Palazzo and colleagues (Scherer and Palazzo, 2007, 2011; Scherer et al., 2014), who contend that globalization has both exacerbated and highlighted some of the deleterious transboundary impacts of business, while simultaneously weakening the ability of national governments to address these issues. The resulting global governance deficit (Haas, 2004) has led business, as well as NGOs, to assume political roles. The challenge for business 'is to find new forms of democratic will-formation [...that] integrate the new role of business as a legitimate part of these institutions and processes' (Scherer and Palazzo, 2007, p. 1097). Their call to tame economic rationality through engagement with civil society resonates with Polanyi's (1944) concern to re-embed the economy in social structures.

Scherer and Palazzo invoke Habermas' concept of deliberative democracy to propose that business participates in a pluralist, democratic framework, according to 'principles like public justification, inclusion, and absence of oppression, coercion and threats, as well as the commitment to the general interest' (Baur and Arenas, 2014, p. 160). Business-civil society interactions are thus central to the process of democratic 'will formation', and multi-stakeholder forums such as the Forest Stewardship Council are held to be exemplars of deliberative decision-making with collaborative mechanisms for industry self-regulation (Scherer and Palazzo, 2007). Matten and Crane (2005) argue that the outcome is a form of 'civil regulation' that increasingly displaces states. Compared to Habermas' earlier, more utopian construct of an 'ideal speech situation', Scherer and Palazzo (2007) note that Habermas (1996) has more recently embraced deliberative democracy, encompassing ethical discourse and negotiations, as a more realistic approach 'to (re)establish a political order where economic rationality is circumscribed by democratic institutions and procedures' (Scherer and Palazzo, 2007, p. 1097).

The enthusiasm for deliberative democracy has emerged from a widely-shared optimism that the decentring of the sovereign state and the fragmentation of authority to evolving transnational networks of civil society organizations in a multi-level system of global governance represents a positive development promising greater accountability, broader participation, and enhanced problem-solving capacity. Haas (2004, p. 3), for example, welcomes 'the proliferation of new political actors and the diffusion of political authority over major governance functions, particularly in the environmental sphere.' These new actors include NGOs, multinational corporations (MNCs), transnational policy and scientific networks, and international institutions. The optimists view these networks and their proficiency with social media as multiplying channels of political access and levelling the playing field, creating the opportunity for multi-stakeholder initiatives to advance mutual interests and solve complex problems (Keck and Sikkink, 1998; Slaughter, 2004).

Critical Perspectives on PCSR

More critical scholars have suggested that this view of PCSR is overly optimistic and neglects asymmetric interests and power, such that the practice of civil society interactions is far from the ideals of deliberative democracy (Edward and Willmott, 2013). Critical perspectives emphasize structural features of capitalism, such as capital markets and corporate governance processes, which generate antagonistic business-society relations and provide business with substantial advantages when facing civil society challenges (Banerjee, 2008). PCSR, from this perspective, reflects contestation between NGO challengers pushing for change and companies attempting to sustain corporate legitimacy, deflect regulatory threats, and maintain market position (Shamir, 2004). In these struggles, firms are generally the dominant actors with greater resources, while NGOs are challengers, 'those individuals, groups and organizations seeking to challenge the advantaged position of dominants or fundamental structural-procedural features of the field' (McAdam and Scott, 2005, p. 17). Fooks et al. (2013, p. 283), for example, describe the tobacco industry's CSR efforts as 'a tool of stakeholder management aimed at diffusing the political impact of public health advocates by breaking up political constituencies working towards evidence-based tobacco regulation.'

Critical perspectives on PCSR frequently challenge idealistic notions of deliberative democracy and functionalist approaches to global governance, where public-minded actors collaborate in finding rational, technical solutions that serve 'the interest of a globalized society' (Scherer and Palazzo, 2011, p. 921). For instance, Edward and Willmott (2013, p. 564) contest Scherer and Palazzo's (2007, p. 1110) portrayal of the Forest Stewardship Council (FSC), citing a 2004 Rainforest Foundation report that criticized the FSC's lack of transparency or democratic accountability, and the dominance of certification bodies and their commercial clients in decision-making. Similar multi-stakeholder initiatives, such as the Global Reporting Initiative, have also been increasingly dominated by business actors, especially consultants and accounting firms (Levy et al., 2010). Willke and Willke (2008, p. 35), argue that deliberative democracy is an illusory panacea for globalized, complex societies in which 'there are no common goals, values and goodwill, but instead highly contested and competing goals, distinctive and divisive values.' Similarly, critical approaches to global governance argue that these processes and structures are neither democratic nor equitable (Gill, 2002), and that voluntary business participation in informal processes is not likely to strengthen business accountability (Willke and Willke, 2008, p. 32). Corporate participation in governance can then represent a troubling trend toward private regimes dominated by MNCs and industry associations serving their own particular interests (Clapp, 1998; Cutler, 2006). The privatization of governance extends to the investments and practices of large companies, because of their impact on the environment, working conditions, and consumer identities (Levy and Kaplan, 2008, p. 442).

Value Regimes and a Neo-Gramscian Approach to Political CSR

Here we develop a perspective on PCSR that avoids the overly idealistic vision of deliberative democracy, but also rejects the conclusion that, in the face of structural power, CSR cannot achieve meaningful change. Instead, we propose a more pragmatic approach that integrates and extends elements of the optimistic and critical perspectives, drawing from neo-Gramscian theory to understand PCSR as an extended, interactive, and somewhat unpredictable process in the context of value regimes with intertwined economic, normative and governance dimensions. Business and NGOs thereby employ a wide repertoire of CSR tactics that extend beyond deliberative debate, for example, including media campaigns, commissioning expert reports, coalition building, lobbying, and direct market interventions (Young, 2001).

In recent years, neo-Gramscian scholars have examined contemporary political, cultural and economic currents in fields as diverse as international political economy (Cox, 1996; Jessop, 2010), social movements (Barker et al., 2001), and organizational control and resistance (Mumby, 2005). This work draws from Gramsci's key concept of hegemony as consensual stability of dominant groups in modern capitalist societies (Fontana, 2006; Levy and Egan, 2003), which is achieved, despite inequalities, with a measure of economic and political accommodation with subordinate groups, and through ideological articulations that align identities and interests (Laclau and Mouffe, 1985, p. 67).

Hegemony thus entails 'not only a unison of economic and political aims, but also intellectual and moral unity... In other words, the dominant group is coordinated concretely with the general interests of the subordinate groups' (Gramsci, 1971, p. 181). Hegemonic stability rests on an alignment of mutually reinforcing economic, normative, and governance processes and structures, whether at the level of the global economy (Cox, 1987; Gill, 2002) or contested issue arenas (Jessop, 2010; Levy and Scully, 2007).

We develop the concept of 'value regimes' as political arenas in which civil society and business interact (Arvidsson, 2010; Levy and Spicer 2013, p. 673). Drawing insights from Gramsci's hegemony, we propose that value regimes achieve a degree of stability when three inter-related dimensions are aligned: *Economic models of value creation and distribution*, including processes of production and exchange, mechanisms of valuation, and their associated market structures and business models; *Normative and cultural values* regarding the moral and social value of products, lifestyles, the natural environment, and labour conditions; and *governance mechanisms*, representing formal and informal rules, power relations, technical standards, and organizations with authority (Brunsson et al., 2012).

The dialectic relationship between economic and normative value reflects Appadurai's (1986, p. 57) work on 'regimes of value' and Boltanski and Thévenot's (2006) 'regimes of worth'. The interaction of markets and culture, and the relationship between economic and discursive power, has also been prominent in cultural political economy (Amin and Thrift, 2004; Jessop, 2010) and the social movements literature (Bartley and Child, 2014). The term 'regime' alludes to formal and informal governance mechanisms that regulate the system, including the structural resilience that derives from the alignment of its components; in this sense, governance is intrinsic to value regimes (Smith and Sterling, 2006). This notion of regimes as stabilized configurations that privilege certain actors, technologies and values is echoed in notions such as sociotechnical regimes (Geels, 2004), world ecological regimes (Moore, 2003), and regimes of accumulation (Aglietta, 1979).

We conceptualize PCSR as part of a struggle, both collaborative and conflictual, to construct, challenge, or defend value regimes. As Ougaard (2006, p. 236) observes, 'the CSR movement is a discursive and material struggle about business practice; it represents a politicization of the social content of the institutions that govern private economic activity.' A neo-Gramscian lens provides valuable insights into this struggle, and how ostensibly participative multi-stakeholder processes might come to be dominated by business interests and discourse (Edward and Willmott, 2013). Young (2001, pp. 585–6) suggests that Gramsci's hegemony is closely related to Habermas' 'systematically distorted communication', and 'refers to how the conceptual and normative framework of the members of a society is deeply influenced by premises and terms of discourse... The theory and practice of deliberative democracy have no tools for raising the possibility that deliberations may be closed and distorted in this way. It lacks a theory of, shall we call it, ideology'. The theory of hegemony also casts doubt on the optimistic view that civil society represents a countervailing force to business and the state in deliberative democracy (Teegen et al., 2004). For Gramsci, civil society is at once a semi-autonomous arena in which contestation is possible, but simultaneously serves as the 'fortresses and earthworks' (Gramsci, 1971, p. 238) of hegemony where dominant ideas and practices are embedded into the institutions and culture of society.

Yet while hegemonic stability provides structural advantages to dominant groups, it is contingent and temporary; external shocks and evolving contradictions within and across the three dimensions can trigger crises and open space for strategic action (Fontana, 2006; Jessop, 2010). Indeed, it is precisely the complexity, dynamics, and indeterminacy of hegemonic structures that provide the potential for weaker groups to develop coordinated strategies targeted toward the normative, economic, and governance dimensions of value regimes. The change process is a 'war of position' (Gramsci, 1971, p. 234), a long-term struggle rather than a frontal assault. As Jessop (2010, p. 348) argues, reconstructing a regime requires a systemic strategy that entails 'the re-thinking of social, material and spatio-temporal relations among economic and extra-economic activities, institutions and systems and their encompassing civil society.' Implicit here is a conception of power in which smart strategy can outmanoeuvre structurally advantaged actors (Levy, 2015; Levy and Scully, 2007). Vaccaro and Palazzo, 2014, for example, showed how anti-mafia activists in Italy strategically deployed values to undermine the 'protection money' system, while mobilizing consumers, industry associations, and firms around a new business model. Strategic power is also curtailed, however, by the same forces of indeterminacy and complexity, which limit the ability of agents to anticipate every contingency.

Neo-Gramscian scholars suggest that CSR is political precisely as an effort to shape hegemonic *representations* of the common interest, and point to contestation over the very meaning of CSR (Levy and Kaplan, 2008, p. 443). For activists, CSR connotes a logic of 'civil regulation' (Matten and Crane, 2005) that strives for corporate accountability and transparency; for business, CSR bears a more instrumental logic of reputation and risk management (Den Hond and De Bakker, 2007; O'Rourke, 2006). Both activists and business portray CSR as win-win, even with different conceptions of its purpose and content. Indeed, the hegemonic appeal of CSR resides partly in its discursive claim to reconcile these differences (Åhlström and Egels-Zandén, 2008). Thus when firms embrace CSR, they reinterpret it to suit their discursive frames and business models. Livesey (2002), for example, explored how Shell's embrace of sustainable development did substantially affect the company, but also transformed the meaning of sustainability itself. The resulting tension for challenger NGOs is that a radical stance risks marginalization while pragmatic engagement with business is more likely to win legitimacy and facilitate change. This 'accelerates the pace, but dilutes the radicalness of institutional innovation, ensuring ongoing, incremental field change' (Van Wijk et al., 2013, p. 358).

These dynamics of PCSR can be examined through Gramsci's concept of 'passive revolution', referring to the reformist changes adopted by dominant groups to accommodate pressure from challengers (Morton, 2010). Passive revolution entails complex processes of mutual adjustment and accommodation, and typically occurs when challengers lack sufficient power to radically transform a regime, while dominant incumbents are too weak to resist change. This might happen because challenger groups are disorganized, they present narrow demands, or because the pressure for change reflects 'a "revolution from above", involving elite-engineered social and political reform' rather than a broad-based popular movement (Morton, 2010, p. 317). The outcome is what Gramsci (1971) termed 'revolution/restoration', where relations between capital, civil society, and the state adapt to absorb threats, but are reconfigured in the process. Firms frequently adopt elements of the discourse and practice of CSR, redefining them in the process. They attempt to build relationships with more mainstream NGOs and develop new business models around 'sustainable' products and practices, while protecting core market strategies.

In sum, the concepts of 'value regime' and 'passive revolution' promise to serve as useful frameworks to interpret PCSR interactions between businesses and NGOs. We thus seek to analyze more specifically PCSR as a process by which incumbents and challengers interact around sustainability practices, shifting the structure of value regimes and changing the practice and meaning of sustainability in this process. Based on our findings, we develop a process model of PCSR that elaborates specific dynamics of value regime transformation to inform future research.

METHODS AND DATA

Our explorative study combines multiple data sources to investigate how the practice and meaning of CSR are shaped through business-NGO interactions in the global coffee sector, and how these shaped a 'sustainable' coffee value regime. Sustainable coffee is a suitable case because of the rapid adoption and shifting content of sustainability standards, and debates over their impact (Bitzer et al., 2008; Kolk, 2005; Manning et al., 2012). Findings from this empirical investigation will inform a process model of PCSR we elaborate in the discussion section.

Our data are drawn from multiple sources: 64 interviews, participant observation, and archival data. 61 interviews were transcribed verbatim, yielding over 620 single-spaced pages. Our data collection comprised three phases between 2001 and 2013. In 2001/2, we focused on early attempts of incumbents, development agencies and local stakeholders to make coffee growing practices more sustainable. The focus was the development of the Common Code for the Coffee Community (4C) – a corporate standard which has been critical in translating baseline prerequisites for sustainability into the mainstream. 11 interviews were conducted with representatives of leading 4C sponsors, including Kraft Foods (N = 2), other corporate actors (N = 3), and the German development agency GIZ (N = 6). Interview selection focused on key actors initiating and coordinating pilot projects and follow-up processes. Interview questions emphasized drivers of actor involvement, negotiation processes and project implementation challenges.

In 2007/2008, an in-depth case study was conducted of Fairtrade International as a key challenger and standard-setter that 'impacted other operators and prompted the emergence of other sustainability regimes' (EU Commission, 2009). During the research, Fairtrade underwent a Strategic Review and developed a new business model, providing an ideal context to understand the increasing influence of corporate standards such as 4C. One author spent about 9 hours per day over six months sharing offices and attending meetings to collect observations of the standards development process. Interviewees included all staff members working on standards development as well as selected respondents with Fairtrade's certifier, FLO-CERT (N = 26). Additional interviews were conducted with corporate adopters of the Fairtrade label (N = 3) and external consultants (N = 2). Interviews focused on the aims and governance of Fairtrade, interactions with mainstream market actors, and ongoing organizational changes.

In 2010/11, we conducted 22 additional interviews to complement the previous two rounds of data collection and focus on the evolving sustainability standards movement. We followed up with representatives of 4C (N = 2) and Fairtrade (N = 3), and we selected interviewees from other standards organizations – both the NGO Rainforest Alliance (N = 4) and the corporate standard Nespresso (N = 2) – as well as coffee roasters (N = 4), producers (N = 3), experts and development agencies (N = 4) to better understand field-level dynamics. The selection of interview partners across organizations was guided by a 'snowball technique' (Lincoln and Guba, 1985). Interviews focused on the growing influence of business concepts such as quality control, productivity and supply chain security, in shaping the sustainability agenda.

In addition, one author has been a regular participant in sustainability standards conferences since 2007. To illustrate, in 2012/2013 she visited ISEAL Alliance's annual conference, Rainforest Alliance's standards revision workshop, a sustainable supply chain conference, and a sustainability standards conference in Cameroon. This allowed numerous informal conversations with standards representatives and industry actors regarding emerging trends.

Finally, we gathered archival data, including publicly available information from standards setters, research institutions, coffee roasters, and retailers spanning the period from 2001 to 2014. We reviewed annual reports, press releases and standards documents, industry statistics and reports, and benchmarking studies. We also screened historical studies on the sustainability movement to capture longer-term dynamics.

Data Analysis

In an inductive process, we iterated between data, literature and emerging theory (Glaser and Strauss, 1967). We categorized raw data, linked categories to themes by means of axial coding (Corbin and Strauss, 2008), and aggregated findings into a processual theoretical framework (Pratt et al., 2006). Taking a neo-Gramscian perspective, we used key concepts, such as 'value regime' and 'accommodation', as sensitizing devices to explore strategies of both NGOs and industry incumbents. Sensitizing devices do not 'provide prescriptions of what to see' but can 'suggest directions along which to look' (Blumer, 1954, p. 7). Our data analysis followed a *step-wise approach* (see coding tree in Figure 1).

First, we used open first-order coding to identify various activities and strategic decisions made by NGOs (challengers) and companies (incumbents) in shaping the sustainability standards arena. We listed changes grouped by actor type and ordered them chronologically. We then contrasted the dominant coffee value regime from the early 1990s with challengers' projects and incumbents' responses over time (see Table I). We thereby operationalized the changing value regime by comparing core normative-cultural values and beliefs, economic models of value creation and distribution, and governance mechanisms, both formal and informal. For each dimension, we defined a list

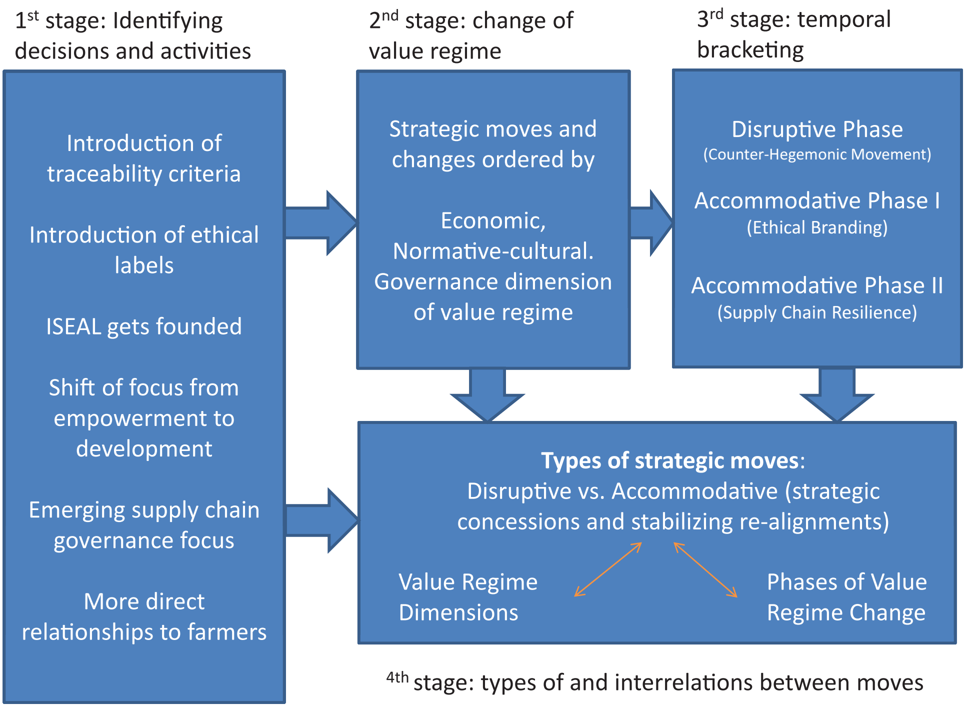

Figure 1. Coding tree

of guiding questions and key terms to facilitate the categorization of properties of the coffee value regime and changes over time (see Table II).

Second, we engaged in second-order coding to specify activities and decisions in terms of what we call 'disruptive' or 'accommodative' moves. We thereby used our guiding questions to further operationalize the value regime concept and categorize each move as either primarily 'economic', 'normative-cultural', or 'governance'.

Third, we used 'temporal bracketing' (Langley, 1999; Van de Ven and Poole, 2002) in order to structure the historical evolution of the coffee value regime. We identified three phases: Disruptive Phase; Accommodative Phase I; and Accommodative Phase II. For each phase, we identified key events and dynamics that indicated a discontinuity with the previous phase, such as the introduction of ethical labels by NGOs (see in detail below). Following Langley (1999), we do not conceptualize transitions between phases as a predictable sequential process nor as sharply distinct. Rather, they are cumulative in that interaction patterns between sustainability standards and the emerging coffee value regime have co-evolved over time. While each phase represents a shift in meanings and practices, elements from prior phases endure.

Fourth, we used axial coding to inter-relate our inductive categories, in particular the various disruptive and accommodative moves, and the three phases of development of the 'sustainable' coffee value regime. To promote inter-coder reliability, authors coded and categorized various moves independently. We arrived at similar categories but also encountered differences, such as the number of distinctive types of moves. This conversation forced us to be more specific about the different types and how each type

Table I. Mainstream coffee value regime, challenger coffee project coffee and negotiated 'sustainable' coffee regime

	Mainstream coffee value regime	*Challenger coffee project*	*Negotiated "sustainable" coffee regime*
Main actors	Mainstream coffee roasters including Nestlé, Kraft Foods/Mondelez, Sara Lee, Procter & Gamble [coffee business bought by Smucker's in 2008], Strauss, Tchibo, Aldi, Starbucks, Lavazza, Segafredo, coffee traders and retailers.	Fragmented alternative trade movement consisting of alternative trading organizations, specialty roasters, world shops, development organizations, NGOs. Later: NGO-led labels Organic, Fairtrade, Rainforest Alliance and Bird Friendly.	Mainstream coffee roasters, traders and retailers; NGO & industry-led sustainability standards (40% of global coffee production) including 4C (22%), Utz Certified (9%), Starbucks C.A.F.E. Practices (6%), Fairtrade (5%), Rainforest Alliance (4%), Organic (3%), Nespresso AAA (3%). Certification bodies, auditors and consultants.
Economic model of value creation	Squeezing suppliers to offer coffee cheaply to consumers. Market-based business model and commodity product. Bulk coffee accounts for majority of coffee traded.	Value is distributed more equitably along the value chain. Coffee is differentiated according to various attributes of quality, including taste, origin and certifications.	Sustainability to protect brand reputation and secure supply chain resilience.
Normative-Cultural values	Neo-liberal ideology of free markets and minimum intervention. Consumption end: Coffee as a standardized commodity.	Fairness, sustainability, economic justice, trading partnership. Coffee as an expression of ethical and political consumption.	Sustainability both as an expression of corporate social responsibility as well as a safeguard for consumer quality and long-term economic viability.
Governance	Captive value chain (Gereffi et al., 2005): Lead firms determine prices and conditions to large, fragmented base of coffee farmers. Post-ICA: Weakening of The International Coffee Organization. Price determined by Coffee 'C' future traded on the Intercontinental Exchange.	Direct relations of exchange/Trading partnership model based on trust. Shifting power upstream to empower marginalized producers. Encourage co-operative forms of organization. Multi-stakeholder participation in standards governance.	Soft re-regulation of the supply chain. External certifications and third party guarantees *or* internal monitoring and verification system. Multiple stakeholders engaged in developing, implementing and monitoring standards. Chain of custody certification for traceability of coffee. ISEAL Credibility Principles.

Table II. Guiding questions to operationalize value regime concept

Value regime dimension	*Guiding questions*	*Examples of key terms*
Economic model of value creation	How are economic benefits generated and distributed across actors? What contributes to the generation of economic value? What are the economic benefits of sustainability standards?	Brand value, profits, costs, revenue, reputation, buying power, securing supply
Normative-Cultural values	What does sustainability mean? What should be the normative principles on which costs and benefits are distributed? What are the cultural practices associated with sustainable coffee?	Norms, values, principles, criteria of evaluation and assessment
Governance	How are buyer-supplier relationships organized? Model of value chain governance (e.g., Gereffi et al., 2005) and power relations What do practices of standards setting and monitoring look like? Which actors play a role in the governance process? Who holds regulatory authority?	Structure, regulation, certification, roles, intermediation, monitoring, control

systematically inter-relates with other dynamics, for example, the phases and overall evolution of the value regime.

Research Context

The share of sustainably produced coffee has soared from less than 1 per cent in 2000 to 13.5 per cent in 2008 and 40 per cent in 2012. Coffee is the most widely traded agricultural commodity in the world, accounting for exports worth an estimated \$33.4 billion in 2012 (SSI, 2014). Downstream, the coffee market is characterized by concentrated market power. The world's five largest multinational roasters, Nestlé, Mondelez (previously Kraft), Sara Lee, Smuckers (which acquired Procter & Gamble's coffee business in 2008) and Tchibo buy almost half of the global supply of green coffee beans. Three trading companies, Neumann Gruppe (Germany), Volcafé (Switzerland) and ECOM (Switzerland) together trade half the world's green coffee beans.

Downstream, production is fragmented. 25 million smallholders depend on coffee for their livelihoods and produce 80 per cent of the world's coffee. Smallholders with little market power are often forced to sell their green coffee beans below production cost, leading to dire consequences, including poverty, disintegration of families and communities, and migration to cities. On plantations, workers suffer from poor living conditions, low wages and insecure employment. Grown in the tropics, the conversion of forest habitat, biodiversity loss, soil erosion, agrochemical use, water use and pollution, and changing weather patterns are key environmental challenges that endanger the health of coffee communities as well as the planet.

Prior to 1989, the coffee value regime was structured by the International Coffee Agreement (ICA), a quota system that stabilized prices and attenuated competition.

Figure 2. Historical chart for ICE futures U.S. Coffee "C" (Arabica) 1989–2013

Major importing countries, particularly the USA, viewed this system as a means to support Latin American economies and insulate producers from volatility (Talbot, 2004). Its collapse in 1989 led to a liberalized but highly volatile market regime. Figure 2 presents a historical chart of the benchmark New York Coffee (Arabica) price. Price volatility, ranging from the all-time low of $0.42/lb in October 2001 and the 34-year high of $3/lb in April 2011, reflects supply disruptions, such as frost damage in the Brazilian highlands, the entry of new exporters such as Vietnam in the late 1990s, and commodity speculation.

The coffee sector has pioneered voluntary sustainability initiatives (Kolk, 2005; Manning et al., 2012; Ponte, 2002). NGO-led standards have emerged from multiple experiments with alternative methods of coffee production and trade. These standards include Organic/IFOAM (1972), Fairtrade (1988/9), Rainforest Alliance (1995) and Bird friendly (1999). They have played a key role in restructuring the coffee value regime by leveraging consumer trends to pressure coffee brands into adopting sustainable practices. Coffee brands started adopting NGO standards in early 2000s, but also created their own programmes. Industry-led standards include Utz Certified created by the Dutch 'Ahold Coffee Company' (2002), Starbucks' C.A.F.E. Practices (2004), The Common Code for the Coffee Community (4C) (2003/operational in 2007), and Nespresso 'AAA' Sustainable Quality (2004).

CO-CONSTRUCTING A SUSTAINABLE COFFEE VALUE REGIME

Our findings explain the emergence of sustainability in the coffee sector as a co-evolutionary process in which challenger NGOs and business incumbents contest and co-construct the coffee value regime and the meaning of sustainability. Table III provides a summary of the three interrelated and overlapping phases in this process,

Table III. Three phases in the co-evolution of the sustainable coffee value regime

Actors	*Challenger movement/NGOs*	*Industry incumbents/Coffee roasters*
	Disruptive Phase: Counter-Hegemonic Movement [1970s – 1990s] Niche challengers confront mainstream incumbent value regime	
Economic model of value creation	Alternative trade initiatives emerge outside mainstream market. Niche model/Sales through alternative outlets (specialized organic shops, churches etc).	Multinational roasters use coffee as a source of monopoly rents. Coffee roasters use buying power and abundant supply to drive down prices. Coffee is marketed as cheap, standardized commodity.
Normative-cultural values and meanings	Multiple meanings: fair and alternative trade, green, protecting biodiversity and animal habitat, alternative farming. Demarcation from mainstream. Ethical coffee consumption as radical critique of neoliberal trade policies and environmental decline.	Firms ignore NGOs/Denial of responsibility.
Governance	Partnership model of trade based on trust within more direct relationships. Fragmented movement without centralized structures.	Liberalized market regime with multiple intermediaries. Lead firms determine prices and conditions of trade to large, fragmented base of coffee farmers.
	Accommodative Phase I: Ethical Branding [Since 1989] Sustainability becomes part of firms' branding and CSR strategy	
Economic model of value creation	*Accommodation #1*: NGOs offer a label with ethical brand value in exchange for license fee. **[strategic concession]** *Accommodation #7*: Sustainability is rendered less disruptive to incumbent business model (fair versus floor price). **[strategic concession]**	*Accommodation #2*: Coffee brands introduce certified premium coffee lines. **[strategic concession]** Market differentiation to address premium consumer segment. Standards used as tools to enhance brand value, demonstrate CSR and manage reputational risk.
Normative-cultural values and meanings	*Accommodation #3*: NGO discourse shifts from revolution to sustainable development.	*Accommodation #5*: Coffee roasters introduce traceability, quality and productivity as part of sustainability.

Table III. *Continued*

Actors	*Challenger movement/NGOs*	*Industry incumbents/Coffee roasters*
	[stabilizing re-alignment] Convergence on the meaning of sustainability.	**[stabilizing re-alignment]** Mobilization of quality-conscious and ethical coffee consumer culture.
Governance	*Accommodation #6*: NGOs create certification as governance mechanisms. **[stabilizing re-alignment]** Creation of ISEAL Alliance as a platform.	*Accommodation #4*: Mainstream coffee roasters set up their own standards. **[strategic concession]**
	Accommodative Phase II: Supply Chain Resilience [Since 2008] Sustainability becomes anchored in firm's procurement strategy	
Economic model of value creation	*Accommodation #10*: Standards become providers of supply chain services helping firms source good quality coffee. **[strategic concession]** Professionalization of standards systems.	*Accommodation #8*: Coffee roasters seek to secure sustainable supply through standards and certification (40% of global production by 2012). **[strategic concession]** Standards as 'core' business: Tools for managing procurement and supply chain risks.
Normative-cultural values and meanings	*Accommodation #11*: NGOs shift from a focus on empowerment to productivity. **[stabilizing re-alignment]**	*Accommodation #9*: 'Shared value' discourse: Linking sustainability to quality, secure supply and well-being of coffee growers. **[stabilizing re-alignment]**
Governance	*Accommodation #12*: NGOs accept industry standards as legitimate but define norms of standards credibility. **[strategic concession]** ISEAL Credibility Principles and codes of conduct.	*Accommodation #13*: Coffee roasters adopt relational supply chain governance. **[stabilizing re-alignment]** Building more direct relationships with farmers in partnership with standards, consultants, traders, development agencies.

illustrating key moves grouped by actor type and along three dimensions: economic, normative-cultural, and governance.

Disruptive Phase: Counter-Hegemonic Movement

Following the collapse of the ICA in 1989 and the ensuing coffee price war, grassroots activists raised concerns regarding environmental impacts, working conditions, and incomes for growers. In this 'disruptive' phase, challengers sought to disrupt the hegemonic stability of the dominant coffee value regime. Various independent coffee initiatives during this phase established an alternative niche market. They were small and marginalized, but represented a potentially disruptive challenge by proposing alternative economic models, normative values, and governance mechanisms. The Fair Trade movement supported independent, small-scale cooperatives, often using organic methods, as a counter-movement against industrialized agriculture; and the Rainforest Alliance developed production practices for sustainable, shade-grown farming in the tropics.

In terms of *normative-cultural values*, challengers initially pursued a radical agenda based on antagonism to mainstream importers, retailers and multinationals, and opposition to the ideologies of globalization, imperialism and neoliberalism; they were not promoting CSR. A Fairtrade respondent (2007) described the ideological motivation:

> In the past Fair Trade was... born out of a real thinking of the need for an alternative way of trading. It was about NOT working within the global market!

Fairtrade was used as 'a political instrument to support political endeavors of freedom movements' (Fairtrade Producer Consultant, 2007), such as circumventing US sanctions against Nicaragua's Sandinista government.

Economically, the challengers targeted a small consumer base, relying on 'alternative' distribution channels, such as farmers' markets, churches, and specialized shops such as Oxfam. Lacking scale economies, mostly poor quality coffee was sold at premium prices to ideologically committed consumers. In terms of *governance*, the challengers' projects were politically fragmented, focused on different goals, and disorganized as a movement. Disengaged from and ignored by the mainstream value regime, they did not see a need to certify coffee for consumers or mainstream coffee roasters and retailers.

Accommodative Phase I: Ethical Branding

Our data revealed a second phase shifting from disruptive to more accommodative moves (Table III, Accommodation 1–7), as challengers sought to permeate the dominant value regime around the principle of 'ethical branding'. This phase was driven by a co-evolutionary process in which both parties made 'strategic concessions' and 'stabilizing re-alignments'. By 'strategic concessions' we mean offerings of contingent solutions that reduce distance between challengers' projects and incumbent regimes, while also potentially destabilizing existing regimes or challengers' projects respectively. Stabilizing re-alignments are then needed to reconfigure internally the economic, governance, and normative dimensions of a value regime. This dynamic succeeded in encouraging large coffee companies' to adopt sustainability as part of their branding and CSR strategy. By 2008, a 'sustainable' market segment had emerged, reaching 13.5 per cent of global production and 6 per cent of sales by 2010 (TCC, 2009).

Accommodation 1: Strategic concession (economic) – challengers offer a label with ethical brand value. The first major accommodation from NGOs was the introduction of ethical labels. Over time, they realized that 'the revolution won't come tomorrow' (Fairtrade CEO, 2007), and that their economic niche model would not foster transformation in a market dominated by powerful roasters and retailers: 'If it is only in the specialized world shops, you will never sell a lot. . . If you really want to make a big impact, we have to work with the commercial market', a Fairtrade respondent (2007) respondent explained. This desire to affect the mainstream aligned with the goal of alternative producers to expand their sales, as Fairtrade's former Managing Director (2007) commented:

> Producers at that time thought that it was all very nice, but didn't get them anywhere. They wanted to get into the mainstream. One idea rising was to set up labelling, to get big companies involved in Fair Trade, who were at the time the most vocal opponents to the idea of alternative trade.

Ethical labels provided an opportunity through the monetization of ethical brand value, which could be captured by coffee roasters and retailers. Standards and labels were introduced, including Organic (1978), Fairtrade (1989), Rainforest Alliance (1991); and Bird Friendly (1999). NGOs thus gradually repositioned themselves as business partners rather than adversaries. Commercial roasters and retailers paid a licensee fee to certify their products' ethical value, tapping into an emerging quality-conscious consumer segment. For NGOs, mainstreaming was a strategy to grow sales volume and broaden the participation of producers in alternative markets. A Fairtrade respondent (2007) exclaimed: "It has a double and triple effect with big firms. We get the volume!"

Accommodation 2: Strategic concession (economic) – incumbents introduce certified premium coffee. Initially, the mainstream coffee sector resisted the adoption of NGO labels, illustrating the power of incumbents and the inertia of the value regime. By 1997, none of the major firms – Kraft, Nestlé, Proctor & Gamble, and Sara Lee – had adopted a standard nor publicly acknowledged any responsibility for coffee farmers or growing conditions. From the late 1990s onwards, however, challengers leveraged an emerging consumer segment that fused demand for premium speciality coffee with concerns regarding economic justice and sustainability. In developed coffee markets such as Western Europe, North America and Japan, this new consumer culture flourished alongside the expansion of retail coffee chains such as Starbucks. In the early 2000s, major coffee roasters responded by adopting NGO labels, following a series of grassroots campaigns led by student, environmental, faith, and social justice organizations. For instance, Starbucks had been subject to 'name-and-shame' campaigns since 1994, but only entered an agreement in 2000 with TransFair USA marketing director, quoted in GlobalExchange, 2003 to sell Fairtrade certified coffee in the USA after an intense campaign by Global Exchange in 1999 that publicly attacked the brand and organized in-store protests.

Mainstream adoption was celebrated as 'a dramatic moment' (TransFair USA, 2003) and 'a huge victory for farmers whose incomes will triple, as hundreds more farmers will be able to sell their coffee at Fairtrade prices' (Equal Exchange, 2000). By 2005, Kraft Foods, Sara Lee, Procter & Gamble, and Nestlé had all introduced certified sustainable product lines.

Mainstream coffee brands thus turned activist pressures and reputational threats into a strategic opportunity to develop sustainable coffee into branded premium market niches. This co-evolution of NGO and business strategies, of normative values and economic value models, generated increasing alignment in the changing coffee value regime.

Accommodation 3: Stabilizing re-alignment (normative-cultural) – challengers' discourse shifts from revolution to sustainable development. When NGOs introduced licensed coffee labels for mainstream coffee roasters, the new, more accommodating, economic strategy represented a misalignment with their former radical anti-corporate discourse. Over time, NGOs realigned their values with those of coffee firms and a broader consumer base. NGO-led standard-setters reframed their aims as 'poverty reduction' and 'sustainable development' rather than a new economic order, much to the dismay of some early pioneers (Boersma, 2009). Fairtrade displayed strategic skill in weaving the sustainability discourse into a hegemonic representation of joint interests and values, despite tensions. For consumers, Fairtrade offered organic, quality coffee with expressions of concern for the environment and growers. For farmers, it offered expanding markets, higher prices, and improved pay and working conditions.

NGOs justified the 'unholy alliance' with mainstream industry by framing it as necessary to mobilize vast private-sector resources and increase impact. Ethical labels were marketed as offering mainstream adopters a reputational 'halo' effect without conceding that their general business model was 'unfair' trade or 'unsustainable'. This subtle discursive shift from radical notions of alternative trade to more mainstream understandings of sustainability illustrates how NGOs implicitly accepted and gravitated toward the hegemonic coffee value regime. Indeed, one conference participant noted that sustainability conferences used to be attended by 'eco-activists in Birkenstock [sandals]', now 'everyone comes in a pin-stripe suit.'

Accommodation 4: Strategic concession (governance) – challengers create certification systems. NGOs introduced formal certification systems to replace trading relationships based on personal trust. As NGOs embraced mainstream actors who were not inherently committed to sustainability ideals, they realized the need for a monitoring mechanism governing production and trade. As a Fairtrade respondent (2007) explained, 'once you have lots of actors in the system who don't have a fundamental commitment to what you do... you have to police them.' Over time, however, certification shifted from protecting NGO principles toward protecting corporate brand value. The coffee majors demanded professional risk management. 'I'm not willing to connect my name, my brand with a label that has no external risk management,' was the response from a respondent from a major retailer. The Fairtrade certifier (2007) explained that 'certification is like a quality management system: the market wants that we do it.' This governance mechanism focused on quality management to legitimize sustainability standards, just as the Global Reporting Initiative sought legitimacy by aligning non-financial with financial reporting (Etzion and Ferraro, 2010).

The shift towards certification created a costly bureaucratic apparatus 'which is all about checking' (Fairtrade respondent, 2007). It provided a quality and risk management tool that rendered sustainable production manageable and predictable. Rather than empowering producers, certifiers became focused on 'saving the face of companies' by managing reputational risks in supply chains and providing assurances that 'they ticked all the boxes' (Fairtrade respondent, 2007). While buyers were the main beneficiaries, producers had to bear 'the costs of building up this entire system' (Fairtrade respondent, 2007) and pay for certification services. Moreover, professional service providers, including consultants and third-party auditors, saw the emerging certification market as a business opportunity and soon became powerful actors in the governance structure. They redefined sustainability in ways that could be measured and audited for compliance, encouraging highly codified systems such as ISO 65. Overall, sustainability as 'big business' (coffee roaster, 2007) shifted the balance of power from NGOs to corporate actors.

Accommodation 5: Stabilizing re-alignment (normative-cultural): incumbents introduce traceability, quality and productivity. Coffee roasters and retailers initially adopted NGO-initiated standards, but then sought to modify them to control coffee quality and trace product origin, providing chain of custody assurance. Coffee firms introduced requirements for quality, productivity and traceability into the definition of sustainable coffee alongside better pay, working conditions and environmental protection – a move which required designing their own standards to suit their business models.

Accommodation 6: Stabilizing re-alignment (governance): incumbents establish standards. In-house standards, such as Nespresso's 'AAA' (2003), Starbuck's C.A.F.E. Practices (2004) or Illycaffè's Responsible Supply Chain Process (2011), were designed to meet the specific sourcing needs of high-quality coffee roasters, including provisions for quality, productivity and traceability. While Fairtrade targeted small-scale farmers, mainstream coffee actors developed *entry-level* standards with broader reach and that targeted only the most 'unsustainable' producers (4C, 2007). For example, Utz Certified, developed by Ahold Coffee (2002), and 4C (2007), sponsored by an industry coalition, expanded certification to large-scale plantations. 4C offered neither an ethical label nor certification, but instead provided a baseline standard focused on eliminating 'worst practices.' It also promoted itself as a 'platform for dialogue' in which 'competing elements in the coffee business,' including dominant roasters, could express their needs (4C, 2007).

The emergence of industry-led standards generated several unintended consequences, including increasingly intense competition among standards. Coffee firms now enjoyed many options to demonstrate their corporate responsibility, creating pressure on NGOs: 'it is about surviving on the market' (Rainforest Alliance respondent, 2010). To remain competitive, standards were increasingly influenced by 'what the market wants'

(Fairtrade, 2007), such as product traceability while compromising on other goals, such as fair prices.

Accommodation 7: Strategic concession (economic) – from fair to floor price. The Fairtrade coffee price review saw the 'fair' price shift to a 'floor' price, illustrating how NGOs accommodated market pressures. In 2006, Fairtrade coffee producers demanded a \$0.10 increase on the 'fair' price, which had not changed in over 15 years since it was set at \$1.20 per pound in 1989. Inflation adjustment alone would indicate an increase of almost \$1. By the time the seven-member multi-stakeholder Standards Committee entered final negotiations in November 2007, the market price had risen to over \$1.40. While producers argued it was a 'good moment to increase the coffee price,' Fairtrade was concerned that an increase would 'significantly reduce sales or limit growth, which would actually harm producers most'. Labelling representatives objected on the basis of 'competition' and 'more and more pressure coming from other labels.' One big coffee roaster had recently switched to UTZ Certified, which lacked a minimum price. The coffee producer representative insisted that the 'fair' price was 'a cause Fairtrade should stand for as a whole and defend [. . .] even if it costs some market'. He recalled the activist origins of Fairtrade:

> It always takes a risk of being different from the normal market, and Fairtrade *is* different [. . .] It will not be easy, it will always be a big struggle. Producers have to fight to survive, and producers have put hope on Fairtrade that it will defend and take risks together. Ten years ago there was no organic or Fairtrade market, but people struggled because they believed they had a right to do so.

The Standards Committee voted to raise the price by only \$0.05 to set a floor at \$1.25. When the price was further raised to \$1.40 in 2011, Fairtrade (FLO, 2011) admitted the need to 'walk a line between providing the greatest benefit to small-scale farmers and workers, while ensuring market accessibility.'

Accommodative Phase II: Supply Chain Resilience

Through continued mutual accommodation (Table III, Accommodation 8–13), sustainable sourcing further moved from a niche practice to an accepted component of coffee procurement systems. In particular, by establishing the principle of 'supply chain resilience', the mainstream value regime managed to incorporate sustainability into corporate quality and supply chain management, while simultaneously shifting its meaning. By 2012, the share of sustainably produced coffee reached 40 per cent. As participants in this process, NGO activists were 'not sure any longer whether this is now reform or revolution?' (Fairtrade, 2007). A member of both Fairtrade and Rainforest Alliance board of directors (2008) had argued that it was both:

> We have now the civil society-led process that is forcing [companies] to change the way they produce, and that restoration of consumer sovereignty, the restoration of civil society power over corporations, is revolutionary! [. . .] But it is a fundamentally reformist process, and so I turn to my friends on the left and I say: Show me

> something that is having more success in transforming global capitalism than this? And so far, we don't see anything.

The quote above shows that NGOs were fully aware of their role in developing reformist practices that aligned with, and even strengthened, corporate business models. But they did so strategically, seizing the opportunity to create revolutionary change from within the capitalist rationality.

Accommodation 8: Strategic concession (economic) – incumbents seek to secure sustainable supply. Coffee roasters started to justify sustainability as an increasingly strategic concern. Corporate engagement in sustainability projects confronted roasters with the realities that the long-term supply of cheap, quality coffee was endangered by farmers' low productivity and environmental challenges. Thus, sustainability standards became a tool to address a core strategic goal to 'help secure a sustainable supply of coffee to meet growing demand' (Mondelez, 2014). An industry representative proclaimed at a sustainable supply chain conference in Amsterdam, Netherlands, in 2012: 'This is not a branding case, this is a supply chain case.'

In 2008, Starbucks was the first company to commit to buying 100 per cent 'responsibly grown' and 'ethically traded' coffee by 2015, with a ripple effect across the sector. In 2010–2011, major coffee roasters followed with public commitments to specific goals (see Table IV).

The case of Nestlé's Nespresso illustrates how this shift moved the sustainability project further toward integration with the established regime. Nespresso, which seeks the 1 per cent 'highest-quality coffee' ('AA'), found that aging farmers, rural depopulation and a lack of investment posed a strategic threat to long-term supply. As most coffee farmers operated at an economic loss, Nespresso concluded that buyers 'could reasonably expect large-scale exit of coffee producers from coffee-producing zones they depend on for their highest quality coffees' (Nespresso, 2012, p. 8). It partnered with Rainforest Alliance to develop Nespresso AAA, described as 'a unique coffee sourcing program,' which exemplifies the new economic rationale: 'A sustainable approach to coffee production... was the key to preserving the ability to produce consistent quality for the future (Nespresso, 2012, p. 3). To address the problem of 'aging coffee trees and aging farmers', in 2007 Nespresso introduced 'Real Farmers' Income'. Rather than guaranteeing price premiums, farmers' economic benefits would accrue through productivity improvements, lower production costs and better quality. Similarly, other coffee roasters started to argue that 'the future supply of good quality, affordable coffee faces a big challenge' (Mondelez, 2014). With coffee prices reaching a 34-year high of $3/lb in 2011 due to poor harvests in Colombia and Brazil, coffee became increasingly recognized as highly susceptible to climate-related risks, such as plant disease and weather extremes.

Accommodation 9: Stabilizing re-alignment (normative-cultural) – incumbents emphasize 'shared value'. Coffee roasters aligned the economic aim to secure high-quality coffee supply with a discourse related to farmers' well-being. A Nespresso AAA consultant (2010) justified 'Real Farmers' Income' as a better way to assist farmers:

Table IV. Overview of sustainability commitments by major coffee roasters

Coffee roaster	*Sales in metric tonnes MT 2010 (2005)*	*Sustainable coffee sourcing by 2005*	*Sustainable coffee sourcing by 2010*	*Sustainable sourcing commitments until 2015/2020 (date of announcement up to 80% achievement reported by 2014)*
Nestlé	870,000 (780,000)	<0.2% Fairtrade/Rainforest Alliance certified. 4C Member.	0.23% Fairtrade/Rainforest Alliance/UTZ/organic certified. 4.6% 4C/Nespresso 'AAA' verified.	Nescafé Plan (2010) • 100% 4C verified by 2015 & 90,000 MT Rainforest Alliance certified by 2020. • 180,000 MT directly sourced by 2015. • CHF 500 mil. for coffee projects by 2020.
Kraft Foods/ Mondelez	700,000 (780,000)	1.5% Rainforest Alliance certified. 4C Member.	7% Rainforest Alliance certified.	100% certified or verified for its European coffee brands (30% of total) by 2015 using 4C, Fairtrade, and Rainforest Alliance (2010). 'Coffee made Happy' (2013) • 1 mil. coffee entrepreneurs by 2020 & $200 mil. for technical assistance and training.
Sara Lee	450,000 (600,000)	2% UTZ certified. 4C Member.	9% UTZ certified.	20% UTZ certified coffee by 2020 (2011).
Smucker's [until 2008: Procter & Gamble]	250,000 [288,000]	<0.5% Fairtrade/Rainforest Alliance cert.	<0.5% Fairtrade/Rainforest Alliance certified.	10% UTZ certified coffee by 2016 (2012).
Strauss	215,000	None.	None.	Increase sourcing of 4C verified by 20% per annum (2011).

Table IV. *Continued*

Coffee roaster	*Sales in metric tonnes MT 2010 (2005)*	*Sustainable coffee sourcing by 2005*	*Sustainable coffee sourcing by 2010*	*Sustainable sourcing commitments until 2015/2020 (date of announcement up to 80% achievement reported by 2014)*
Tchibo	173,000 (204,000)	0.7% Rainforest Alliance certified. 4C Member.	1.15% Fairtrade/organic certified. 4.3% Rainforest Alliance cert. 4% 4C verified.	25% sustainably verified or certified by 2015; aiming at 100% using 4C, RA, UTZ, Organic (2012).
Lavazza	140,000	None.	None.	No sourcing commitments.
Starbucks	135,000 (141,600)	3.7% Fairtrade certified. 24.6% C.A.F.E. verified.	7.4% Fairtrade + 3% Organic certified. 75.5% C.A.F.E. verified.	100% CAFE Practices verified, Fairtrade or organic certified by 2015 (2008). 2nd largest Fairtrade coffee buyer.
Aldi	120,000	None. 4C Member.	None.	No sourcing commitments. Fairtrade coffee line in 2011.

> This is really radical and controversial: what drives net income is not price. It is actually productivity and quality [. . .] Farmers should not be thinking about the premium, but about the bottom line!

This shift is also captured in Nestlé's notion of 'shared value.' Nespresso's CEO (2009) emphasized, 'We want to share value with the farmers who grow these highly prized coffees. Their quality of life, environmental quality and quality in the cup are equally interlinked.' Similarly, Mondelez (2014) promoted its 'Coffee Made Happy' programme as being 'right for farmers and for our business.' Alongside the move toward market prices 'freely negotiated between the individual buyer and seller' (4C, 2010), the coffee sector, with support from NGOs, promoted the new understanding of sustainability as fulfilling the common interests of a wide group of stakeholders, anchoring the hegemonic position of the evolving value regime.

Accommodation 10: Strategic concession (economic) – challengers as providers of supply chain services. The focus on supply chain management threatened the business model of NGO-led labels. Respondents feared that the promise of 'premium due to [brand] differentiation will be gone' (UTZ Certified, 2013) or diminished. Indeed, only one-quarter of certified coffee was actually sold as premium sustainable brands. In a private conversation at a 2013 standards conference, an industry association representative explained:

> The standards need to rethink their business model. They still have something to offer to the market, that is credibility. But they have to adapt, otherwise they'll be out of business soon.

Challenged to justify their value to corporate adopters, NGOs started offering not only certifications but related quality and supply chain management services, such as Fairtrade USA:

> They say if firms want to have a certain product certified, then they offer the full service for it. . . they would offer advice on the best producers, and when there are problems in the supply chain, then they would try to find alternative sources of certified coffee. From a business perspective, that is very attractive (Fairtrade respondent, 2009)

Because 'roasters now want all the coffee to be sustainable,' as a Vietnamese coffee trader (2013) explained, this new role as service providers clashed with Fairtrade's original goals, as the respondent noted:

> We are facing immense pressure. They [firms] want security about volume, homogenous products, no matter what, no matter when. And certainty about our system. We recently had a licensee [user of the label] who wanted us to guarantee them that our standards won't change within the next two years.

This business-oriented strategy was not uncontested, as illustrated by Starbucks' failed partnership with Fairtrade and the ensuing split of Fairtrade USA from the international association. Fairtrade USA was willing to accommodate Starbuck's demands for certified coffee from large-scale commercial plantations, but Fairtrade International refused to abandon a core principle, to restrict certification to small-scale cooperatives. Resistance was driven by the Fairtrade producer group CLAC, and facilitated by Fairtrade's governance structure, which accorded a strong voice to producers. A respondent from Fairtrade's certification body (2012) explained the loss of market opportunity:

> They [Starbucks] wanted to go 100 per cent FT. It is just unfortunate that it didn't work out with us in the end. They just wouldn't change their mix [blend of coffee beans], that was holy. And we couldn't go and change to certify plantations.

This controversy created deep fissures in the Fairtrade movement. Fairtrade USA renounced their membership of Fairtrade International in 2011 due to 'differing perspectives on how to reach our goals' (Fair Trade USA, 2011). The unexpected exit allowed Fairtrade USA to pursue its controversial strategy 'Fair Trade for All' to certify large, private coffee plantations, aligning itself more closely with mainstream sourcing requirements. For many pioneers, this sudden exit – lacking consultation with producers – was seen as a betrayal of the democratic principles the movement was built on, yet reflective of 'deep controversies [that] have been simmering over the past decade' (Equal Exchange, 2012).

Accommodation 11: Stabilizing re-alignment (normative-cultural) – challengers adopt productivity discourse. While Nespresso's programme 'Real Farmers' Income' sounded similar to Fairtrade's minimum price, it integrated 'productivity' into the notion of sustainability. Over time, even NGO standards incorporated productivity as a goal. For instance, in 2011 Fairtrade started to earmark 25 per cent of its social premium for productivity and quality improvements. A respondent from SAN/Rainforest Alliance justified the shift:

> Everybody talks about 'what is the premium'? I think this is a misleading discussion... The most important thing is that the farmer improves practices, and becomes more professional, and also more productive.

The key challenge was thus reframed from the unfairness of global markets to lack of productivity. Another Rainforest Alliance respondent (2010) stated: 'One of the main problems is that there are extremely unproductive people. I mean, really!'

But the language of supply chain resilience also provided a powerful new lever for sustainability supporters. For instance, US-based socially responsible investors filed a shareholder resolution that urged Smucker's, the fourth largest coffee roaster, to acknowledge that its long-term financial prosperity was 'highly dependent on its ability to maintain a sound and sustainable coffee supply chain' (Calvert Investment Management 2011 letter to shareholders). The proposal received 30per cent of the vote, equivalent to $1.7 billion in share value. As a result, Smucker's committed to reach 10 per cent certified coffee by 2016.

Accommodation 12: Strategic concession (governance) – incumbents streamline supply chains. As they attempted to increase supply security, coffee roasters followed the NGO lead in developing direct relationships with growers, including purchasing, producer training, and technical assistance. Nespresso declared its aim of 'gradually building ever-closer relationships with its global community of AAA farmers' (Nespresso, 2012, p. 7). Illycaffè (2013) prided itself on 'a system of direct interaction with its suppliers' to purchase 100 per cent of its green coffee. Because relationships between roasters, traders and farmers had traditionally been arms-length transactions, these new relationships were likened to a 'cultural paradigm' shift (private conversation with Coffee Roaster, 2013). Direct procurement became a supply chain strategy for big coffee roasters to strengthen their buying power in producing countries. This stood in sharp contrast to Fairtrade's original intervention in the coffee value chain, which eliminated intermediaries with the intention of *increasing* producers' bargaining power and farmer incomes (Levy, 2008).

Accommodation 13: Stabilizing re-alignment (governance) – challengers define standards credibility. NGOs accepted industry-led initiatives as part of the sustainability movement, but also reasserted their influence by establishing a process to define 'credible sustainable practice'. In 2002, NGO groups created the ISEAL Alliance as a meta-standard-setter. ISEAL has generated an array of codes on standard-setting (2004), impact evaluation (2010), assurance (2012) and credibility principles (2013). These have served 'as critical tools to articulate stakeholder expectations of how credible standards systems should operate' (ISEAL, 2013). ISEAL membership and codes were designed to 'distinguish credible claims from misleading ones' that 'are simply the work of a marketing department' (ISEAL, 2013). NGO-led ISEAL emerged as an important gatekeeper, but simultaneously it lent credibility and legitimacy to corporate codes such as 4C. By 2012, UTZ Certified, SAN/Rainforest Alliance and Fairtrade had all joined 4C as members. Yet to gain endorsement and ISEAL membership, 4C had to reposition itself as a step toward more stringent certification, acknowledging the role of ISEAL.

DISCUSSION

Our study has explored how corporate and civil society actors interact in a process of political CSR (PCSR) to shape the evolving coffee regime. We were motivated by two core puzzles. First, how do we account for, and potentially reconcile, divergent perspectives on PCSR: those who view it as a move toward more participative and democratic governance of the economic sphere (Scherer and Palazzo, 2007), and those who critique it as merely deflecting attention from underlying conflict and contestation (Banerjee, 2008; Khan et al., 2007)? Second, how have civil society actors, with less power and resources than business, been able to effect substantive change in value regimes? These twin puzzles informed our main research question: How does PCSR operate as a process by which incumbents and challengers interact around sustainability practices, and how do the practice and meaning of sustainability shift in this process? Our study revealed that PCSR in practice neither attains the Habermasian ideal of public-spirited business participating in an open process of deliberative democracy, nor should PCSR be dismissed as empty rhetoric. We found that NGOs, despite their disadvantaged position, participated in a sequence of strategic interactions that ultimately resulted in substantial concessions by corporate actors, who adopted many of the elements of the discourse, business models, and governance structures proposed by NGOs, ultimately transforming the mainstream coffee regime. Simultaneously, however, the meaning of sustainability itself was transformed from a more radical environmental and social vision to a set of management processes that aligned with corporate goals.

Here, we introduce a dialectic perspective that conceives of revolutionary and restorative processes as intertwined. We suggest that PCSR in the coffee case resembles a process of 'passive revolution' (Gramsci, 1971, 2007), an interplay between the 'revolution-inducing' transformations sought by challengers (Callinicos, 2010, p. 491) and the 'progressive restorations' sought by incumbents. The process was 'passive' because it emerged from a series of accommodations from dominant coffee firms; yet it constituted a 'revolution', when viewed over an extended time period, entailing the emergence and diffusion of new standards, business models, governance mechanisms, and consumer norms.

Figure 3 illustrates how the interactions between civil society challengers (C) and business incumbents (I) led to the transformation of the mainstream coffee value regime over time. Looking at the extended *process* of passive revolution offers a window into how NGOs can catalyze longer-term change through engaging in a sequence of strategic moves that are based on an understanding of market structures and business interests (Levy, 2015). NGOs moved from more radical objectives toward pragmatic strategies that leveraged opportunities to connect with business objectives, and in turn, induced business to respond in ways that accommodated NGO goals. NGOs recognized the

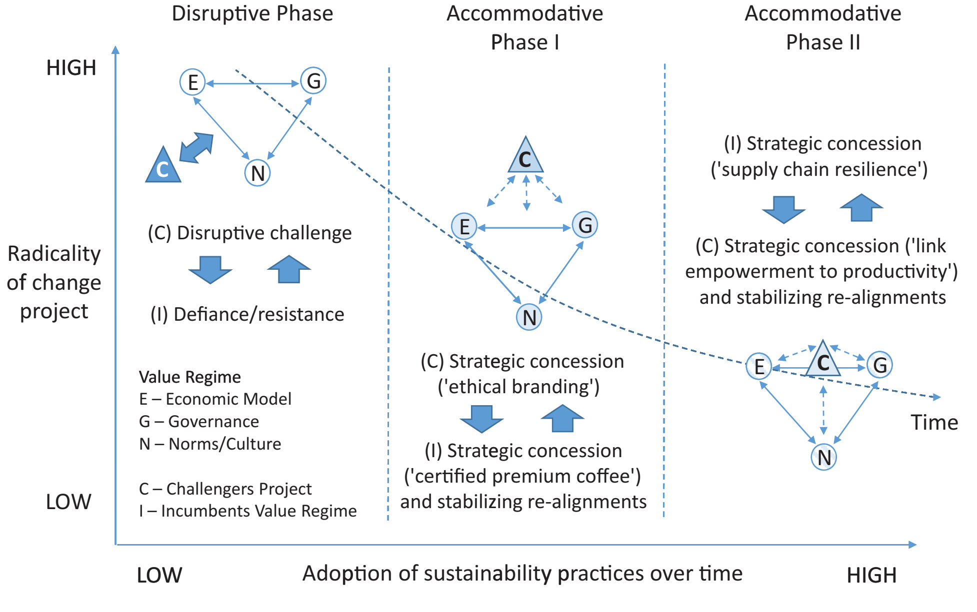

Figure 3. Value regime transformation as 'Passive Revolution'

need to work with incumbents 'by coopting them into a collective process' (Garud and Karnøe, 2001, p. 25; Van Wijk et al., 2013). This allowed them to penetrate the established coffee value regime and induce firms to increasingly adopt sustainable practices (Figure 3, *x-axis*), as evidenced by 40 per cent sustainability certification or verification of the world coffee volume as of 2013 (SSI, 2014). At the same time, the radicality of the change project has decreased (Figure 3, *y-axis*) as NGOs have adopted corporate business models and objectives, and the meaning of sustainability itself evolved to fit the new value regime. It is this duality of revolution/restoration that provides insight into our core puzzles.

Our study of coffee standards illustrates how PCSR extends beyond deliberation and forging a collective will (Baur and Arenas, 2014). The contemporary coffee regime, with its extensive sustainability mechanisms, did not emerge from a series of discussions and agreements on these components; rather, it has developed – and continues to evolve – in a somewhat unpredictable manner from sequences of largely arm's length moves and responses. PCSR thus comprises varied forms of interactions, with moments of discussion but also strategic manoeuvers, unilateral moves, and accommodations in each of these dimensions. The diverse actors collectively co-construct and modify the value regime, from economic, normative, and governance elements adapted and hybridized from both the challenger project and mainstream value regime. Our study, then, offers a richer and more textured view of the process of negotiating a value regime, one that extends our understanding of PCSR and the contested process of public will formation.

We thus propose a more general *process* model of PCSR that might be relevant in other contested fields involving business-civil society interactions. This pragmatic approach to PCSR synthesizes elements of the ideal and the critical perspectives, and provides a more concrete and nuanced understanding of passive revolution, which has hitherto remained a somewhat abstract and high-level concept (Callinicos, 2010; Gramsci, 1971). Our process model extends the traditional understanding of PCSR by emphasizing *temporality*. Process perspectives take time seriously: They illuminate the role of tensions, contradictions, and interactions across levels in driving patterns of change, usually with a degree of temporal interdependence. They often reveal cycles of stability and change, and how the character of interactions changes across these stages (Langley et al., 2013, p. 1). To theorize how ongoing interactions between challengers and incumbents lead to shifts in the mainstream value regime over time, we revisit key constituting processes. Figure 4 presents our theoretical model of these processes.

In our process model, sustainability objectives and practices are neither agreed through participative deliberations, nor simply coopted and absorbed into existing business models. Instead, as illustrated in Figure 4, an interactive process of moves by challengers and incumbents results in changes in the value regime components and evolution of the overall regime towards contingently stable configurations. In this process, parties dynamically adjust their strategies in interaction with each other and their environment. As the context of interaction changes, actors re-evaluate their opportunities and reinterpret their interests, shaping the possibilities for further moves. As a result, roles, relationships, interests and identities dynamically evolve over time. We suggest that these ongoing struggles between NGOs and business comprise the essence of political CSR as they negotiate and reconstruct value regimes.

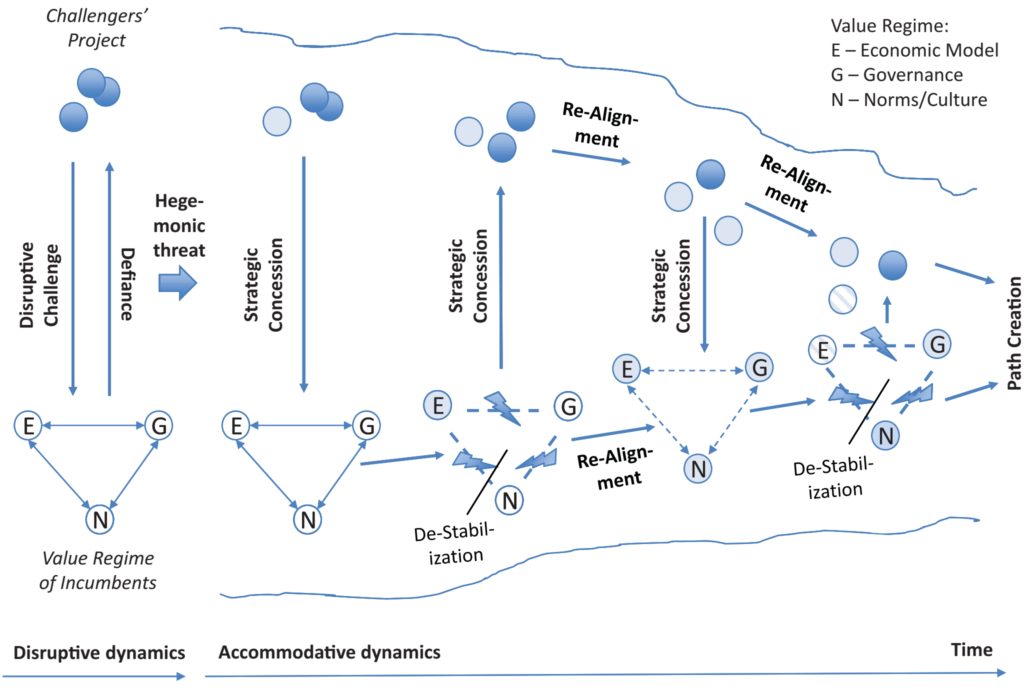

Figure 4. Process model of PCSR – disruptive vs. accommodative dynamics

Disruption and Mutual Accommodation as Process Drivers

Business-civil society interactions can lead to two distinctive interaction dynamics. First, *disruptive dynamics* are driven by challengers seeking to disrupt the hegemonic stability of a dominant value regime. Incumbents are confronted with an alternative economic model, governance structure and normative discourse that contradict the established regime. Yet, this hegemonic challenge may neither constitute a substantive threat, nor present any opportunity to business, which would make accommodative responses more likely (Bundy et al., 2013). Thus, incumbents may ignore or resist challenges, while challengers are likely to remain in isolated niche projects.

Second, *accommodative dynamics* are driven by a co-evolutionary process of mutual accommodation in which both parties make 'strategic concessions' to each other and engage in 'stabilizing re-alignments' of value regime elements. Rather than outspoken opposition, parties engage in 'game playing' as 'a more imaginative and bold practice for… redefining the rules" (Braithwaite, 2009, p. 39). Thus, rather than a Habermasian process of public will formation in which parties come to revise their stance and converge towards consensus, challengers and incumbents accommodate for strategic reasons to advance their own agendas: To the extent that challengers are unable to generate momentum with their own approaches, they make strategic concessions and render demands more congruent with incumbents. Such engagement can then provide new channels for activist groups to pressure firms towards making further CSR commitments (Mena and Waeger, 2014). In response, industry dominants – alerted by the looming hegemonic challenge – may accommodate some of the challengers' demands, adopting elements of their discourses and practices. But their concessions are equally strategic: They help to restore hegemonic stability and deflect more radical challenges to incumbents' position and legitimacy (Maielli, 2015; Kourula and Delalieux, 2014). Nevertheless, they go beyond mere empty gestures but absorb and reframe challenges to align with managerial practices and business interests. They thus constitute the micro-foundations of passive revolution, 'progressive restorations... that agree to some part of the popular demands' (Gramsci, 2007, p. 252). In our case, coffee roasters tactically reframed challenges in terms of business interests by introducing sustainably branded premium products.

As depicted in Figure 4, strategic concessions regarding normative, economic or governance elements are likely to cause misalignments with other regime elements and destabilize hitherto congruent configurations. What we term 'stabilizing re-alignments' are moves that NGOs and industry dominants each make in their attempt to manage destabilization and bring 'back in tune' the economic, governance, and normative dimensions of the value regime. To illustrate, and in line with what scholars have described as the process by which CSR is 'talked into existence,' businesses who rhetorically commit themselves to certain values may eventually align their material practice to their rhetoric in order to avoid embarrassing allegations of hypocrisy (Haack et al., 2012, p.7). Similarly, challenger NGOs who abandoned radical economic practices (e.g., fair price) to suit mainstream business models may eventually align their espoused values to their material practice (e.g., floor price) (compare Van Wijk et al., 2013). Eventually, new governance mechanisms may be needed to manage new value(s) configurations. As a result of these sometimes unexpected interdependencies between value regime dimensions, the evolution of the regime resembles an 'unowned' change process (MacKay and Chia, 2013). It is not controlled by either business or civil society, but rather reflects the outcome of interactions among them, 'generating unexpected and largely uncontrollable chains of activity and events in which actors, environments, and organizations are all in constant and mutually interacting flux' (Langley et al., 2013, p. 5). In sum, mutual accommodation represents investment into a joint project that neither party orchestrates, yet which both seek to steer in their interest.

Temporal Embeddedness of Deliberation: Creating Paths

As depicted in Figure 4, strategic concessions create a broad trend toward convergence between challengers and incumbents, despite unequal power relations and divergent interests. However, there is no clear end point; rather, the interactions are ongoing, and each move constructs the context for future responses, creating 'paths' (Garud and Karnøe, 2001, p. 2; Garud et al., 2010) that embed actors in an emerging value regime they have themselves helped to generate. Thus, our process model of PCSR highlights 'path creation' (Garud and Karnøe, 2001; Garud et al., 2010) as an important temporal characteristic of PCSR. The current structure of the value regime, which has been constructed through historical moves, shapes the opportunities and interests of actors, constraining their agency. But unlike conventional notions of path dependency, path creation is not deterministic, and actors enjoy partial strategic agency in steering the regime to create 'mindful deviations' (Garud and Karnøe, 2001; Geels, 2004). Rather than static preferences and roles, business and NGOs dynamically re-evaluate their interests and adjust their strategies to take different roles, both initiating and responsive, as the context of deliberation changes from move to move. This process of 'path creation' enables actors to 'meaningfully navigate a flow of events even as they constitute them' (Garud and Karnøe, 2001, p. 2). Gramsci (1971, p. 172) expressed a similar conception of the political strategist as 'a creator, an initiator; but he neither creates from nothing nor does he move in the turbid void of his own desires and dreams.'

Understanding PCSR as the contested process of constructing value regimes yields particular insights into path creation. Two features are relevant here. First, value regimes can achieve relative stability when moves bring elements of the value regime into alignment, and actors do not see immediate opportunities for intervention, representing a 'negotiated settlement' (Bartley, 2007, p. 229). In our coffee case, for example, sustainability as a normative value became aligned with consumer preference for premium coffee, sustainable supply chains as a business tool, and standards as a governance mechanism. Second, constructing the value regime requires investments in brands, management processes, standards development, and time to create 'temporary stabilization of paths in-the-making' (Garud et al., 2010, p. 760). These factors together constitute 'self-reinforcements' (Vergne and Durand, 2010, p. 367), which constrain, though do not determine, the path of regime evolution, and usually lead actors to avoid attempting major modifications, especially as time progresses. This path creation is consonant with our conception of the value regime as a hegemonic system, in which alignment among the dimensions provides a degree of structural stability, while challengers can exert (limited) agency to exploit tensions and shift the regime (Maielli, 2015). New tensions inevitably arise, however, from dynamics in the larger environment and micro-level processes in the value regime, triggering another cycle of actors' moves.

CONTRIBUTIONS

This study shares Scherer and Palazzo's (2011, p. 901) interest in how 'corporations and civil society organizations play an active role in the democratic regulation and control of market transactions.' But scholars have debated whether business-civil society interactions can effect substantive change and reform corporate behaviour (e.g., Matten and Crane, 2005) or whether they represent merely symbolic responses or even deflect attention from 'ugly practices' (e.g., Banerjee, 2008; Fooks et al., 2013; Khan et al., 2007). However, scholars have rarely looked at how interactions, business models, governance structures, and normative values evolve over time. By offering a processual view, our study provides a more nuanced synthesis between critical and ideal understandings of the complex political dynamics between business and social groups.

Our *first* contribution to this emerging research stream is to advance a process model of PCSR that emphasizes *temporality*. While PCSR is often associated with public will formation as more or less institutionalized deliberation in a public forum that facilitates convergence towards a consensus opinion and related policies (Baur and Arenas, 2014; Gilbert and Rasche, 2007), temporality highlights how tensions and interactions drive dynamics of stability and change, whereby parties make investments into emerging paths which become the context for future deliberation. Thus, rather than seeing deliberation as being independent from previous interactions, a process view stresses the temporal interconnectedness of interactions, drawing attention to the dynamics of path creation whereby patterned structures shift in characteristic ways over time. This illuminates how a stabilized set of CSR practices and meanings emerge out of a sequence of interdependent interactions among business and NGOs. It also sheds light on CSR as a 'phenomenon in the making' (Garud and Karnøe, 2001, p. 3), based on temporal processes. Notions such as 'sustainability' and 'fair price' are not objective, static attributes but are reconstituted over time (compare Langley et al., 2013; Mackay and Chia, 2013) as business and civil society actors negotiate business models, norms, and governance mechanisms. In sum, our process theory of PCSR expands the concept of public will formation by including sequences of manoeuvers and unilateral moves in discursive, economic and political domains over a longer period of time.

Our processual conceptualization of PCSR draws from neo-Gramscian concepts of hegemony and passive revolution, providing our *second* contribution and shedding light on the twin puzzles of PCSR – the paradoxical duality of incremental and transformative change, and the question of how NGOs with few resources can have a major impact (compare Vaccaro and Palazzo, 2014; Van Wijk et al., 2013). The concept of hegemony suggests a negotiation process that leads to mutual accommodation, which nevertheless privileges a dominant set of actors. This nuanced understanding helps reconcile the democratic appearance of multi-stakeholder deliberations with the persistence of power differentials and conflict. Hegemonic regimes have structural stability, but their complexity and enduring tensions also enable strategic action by subordinate actors with few resources (Levy and Egan, 2003; Levy and Scully, 2007). Such agency can generate the dynamics of passive revolution, by which sequences of challengers' moves induce incremental accommodations from incumbents that, over time, accumulate to more extensive change. The ongoing character of this dialectic of 'revolution/restoration', in which 'systemic transformations are achieved by non-revolutionary means' (Callinicos, 2010, p. 492), provides a degree of synthesis between ideal and critical views on PCSR.

Our *third* contribution is to conceptualize PCSR as the contested process of shaping a larger value regime (Levy and Spicer, 2013). We argue that to understand the dynamics of PCSR we need to go beyond seeing the process of public will formation as a public discursive activity (Scherer and Palazzo, 2007) and take seriously both the social embeddedness of CSR (Brammer et al., 2012) and its material anchorage in economic structures and governance mechanisms (Levy and Kaplan, 2008). The notion of value regime emphasizes interdependencies between economic models of value creation and distribution, normative values, and governance mechanisms, which structure and stabilize a particular configuration of CSR practices and meanings. A Habermasian perspective on deliberation would suggest that CSR solutions, such as the multi-stakeholder Forest Stewardship Council standard (Edward and Willmott, 2013; Scherer and Palazzo, 2007), reflect consensual agreements reached through discursive deliberation. In contrast, we suggest that outcomes are embedded in multi-dimensional value regimes. For instance, sustainable coffee stabilized in particular configurations that increased the economic value of coffee brands, generated revenues for standards organizations and auditing firms, facilitated supply chain and risk management, and meshed with consumer norms and behaviours. In other words, CSR practices stabilize within a value regime when they align with business models to ensure flows of resources that secure the material functioning of the system, a normative framework that provides legitimacy, and a governance mechanism that regulates the regime. The multiple dimensions of value regimes also provide insight into the paradox of PCSR, because of the difficulty in evaluating the success of a challenger project; a critical perspective that only examines shifting business models, for example, might indicate cooptation and little change, whereas a more systemic perspective on the complex, dynamic process of co-constructing a value regime can reveal the strategic agency of challengers over the longer term.

LIMITATIONS AND FUTURE RESEARCH

Although our study focused on the coffee sector, our framework for understanding the dynamics of PCSR has broader implications for scholars interested in CSR and social movement processes. We expect that processes of mutual accommodation and passive revolution play out in other sectors where more 'sustainable' modes of production have evolved over time. In other commodity markets, sustainability standards covered sizable percentages of global production by 2013, including cocoa (22 per cent), palm oil (15 per cent), tea (12 per cent), banana and cane sugar (3 per cent each) (SSI, 2014). Future studies could elaborate the dynamic processes of NGO-business interaction in different sectors to examine similarities and differences, and reveal factors accounting for this variation. There are likely to be linkages across sectors, as actors adopt and translate discourses, business models, and governance mechanisms from one domain to another.

Of course, moving further afield from sustainable food standards may reveal differences in PCSR processes, associated with different sets of actors and institutional templates. For example, it will be interesting (and important) to study how industrial accidents such as the 2013 Rana Plaza factory collapse affect struggles over labour standards, or natural disasters, such as earthquakes, hurricanes or floods, hitting an urban centre raise the profile of climate change. Future research could examine how such 'focusing events' (Birkland, 1998) influence PCSR dynamics, such as catalyzing challenger projects, but also how ongoing PCSR processes may affect how such events may be interpreted and used for mobilization.

It might also be interesting to study cases that challenge our framework, for example, where business has made only few accommodations, or where challengers have succeeded in achieving rapid and dramatic change. Our study could also stimulate future research into social movement strategies, for example by highlighting how effectiveness depends on balancing disruption and accommodation, and by emphasizing coordinating strategies across economic, normative, and governance dimensions of value regimes. Perhaps the success of more pragmatic NGOs depends on the threat of 'radical flank' activists. Likewise, the framework can be used to examine business strategies in the face of societal challenges.

In conclusion, our framework emphasizes the dialectics of PCSR as a pragmatic, temporal process in evolving value regimes. This conceptual framework addresses core puzzles regarding the opportunities and limitations facing civil society actors as they engage with business practices, and may inspire future research on PCSR that informs debates on sustainability transitions, global governance, and institutional change. Beyond academic theorizing, this perspective may well hold value for policymakers, NGOs, and business managers as society attempts to develop participative and effective processes to navigate the complexities of governing contemporary environmental and social challenges.

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