

24rd International Conference

“Industrial versus small farms agriculture – the response to economic, social and environmental challenges”

10-12 December 2018, Jachranka, Poland

# Farmer's environmental responsibility for modern rural development: does farm size matter?



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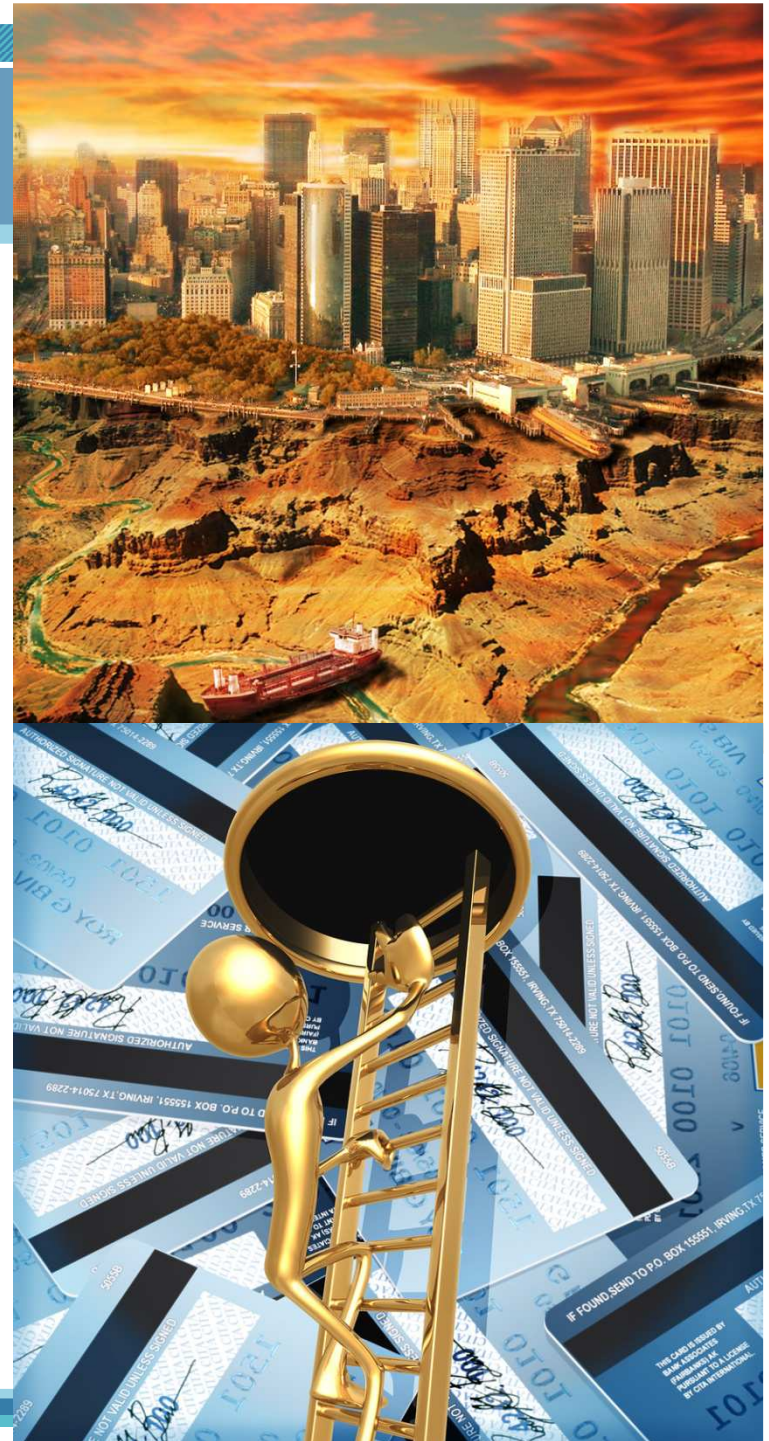


1 Hot tip

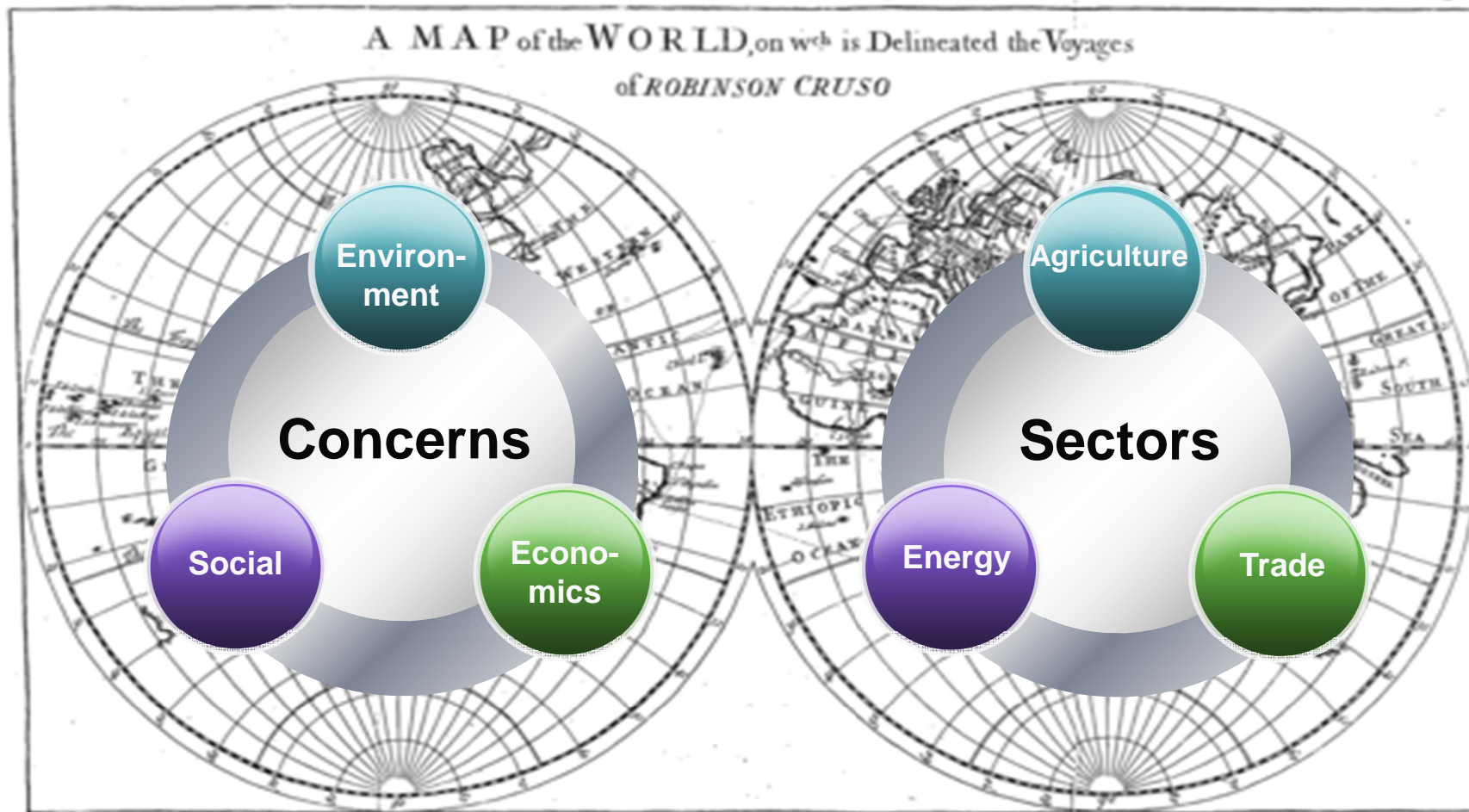


# Hot Tip

- ***Crisis of recent decade had proved*** many times the ***interconnectivity and interdependency among all actors, sectors and areas of concern*** throughout the globalized value chains.
- Today ***sustainable development strategies are under reconstruction*** by global governance bodies together with stakeholders from around the world, concerning the main issue of durable future.
- ***Agriculture*** as a main provider of public goods, recently had ***experienced pressure from public society*** and entered the debates for an essential ***review*** of the ***underlying support principles***, based on multifunctionality, which hardly meet the goals of sustainable development.



“The planet was a large world in which human activities and their effects were neatly compartmentalized within nations, within sectors (energy, agriculture, trade), and within broad areas of concern (environment, economics, social)” (Brundtland’s Report, 1987).



# Hot Tip



- **The gap between multifunctionality and sustainability might be closed with help of corporate social responsibility (CSR).**
  - recent research, initiated by the *European Commission and the United Nations* (Cooper, 2009) *and scholars worldwide* (e.g. Behling, 2008; Besley, 2007; Codron, 2005; Cooper, 2009; Friedrich, 2012; Genier, 2008; Hartmann, 2011; Hediger, 2009; Heyder, 2008a; Heyder, 2008b; Heyder, 2009; Heyder, 2010; Hübner, 2010; Jasinskis, 2009; Jasinskis, 2010; Kissinger, 2012; Maloni, 2006; Mazur-Wierzbicka, 2015; Mueller, 2014; Slee, 2011; Tallontire, 2005; Uetake, 2015; Vaznonis, 2009);
  - Findings indirectly imply that the *rural areas are experiencing value crisis* due to the massive deployment and intensity of financial and human resources which over accelerated rural development.
  - Corporate social responsibility (**CSR**) *in the provision of public goods and services become* more and *more important* object of discussion, opening up a new original agrarian discourse into the research of CSR.





## 2 Aim and research methods



# Aim and research methods



- ***Aim*** - to disclose the impact on the environment made by industrial to small farmers in post-soviet bloc from farmers' point of view.
- ***Research methods:***
  - theoretical modelling;
  - survey method (N=1108);
  - descriptive statistics.







### 3 Post-industrial rural development conceptions



# Public goods, related to agriculture



Categories of agrarian public goods	Institute for European Environmental Policy (Cooper, 2009)	European Parliament (Hart et al., 2011)	Vinciūnienė and Vitunskienė (2013)	OECD (2015)
<b>Environmental</b>				
Agricultural landscapes	✓	✓	✓	✓
Culturally valued landscapes			✓	
Farmland biodiversity	✓	✓	✓	✓
Water quality	✓	✓	✓	✓
Water availability	✓	✓	✓	✓
Soil functionality	✓	✓	✓	✓
Climate stability-greenhouse gas emissions	✓	✓	✓	✓
Climate stability-carbon storage	✓	✓	✓	✓
Air quality	✓	✓	✓	✓
Resilience to flooding	✓	✓		✓
Resilience to fire	✓	✓		✓
Resilience to natural disasters snow damage, landslide				✓
<b>Social</b>				
Food security	✓	✓	✓	
Rural vitality	✓	✓	✓	
Farm animal welfare and health	✓	✓	✓	





## 4 Corporate social responsibility in post-industrial rural development

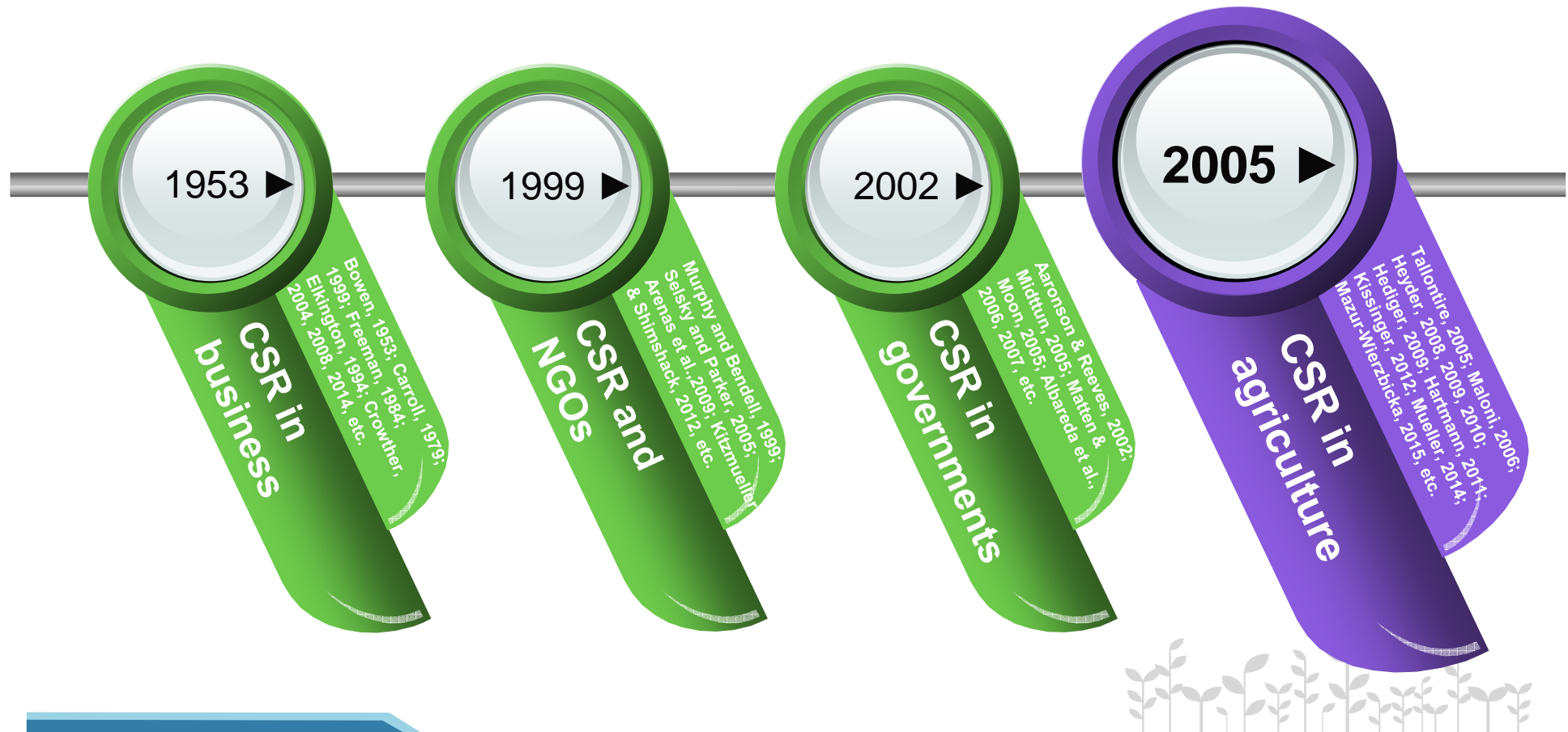
# Definition of corporate social responsibility (CSR)



- **There is no – and cannot be – one and the only one definition of CSR:**
  - *Broadest:* CSR is concerned with what – is or should be – the relationship between global corporation, governments of countries and individual citizens.
  - *Local:* CSR is concerned with the relationship between a corporation and the local society in which it resides or operates.
  - *Stakeholder:* CSR is a relationship between corporation and its stakeholders.



# Corporate social responsibility and agrarian discourse



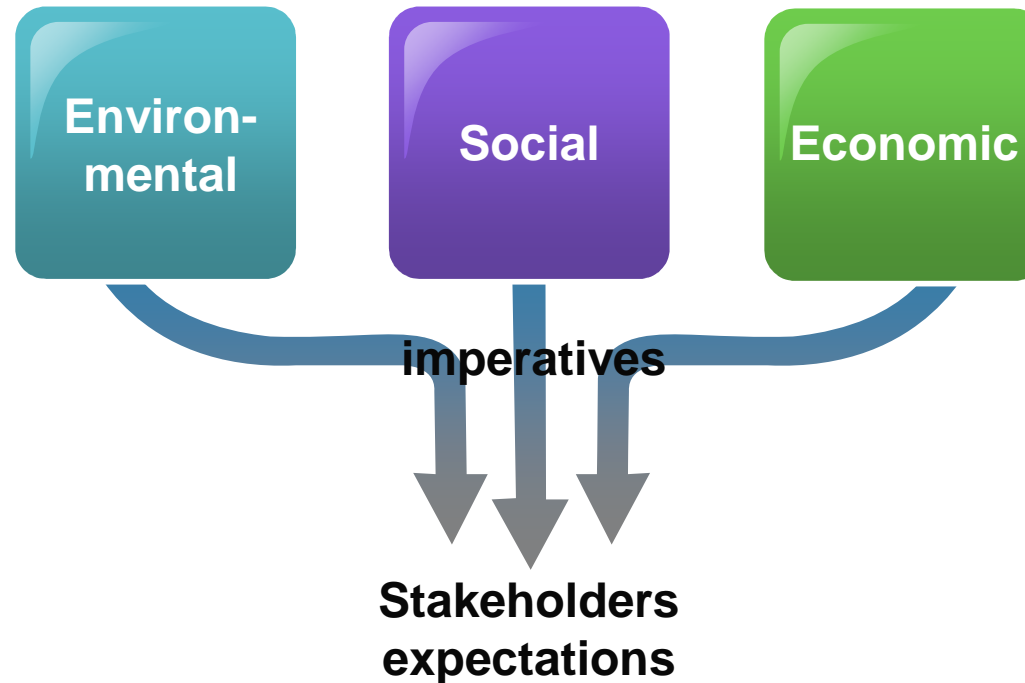
# Corporate social responsibility and agrarian discourse



- **The question of the conceptions of multifunctionality and sustainability in agriculture became crucial at the beginning of 1990s;**
- **Its recent applications in changing CAP of 2014-2020 are gaining the importance;**
- **In recent debates:**
  - CSR can be used and/or applied in agriculture as a sustainable development tool (Hediger, 2009; Mazur-Wierzbicka, 2015);
  - the concept of CSR may be applied to substitute or supplement those of multifunctionality and sustainability in the agrarian sector (Hediger, 2008).



# Defining CSR in agrarian sector



***CSR is the way to balance social, environmental and economic imperatives, and deal with stakeholders expectations at the same time***

The three-pillar definition of CSR / Triple-Bottom-Line approach (Elkington, 1994)



# Setting environmental responsibility



**Economic**

**Environmental**

**Social**

**Stakeholder expectations**

## *Fields of stakeholder expectations:*

- **Organizational governance: farm management and decision taking**
- **Fair operating practices**

- **Environmental protection**
- **Environmental responsibility**
- **Agricultural practices, soil degradation and conservation**

- **Labour Practices**
- **Human rights**
- **Local community involvement and development**
- **Consumer issues**







5

## The environment and farmer's responsibility

6





### Principles and considerations of environmental responsibility:

- *environmental responsibility* for the environmental impacts caused by its activities in rural or urban areas;
- *precautionary approach* - threats of serious or irreversible damage;
- *environmental risk management*;
- *“polluter pays”* - bearing the cost of pollution caused by its activities.



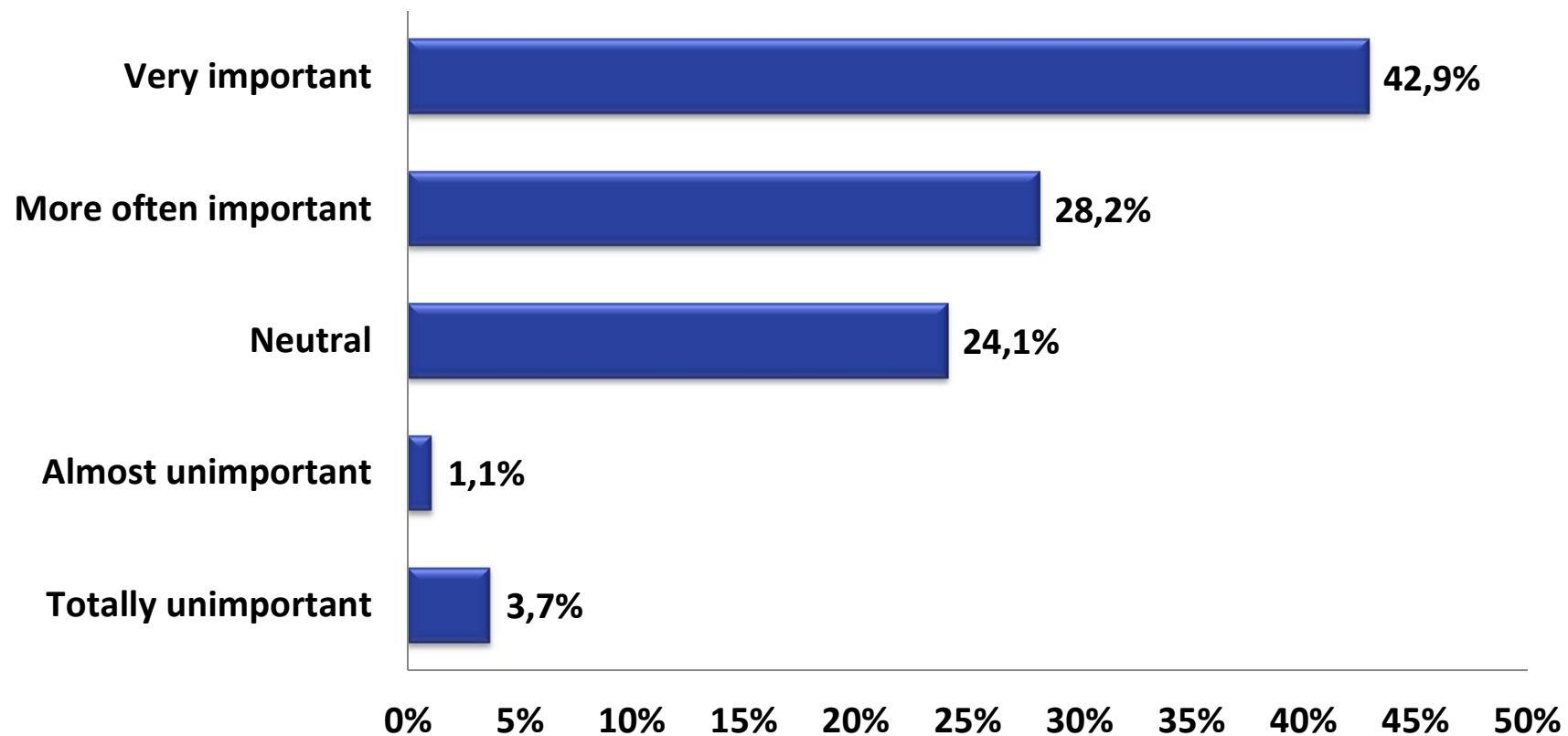


### Environmental management activities - approaches and strategies:

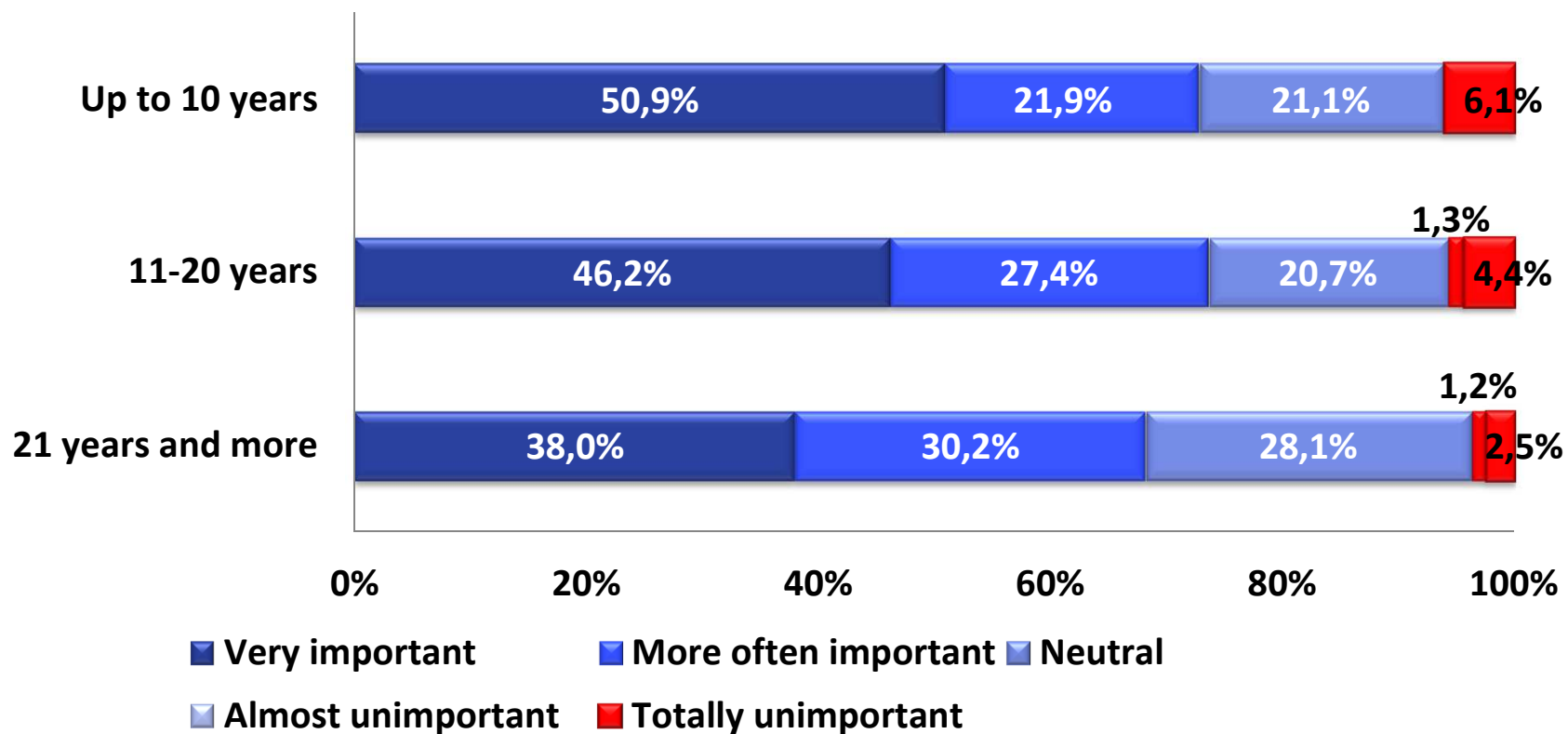
- *life cycle approach;*
- *environmental impact assessment;*
- ***cleaner production and eco-efficiency;***
- *a product-service system approach;*
- *use of environmentally sound technologies and practices;*
- *sustainable procurement;*
- *learning and awareness raising.*



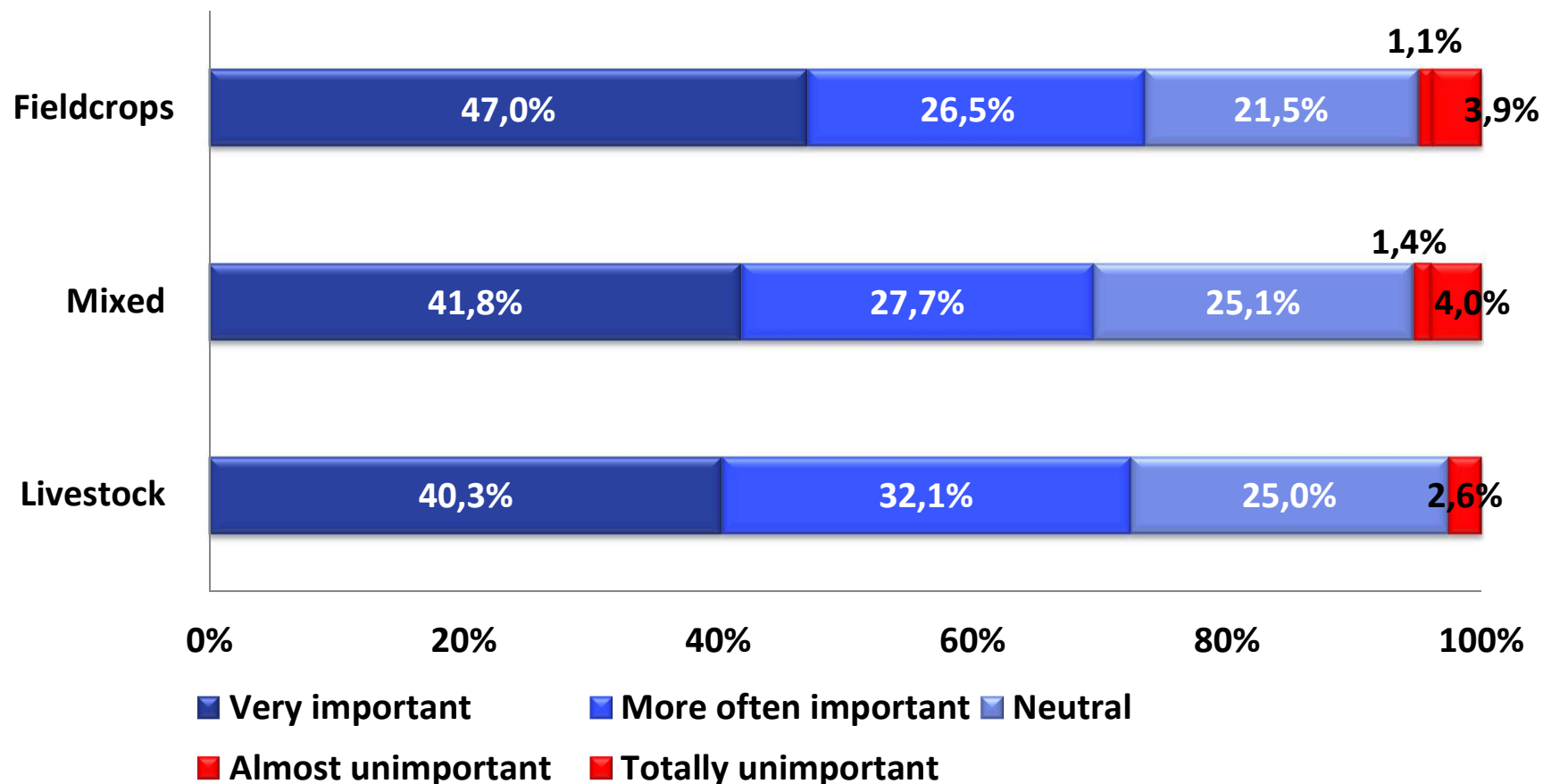
## Ecological efficiency and cleaner production in purchasing producing equipment and additives



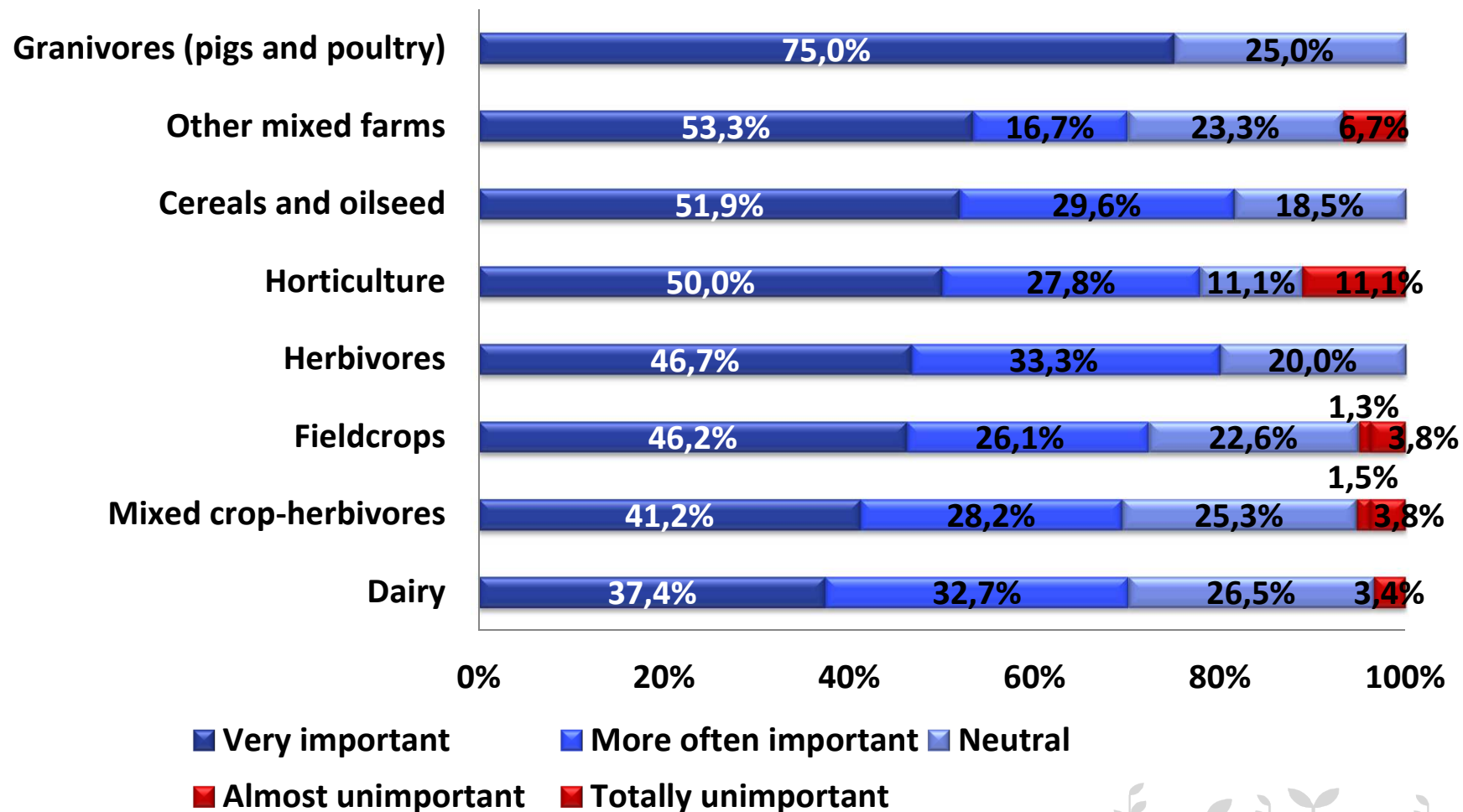
# Ecological efficiency and cleaner production & farm's age



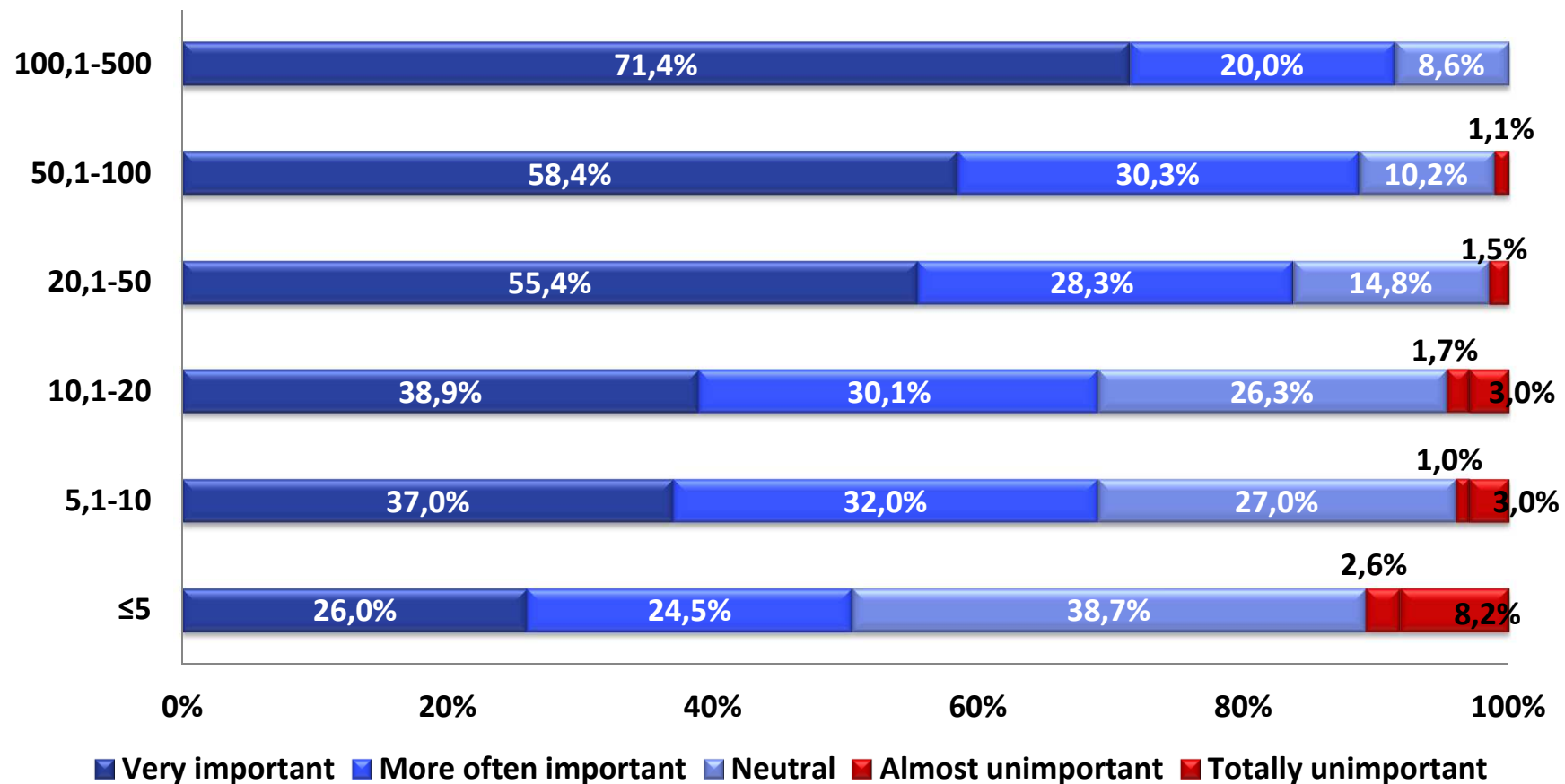
# Ecological efficiency and cleaner production & farming type



# Ecological efficiency and cleaner production & farming type

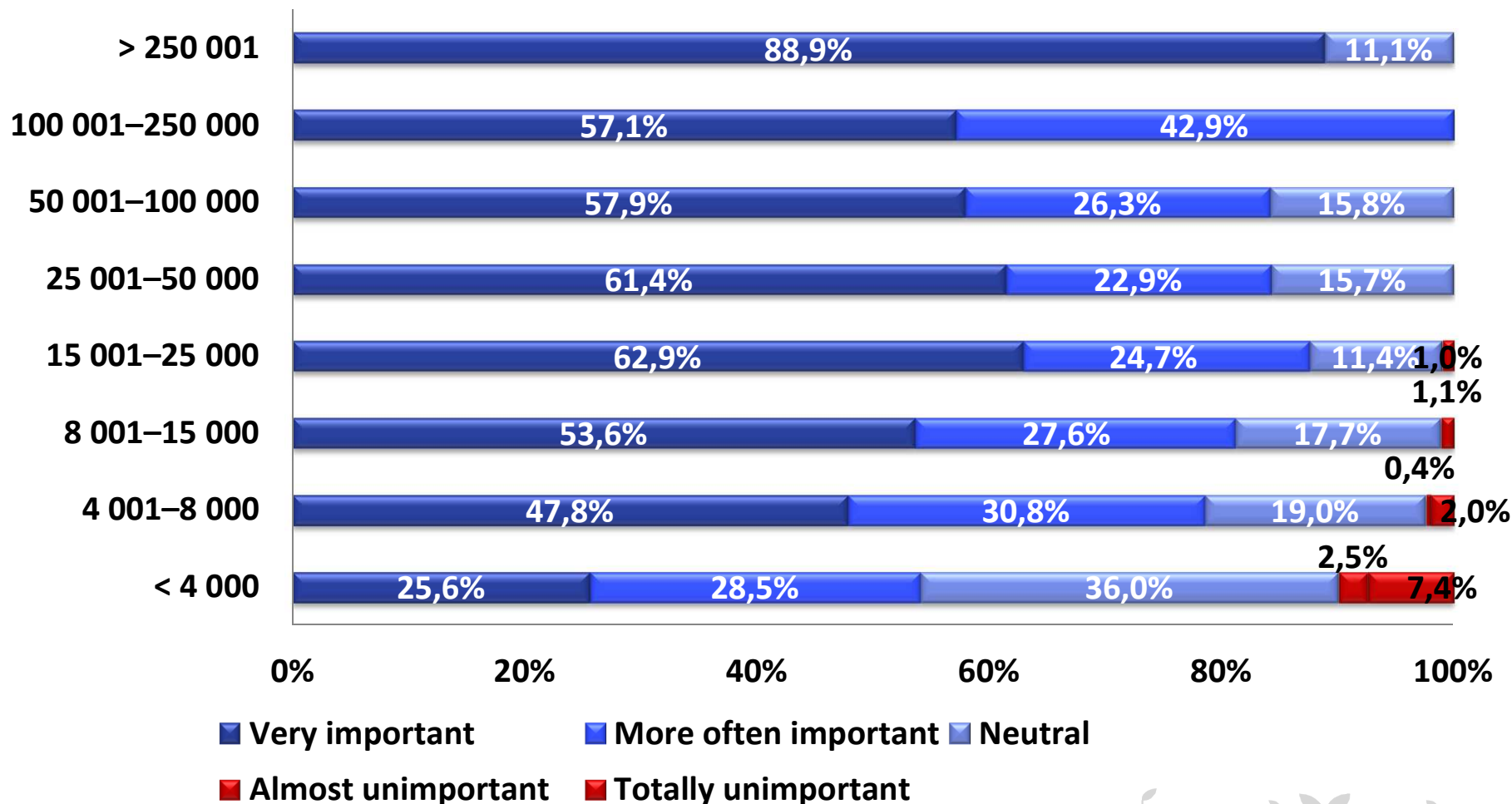


# Ecological efficiency and cleaner production & farm size, ha

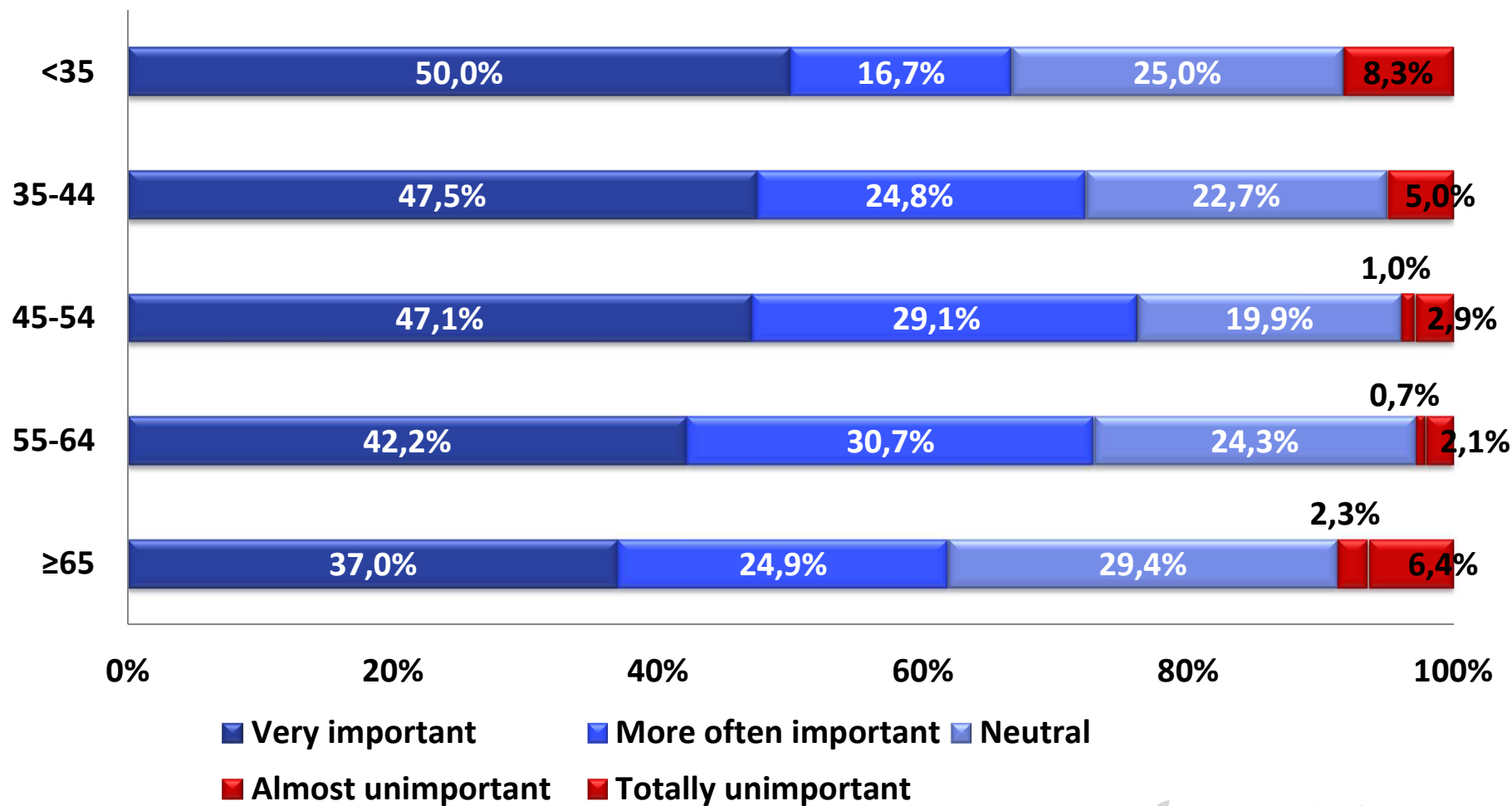




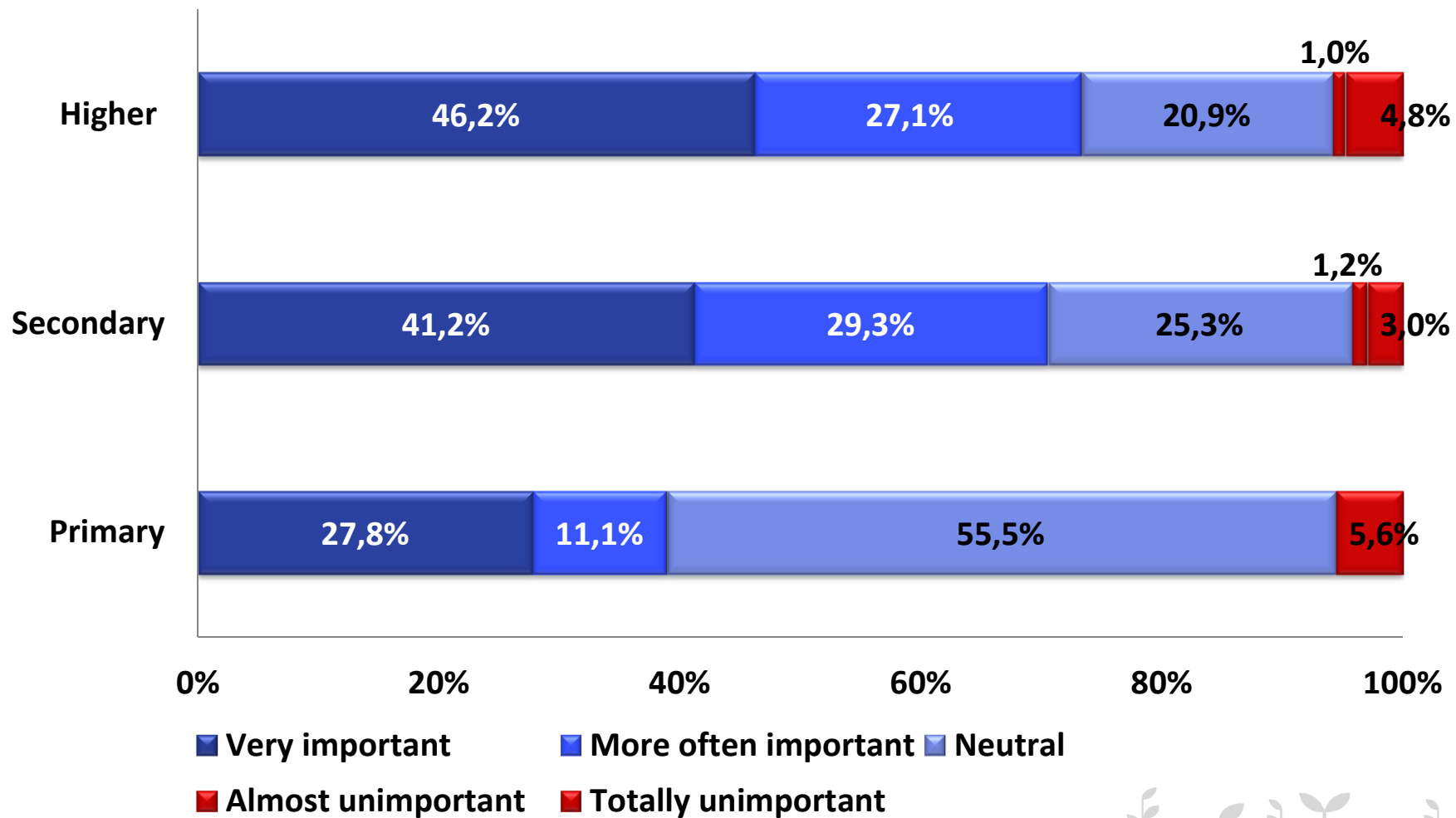
# Ecological efficiency and cleaner production & farm size, Eur



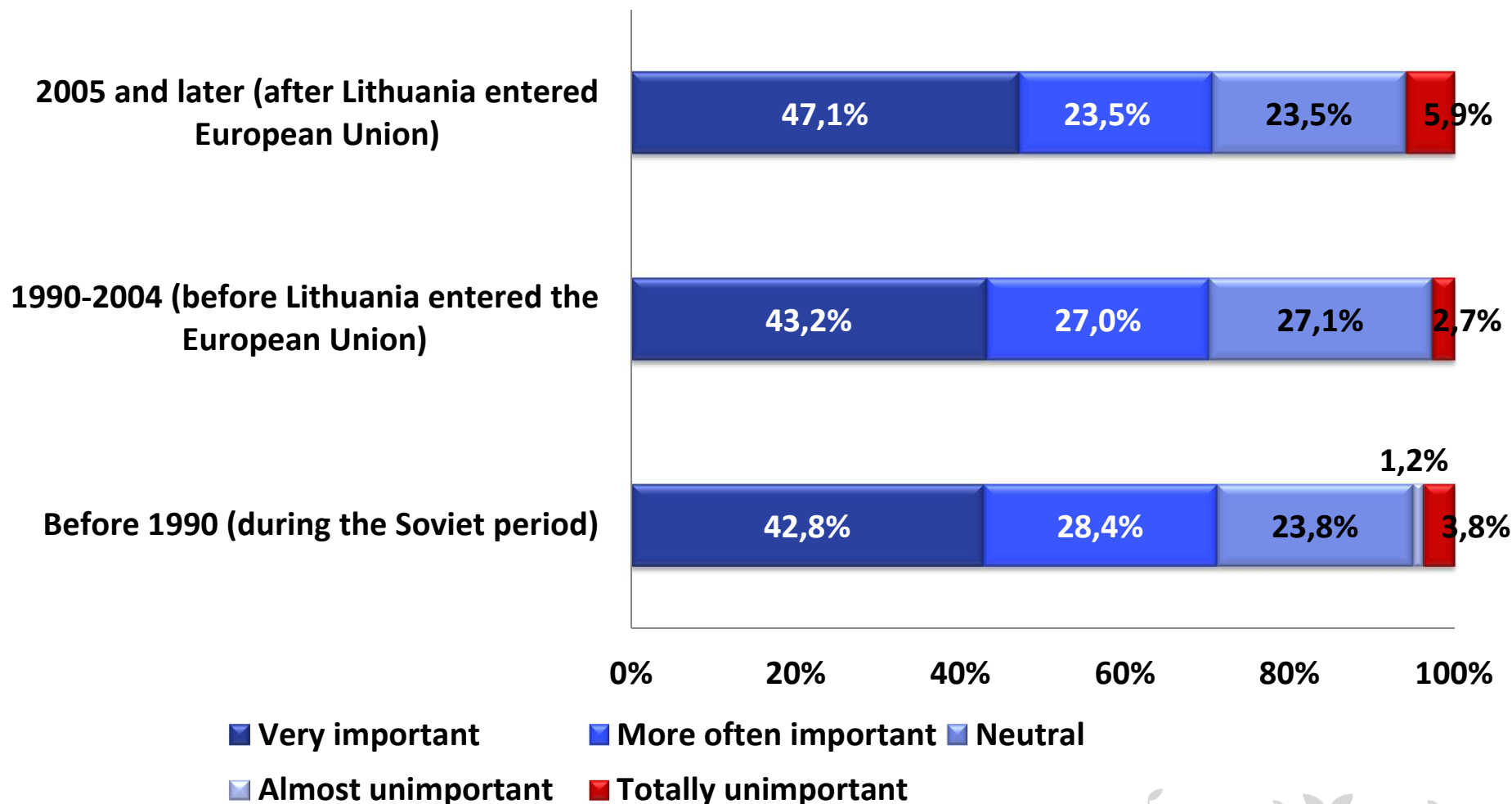
# Ecological efficiency and cleaner production & farmer's age



# Ecological efficiency and cleaner production & farmer's education, Eur



# Ecological efficiency and cleaner production & period of farmer's education acquired





**6** Conclusions and discussion



## Conclusions (1)



- The question of ***why the agricultural sector, compared to other industries, receive the exceptional attention and support from the public funds***, in most studies is explained using the multifunctional agriculture arguments and is mainly based on the importance of the performed functions to the public. However, there is ***a missing question of how these goods are created***, which is central for closing the gap between the prospects of multifunctional agriculture and sustainability.



## Conclusions (2)



- Discussions directly related to **CSR as such in an agrarian discourse had appeared nearly a decade ago**, hence, in business it has history for more than half of a century. **In agricultural context** there is a broad sense of using the three-pillar definition of **CSR** also known as *Triple-Bottom-Line* approach and to describe CSR **as the way to balance social, environmental and economic imperatives, and deal with expectations of various stakeholders at the same time**. Besides, *CSR in an agrarian discourse may take any of available - broadest, local, stakeholder – approaches*.



## Conclusions (3)



- Major share of Lithuanian farmers stated **ecological efficiency and cleaner production characteristics** being **important in** equipment and manufacturing additives **purchasing decisions**, next to other environmental responsibility characteristics.





# Discussion



- The origination of the concept of CSR and related discussions in an agrarian discourse gives evidence that ***CSR issues had already arrived to the agribusiness sector and increasingly gain its importance when dealing with the provision of public goods.***
- Currently most often concerned with CSR issues in the supply and food chains, ***it is already starting to expand to a broader systems perspective.***
- This does provide basis for ***further research and discussion*** concerning ***the farmer's role in a socially responsible provision of public goods*** as well as a ***subject of government support*** for the sector ***from a broader perspective.***
- ***It requires*** not only the examination of the multifunctionality, but also ***improved systems-based understanding*** of relationships and interactions among agricultural stakeholders throughout the local and global value chains, taking into account social welfare and inclusive economic development issues next to the broadly discussed environmental concerns.





**Thank You !**



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of agrarian economics

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