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**THE EFFECTS OF PUBLIC PRIVATE PARTNERSHIPS ON
SMALLHOLDER COCOA FARMERS' LIVELIHOODS IN
INDONESIA**

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Yurika A. Permanasari

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Abstract

Public private partnerships (PPPs) have emerged as a development strategy in various sectors in several developed countries since the late 1970s. In the Indonesian context, however, PPPs in the agriculture sector are relatively new. This thesis explores claims that PPPs can be a potential development approach to address rural poverty and improve livelihoods of smallholder farmers. By utilising the Sustainable Livelihood Approach, this thesis investigates various PPP ideas and practices in the Indonesian agricultural sector and explores the extent to which a PPP implementation has affected smallholder farmers' livelihoods and what it means for them. This study is driven by the idea that the nature of a PPP involves a complex and dynamic relationship that encompasses diverse interests and resources.

A content analysis of four different PPP project reports and one case study, the PPP within the Rural Empowerment and Agricultural Development (READ-PPP) project in Indonesia, found that PPPs are quite diverse in the agriculture sector and particularly in the cocoa sector. Having used qualitative research methods, involving semi-structured interviews with twelve smallholder cocoa farmers and eight informants from relevant institutions, this study shows that the READ-PPP has had varying impacts on farmers' livelihoods.

Most farmers felt improvements in their capacity, cocoa productivity, income, and they made behaviour changes as a result of the programme. This study also reveals that the farmers did not equally experience the benefits of the programme. The three key challenges that affected the farmers' experiences of the programme included: a lack of company support as a service provider, a lack of sustainability of outcomes, and the individual farmers' level of resources. Analysis of the results also found that farmers who were geographically close to company operations had better outcomes than farmers in other areas, which showed that the company involved in the PPP has a particular interest to pursue its company's benefits. In this respect, this thesis concludes that the effects of PPPs in addressing rural poverty and improving smallholder cocoa farmers' livelihoods have been inequitable.

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Abbreviations

AFC	Asian Financial Crisis
ASKA	Agribusiness Market and Support Activity Sulawesi Kakao Alliance
BDS	Business Development Services
CDC	Cocoa Development Centre
CNM	Cocoa National Movement/Gerakan Nasional (GERNAS) Kakao
CSO	Civil Society Organisation
CVC	Cocoa Village Centre/Cocoa Village Clinic
DFID	Department for International Development
DMU	District Management Unit
FDI	Foreign Direct Investment
GRDP	Gross Regional Domestic Product
HDR	Human Development Report
ICCO	International Cocoa Organization
ICCRI	Indonesian Coffee and Cocoa Research Centre
IFAD	International Fund for Agricultural Development
IRD	Integrated Rural Development
ITT	Innovation and Technology Transfer
MOA	Indonesian Ministry of Agriculture
MI	Market Infrastructure
MPI	Multidimensional Poverty Index
NGO	Non-Governmental Organisation
NSU	National Supporting Unit
OECD	Organisation for Economic Cooperation and Development
PFU	Provincial Facilitator Unit
PISAGRO	Partnership for Indonesia's Sustainable Agriculture
PPP	Public Private Partnership
READ	Rural Empowerment and Agricultural Development
SECO	Swiss State Secretariat for Economic Affairs
SAPs	Structural Adjustment Programmes
SCI	Sustainable Cocoa Initiative
SDGs	Sustainable Development Goals
SCPP	Sustainable Cocoa Production Programme
SLA	Sustainable Livelihood Approach
SLF	Sustainable Livelihood Framework
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VCD	Value Chain Development
VfM	Value for Money
WCED	World Commission on Environment and Development
WEF	World Economic Forum