

## CHAPTER 14

# FROM CORPORATE SOCIAL RESPONSIBILITY TO CHAIN SOCIAL RESPONSIBILITY

*Consequences for chain organization*

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**Abstract.** In both the political and the scientific field the ideas about corporate social responsibility (CSR) have changed over the last 10 years. These changes are more or less connected with the stages in the environmental policy of firms as De Ron et al. (2002) describe them – put in order, administer and integrate – and with the development of political ideals about CSR. The relation between the social responsibilities of firms and chain organization is founded on the ‘credence’ characteristics of social responsibility. These credence characteristics make market information necessary to ensure market information is symmetric in every stage of the production chain; otherwise market failure is unavoidable and inferior products will drive out good-quality products. The incorporation of transparency on CSR into a chain is possible in a product-oriented (LCA) or a company-oriented way (company-certifying systems).

The integration of CSR in chains is accompanied by management efforts, both within and without the company. Firms must implement the strategy in their whole enterprise, from top management down to shop-floor workers. This is often done with the help of existing quality management concepts such as INK. In extra-company management (chain cooperation) both the content (what) and process (how) are important.

The last part of the paper covers in more detail how to manage the chain with respect to CSR. In this part we will discuss competence analysis and monitoring with the help of the model of Doz and Hamel (1998). To transform this static model into a dynamic one we propose using the model of Ring and Van der Ven (1994) for the cyclical development of cooperation and the model of Lewicki and Bunker (1996) for the build-up and development of trust.

To unite these more general models with the more specific approach in the field of CSR we integrated cooperation with the recently developed European Corporate Sustainability Framework. Effectively, we chose a company approach and the integration of CSR with quality-assurance models, because this approach is a promising way to start CSR in chains and manage it.

**Keywords:** corporate social responsibility; chains; networks; management.

## INTRODUCTION

In 1987 the Brundtland Report underlined the importance of sustainability and called for “a form of sustainable development which meets the needs of the present

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without compromising the ability of future generations to meet their own needs". The key issue in the Brundlandt Declaration is: "*A better life for everyone without destroying our natural resources for future generations*". In the years that followed the declaration, government and firms have worked on its translation into laws, rules and codes of firm conduct. This has resulted in a number of developments, in practice as well as in theory.

On the political level the United Nations Conference on Environment and Development (UNCED, Rio de Janeiro 1992) was held. The conclusion of this conference was that actions are necessary in the field of poverty, modification of non-sustainable production and consumption patterns and the conservation and management of natural sources. The World Summit on Sustainable Development (WSSD, Johannesburg 2002) acknowledged the importance of sustainable development and underlined that the input of all societal groups is important and cannot be missed. Therefore, the United Nations formulated 9 principles (with respect to human rights, labour and environment) and asked firms to apply these principles ([www.unglobalcompact.org](http://www.unglobalcompact.org)). The OECD (2001) guidelines for multinationals are considered to be the standard for the behaviour of firms in international trade and a basis for the formulation of an internal code of conduct for corporate firms.

In the years since the Brundtland Declaration the content of sustainability has been broadened from Planet to include Planet, People and Profit. In The Netherlands this was reflected in 'De Winst van Waarden' (The Profit of Values), a policy advice from the Social-Economic Council (SER 2000). In this advice, the Council distinguishes two important elements for Corporate Social Responsibility (CSR), namely:

1. Aiming firm activities at a contribution to the welfare of the whole society in the long term, based on the dimensions Profit, People and Planet (content);
2. Having a relationship with stakeholders on the basis of transparency and dialogue, and providing answers to the legitimate questions of society (process).

At the same time the view on the role of government and policy became clearer. The Dutch government and the Dutch Ministry of Agriculture, Nature and Food Quality (LNV) believes that CSR underlines the active and voluntarily accepted societal role a firm fulfils – but not without obligations – and that CSR goes beyond simply applying the law and its rules. This viewpoint means the Dutch government sees CSR in the first place as the responsibility of the firms themselves, whilst at the same time underlining that great political interests are involved. That is the reason why the government thinks stakeholder dialogue is of importance. This government viewpoint is also in line with that of the EU Commission, as presented in the white paper on CSR (Commission of the European Communities 2002).

Worldwide more and more corporate firms are involved in sustainability initiatives and report their activities in annual reports. The Global Reporting Initiative (GRI) has developed guidelines for reporting on sustainability (GRI 2002). For instance, a report must be complete and comparable. The guidelines also mention 5 components that have to be present in the report:

- vision and strategy of the organization;

- organization profile;
- governance structure and management systems;
- a GRI content index (a table identifying where the information requested by the guidelines is located in the report); and
- performance indicators.

In the theoretical field of sustainability and CSR, Wood (1991) made an important contribution with her so-called Corporate Social Performance model, in which she distinguishes principles, processes and performances. With respect to principles, Wood made clear there are different levels:

- The institutional principle relates to legitimacy granted by society. Legitimacy relates the responsibility of firms as a societal institution.
- The organizational principle is related to public responsibility – a relational aspect between the firm and its own surroundings.
- The individual principle is based on the idea that a manager is a moral actor.

These principles, however, are neither universal nor absolute, but connected to time and culture.

Wood (1991) differentiates the processes into context, stakeholder management and the management of changes, based on the basic strategy of the firm with respect to CSR. Wood uses the continuum of firm behaviour developed by Carroll (1979), who distinguished between a reactive, defensive, adaptive and pro-active strategy. A pro-active strategy means the firm continually monitors and evaluates its context, pays attention to the demands stakeholders make, and develops plans and policies to adapt to changing conditions.

In the results/performances, Wood (1991) distinguished societal effects of the behaviour of the firm (community investment, net profit), the programmes used by the firm to realize CSR (stakeholder dialogue), and the policies developed to handle societal issues and stakeholders' interests (mission and code of behaviour).

The Social-Economic Council of The Netherlands (SER 2000) considered CSR as the nucleus of entrepreneurship. This implies that it must be embedded in the whole firm, from the shop floor to the CEO and vice versa. This is why the management level – a staff or line function – responsible for CSR is important.

Social responsibility goes beyond simply applying law and its rules. The result may be totally different firm policy goals. Further, De Ron et al. (2002) distinguish three stages in the environmental policy of firms: put in order, administer and integrate. During the first phase, firms are forced to comply with the more severe rules of the government, i.e. compliance is the main goal. In the next phase, administer, the firm notices the possibility to gain economic profit from sustainability, so-called eco-efficiency. In this phase the firm goes beyond compliance: the 3Ps are synonymous with 'pollution prevention pays'. In the integration phase the aspects sustainability and strategy are connected and the firm sees sustainability as Profit, People and Planet. De Ron et al. (2002) translated this model of environmental behaviour of firms also into the broad approach of sustainability. For this, in Chain Social Responsibility the goals and vision of the participating firms on social responsibility have to be in line with each other.

In the political, corporate and theoretical developments so far, the focus point has been the role of the single firm, although in a number of studies connections are also made to suppliers and buyers. In this paper the chain is our focal point because of the characteristics of corporate social responsibility, which will be discussed first. In the second part, the influence of these characteristics on the incorporation of CSR in networks and chains is discussed. After, we will discuss a method to analyse the status of CSR incorporation in networks and chains and how to accommodate this process. Finally, some conclusions are given. Both the second and third part of this paper are almost entirely based on recent work within the Agricultural Economics Research Institute (LEI). Studies in this area by Wolfert et al. (2003) and Goddijn and Vlieger (2004) represent the state of the art of corporate and chain social responsibility in The Netherlands.

#### FROM CORPORATE SR TO CHAIN SR

What is the reason for transforming Corporate SR (CSR) into Chain SR? The answer to this question can be found in the characteristics of social responsibility. CSR can be defined as actions taken by a firm that appear to go beyond the interest of the firm and what is required by law and ethics. As we mentioned before, communication about CSR in the broad sense is an important part of this approach. Communication about what companies are doing in the field of CSR is done in several ways. In a recent study by Pannebakker and Boone (2004) we found that most of the firms in The Netherlands communicate about this aspect to society in general and stakeholders in particular via their annual reports, whereas others concentrate on shareholders' value and communicate mainly with them. Some firms show their responsibility by measures for, and communication with, the local community. However, in most cases firms communicate about CSR by means of the characteristics of their products. They inform consumers about the important aspects of their production process, for instance how much energy has been used. The consumer, however, cannot infer these characteristics before or after the purchase. This means that in the marketplace we talk about 'credence' characteristics of a product. To inform consumers about these characteristics and to give them reliable and correct information, a number of measures have to be taken. The reason for this is that if consumers get imperfect information or if market information is asymmetrically available, market failure will be the result, as Akerlof (1970) showed. If quality cannot be spotted, good-quality products cannot get a price premium and accordingly, only inferior products will be offered in the market. However, the assessment of the quality of credence goods involves high costs both before and after consumption (Becker 2000). For credence quality attributes, both private and public measures are needed to let markets function properly and to guarantee the availability and quality of the necessary information (Caswell and E.M. 1996). For firms a cost-efficient assurance of quality is very important. This can be reached by coordinating the assurance schemes in the whole chain. The reason for transforming corporate social responsibility into chain social responsibility is thus connected with the credence characteristics of social

responsible products and the flow of information needed to inform buyers about the quality of the products.

The amount of information available on credence characteristics is crucial. Information is usually considered a public good (non-rival and non-excludable) and for that reason undersupplied in the market. If we, as Antle (1999) suggested, consider information as a 'club' good that is non-rival but excludable, then the government has the task to create a legal framework that enables consumers to obtain and use information. The question, then, is which actor in the food chain should offer the required information, by which means and at which costs? Therefore, different types of contracts and quality systems can be used. To make the food network and chain operate efficiently, further research into the contents and impacts of these contracts and systems is needed.

To inform the consumers effectively about credence quality attributes, such as animal welfare and environmental impacts, labelling may be a solution. Labelling implemented by a certifying agent can take many forms. Labels can be detailed, they can also include information about the process and how it differs from other production practices, and labels can also contain information about the certifying agent (Wood Renck 2002).

#### CSR TRANSPARENCY

The incorporation of transparency on CSR into networks and chains can be either product- or company-oriented (Wolfert et al. 2003). In practice, often a combination of both approaches is found. For a product-oriented approach the credence quality aspects must be unambiguously allocated to individual products. Life Cycle Analysis (LCA) seems an interesting instrument to employ for this purpose, because it considers the whole lifecycle of a product and therefore the whole chain. Commonly, an LCA is used to determine the environmental impact of a product. These impacts are expressed in units of production. An LCA is mainly focused on the environmental aspects of products and hardly linked to economic, social or other aspects. This is because people and profit aspects are often more related to processes than to products. However, in The Netherlands a task force is working on a feasibility study to include this dimension in LCA and life-cycle thinking (Udo de Haes and Sonnemann 2003). A recent product-related development in chains is the growing number of chain information systems used by chain actors to share information. Mostly these information systems are developed to track and trace products. Food safety and the product responsibility of actors are important reasons behind the growing attention to these systems and to tracking and tracing. Combining these chain information systems with LCA techniques potentially plays an important part in making CSR transparent in chains and networks.

The product-oriented approach to transparency can be considered a company-independent method because the individual company's unique efforts are not accounted for. The company-oriented approach is very useful if, as in many agricultural production processes, there are considerable amounts of by-products and externalities. In this situation it is more realistic to start at the company level to

realize CSR because then all companies in the chain can guarantee and prove that they produce in a socially responsible way. However, why would companies engage in CSR activity at all? Van der Schans et al. (2003) mentioned three main reasons:

- CSR as an expression of value-driven entrepreneurship (based on personal norms and values);
- CSR based on clearly-understood self-interest (risk and reputation management);
- CSR based on responsibility and dialogue with society (corporate citizenship).

The diversity of motives implies that CSR as a strategic option is not easy to implement if companies are spread over different locations or different levels or form a part of chains and networks. Further, CSR in a chain or network is the highest ambition level in the CSR development model (De Ron et al. 2002). This means companies have to reorganize themselves internally before they can realize CSR goals at chain and network level. In the first phase of this transforming process firms have to comply with the statutory obligations. In the second phase – control – they must be able to show actual results. In the third phase, CSR must be integrated into their corporate and competitive strategy, which implies cooperation with other parties in networks and chains.

#### REPORTING ABOUT CSR TO THE PUBLIC, STAKEHOLDERS AND SHAREHOLDERS

As mentioned before, at company level CSR is essentially context-dependent, goes beyond legal rules and is voluntary. This results in many different ways to implement SR, monitor performance and report the results. Several initiatives have been undertaken to define and measure performance (see, e.g., GRI 2002; OECD 2001; Meeusen and Ten Pierick 2002). Berenschot Consultancy (2003) has studied the annual reports of several Dutch companies in order to see how far CSR had been incorporated. They distinguish four levels of engagement with CSR, namely:

1. Globally engaged – restricted reporting;
2. Globally engaged – broad reporting – actual activities;
3. Engaged – broad reporting – actual activities – results;
4. Engaged – broad reporting – actual activities – results – external verification.

The reports of most companies fell into the first two categories. Another problem is how to assess the actual performance of a particular company. Should we compare the company with another company that has the same functions or with a company that complies with the same demand, but in another way? Furthermore, we have to remember CSR goes beyond legal rules and is voluntary.

A third aspect is the dialogue with stakeholders on CSR, which, at the level of the individual company, is very time-consuming. In addition the Non-Governmental Organizations (NGOs) cannot always publicly endorse the CSR performance of a company, because it is too complex to enable the assessment of an individual company's performance.

### THE INCORPORATION OF CSR IN NETWORKS AND CHAINS

The incorporation of CSR in networks and chains can result in intra-company and extra-company management problems if we take the development model of CSR at company level in mind (Wolfert et al. 2003). CSR only becomes relevant if a company has done its internal homework. The company often has problems implementing the CSR strategy, not only at business-unit level but also throughout the organization and down to the shop floor (Van der Schans 2004). For business development management we can look at existing business development models for CSR, such as risk management concepts and extended reporting including sustainability performance. We should not only look back but also look forward in these reports. This would provide business analysts and stakeholders with useful information for assessing a company's future risk profile.

Another interesting direction is to link up with existing quality management concepts such as the management model of the Dutch 'Instituut Nederlandse Kwaliteit' (INK model) (Wolfert et al. 2003). The advantage is that in agribusiness quality management is more widespread than external financial reporting and the INK model leaves ample room for incorporating CSR (Van Heeswijk and Schenkelaars 2002). The first steps have already been made in Van Marrewijk and Hardjono's European Corporate Sustainability Framework (Van Marrewijk and Hardjono 2003). LEI has extended this model to a chain/network approach for which also a number of tools have been developed. This will be discussed further on in this paper.

The extra-company management problems deal with the organization of cooperation (Wolfert et al. 2003). In general, chain cooperation theories largely deal only with economic performance. In chain cooperation (Goddijn and De Vlieger 2004) two aspects are of interest, namely content and process. Content is about the 'what' question: What aspects are brought into chain cooperation and what role should each party play? Process aspects deal with the 'how' questions: How do we start and develop chain cooperation, how do we work together? Important aspects of cooperation are the selection of partners with complementary competences (content), see Prahalad and Hamel (1990), and the development of trust (process), see Diederer and Jonkers (2001).

One way to establish trust is to define, standardize, control and certify each company's responsibilities and procedures. Another way is to explain and communicate each individual participant's viewpoint and strategy in relation to CSR. This increases the predictability of their behaviour. In order to start successful chain cooperation that generates added value it is not enough to look at performance only: more attention to vision and strategy is needed.

### MANAGEMENT OF SOCIAL RESPONSIBILITY IN CHAINS AND NETWORKS

Managing a supply chain with respect to CSR deals mainly with overcoming problems of cooperation (competences and trust). The following two sections deal with these issues. The third section covers the development of a Chain Social

Responsibility model by combining the models of cooperation with CSR characteristics.

*Cooperation and competences*

A model by Doz and Hamel (1998), shown in Figure 1, integrates a number of management issues with respect to competences. This model distinguishes three phases:

1. Getting started.
2. Phasing.
3. Monitoring.

**1 Analysis: 'getting started'**  
 Finding and surmounting initial differences between partners with respect to:

- strategic aspects (goals)
- economic aspects (revenues and investment opportunities)
- operational aspects (competences and common activities)

**2. Phasing**  
 Determination of the development agenda with respect to:

- task in chain cooperation
- cooperation process
- competences
- goals and expectations

**3. Monitoring**  
 Monitoring of progress with respect to:

- results
- process.

Examples of process indicators:  
 Signals and signs of slow progress

Warning signal	Serious signs
Growing frustration	Scapegoats
Diminishing communication	Minimal communication
Unsolved questions	Open conflicts
Diminishing enthusiasm	Resignation

*Figure 1. Coordination of competences (source: Doz and Hamel 1998)*

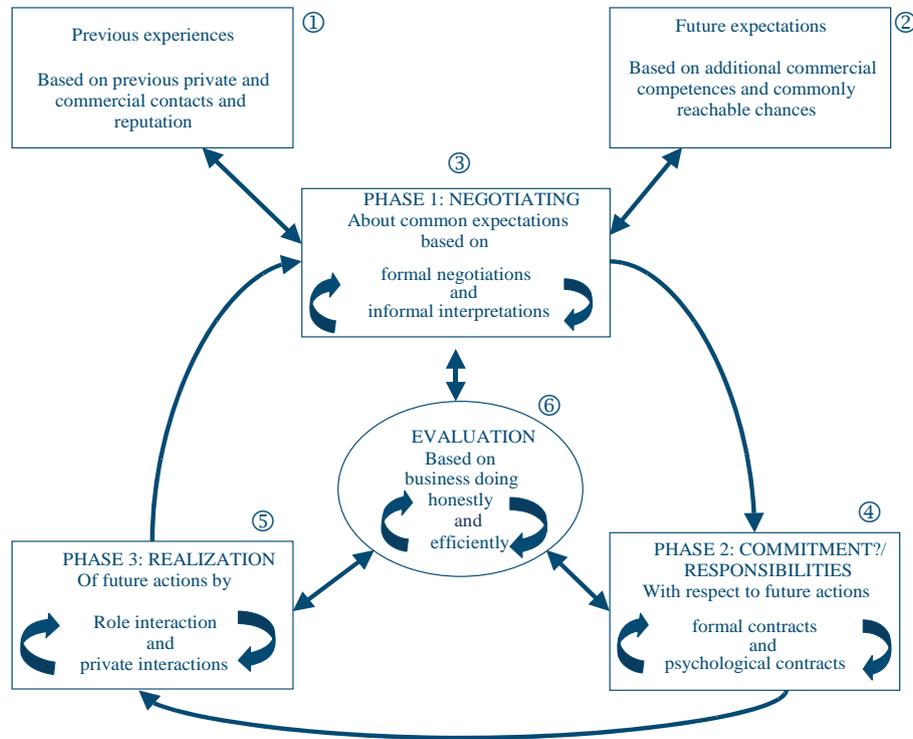
Getting started is an important phase that determines the design and outcome of the coordination of competences. Three aspects are relevant:

1. The strategic basis of the cooperation. Co-operations can add value by enhancing the critical mass (get countervailing power), by developing new markets and/or products and by learning competences from each other.
2. The cooperation design. In cooperation it is important to fine-tune competences as Wolfert et al. (2003) made clear. Aspects are the contributed assets of each participant, the scope of the coordination and the common efforts.
3. Assessing and bridging differences.

To analyse and monitor competences the model of Doz and Hamel (1998) can be used. The model of Doz and Hamel is a static one. It does not tell us how cooperation develops overtime. The model of Ring & Van der Ven (1994) in Figure 2 gives more information about this aspect of cooperation. It shows a cyclical development of cooperation with three main phases: Negotiations, commitment/obligations and realisation. In each phase the progress is constantly evaluated with respect to progress made, fair dealing and efficiency. The model distinguishes 6 important elements for the development of coordination, namely:

1. Preceding experiences (including reputation).
2. Future expectations of the cooperation.
3. Phase 1: negotiating with respect to common expectations and goals.
4. Phase 2: obligations with respect to future activities.
5. Phase 3: realization of the activities.
6. Continuous evaluation of the steps in phase 1 to 3.

In an ongoing process of cooperation the experiences during the preceding cycle of phases 1 to 3 are part of the circular process and are used to update future expectations and to answer to changed circumstances with a new round of negotiations, commitment and realization (phases 1 to 3).



**Figure 2.** Cyclical development of cooperation in supply chains. Source: Ring and Van der Ven (1994)

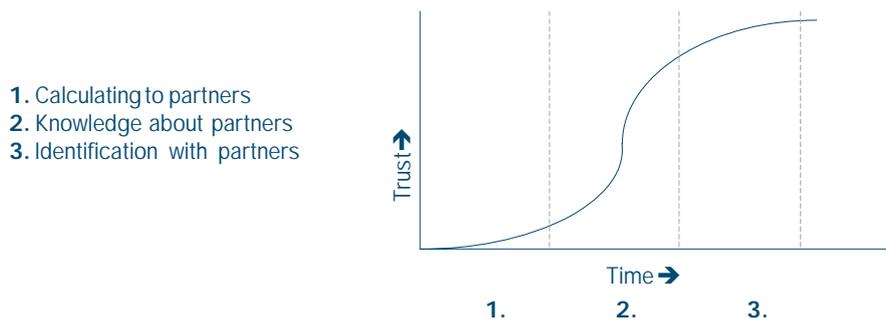
### *Cooperation and trust*

The role of trust for cooperating in chains and networks has received a lot of attention in research. In recent literature trust is considered to be a multidimensional construct present at interpersonal or system or institutional level (Lewicki and Bunker 1996). In this research the following forms of trust are distinguished:

1. Initial trust (the continuum reaches from “I don’t trust anybody until it is proven they can be trusted” to “I trust everybody until it is proven they can’t be trusted”).
2. Trust based on cognition, which is in fact based on knowledge about the behaviour of the partner, makes the prediction of future behaviour possible.
3. Trust based on affection, which is strictly personal and mainly based on feelings.
4. Trust based on calculation, which is present if the sanction on not fulfilling the obligations of the cooperation is worse than the advantages of fulfilling them.

The model in Figure 3, based on Lewicki and Bunker (1996), gives an overview of the development of trust. The identification of trust mentioned in this model is the same as the affective trust mentioned before. The model is based on a time sequence

of the different types of trust. Recent research of Klein Woolthuis (1999) showed a development of the different types of trust at the same time. It is important to mention here that trust builds up over time and that in every phase of the development of the cooperation attention should be given to the different types of trust.



### Management

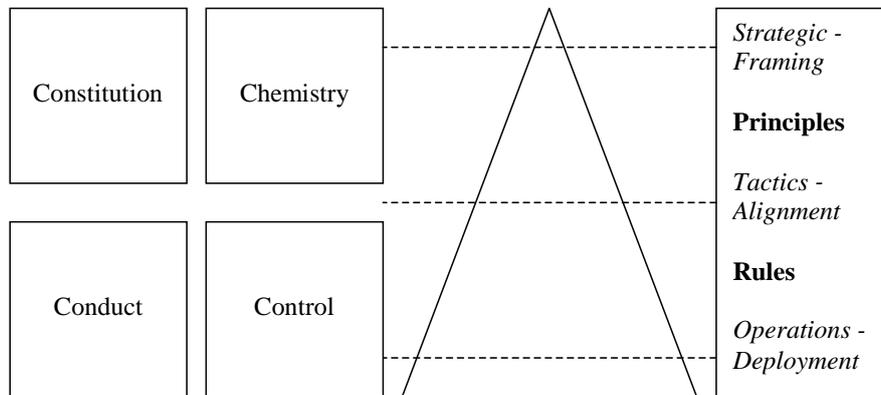
Calculating	Knowledge	Identification
<ul style="list-style-type: none"> <li>- sanction</li> <li>- possibilities</li> <li>- monitoring</li> </ul>	<ul style="list-style-type: none"> <li>· partners predictable</li> <li>· exchange of information (formal + informal)</li> </ul>	<ul style="list-style-type: none"> <li>- mutual understanding (easily sympathizing)</li> <li>- open communication</li> </ul>

**Figure 3.** The development of trust. Source: Lewicki and Bunker (1996)

### Cooperation and CSR

How can the prevailing more general models about cooperation be coupled with the more specific cooperation in the field of CSR? In a study by Goddijn et al. (2004), cooperation was integrated with the recently developed European Corporate Sustainability Framework (ESCF 2004). In the terms of Wolfert et al. (2003), a company approach was chosen and integration of CSR with quality assurance models was applied.

The ESCF framework is meant to help organizations to structure their CSR approach with respect to adapting, connecting and starting CSR in the organization itself. CSR has a multidisciplinary nature and needs a holistic approach. The SqEME model (Figure 4; ESCF 2004) offers a transparent design to deal with the complexity of CSR. SqEME focuses on information about: 1. the direction (constitution); 2. the norms for intervention (chemistry); 3. the actions (conduct); and 4. performances (control).



*Figure 4. The SqEME model. Source: ECSF (2004)*

In the SqEME analysis, the objectives of the organization are determined first, by looking at values, identity, mission and vision (constitution). Secondly the factors that affect the success of the chosen direction (chemistry) are addressed. The elements analysed are energy, streams, relations and communications. These are the elements that are considered to make the organization work. The focus 'conduct' is oriented to what is really happening in the organization (organizational behaviour, processes and procedures). Control is about reflection and learning, which can be measured and monitored. It gives us an evaluation of the CSR policy and practise of the firm.

Another part of the ECSF (2004) framework distinguishes a strategic (framing), tactical (alignment) and operational (deployment) level. In the SqEME model a distinction between principles and rules is made. Alignment means that corporate strategies, policies and leadership on CSR can manifest themselves in people management, resource management and organizational processes. The three levels in the ECSF model are the same as distinguished in the INK model (Van Heeswijk and Schenkelaars 2002): aiming, arranging and performing. It enables the introduction and coordination of different time horizons.

Furthermore, the ECSF framework is supported by theory and by instruments on corporate sustainability. For the 'constitution' focus the Emergent Cyclical Levels of Existence Theory (ECLLET) of Graves is used (ECSF 2004). The 'chemistry' focus is supported by the Four Phase model of Hardjono et al. (2004), and the focuses 'conduct' and 'control' by the EFQM excellence model/INK model (2002) and the Business Balanced Scorecard of Kaplan and Norton (2001).

The ECLLET model provides a framework to handle subjects that are difficult to define, like CSR. Each interpretation results in a different understanding of external development and organizational solutions. The Four Phase model is a strategic tool to understand organizational rhythm and dynamics (Hardjono and Rouppe van der Voort 2004). The strategic orientations are based on the internal or external orientation and on a control or change orientation. The following orientations are

distinguished: effectiveness/market, efficiency/production, flexibility and creativity/innovativeness.

The EFQM model ([www.efqm.org/model](http://www.efqm.org/model)) supports organizations at the level of alignment and tactics. The enabling instruments such as leadership, strategy and policy, people, resources and processes are used in the 'conduct' focus and the four result areas for the 'control' focus. On the operational level the Balanced Scorecard is used, which assesses the following well-known four perspectives: learning and growth, business process, clients, and financial performance.

With the help of the self-assessment tool of ECSF, organizations can get information about the integration of CSR in the organization as a whole. This assessment starts with the strategic principles of CSR (constitution and chemistry focus), then the assessment of CSR rules is made (conduct and control focus) and, finally, comparing the profiles assesses the results.

The ECSF framework and the connected assessment tool for CSR give a good overview of the present situation. However, they can also be used as a tool to determine the desirable situation.

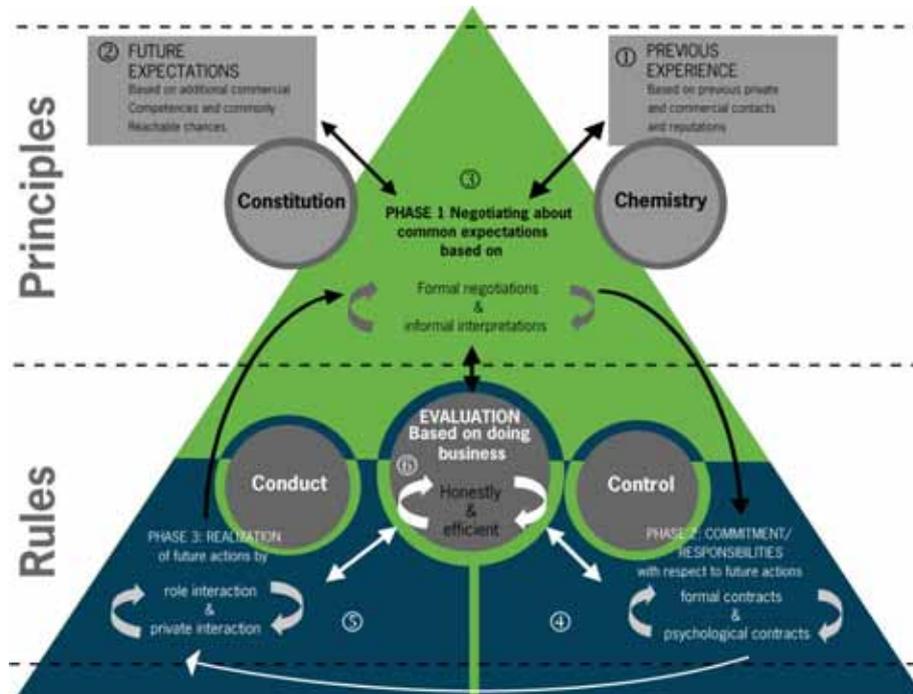
#### *CSR in supply chains*

Based on the theories, tools and models discussed previously in this paper, LEI developed a conceptual model for CSR in chains (Figure 5). This model integrates the models for chain cooperation and the ECSF framework. The model of Ring and Van de Ven (1994) offers instruments to handle the dynamics in cooperation. The model of Doz and Hamel (1998) gives the general content of the cooperation, while the ECSF framework (ECSF 2004) gives the specific content of CSR.

The implementation of the developed model starts with a number of work sessions with possible chain partners to develop a common strategy that gives the cooperation a goal/direction. This strategy will be based on mission, competences, external and internal situation, strengths and weaknesses of the partners. The sessions not only result in information about the direction of the cooperation (constitution) but also in information of importance for the manner of cooperation itself (chemistry). With respect to competences the scope of the cooperation is of importance and also the added value of each of the partners in the alliance.

During the first session the chain partners have to sketch their present situation with respect to constitution, chemistry, competencies and added value. Trust is of importance in every phase of the cooperation. In the work sessions this is addressed with the help of firm presentations, clear arrangements and common discussion about a monitoring system with respect to the cooperation.

After the partners have made an agreement about mission, strategy and competences, the second phase starts. This phase is meant to create commitment about obligations and actions within the cooperation with respect to guidelines, performance criteria and reporting. This results in a cooperation agenda. Then the actions agreed upon are followed up (conduct focus). The evaluation of the cooperation is a continuous task (control focus).



*Figure 5. An integrated model to analyse and manage CSR in chains and networks. Source: Ring and Van der Ven (1994) and ECSF (2004) adapted by LEI*

## CONCLUSIONS

CSR involves both a content (what) and a process (how) aspect in which principles, processes and performances play a part. It can be seen as a bundle of 'credence' properties of a product. To avoid information asymmetry in the market, transparency of the production process is needed. For agriculture and agribusiness a company-oriented approach to transparency is the most suited, given the importance of by-products and externalities in the production process. It gives companies the opportunity to prove they are producing in a socially responsible way.

Network and Chain Social Responsibility is the final stage in a development process of CSR within a firm from the stage 'put in order' to 'integrate'. Given this sequence of stages partners have to prepare themselves for this approach before Chain Social Responsibility is possible. Using a combination of models is important for the analysis and understanding of chain cooperation and Chain Social Responsibility. These models are the 'coordination of competences' model by Doz and Hamel (1998), the 'cyclical development of cooperation in supply chains' model by Ring and Van de Ven (1994), and the 'development of trust' model by Lewicki and Bunker (1996). The combination of these models with the ECSF approach is a

promising tool to facilitate the development of CSR in a chain or network and manage it in a sustainable manner.

## NOTES

<sup>1</sup> For a 'credence' product it is not possible to determine the quality of it before or after the purchase. For a 'search' good the quality can be determined before the purchase and for an 'experience' good this can be done after the purchase (Kola and T. 2003).

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