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Methodological and Ideological Options

The unequal exchange of Dutch cheese and Kenyan roses: Introducing and testing an LCA-based methodology for estimating ecologically unequal exchange

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The theory of ecologically unequal exchange (EUE) posits that international trade is structurally organized in a manner that allows a net transfer of resources from peripheral developing to core industrialized countries. The consequence, it is argued, is under-development in the periphery and augmented productive capacity in the core. EUE thus challenges the neoliberal free-market argument that exchange at market prices is symmetric and fair. An LCA-based methodology for estimating EUE that holds constant the variable market price is introduced and tested on contemporary trade of Dutch cheese and Kenyan coffee and roses. Specifically, the exchange of embodied land, water, energy, global warming potential, and labor is assessed. The results confirm the theory's hypothesis. At a fixed market price, more embodied Kenyan resources are exchanged for less Dutch resources. While integration of biophysical metrics alongside monetary valuation is recommended, ultimately, rethinking the structure, policies and politics of international trade is necessary.

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1. Introduction

International trade is structurally organized in such a way that some countries act as natural resource depots and sinks for the waste products of other countries. Materials and energy extracted from peripheral countries predominantly located in the Global South are being used to feed industrial processes and capital accumulation in core Northern countries. The consequence is environmental degradation, poverty, and general underdevelopment in the peripheral countries and improved productive capacity in the developed world (Rice, 2009). This exploitative international division of labor is the essence of the theory of ecologically unequal exchange (EUE). It is concerned with the unequal environmental and human well-being consequences of international trade and the relations of power that generate and maintain such inequality (Hornborg, 2009; Jorgenson et al., 2009). Rather than take present comparative advantages as a given, EUE theory questions the historical power relations that have shaped them and, in so doing, departs from neoclassical economic thought. By considering global terms of trade as favoring core countries to the detriment of the periphery (Jorgenson et al., 2009), the perspective takes a "zero-sum" view of development (Hornborg, 2011) akin to David Harvey's (2003) "accumulation by dispossession."

Rooted in classical trade dependence, unequal exchange, and world-systems traditions (Jorgenson et al., 2009), EUE traces a direct genealogy to Karl Marx's "metabolic rift" (Hornborg, 2009). The growing asymmetric exchange of nutrients and other material resources between town and countryside in 19th-century Europe amplified by long-distance trade deeply concerned Marx (Foster, 1999). Credited with coining the term unequal exchange, Arghiri Emmanuel (1972), through the labor theory of value, argued that developing countries always exchange a larger amount of their labor for less foreign labor. But it is Raul Prebisch who is credited with founding the theory of unequal exchange (Kohler and Tausch, 2002; Love, 1980). Refuting David Ricardo's theory of comparative advantage, Prebisch observed a hierarchy in the global economic system and deteriorating terms of trade for developing countries which he attributed to low income-elasticity of demand for primary products and asymmetries in the functioning of labor markets (UN, 1963). EUE has also benefited greatly from world-systems analysis (see Frank, 2008; Wallerstein, 1974). World-systems analysis sees an economic and geographical division of the capitalist world-economy into a strong core (metropolis) and weak periphery (satellite) in which surplus value flows from the periphery to the core, a process which limits the periphery's developmental potential. Through his research on the Amazon, Stephen Bunker inserted "ecology" to earlier labor- and energy-based theories of unequal exchange and, in a sense, assembled the first formulation of a concept of ecologically unequal exchange (Hornborg,
He argued that (i) differences in the economies of peripheral and core countries create unequal exchange in terms of labor embodied in products and the appropriation of energy and matter from the periphery to the core, and (ii) the extraction and export of natural resources affects the subsequent developmental potential of the periphery (Bunker, 1985).

Ecologically unequal exchange rejects neoliberal economics' assumption that market prices are fair or tantamount to reciprocity. Free market transactions are by definition equal and fair since the actors voluntarily exchange currency or goods for what they assess to be of equal value (Clark and Tsai, 2009; Hornborg, 2009). This win–win positive-sum game is a liberal understanding of capitalism encapsulated in David Ricardo's theory of comparative advantage. But the free market functions as an ideology, a myth (Wallner, 2004). The equal exchange in monetary terms may very well be consistent with unequal exchange in physical terms. Monetary valuation excludes other possible measures of exchange through which it can be shown that free trade is indeed unequal (Hornborg, 2009). Georgescu-Roegen (1971) illuminated the inverse relationship in which raw materials are of low economic value while manufactures which have dissipated much of their productive potential have a high monetary value. That is why Hornborg (2011; 2009) argues for analytically separating human valuation and physical properties in order to reveal the inequality inherent in capitalist processes. Contrary to comparative advantage claims, free trade does not make all nations equally competitive but rather exposes the weak to the strong who, inevitably, devour the weak (Shaikh, 2007).

Such ‘free trade’ policies are used to open up and integrate peripheral countries into relations of unequal exchange (Biel and Morton, 2014). The EUE theory is backed by a growing number of empirical studies using different approaches and methods (see Section 2). Most of these methods and studies take an economy-wide approach that tracks total flows rather than a product-specific perspective. Apart from showing the net flow of biophysical resources, most are also geared towards revealing the environmental or socio-economic impacts of such unequal exchange. What they fail to illustrate is the mechanism(s) through which EUE occurs. Reriterating that the core element of any EUE theory is the exchange of more ecological wealth for less, Foster and Holleman (2014) argue that existing EUE approaches rely on data whose quantitative measures are in monetary prices and which reveal little about the ecological nature of the exchange, i.e. in terms of embodied energy or other resources. As a result, "we learn little or nothing […] about the processes involved or the real extent of the unequal exchange" (ibid. pg. 210, emphasis added). This paper introduces a life cycle analysis (LCA)-based methodology for quantifying EUE that simultaneously examines human demand on the biosphere compared to the planet's supply (Wackernagel and Kitzes, 2008).

Footprints take a consumer responsibility approach to provide a simple but graphic measure of the environmental impact of human activity (Hammond, 2006; Steen-Olsen et al., 2012). The ‘footprint family’ (Galli et al., 2012) refer to the ecological, carbon and water footprints. The ecological footprint (EF), measured in global hectares (gha), calculates human demand on the biosphere compared to the planet’s supply (Wackernagel and Kitzes, 2008). A popularization of Borgstrom’s ‘ghost acreages’, it builds on the concepts of LCA, bio-productivity accounting, and embodied energy analysis (Moran et al., 2009). The water footprint (WF) or ‘virtual water’ is the total volume of freshwater used to produce a good or consumed by a community (Hoekstra, 2009a; Hoekstra et al., 2009; Mekonnen and Hoekstra, 2011). Expressed in volume per unit of product (m³/t), the WF is a combination of the blue, green and gray water footprints. The carbon footprint is the total amount of carbon (or CO₂ equivalent) emissions caused by or accumulated over the life of a product or activity, or the sum of a country’s emissions related to its consumption, including imports but excluding exports (Galli et al., 2012). It is expressed in kilograms or tons of CO₂ with no conversion to area. Primarily a measure of the appropriation of global sink capacity, the carbon footprint can also gauge EUE. For example, Steinberger et al. (2012) have shown that socio-economic benefits are accruing to carbon-importing rather than carbon-exporting countries. Steen-Olsen et al. (2012) have shown that the EU-27 displaces all the three footprints to the rest of the world through trade.

Input–output (I–O) analysis describes an economic sector’s output and its relationship to the corresponding levels of activities in other sectors. Initially applied to economic impact analyses through monetary I–O tables (MIOTs), they have been extended to pollution and other
environmental “externalities” (Leontief, 1970; Allan et al., 2007). A physical I-O table (PIOT) comprises the traditional I-O table in physical units and material flows between the environment and economy (Giljum and Hubacek, 2004; Strassert, 2002). Because an I-O approach can track the transformation and impact of goods through an economy, if extended to multiple regions, the spatial distribution and growth or decline over time of output and consumption of goods can be explained (Moran et al., 2009). It is often used in combination with other methods, e.g. Steen-Olsen et al.’s (2012) use of a multiregional input–output (MRIO) model to assess the displacement of carbon, land and water footprints through trade within and without the EU-27.

Energy metrics such as eMergy (energy memory) have also been used to estimate EUE. Alfred Lotka's postulation that 'natural selection' favors those populations that convert the greater amount of energy has found support from a trade perspective whereby countries or regions that import more embodied energy than they export have a relative economic advantage (Bunker, 1985; Lonergan, 1988). Rydberg (2011) confirms that developed countries' wealth is largely based on imported eMergy.

Life cycle analysis (LCA) is a technique for systematically assessing the environmental aspects and potential impacts associated with a product by compiling an inventory of relevant inputs and outputs; evaluating the potential environmental impacts associated with those inputs and outputs; and interpreting the results of the inventory and impact phases in relation to the objectives of the study (ISO 14040, 2006). It considers the embodied resources and emissions throughout the entire life cycle of a product, i.e. from 'cradle-to-grave.' Going beyond the mass balance principle of MFA, LCA is often used to identify ecological ‘hotspots’, elements with a high contribution to a product’s ecological footprint (De Haes, 2002; Van Middelaar et al., 2011). By providing a holistic and systematic overview of embodied resources and emissions, it is routinely used to compare the potential environmental impact of two or more products (Thane and Schmidt, 2007). Economic and social aspects have also been integrated into LCA (cf. Franze and Ciroth, 2011; UNEP, 2009; Weidema, 2006).

Some challenges such as assuming a functional unit for products with many potential uses and the risk of double counting bedevil LCA (cf. Ayres, 2004; Ayres, 1995; Van der Voet et al., 2005). Nevertheless, it remains the tool of choice for many modern sustainable consumption and production policies. It is often combined with other tools for more extensive assessments (cf. Rochat et al., 2013; Schmidt, 2014; Weinzettel and Kovanda, 2009), Van der Voet et al. (2005) combine aspects of MFA (quantitative information) and LCA (environmental impacts) to assess the environmental impacts of the annual throughput of a number of materials for The Netherlands. Haberl et al. (2013) allude to the future possibility of applying LCA to studies in society–nature interactions across space and time. Until now, LCA has not been used to estimate ecologically unequal exchange.

3. Methodology

The proposed methodology has two key parts. First, the embodied resources and impacts per unit of product are determined using LCA. However, what we have not yet brought into the picture are the structural aspects of international trade, so-called ‘market forces’. The second part of the methodology is dedicated to this. By combining the resource embodiment of each product (from step 1) with exchange rates deduced from the world market, the resource intensity per unit of exchange value (e.g. US Dollar) is determined and compared across the products. In this way, we can illuminate the ‘free market’ mechanism through which asymmetric resource flows occurs.

3.1. Embodied Resources per Unit of Product

ISO 14040 (2006) and ISO 14044 (2006) are internationally accepted standards which describe the principles, framework, requirements, and guidelines for life cycle assessment. These have been used to establish embodied resources and emissions per unit of product. The LCA framework is comprised of four iterative phases: goal and scope definition, inventory analysis (LCI), impact assessment (LCIA), and interpretation of results (ISO 14040, 2006). The goal of this study is to quantify the biophysical resource and emission embodiments of the target products with a view to establishing the occurrence of unequal exchange. The scope involves defining the functional unit, system boundary and co-product allocation criteria. A functional unit (FU) is a quantified output of a production system which allows different such systems to be compared (Thane and Schmidt, 2007). The FUs were defined as follows: 1 kg of long-stemmed, plastic greenhouse-grown, graded and packaged Kenyan rose flowers; 1 kg of milled and packaged green Kenyan coffee beans (not roasted); and 1 kg of Dutch Gouda cheese produced from conventional (not organic) milk. Figs. 1, 2 and 3 show the system boundaries of the processes included in the analysis. Since the focus is on bilateral trade, only domestic resources and related emissions were considered, with imported raw materials treated as if they were locally sourced. While this may distort the results especially for Dutch agricultural products due to their relatively high external inputs (De Boer et al., 2013; Thomassen et al., 2008; Van Bruchem et al., 1999; Vellinga et al., 2011), such a distortion implies that there are in fact less truly Dutch resources embodied in a unit of their cheese. Hence, in the context of the present investigation of EUE, the distortion, though important to keep in mind, does not compromise but rather underscore the integrity of the conclusions. Emissions due to use of imported inputs in the production process (e.g. combustion of imported fossil fuels) were attributed to the final product and country of production. Allocation of inputs to stages with more than one output (co-product allocation) was based on their relative economic value (i.e. economic allocation).

Infrastructure and capital goods such as roads, buildings, and machinery were omitted due to their relatively small impact per functional
unit, the norm in many LCA studies (cf. Thomassen et al., 2009, 2008; Van Middelaar et al., 2011). While the ISO standards suggest treatment of capital goods as integral parts of a product system, the justification for such omission hinges on the fact that due to their often long lifespans and the many different products and socio-economic activities utilizing the same infrastructure, the resources and emissions embodied in the capital goods attributable to a unit (1 kg) of a particular product is not only difficult to estimate but would, if done, turn out to be negligible. Cumulatively, infrastructure has significant ecological impacts, a point often better captured by the systemic EUE approaches. Processes similar across the products (e.g. inter-continental air freight) were disregarded on the assumption that, assuming similar technology, transporting a unit (1 kg) of coffee or cheese between the two countries should expend or emit roughly similar amount of resources. Land use, water, energy, CO2 emissions or global warming potential (GWP), and labor were the focal resource and impact categories, i.e. the environmental components and issues of concern.

The inventory phase (LCI) involves collecting and quantifying the inputs and outputs of production processes included in the system boundary and relating the data to the functional unit, i.e. determining resource intensity per functional unit (ISO 14040, 2006; Thrané and Schmidt, 2007). Data on Kenyan roses was collected from Nini Flower farm located in Naivasha between October and December 2012. That of coffee was collected from Mchana estate, a coffee plantation located in Ruiru District, central Kenya between December 2013 and January 2014. Farm records, observation, and direct measurements were relied upon and triangulated with other secondary data sources and literature to verify their accuracy. No LCA database or software was used as none specific to Kenya currently exists. Data on Dutch cheese was sourced from literature. Tables 1, 3 and 5 summarize each product’s inventory. The third phase (impact assessment) uses the LCI data to evaluate the significance of the resource requirements and environmental impacts of a production system. The result is total embodied resources and impacts per functional unit (the last row of the

Table 1
Life-cycle inventory table of Kenyan rose flower production.

<table>
<thead>
<tr>
<th>Process/input</th>
<th>Land use</th>
<th>Energy</th>
<th>GWP</th>
<th>Water</th>
<th>Labor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Greenhouse</td>
<td>0.5 ha (1.5 \times 10^{-5} ha/kg)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2. Rose production:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Water consumption</td>
<td>1.267 ha (8.45E-7 ha/kg)</td>
<td>–</td>
<td>–</td>
<td></td>
<td>360 l/kg</td>
</tr>
<tr>
<td>– Synthetic fertilizer</td>
<td>–</td>
<td>–</td>
<td>0.017 kg CO2eq/kg</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>3. Packaging:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Cardboard</td>
<td>1.2 \times 10^{-6} ha/kg</td>
<td>9 MJ/kg</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>– Plastics</td>
<td>–</td>
<td>3.32 MJ/kg</td>
<td>0.0776 kg CO2/kg</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>4. Transportation</td>
<td>–</td>
<td>2 MJ/kg</td>
<td>0.152 kg CO2/kg</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>5. Electricity</td>
<td>–</td>
<td>2.6 MJ/kg</td>
<td>0.19 kg CO2/kg</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1.7045 \times 10^{-5} ha/kg</td>
<td>16.92 MJ/kg</td>
<td>0.4346 kg CO2eq/kg</td>
<td>360 l/kg</td>
<td>0.86 h/kg</td>
</tr>
</tbody>
</table>
inventory tables). However, the calculation of resource intensity per functional unit is only the first stage in the methodology. The next stage relates these calculated figures to exchange value to determine unequal exchange per dollar.

### 3.2. Determination of Unequal Exchange

Determination of unequal exchange per dollar helps us investigate the reciprocity claims of free trade and comparative advantage theories from a biophysical perspective. Doing so requires information about the exchange rates obtaining in the world market. The exchange rates were deducted from annual import and export trade statistics retrieved, in the world market. The exchange rates were obtained from a biophysical perspective. Doing so requires information about the exchange rates obtaining in the world market. The exchange rates were deducted from annual import and export trade statistics retrieved, in the world market.

<table>
<thead>
<tr>
<th>Year</th>
<th>Kenya coffee exports to The Netherlands</th>
<th>Embodied resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>4,848,414 16,995,446</td>
<td>Land use (ha) Water (l) Energy (MJ) GWP (Kg CO2eq) Labor (h)</td>
</tr>
<tr>
<td>1996</td>
<td>6,280,511 15,871,298</td>
<td>10,812 1.1429E + 11 1,690,884.38 23,573 m3/t 23,573 m3/t 23,573 m3/t</td>
</tr>
<tr>
<td>1997</td>
<td>2,533,000 6,697,142</td>
<td>5649 5.971E + 10 88,338,375 89,160,160</td>
</tr>
<tr>
<td>1998</td>
<td>1,420,250 2,836,781</td>
<td>3167 3.348E + 10 49,531,218.75</td>
</tr>
<tr>
<td>2000</td>
<td>10,624,371 14,983,643</td>
<td>8392 5.045E + 10 2,504,532,904</td>
</tr>
<tr>
<td>2001</td>
<td>6,511,145 7,923,508</td>
<td>14,520 1.3543E + 11 227,076,181.9</td>
</tr>
<tr>
<td>2002</td>
<td>1,298,142 1,558,224</td>
<td>2895 3.0601E + 11 45,272,702.25</td>
</tr>
<tr>
<td>2003</td>
<td>4,137,129 5,063,479</td>
<td>9226 9.752E + 10 144,282,373.9</td>
</tr>
<tr>
<td>2005</td>
<td>3,933,267 7,079,750</td>
<td>8771 9.271E + 10 137,172,666.7</td>
</tr>
<tr>
<td>2007</td>
<td>597,691 1,374,477</td>
<td>1333 1.4089E + 11 20,844,473.63</td>
</tr>
<tr>
<td>2009</td>
<td>615,105 1,198,491</td>
<td>1372 1.45E + 11 21,451,786.88</td>
</tr>
<tr>
<td>2010</td>
<td>443,046 1,062,602</td>
<td>988 1.044E + 10 15,451,299.25</td>
</tr>
<tr>
<td>2011</td>
<td>678,377 2,503,369</td>
<td>1553 1.64E + 11 24,321,373.6</td>
</tr>
<tr>
<td>2012</td>
<td>1,040,826 2,793,308</td>
<td>2321 2.433E + 11 36,298,806.75</td>
</tr>
</tbody>
</table>

Source: Trade data sourced from COMTRADE (2014). Embodied resources calculated by author.
Netherlands were sourced from the Kenya National Bureau of Statistics (KNBS (Kenya National Bureau of Statistics), 2014) and the International Monetary Fund (ECONSTATS, 2013) respectively.

3.3 Case Study Countries and Products

From a world-systems perspective, Kenya is peripheral and The Netherlands a core country. Ranked as a low-income economy by the World Bank, Kenya exports mainly ‘low-value’ agricultural products such as tea, coffee and horticultural crops to Europe and the US and imports ‘high-value’ industrial manufactures such as machinery and other capital equipments, fuel and other non-food industrial supplies from the Middle and Far East. Manufacturers’ contribution to GDP has stagnated at about 10% for decades. Kenya has become a net importer in recent years with deteriorating terms of trade. The Netherlands is Kenya’s third largest export market, accounting for between 8% and 9% of all exports, mainly cut-flowers (Bridgat, 2013; KIPPRA, 2013; KoN (Kingdom of Netherlands), 2014; UNStats, Undated). The industrialization and ‘core’ attributes of The Netherlands was already present as far back as the fifteenth century (Van Bavel and Van Zanden, 2004). It exports about 1.48% worth of its goods to Kenya, mainly chemicals, machinery and dairy products, making Kenya the fifteenth largest export destination for Dutch products (Bridgat, 2013; KoN (Kingdom of Netherlands), 2014).

Coffee is exclusively a tropical and labor-intensive crop grown by less-developed countries but largely consumed in the developed world (Austin, 2012). Cut flowers are an important export-directed world trade commodity, are both capital- and labor-intensive, and have significant environmental and socio-economic impacts (cf. Kargbo et al., 2010). Cheese is a traded product from the dairy industry which embodies significant environmental resources and emissions (cf. Steinfeld et al., 2006). Green coffee beans and fresh cut flowers are primary products while cheese is processed from milk, and thus a manufacture of dairy products (Bridgat, 2013; KoN (Kingdom of Netherlands), 2014).

Kenya does not produce any artificial fertilizers, hence only nitrous oxide (N₂O) emissions related to synthetic nitrogen fertilizer application (Kramer et al., 1999; Rotz et al., 2010) were considered. The emissions are 0.017 kg CO₂eq/kg of roses.1 One export box contains about 250 rose stems weighing 6.25 kg, and packaging material made up of 1.91 kg cardboard and 0.25 kg plastic. The cardboard embodies a land use of 1.2 × 10⁻⁶ ha/kg, and energy of 9 MJ/kg of roses, while the plastic packaging embodies 3.32 MJ/kg² and 0.0776 kg CO₂/kg of roses.2 The annual fuel consumption (452.6 l petrol and 83,829 l diesel) embodies 2 MJ/kg³ and emits 0.15 kgCO₂/kg of rose.3 Electricity consumption embodies 2.6 MJ/kg⁴ and emits 0.19 kgCO₂/kg.5

4. Results

4.1 Embodied Resources in Kenyan Rose Flowers

Nini Flower farm’s productivity is 65.172 t/ha. This approximates Orr and Chapagain’s (2006) reported yield of 66 t/ha for Kenyan roses. About 23 ha are under rose flower cultivation and 1.267 ha is appropriated annually for lake water collection, treatment and disposal. Due to lack of comprehensive water use records, Mekonnen et al.’s (2012) reported water footprint of rose flowers grown around L. Naivasha of 9 l per stem (or 360 l/kg) was used.

In order to account for all these processes, we included the embodied environmental loadings associated with paper bags, packaging, and greenhouse energy use of rose production. By combining the environmental loadings, the full life cycle CO₂eq emissions of rose production were calculated.

1 Based on Kenya’s 2010 CO₂ emissions from synthetic nitrogen fertilizer use of 457 GgCO₂eq (FAOSTAT, 2013) and total fertilizer consumption of 500,000 metric tons (IFDC, 2012) gives an emission rate of 0.9 t CO₂eq/t of fertilizer. The annual Nitrogen (N) fertilizer consumption of 624,611 kg greenhouse emit 562 kgCO₂eq, translating into 0.017 kg CO₂eq/kg.

2 78,000 ha of Kenya’s plantations and 10% (100 ha) of farmlands were under wood production in 2000 (Wass, 2000). Kenya produced 135,000 t of packaging paper between 2006 and 2008 (FAO, 2012). Since general industrial roundwood weigh 750 kg/m³ (FAO, 2012), packaging paper appropriated 180,000 m³ of the annual roundwood production. Kenya’s total wood production in 2010 was 27,646,000 m³ (FAO, 2012). Averaging acreage (78,100 ha) and wood production (27,646,000 m³) has remained constant, 135,000 tonnes (or 180,000 m³) of packaging paper require 508.5 ha to produce. Total 305.6 kg of packaging paper (to wrap 1 tonne of roses) require 0.0012 ha of land annually to be produced, or 1.2 × 10⁻⁶ ha/kg of rose.

3 Cardboard embody 29.79 MJ/kg (Hammond and Jones, 2008). Since 6.25 kg of flowers require 1.91 kg of cardboard to wrap, 1 kg of flowers will need 0.3 kg of cardboard, or about 9 MJ of energy.

4 General plastic embody 83 MJ/kg and 1.94 kg CO₂/kg (Hammond and Jones, 2008). The 40 kg of plastics used to wrap 1 t of roses gives an embodied energy of 3,320 MJ/t (or 3.32 MJ/kg) of rose flowers.

5 Fossil fuels generated 2,288 GWhs of electricity out of which 2020 GWhs were from solar and wind farms in 2010 (GoK, 2012), while its 2010 CO₂ emissions from electricity production was 2.1 million tons (IEA, 2012). 21,551 KWh (annual consumption of a greenhouse) thus emits 6.2 tonnes CO₂, or 0.19 kg CO₂/kg.
considering sickness and absenteeism, annual labor-time is 1,289,790 man-hours or 0.86 h/kg of rose. Tables 1 and 2 shows the LCA inventory and embodied resources in Kenyan roses respectively.

4.2. Embodied Resources in Kenyan Coffee

The case study Mchana coffee estate occupies 906.91 ha while the dry mill stands on 2 ha, a total land use of 909.91 ha. The average annual yield is 407 t of milled green coffee beans, giving a land use rate of 2.23 ha/t. Mekonnen and Hoekstra’s (2011) reported Kenyan coffee water footprint of 23,573 m³/t (green: 22,222, blue: 802, gray: 549) was used. The wet mill utilizes only 0.34% of the water used to grow the coffee plant (Chapagain and Hoekstra, 2007). Fertilizer application emits 0.94 t CO₂eq/t. Annual fuel consumption (diesel: 83,405 l and kerosene: 279,844 l) embodies 12,794,225 MJ of energy or 31,435 MJ/t respectively (IPCC, 2006). Since 1.2 l of diesel is approx. equal to 1 kg, 83,405 l = 69.5 t, containing 9,805,725 MJ. The combined energy use (12,794,225 MJ) and coffee production (357,622 kWhs was generated from 1.4 TJ, or 3440 MJ/t of green coffee).

Fossil fuels generated 2288 GWhs of Kenya’s electricity in 2010/2011 (GoK, 2012). Out of this, 2010 CO₂ emissions from electricity production were 2.1 million tons (IEA, 2012). Therefore 357,622 kWh emitted 103 t CO₂eq, or 0.3 t CO₂eq/t. Kenya’s electricity generation was 7273 GWh less imports in 2010/2011 (GoK, 2012). A sharp rise in imports is seen in 1998 and 2009, giving an overall irregular trend. While this is puzzling, the data for cheese imports from the rest of Europe (EU-27) retrieved from the same COMTRADE database (Table 6) in comparison show a general steady increase over the same period. No explanation for the apparent irregularities could be found, but the data were deemed reliable.

5. Discussion

5.1. Exchange of Kenyan Coffee for Dutch Cheese

More embodied Kenyan resources are consistently exchanged per dollar in the trade of Kenyan coffee for Dutch cheese. This is observed in all the resources considered, namely embodied land, water, energy, and labor. In a hypothesized exchange system in which only these two commodities were under consideration, a net flow of resources to The Netherlands would clearly be realized.

Fig. 4. LCA of Dutch cheese. Source: Van Middelaar et al. (2011). FU (functional unit) = 1 kg cheese.

Table 5

<table>
<thead>
<tr>
<th>Stage/Resource</th>
<th>Land use</th>
<th>Energy</th>
<th>GWP</th>
<th>Water</th>
<th>Labor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheese production</td>
<td>6.8 × 10⁻⁴ ha/kg</td>
<td>46.09 MJ/kg</td>
<td>8.48 kg CO₂eq/kg</td>
<td>2623 l/kg</td>
<td>0.118 h/kg</td>
</tr>
</tbody>
</table>

4.3. Embodied Resources in Dutch Cheese

Van Middelaar et al.’s (2011) LCA of Dutch cheese (Fig. 4) was used, minus the retail stage, which was assumed to take place in Kenya. The Dutch cheese study relied on data from Thomassen et al. (2009, 2008), who report purchased concentrate ingredients as originating from within The Netherlands and outside. Generally, a significant part of Dutch livestock feed is imported (cf. De Boer et al., 2013; Van Bruchem et al., 1999). As already indicated under Methodology, the imported ingredients were assumed to be locally sourced, i.e. produced from Dutch domestic resources. Mekonnen and Hoekstra’s (2010) reported water footprint for Dutch cheese of 2623 m³/t (green: 2283, blue: 219, gray: 121) was used. A labor input of 0.118 h/kg of cheese was applied.15 Tables 5 and 6 show the LCA inventory and embodied resources in Dutch cheese respectively. The first cheese import from The Netherlands to Kenya reported in COMTRADE is in 1995, three years after liberalization of the Kenya dairy industry in 1992 (EPZA (Export Processing Zones Authority), 2005). A sharp rise in imports is seen in 1998 and 2004, and very low figures in 2008 and 2009, giving an overall irregular trend. While this is puzzling, the data for cheese imports from the rest of Europe (EU-27) retrieved from the same COMTRADE database (Table 6) in comparison show a general steady increase over the same period. No explanation for the apparent irregularities could be found, but the data were deemed reliable.
The highest inequality of such exchange was in 2002 when US$10,000 was able to buy about 18.58 ha of embodied Kenyan land, while a similar amount of money could only buy 0.34 ha of embodied Dutch land. Virtual water (Fig. 6) follows a similar trend. The exchange of embodied energy per dollar also fits the hypothesized ecologically unequal exchange pattern. Through the factor-price equalization theorem, it is claimed that with free trade, the wages and rents earned on capital will progressively equalize across the world (cf. Suranovic, 2010). This is not the case in the exchange of Kenyan coffee and Dutch cheese. There is no discernible convergence in wages since US$10,000 is continuously able to buy more embodied Kenyan labor than Dutch labor (Fig. 8). The generally low wages of coffee workers verifies Emmanuel’s (1972) observation that peripheral countries tend to trade many badly paid domestic hours of work for a few hours of well-paid foreign work. Mass is the metric used by MFA. The exchange of mass per dollar yields similar results — more Kenyan mass is exchanged per dollar (Fig. 9).

5.2. Exchange of Kenyan Roses for Dutch Cheese

Analyzing the exchange of Kenyan rose flowers for Dutch cheese presents mixed results. In several instances, the results seem to contradict the EUE hypothesis. The exchange per dollar of embodied land is illustrated in Fig. 10. Here, The Netherlands consistently exchange more of its embodied land resource for less Kenyan land at a fixed market price. In the exchange of virtual water (Fig. 11), no clear pattern of unequal exchange constantly to the detriment of one partner is visible, but Kenya seems to have an advantage, losing out in only five out of the fourteen years under consideration. Energy exchange similarly presents no clear pattern constantly in favor of one trading partner, even

### Table 6
Trade volumes and embodied resources.

<table>
<thead>
<tr>
<th>Year</th>
<th>Dutch cheese export to Kenya</th>
<th>EU-27 cheese export to Kenya</th>
<th>Embodied resources in Dutch cheese exports to Kenya</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Export (kg)</td>
<td>Inflation adj. sales (US$)</td>
<td>Land use (ha)</td>
</tr>
<tr>
<td>1995</td>
<td>89</td>
<td>1906</td>
<td>0.06052</td>
</tr>
<tr>
<td>1996</td>
<td>18</td>
<td>1945</td>
<td>0.01224</td>
</tr>
<tr>
<td>1997</td>
<td>671</td>
<td>8822</td>
<td>0.45628</td>
</tr>
<tr>
<td>1998</td>
<td>12,666</td>
<td>65,933</td>
<td>8.61288</td>
</tr>
<tr>
<td>2000</td>
<td>2060</td>
<td>18,450</td>
<td>1.4008</td>
</tr>
<tr>
<td>2001</td>
<td>1360</td>
<td>11,886</td>
<td>0.9248</td>
</tr>
<tr>
<td>2002</td>
<td>978</td>
<td>19,321</td>
<td>0.66504</td>
</tr>
<tr>
<td>2004</td>
<td>5253</td>
<td>39,566</td>
<td>3.57204</td>
</tr>
<tr>
<td>2005</td>
<td>58</td>
<td>1714</td>
<td>0.03944</td>
</tr>
<tr>
<td>2007</td>
<td>829</td>
<td>13,688</td>
<td>0.56372</td>
</tr>
<tr>
<td>2008</td>
<td>5</td>
<td>277</td>
<td>0.0034</td>
</tr>
<tr>
<td>2009</td>
<td>1</td>
<td>99</td>
<td>0.00068</td>
</tr>
<tr>
<td>2010</td>
<td>5856</td>
<td>38,694</td>
<td>3.36208</td>
</tr>
<tr>
<td>2011</td>
<td>6574</td>
<td>38,067</td>
<td>4.47032</td>
</tr>
<tr>
<td>2012</td>
<td>3584</td>
<td>22,725</td>
<td>2.43712</td>
</tr>
</tbody>
</table>

Source: Trade data sourced from COMTRADE (2014). Embodied resources calculated by author.
though The Netherlands still has a slight advantage, exchanging less embodied energy per dollar for a combined ten out of the fourteen years considered (Fig. 12).

From a traditional comparative advantage and free market trade perspective, rose flowers would perfectly fit the bill of a product for which Kenya has a ‘comparative advantage’. The typical recommendation would thus be for Kenya to continue to invest in and internationally trade in the crop (cf. Hoekstra, 2009b; Mekonnen and Hoekstra, 2011). The export of less water-intensive yet high value roses would thus be a water-saving strategy. Even so, such enthusiasm is tempered by environmental considerations. Cut flower and vegetable farms around Lake Naivasha have been blamed for polluting and reducing the lake’s water levels and biodiversity (Becht et al., 2006; Food and Water Watch, 2008; Mekonnen et al., 2012). As Kargbo et al. (2010:7406) puts it, “the tons of flowers flown out of Kenya to Europe go with the lake.”

In contrast to the above argument and in line with the EUE theory, we explain the apparently anomalous case of Kenyan rose flowers by its core-like characteristics. Wallerstein (2004) distinguishes core-like and peripheral products based on degree of monopolization, which is directly related to profitability, core-like products being those controlled by quasi-monopolies. Thus, in the exchange process, there is a constant flow of surplus-value from the owners of peripheral products to those of core-like products. Core products are often capital intensive through deployment of technology hence less labor-intense; characterized by a high ratio of capital to market value, spatially aggregated to reduce infrastructure costs and attract a lot of labor which reduces wages, and requires little or no further processing (Bunker, 1985). These conditions, typical of intensive agricultural production in the developed countries, are largely satisfied by Kenyan rose flower production. But technology can serve as a fetish that mystifies relations of unequal exchange (Hornborg, 2011; Hornborg, 2001). Moreover, foreign direct investment (FDI) and international outsourcing of production have been shown to make developing countries more vulnerable to global political–economic conditions and often leads to negative domestic consequences such as environmental pollution and deforestation, suppressed economic development, income inequality, food insecurity, and poor human health (Cavanagh and Hackel, 2003; Jorgenson, 2010). Land tenure regimes in extractive peripheral economies are often under the control and direction of the state (Bunker, 1985). But in the Kenyan flower industry, land and capital is almost exclusively owned by foreign investors and transnational corporations (TNCs) from the developed world (cf. Nguny, 2014). These characteristics make Kenyan roses a core product in more respects than not as it is owned and controlled by a quasi-monopoly of capitalists from the developed world who have geographically outsourced its production to Kenya. Apart from the embodied resources, there is nothing Kenyan about Kenyan roses.

Unlike other core products, rose flower production is labor-intensive. Many husbandry activities, harvesting, grading and packaging are difficult to mechanize. This unique characteristic is evident in the exchange of embodied labor (Fig. 13) which, as expected under the EUE theory, shows that at a fixed price, more embodied Kenyan labor is exchanged for less Dutch. Even though the difference seems to have diminished slightly over time, no factor-price equalization is discernible. This is reflective of the huge wage differential between the two countries. Kenyan cut flower workers earn slightly over a dollar a day.

![Fig. 9. Exchange of embodied mass at fixed (US$10,000) price.](image)

![Fig. 10. Exchange of embodied land at fixed (US$10,000) price.](image)

![Fig. 11. Exchange of virtual water at fixed (US$10,000) price.](image)

![Fig. 12. Exchange of embodied energy at fixed (US$10,000) price.](image)

![Fig. 13. Exchange of embodied labor at fixed (US$10,000) wage.](image)
The exchange of mass per dollar also fits the EUE hypothesis (Fig. 14), but in terms of land (Fig. 10), water (Fig. 11), and energy (Fig. 12). The Netherlands seem generally to be losing embodied resources in trading its cheese for Kenyan roses. It seems that the potential for profit inherent in the great wage difference between the two countries has encouraged the establishment of labor-intensive cut flower production in Kenya, even though in terms of embodied resources it appears to contradict the EUE pattern.

5.3. Environmental Load Displacement

The gray water footprints and CO2 emissions illustrate environmental load displacement, how a country shifts environmental burdens onto another or suffers burdens caused by another (cf. Muradian and O’Connor, 2001), a key characteristic of ecologically unequal exchange. Since they are displaced burdens rather than resources per se, quantifying their exchange per dollar was considered superfluous. However, their different potential impact on the target countries is worth noting. The gray water footprint is the volume of freshwater required to assimilate a load of pollutants based on existing ambient water quality standards (Hoekstra and Mekonnen, 2012). Unlike The Netherlands, Kenya is water scarce (cf. Marshall, 2011). The impact of even equal gray water footprints on the countries’ environments and livelihoods can thus be markedly different. Although nations which import embodied CO2 emissions in energy-intensive products do not physically exert their can thus be markedly different. Although nations which import embodied biological resources exchanged per dollar or other unit of exchange value. By holding market price constant, we are able to quantify the asymmetric resource transfers, as well as test a key mechanism through which EUE occurs. This helps empirically lift the veil off the discursive filters and illusions which continue to sustain the free market ideology as fair or tantamount to reciprocity.

Since monetary valuation evidently obscures biophysical unequal exchange, integration of biophysical metrics alongside monetary valuation in international trade is imperative. Revelation of EUE may motivate interested actors and schools of thought to respond differently. One possibility would be the urge to promote certain products in line with the traditional persuasion to pursue comparative advantage, another to try to negotiate ‘better’ prices in an attempt to ‘internalize externalities.’ However, such efforts are most likely doomed to fail so long as they do not address the underlying structural and skewed power relations at play. Ultimately, a rethinking of the structure, politics and policies of the international capitalist system of resource exchange is necessary.

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