

Value Chain Approaches in International Development

Laurie Bonney
Tasmanian Institute of Agriculture
September 2012

Broad theoretical perspectives underlie value chain improvement

- Strategic management perspective collaboration to manage uncertainties about the supply of resources
- **Economic perspective** efficiency in material flows or process innovation, 'added value' based on consumer value attributes as well as cost.
- Relational perspective provides the principles of formal and informal governance for chain coordination
- Technological perspective for production (biotechnical), communications, demand and performance management functions

Overlapping approaches...

- Filière-approach emphasises the measurement of input-output relations, prices and value adding (Moustier 2010)
- Supply chain approach emphasises the efficient integration of key chain business processes (Lambert, Cooper & Pagh 1998)
- Value chain approach emphasises material flows, communication flows and governance (relationships) to create consumer value (Porter, 1985; Collins & Dunne, 2008)
- M4P interventions to stimulate market systems and actors to work more equitably for disadvantaged groups (Albu, 2008; DFID, 2008; M4P, 2008; Meyer-Stamer & Wältring, 2007)
- Global value chain approach emphasises the governance (drivers) of value chain behaviour (Gereffi, Humphrey & Sturgeon 2003)
- Subsector, agrifood system, or industry level approach emphasises a slightly broader industrial system perspective (Altenburg, 2007)
- Value chain cluster approach emphasises sector specialisation and geographic concentration for "collective efficiency" (Altenburg, 2007)

What we hope to achieve?

- Session 1-3 focused us on the key issues of robust & effective market & consumer research
- Session 4 on skills necessary to undertake this
- Sessions 5 & 6 explore some concepts in more depth:
 - Ray Collins linkage between research & development
 - Dindo Campilan achieving impacts through participation
 - Laurie Bonney systematic planning of neglected aspects
 - Guillaume Duteurtre strategic & economic approach
 - Dao The Anh VCs and M4P
- Sessions 7 & 8 evaluate the present & scope the future