

Studying Corporate Social Responsibility Activities in the Agri-Food Sector: The Greek Case

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ABSTRACT

Despite the increasing interest in the adoption of corporate social responsibility by businesses in a variety of industries, hardly any attention has been paid to the agri-food sector and especially, to the Greek food sector. The agri-food sector has a strong impact on the economy, the environment and the society of each nation. In this light, the purpose of this article is to investigate the largest ninety-eight Greek food companies in dairy, meat, snack, flour & milling and fishing industries about their corporate social responsibility campaigns. A survey has been conducted based on the content analysis of the companies' website. The analysis' results show that companies in the Greek agri-food sector have started to pay attention in CSR strategies with the most portion of their CSR income to environmental campaigns even though the unfolding Greek financial crisis.

KEYWORDS

Agri-Food Sector, Corporate Social Responsibility, Environment, Greek Food Sector

1. INTRODUCTION

The study of Corporate Social Responsibility (CSR) is an important subject for the business world. CSR is broadly defined as a "commitment to improve well-being through business practices and contribution of corporate resources" (Kotler & Lee, 2008). The past decade has shown an unexpected preference of companies towards CSR (KPMG, 2008), motivated, not only by corporate altruism, but also by "multi-faceted" business returns. Moreover, previous researches have shown that stakeholders such as consumers and employees will reward "good" companies and punish "bad" ones (Luo & Bhattacharya, 2006).

CSR is significant for the food sector as this sector has a strong impact on the economy, the environment and the society in general (Hartmann, 2011). While a lot has been written and researched about sustainability in food production and processing, food sector has not drawn researcher's attention on CSR. This sector is especially prone to problems in sustainability given its high impact and dependence on natural, human and physical resources (Genier et. al., 2009). The sustainability challenges faced by the food sector are numerous, including environmental sustainability (usage of natural resources, animal welfare, etc.), social sustainability (labor and work conditions, food safety,

food quality etc.), and economic sustainability (energy usage, waste management, renewable energy resources etc.). All food products carry credence and experience attributes and forging a reputation of good citizenship will most likely improve consumers' reactions to brands. These products will be assumed to have high added-value product and process attributes (McWilliams & Siegel, 2001; Siegel & Vitaliano, 2007). Although, CSR is another avenue for internalizing environmental costs from the perspective of a business firm (Gladwin et al., 1995).

Environmentalism in the corporate world has had a long history of development starting in the 1960s (Hoffman, 2001). This development, according to researchers, has gone through four different stages: industrial environmentalism (1960-1970), regulatory environmentalism (1970-1980), environmentalism as a social issue (1980-1990) and environmentalism as part of the company's strategy (1988-1993) (Hofman, 2001). Companies started integrating environmentally responsible processes beginning with the 1990s (Osterhus, 1997). At present, there are several standards issued by government and private organizations which certify the implementation of sustainable and ecological processes. The most famous are the ISO 14001 and the Integrated Environmental Management System. Cone et al. (2003) study has shown that 80% of Americans consider that companies should support environmental issues.

Corporate environmentalism is defined by Banerjee et al. (2003) as "the recognition of the importance of environmental issues facing the firm and the integration of those issues into the firm's strategic plans". These researchers suggested that corporate environmentalism contains two dimensions. The first dimension is the environmental orientation, defined as the disposition of managers to consider environmental issues and the second one, environmental strategy, showing how the environmental issues are addressed by the company and how they fit in the company's long-term strategy.

While a lot has been written and researched about CSR, very few articles investigate CSR activities in Greek companies. This article focuses on the CSR activities in the agri-food sector due to its high dependence on natural resources and because, in the past, it has been plagued by many scandals of environmental degradation. The main objective of this study is to explore the CSR strategies adopted in the Greek agri-food sector, especially in dairy, meat, snack, flour & milling and fishing industries. In this light, the following research questions have been raised:

- How dynamic is the CSR in the Greek agri-food sector in this unfolding national financial-debt crisis?
- Do companies in the Greek agri-food sector adopt CSR campaigns in order to reduce their effects to environment?

This article tries to answer the aforementioned questions through an empirical research on the Greek agri-food companies. In order to achieve this, a survey has been conducted. A sample of the ninety-eight largest companies operating in Greece has been studied. The website of each company related to CSR activities has been evaluated.

The structure of the article is as follows: Section 2 reviews CSR definitions over decades, describes the features of a CSR initiative, and depicts the characteristics of consumers and companies' involvement to CSR activities. Section 3 provides an overview of the present status of CSR in Greece. Section 4 presents the methodology used for identifying the CSR activities in the Greek agri-food sector. Section 5 presents the analysis results of CSR in the Greek dairy, meat, snack, flour & milling and fishing industries. The final section ends with a discussion on the findings of this study.

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