Corporate Social Responsibility as a common good, new form of territorial proximity

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Enterprises are increasingly involved in enhancing sustainability and societal responsibility confronted with worldwide challenges, i.e. Climatic Change, Poverty, Food Security, Biodiversity (OCDE and FAO, 2017; OECD, 2018). However, if the SDG Compass explains how the SDGs affect business, offering the tools and know-how to put sustainability at the heart of organizations’ strategy (SDGs, 2017), companies still need more detailed instructions. “Many of the 17 SDGs set by the United Nations are relevant to the food system” (Poppe, 2018, p.7). Agrifood cooperatives are considering reinforcing and achieving SDGs in the agricultural and food sector in rural areas. They drive the emergence of new forms of territorial development processes, more inclusive, sustainable and equitable. Why should coops be by essence responsible and the main actors involved in providing a sustainable response to contribute to common good and help achieve The 2030 Agenda?

This paper focuses on the concrete sustainability and inclusive behavior of agricultural - agrifood cooperatives. Our hypothesis is that, in order to achieve The 2030 Agenda and ensure the real commitments of agriculture and food cooperatives, they need to include and share, equally, the entire value chain as a good way to guarantee sincerity at both consumer and shareholder levels. Farmers in cooperatives could organize new territorial systems in order to better valorize their products but also to guarantee sustainable goals takes into account the interests of all stakeholders and consumers (World Co-operative Monitor, 2017). However, Corporate Social Responsibility is more of a voluntary than a coercive arrangement. Enterprises are faced with the obligation of means, and not of performance results. As guidelines are needed to encourage enterprises to ensure their CSR behavior, referentials are provided in order to attest to responsible commitments. The most well-known of these include Global Reporting Initiative (GRI and UN Global Compact 2018), or more sectorial referentials such as Global Good Agriculture Practices for Fruit and Vegetables in
France. The Global Reporting Initiative (GRI) provides guidelines for economic, social and environmental performances (directives of G4 GRI and ISO 26000 in GRI 2014). This is a Sustainable Development Report that indicates the potential impact of enterprise good practices. The Global Deal initiative for Global Gap transforms CSR into a Responsible Business model to ensure sustainability. A sustainable report should provide a comprehensive representation of an organization’s performance, positive or negative (ICA 2016).

The background adopts the collective action and cooperative theories (Ostrom, 1990, Cook, 2018), proximity analysis (Pecqueur et Zimmerman, 2004; Torre and Wallet, 2014) and the shared value approach (Porter and Kramer, 2011).

In France, cooperatives are powerful actors of food supply chains and rural development, with 3 out of 4 producers, and 1 out of 3 food brands (Coop de France, 2018). In 2018, they generated 85 billion euros in turnover, and employ more than 195 000 people in all, throughout the food supply chains.

We propose a case study using an original French database covering all 186 agricultural cooperatives engaged in sustainable processes, including the 16 certified in ISO 26000 (Afnor 2018). We interviewed the leading experts (Afnor certification, Plateforme RSE, AgriConfiance® advisory and standardization consultants) and Managers (including Commercial law companies’ CEOs and coop suppliers). We enjoyed the benefit of various ISO 26000 meetings for the project ISO/TS 26030 "Sustainable development and social responsibility — Guide for using ISO 26000: 2010 in the food chain" by Afnor. We participated in AgriConfiance® meetings to complete the panel of discussants. We interviewed the leading cooperative managers in order to better understand how they impulse CSR in their coops, whether for cereals, dairy or Fruit and Vegetables.

We analyze cooperative commitments, how they measure their social and environmental impacts and the factors encouraging farmers to adopt sustainable practices. We discuss the measures and incitations needed to enhance CSR in food chains and rural areas.

The results show that (1) proximity with consumers is a major motivation in innovating and adopting sustainability practices, thereby rendering (2) local interactions essential in order to reconcile economic, environmental and social dimensions. The results focus on the conditions of how cooperatives combine competitiveness, member needs and respecting cooperative principles in the food chain, as well as in achieving the transition to sustainable agricultural development.

Close examination of “The ISO 26000 Club” indicates the rise of two types of coop. Pioneer coops engaged in CSR behavior that reflect their coop values. In such “Value Driven” coops, the engine corresponds to the motivation for shared collective action on a local basis. Their economic performances come from the reconciliation of the short- and long-term. In “Business-oriented coops” engaged in CSR behavior, mostly in terms of profits expected, CSR is more a tool for improving their economic activity by increasing their market shares, respecting client or supplier specifications, and securing their reputation. In such
cooperatives, the driving force is focused on the expectation of profits for a better redistribution to producers, with managers using CSR to exercise pressure on owner-member decisions. Coop values lead to establishing new relationships with their stakeholders and the local area. Is CSR, however, a real conviction or a bit of marketing cosmetics? These commitments introduce new form of territorial proximity. Environment, social, economic goals need to be bound up with governance, which indicates the way used by coops to manage such changes. Even if all coops do combine the three dimensions, economic, social and environmental, their strategy can give rise to more complex combinations, without taking into consideration size, organizational structure, geographical localization and sectorial activities. As being a coop is not enough for sustainable responsibility, ISO 26030 could give guidance to pave the way in creating local common goods.

We observed that when cooperatives engaged sustainable behavior, they pursued their commitment even if they did not formally reengage, since the cost of normalization is a significant block for small and medium enterprises. Consequently, the creation of a significant added-value, even by sustainable commitments with their suppliers or consumers, could be a way to compensate for a visible immediate economic benefit. In terms of impacts, relative to the 7 core questions of ISO 26000, the environment is a classic starter for good practices. Cooperatives need to think out new definitions of performance, including their impact on their local-territorial anchorage, as well as on consumers and loyalty practices. Creating an ecosystem is a good way to ensure CSR, which stresses the practices of the organizations engaged in it. If it is difficult to measure the impacts of such practices, it proves easier to identify the emergence of eco-systems combining supply chains and local development. “… Circular economy, digital transformation and especially big data and automation, new uses, fragmentation of markets, territorialization of governance … All this leads to a new conception of performance that can no longer be only global, but enriched with local specificities. Therefore, cooperation is a lever of performance. This cooperation induces co-responsibility” (Oree 2017, 85). CSR needs a multidimensional approach. Creation and development of the eco-system imply that CSR should be a part of intangible capital.

We discuss the means used by cooperatives creating common goods towards more collective and participatory modes of exploitation, management of territorial resources and new form of territorial proximity. We suggest that Sustainable Supply Chains could provide an effective measurement of positive impacts, combining global as well as local levels, developing a territorial eco-system (Filippi, 2014). Our findings consider the appropriate mechanisms for the relational structuring of supply chains creating common goods, since the quality of close interactions between stakeholders is essential for their sustainability. It is a combination of territorial (stakeholders and community) and supply chains that allows global goals to be successfully converted into local business. Without legally-binding obligations, the coop sustainable ecosystem is an auto-enforcement mechanism. Even if ISO is a voluntary norm, it would prove fruitful for future study to measure the impacts of CSR on companies’ business as well as on territorial ecosystems.
By applying their cooperative principles, cooperatives will be able to ensure another economic model, one that is more democratic, inclusive and sustainable for society and the planet.

**Key words:** Corporate Social Responsibility, Agrifood Coops, Common Good, Proximity, Territorial development.

**References**


**Abstract**

Enterprises are increasingly involved in enhancing sustainability and societal responsibility. This communication focus on agrifood cooperatives which drive the emergence of new forms
of territorial development processes, more inclusive, sustainable and equitable. Farmers in cooperatives could organize new territorial systems in order to better valorize their products but also to guarantee sustainable goals takes into account the interests of all stakeholders and consumers. The background adopts the collective action and cooperative theories (Ostrom, 1990, Cook, 2018), proximity analysis (Pecqueur et Zimmerman, 2004; Torre and Wallet, 2014) and the shared value approach (Porter and Kramer, 2011). We propose a case study using an original French database covering all 186 agricultural cooperatives engaged in sustainable processes, including the 16 certified in ISO 26000 (Afnor 2018) and completed by manager’s interviewees. The results point out the role played by the Corporate Social Responsibility as a common good due to close interactions between stakeholders. The results show that (1) proximity with consumers is a major motivation in innovating and adopting sustainability practices, thereby rendering (2) local interactions essential in order to reconcile economic, environmental and social dimensions. We discuss the means used by cooperatives creating common goods towards more collective and participatory modes of exploitation, management of territorial resources and new form of territorial proximity.