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Social responsibility and import of certified organic food

– A case study of 13 Swedish firms

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Abstract

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The thesis explores how social responsibility is addressed by firms importing certified organic food from developing countries to Sweden. The approaches to social responsibility of 13 Swedish firms were investigated, of which the majority were small or medium size (< 250 employees) and none belonged to the market-dominating group of grocery retailers. The results show that a majority of the firms consider social responsibility in relation with their suppliers but in view of scarce resources trust intermediary firms for follow up. Many mix ethical trading approaches focused on production conditions, and fair trade initiatives focused on community development. Companies experience insecurity as to whether organic certification that includes requirements for social responsibility will render a higher price premium. The co-existence of multiple social schemes related to organic trade enables flexibility but in some cases resulted in a perception of subjectivity and differentiation of control measures, which risks to result in a loss of systemic trust. Working through intermediaries has benefits but at the same time leads to the loss of connection to the place and people that the social responsibility targets. Organic certification schemes need to be clearer about the scope and purpose of included social aspects. Further research is needed to understand and compare the social effects and differences at farm or factory level, in relation to the four identified approaches to social responsibility in organic trade. The four approaches were: organic certification according to a standard with social requirements, combining organic certification according to minimum production standard either with a separate social label, or with a business supplier code of conduct, or finally the belief that conversion to organic farming will automatically bring about social benefits.

Key words: Organic food, Import, Convention Theory, Organic certification, Social responsibility

Sammanfattning

Socialt ansvar och import av certifierade ekologiska livsmedel

- **en fallstudie av 13 svenska företag**

Av: Anna George

Uppsatsen undersöker hur företag som importerar certifierade ekologiska livsmedel från utvecklingsländer arbetar med socialt ansvar. 13 svenska firmor intervjuades om sina förhållningssätt, varav de flesta var små eller medelstora (<250 anställda) och ingen tillhörde de marknadsdominerade dagligvaruhandelskedjorna. Resultaten visar att en majoritet av företagen tar upp socialt ansvar med sina underleverantörer, men då resurserna är begränsade handlar de flesta via mellanhänder som också ansvarar för uppföljningen. Företagen upplever en osäkerhet kring om ekologisk certifiering som inkluderar socialt ansvar berättigar till ett högre pris på varan. Förekomsten av olika sociala program relaterat till ekologisk produktion möjliggör flexibilitet men uppfattas också av vissa som subjektivt och oklart i fråga om kontrollmekanismerna. Detta riskerar att minska tilliten till systemet. Det har fördelar att arbeta via mellanhänder men samtidigt förloras den direkta kopplingen till platsen för produktionen och till producenterna. Ytterligare forskning behövs för att förstå och jämföra vilka sociala effekter och olikheter på producentnivå som kan uppnås med de fyra identiferade förhållningssätten till socialt ansvar: Ekologisk certifiering enligt en standard som innehåller socialt ansvar, en kombination av minimumstandard för ekologisk produktion och separat social certifiering eller kombinerad med företagets egen sociala uppförandekod, och slutligen synsättet att ekologisk produktion automatiskt resulterar i bättre sociala förutsättningar.

Nyckelord: Ekologiska livsmedel, Import, Convention Theory, Ekologisk certifiering, socialt ansvar

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ii) List of abbreviations

Ecocert	Certification body for sustainable development *(France)*
EU	European Union
FLOCERT	*Certification body for Fair Trade International*
CSR	Corporate social responsibility
CT	Convention Theory
IFOAM	International Federation of Organic Agriculture Movements
IMO	Institute for Marketecology *(Switzerland)*
IOAS	International Organic Accreditation Services
ILO	International Labour Organization
JAS	Japanese Agricultural Standard *(Japan)*
KRAV	Association for Control of Organic Production *(Sweden)*
NOP	National Organic Program *(USA)*
SME	Micro, small or medium enterprise

1. Introduction

The increasing demand for organic food in the developed world includes the demand for exotic products such as tropical fruit, coffee and tea. Such products are often produced in developing countries where living standards and working conditions are more challenging than in the countries where the products are consumed. Today firms, regardless of sector are expected and encouraged to address social aspects of their international trade (eg European Commission 2011: 3, OECD 2011: 3-4). Firms engaged in international organic trade constitute no exception (Blowfield 2001:4). In addition, social aspects are included in the norms of IFOAM, the International Federation of Organic Agriculture Movements (IFOAM 2014: 63-66**),** which guide organic standard-setting by its member organizations in 118 countries, including Sweden (IFOAM 2015).

As in many countries, the Swedish organic market is growing rapidly. In 2014, the increase of the organic market was 38%, which was the largest increase worldwide that year (Ekoweb 2015:4). Most of the organic food in Sweden is sold by large grocery retailers. They all have sustainability strategies (eg Coop 2015, ICA Gruppen 2015, Axfood 2015) and pursue "mainstream ethical trading" (Browne et al 2000: 88). Beside them a number of less well known firms are importing organic food which is sold in grocery chains, specialized stores, web shops, and to industry and foodservice. They do not have the same resources as the larger firms, but still face similar challenges when importing from developing countries. Therefore, this thesis will focus on how this kind of firms addresses social responsibility in the relation with their suppliers.

2. Research problem

Importing firms in the organic value chain face many uncertainties. They face the generally strict product requirements of the food sector, due to the potential grave risks to human health involved, as well as the additional organic product and process quality standards. (Bernzen and Braun 2014: 1244, 1247). To address these uncertainties, importers rely on the one hand on measurable standards, and at the same time develop complementary approaches such as long-term relations with suppliers and additional measurements of chemicals to be sure to get the expected product (ibid: 1250).

As mentioned above effects of the trade in certified organic food will no different from other international influence the human dimension (Blowfield 2001:4). Questions about production conditions will inevitably arise when importing from a distant country.

Organic certification systems have been put in place to codify quality specifications on which economic transactions on this market are based (Raynolds 2004: 730). The adoption of certification on a product promises higher price premiums to the actors in the commodity chain, primary producers as well as retailers and distributors (Rosin and Campbell 2009: 41) In 1972 organic movements and organization founded the international umbrella organization IFOAM (International Federation of International Organic Agriculture Movements, hereinafter IFOAM) (Raynolds 2004: 729). Its norms for organic production are now accepted by 800 organizations in 118 countries (IFOAM 2015). Organic standard setting organizations that are IFOAM members will normally include social aspects in the organic certification requirements based on IFOAM norms (IFOAM 2014: 63-66), while minimum production standards such as the EU Organic certification do not (KRAV 2015e, EU Commission 2015).

International trade in organic food has inherited a contradiction between "movement-oriented" and "market-oriented" norms (Raynolds 2004: 729). Social responsibility relates to organic trade both in terms of being a "movement value" and as a concept becoming an ever more integrated part of international trade in general. Studies by Bernzen and Braun (2014), Campbell and Rosin (2009) have shown that the quality of organic products is measured not only in terms of market conventions such as price and competitiveness or industrial conventions such as processing standards. Other, value based conventions such as trust and altruistic motives (Bernzen and Braun 2014:1244) or the firms' reputation (Bernzen 2014) are also important for how firms meet the relevant uncertainties. Less is known about what this means specifically in the context of social responsibility and how it is addressed.

3. Research objective

The objective of this case study is to explore how uncertainties relating to social responsibility in the context of certified organic import from developing countries to Sweden, are addressed by importing firms. The thesis aims to analyze if the coordination of uncertainties related to social responsibility, by importing firms, follows the same pattern of conventions as in the findings on certified organic imports by Bernzen and Braun (2014). The intention is to increase the knowledge about approaches to social responsibility in organic trade, which might be useful for example in the development of certification schemes.

4. Research questions

The analysis will focus on the following questions:

- How do Swedish importers of organic food and agriculture products address uncertainties relating to social responsibility in the production, when importing from developing countries?
- How are market- and non market conventions reflected in the approaches to social responsibility taken by importers?
- What is the potential and limitations of organic certification as an instrument for addressing the social aspects of the expanding international organic trade?

5. Definitions

In the thesis, key concepts will be defined as follows

Social responsibility is used here broadly to define importers' (or other stakeholders in the supply chain) actions both to reduce negative impacts on people resulting from the company's trade in certified organic products, or to implement production methods that are for the benefits of the producers. Social responsibility is thus applied here as a merger between "ethical trading" and fairness/Fair Trade, in order to include all. The

Swedish organic standard setting organization, Association for Control of Organic Production (KRAV) uses the term social justice in its present import regulations (KRAV 2015b ch 16), but is planning to change this to social responsibility (KRAV 2015c: 3). In some instances there is a need to understand the difference between these concepts:

:

Ethical trade or ethical sourcing is primarily directed at a guarantee of minimum standards of working conditions. Focus is on conditions of production, and is applied worldwide within existing trading chains (Blowfield 2001:3)

Fair Trade or fairness has a primary focus on the terms of trading, a developing country focus, supports alternative production forms such as cooperatives and facilitates capacity building (Blowfield 2001:3). In the IFOAM norms, actions similar to fairness are *recommended*, while the ethical trade related measures are *required* (IFOAM 2014: 63-66**)**

Organic food is used in general for describing the food produced according to organic principles. To simplify, raw materials used in food production are included in the notion of food, unless there is a specific reason to address it as a separate category. When there is a need to distinguish the aspects of the production process that relates to the farming or growing processes, these are referred to as **ecological aspects** in contrast to **social aspects.**

6. Research approach and methodology

6.1 Research approach

The thesis is a qualitative case study. According to Creswell (2007:73) case study research is suitable for "the study of an issue explored through one or more cases within a bounded system (i.e., a setting, a context)". The bounded system, or context should here be understood as Swedish firms importing organic food, and the issue is how they

address social responsibility when importing from developing countries. Being a qualitative study, the findings primarily generate insights about the case and context (cf Creswell 2007: 74). I make no claims to generalize from this study, however I do discuss the findings in relation to previous research on similar topics.

The unit of study is the firm, and in line with the approach in the study by Bernzen and Braun (2014: 1253) it was represented by a decision-making function for imports, such as a purchaser, sustainability manager, and owners who take active part in the work. In this thesis, we take an actor-centered perspective (Bernzen and Braun 2014, Wilkinson 1997: 306). It is the decision-making in the company, as an actor, with regard to social responsibility that is to be explained.

6.2 Ontology

The research approach departs from a worldview of critical realism. Critical realism means that we acknowledge the existence of an objective nature, but taking a critical stance towards it (Klintman 2000). This study applies interpretative methods and multiple subjective meanings of concepts are acknowledged (cf Creswell 2007:20). The difference between critical realism and social constructivism is that one of these multiple realities is real and for all. In the words of one of the company representatives:

> If we get a load of [the product], and they are organic, etcetera, etcetera, and they have salmonella, then it is just to throw them away!
> (Owner, Company J)

According to critical realism, social science methodologies, such as interpretative methodology can be combined with the notion of a real world. (Klintman 2000:63). In the example above one could criticize the social arrangements that led to salmonella in the product, but the bacteria itself is an objective reality. Organic food which is produced under circumstances emanating in nature, but the trade which is the focus of the thesis is socially created. Murdoch et al (2000: 108) has called food a "hybrid" of the natural and the social. Biology thus places certain constraints to the generation of economic profits or value from food (ibid: 109), and therefore food following a critical realist standpoint

cannot be regarded only as a subjective construction. While the thesis will deal mainly with interpretations of socially constructed trade relations, and socially constructed and subjective values it should not be forgotten that basic product qualities emanate from nature.

6.3 Scope

The scope of the thesis covers imports from developing countries only, therefore it will not address other aspects such as the emerging problems with migrant workers in organic plantations in Europe**.** The motivation for focus on Swedish importing firms is that Sweden is a rapidly growing market for organic food. Last year (2014) the market increased 38% which was the largest increase in the world (Ekoweb 2015: 5). Firms engaged in the international organic trade like firms in other sectors are expected and encouraged to address social aspects of their international trade (eg European Commission 2011: 3, OECD 2011: 3-4). The three large grocery chains dominate the Swedish market with 88% of the sales (Coop 2015:10). They all have strategies for social responsibility formulated in public documentation (eg Coop 2015, ICA Gruppen 2015, Axfood 2015).

Therefore, this thesis will focus mainly on other organic importers whose products are distributed in ecologic shops, specialty shops or whole food shops, wholesale to other businesses and to foodservice, or firms with own ecological brands. The extent of their import from developing countries was not known from the beginning of the study. It was assumed that many are micro, small or medium size enterprises having less than 250 employees, and turnover less than approximately 500 million Swedish crowns (European Commission 2003), thus having less resources than the grocery chains to administrate the imports. Facing a fast growing market for organic food, an increasing number of firms may try to take up competition with the large retailers in the future, which makes them an interesting group to study.

6.4 Method

6.4.1 Sampling

Since there was no statistics available beforehand on how much organic food certain firms import and from which countries, it was not possible to decide exactly what type of firms to search for. An ideal sampling strategy would have been to first conduct a large survey with some basic questions about share organic products, share of import, countries and whether it was direct or via intermediary, and then choose the companies based on this material. However, the limited time available did not allow for such a step.

Instead firms were selected from list of about 160 firms that had applied for (not necessary been granted) organic certification by the Swedish organization KRAV, for imported goods in the year 2012, which was obtained from KRAV. Further firms were identified through a Google search on "organic retailers" (in Swedish: grossist ekologiskt, ekologisk grossist). 40 firms that were considered to be of different size and with different share of organic among their products were contacted by phone and/or e-mail. The purchasing function was contacted in the first place, since that was assessed to be the immediate decision maker when importing products. In the end it was the decision of the company whom to appoint. Some companies did not have a specific purchasing function, or considered another function such as sustainability manager to be more appropriate. Out of the approached firms, 13 agreed to participate. Number of employees, type of product, organic share and main distribution/sales channels for participating firms are listed in the table below. A rough categorization of firm size was made in relation to the European Commission definition of micro, small and medium size enterprises, SME (European Commission 2003). The categorization was made based on data obtained in interviews, and therefore is an approximate which was considered sufficient for the purpose of the thesis. According to European Commission (2003) medium-sized enterprises are defined as <250 employees and turnover ≤ € 50 m (~ SEK 500 m), small-sized enterprises defined as <50 employees and turnover ≤ € 10 m (~ SEK 100 m), and micro-sized enterprises defined as <10 employees and turnover ≤ € 2 m (~ SEK 20 m).

The third criterion for defining SME, annual balance, was not considered due to lack of data. 9 firms classify as SME in terms of employees and/or turnover.

TABLE 1: Interviewed companies

Code	Emplo-yees	Firm size	Product	Organic share of food sales	Distribution
C	0-10	SME	Single food product	100%	Specialty, decor, premier brand stores
E	0-10	SME	Non-food and some food	100%	Decoration and furniture stores
F	0-10	SME	Food and non-food (hygiene, cleaning)	96-97%	Specialized stores, web shop, retail
G	0-10	SME	Food	100%	Specialized stores
H	0-10	SME	Fruit and vegetables	100%	Foodservice
A	30-70	SME	Food	100%	Retail, specialized
D	30-70	SME	Whole food	100%	Web shop, Specialized, therapists
B	30-70	SME	Food	70%	Retail, Specialized, foodservice
I	30-70	SME	Fruit and vegetables	40%	Other business, Foodservice, retail
J	0-10	SME	Food raw material	20%	Other business
K	200	Large	Fruits and vegetables	8%	Foodservice
L	1000-3000	Large	Food and non-food	12%	Foodservice
M	1000-3000	Large	Food, food raw material	3-5%	Retail, Other business, foodservice

6.4.2 Data collection

The data in this study was collected mainly through semi-structured interviews with importing firms. Nine of the interviews were carried out by telephone. Each telephone interview lasted on average 20 minutes and was carried out in Swedish. Four interviewees asked for the possibility to answer by e-mail.

The initial intention was to carry out personal interviews, but since many of the interviewees were pressed for time or situated outside Stockholm, the decision was taken

to make telephone interviews. That was also considered an appropriate strategy to get as many interviewees as possible during a short period of time. Some of the interviewees chose to answer at once, without preparation, but all were offered to decide an appropriate time for interview and to have the questions in advance. The basis for the interview was a questionnaire with 17-21 questions. The interviews were semi-structured in the sense that the questions were open, and the order of the questions was changed in each interview depending on the answer to enable a natural flow of the conversation. When necessary, follow up or clarifying questions were added. All telephone interviews were recorded and transcribed verbatim in the original language, Swedish.

For the four e-mail interviews follow up questions were sent in a second e-mail. Three interviewees answered the follow up questions, while the fourth did not. That interview is a bit short, but still useable.

The study used an "emerging design" (Creswell 2007: 39). Sampling, interviewing and revising the research questions were made in parallel. Some questions had to be rewritten, added or withdrawn from one interview to another when it was noticed that these questions were perceived as unclear or did not provide the right type of information. The initial questionnaire was developed with the assumption that the potential interviewee was working with direct contacts in developing countries. When it turned out that most of the importers worked through intermediaries the questionnaire was altered to fit this group. This has been called the problem of "getting wiser" (Kvale and Brinkmann 2009:112). As a result, the analysis had to focus on the questions that were useable and comparable for the whole sample.

Telephone interviews are generally shorter than personal interviews, and the tempo is higher. This is positive as it saves time for the interviewee, and my impression was that all interviewees appreciated the form of telephone or e-mail interviews, and that it made them more prone to participate. On the negative side, it is not possible to observe non-verbal communication (Gillham 2008: 14). E-mail interviews can also provide good quality data, and on the positive side it is specific (Gillham 2008: 15). In the two cases

where follow-up questions were posed, the areas were e-mail answers were short could be developed. I believe that since the topic was related to the interviewees' work, there are fewer disadvantages for telephone and e-mail compared to personal interviews, compared to when the topic is personally or psychologically related.

A personal interview of 45 min was also carried out with the responsible officer for social responsibility at KRAV in Uppsala, mainly for background information on social responsibility and certification. The interview was recorded and transcribed verbatim in Swedish.

6.4.3 Sources and triangulation

Due to the limited time available (10 weeks) it was not possible to employ all the rigor of an ideal case study approach, i.e. "detailed, in-depth data collection involving **multiple sources of information** e.g. observations, interviews, audiovisual material, and documents and reports" (Creswell 2007:73).

The work started with a literature review of related research and the personal interview with KRAV. Literature contained books, peer reviewed journals and electronic sources.

The data in this study is mainly qualitative interviews. The main reason for this is that information about the research focus on actual decision making in the firm can mainly be obtained from person employed in the firm. Since the material was going to be treated anonymously, triangulation (Yin 2014:119) became a challenge.

Triangulation of material obtained in an interview where someone has given a personal perspective, with for example documentation cannot provide the same information, rather another angle to the case (Gillham 2008: 222). In this case the participant represents the firm, and a comparison with official firm standpoints would have been useful for providing another angle to importers' work with import and social responsibility. References to homepages, yearbooks, policies etc could not be cited due to the need for anonymity. The company homepages were checked before each interview, and was used to develop some precise questions as well as to assess the relevance of the answers.

Further, the decision to make telephone interviews also ruled out the possibility of collecting data through observation in the firms premises. In this case it means that some angles to the case could not be presented. The consistency of the data analysis thus was primarily checked with the material from the KRAV interview, which provided KRAVs views on the topic as well as previous research using the same theoretical framework. The risk that the interviewee answers as he/she believes is expected (Diefenbach 2009: 887), which had to be taken into account when analyzing the data, would not be eliminated by triangulation with official firm data. If we accept the interviewee as representative of the firm, and assumes that he/she has the relevant experience of the phenomena in focus, the angle of the firm decision-maker is the focus of the thesis.

Since a very large sample could not be processed within the timeframe of the study, sampling had to stop before theoretical saturation could be confirmed. Given that the research design thus neither has optimal construct validity (Yin 2014: 122) not optimal internal validity (Diefenbach 2009: 883) the results have to be regarded with some caution.

6.4.4 Ethical considerations

Since some of the information can be regarded as business intelligence, and/or sensitive to business partners all information originating in interviews has been anonymized. This was a request by several of the interviewees and therefore all were informed that they will be anonymous. The letter code chosen for each company has no connection to the real name of the company. To further protect the identity of the interviewees and companies, the number of employees is given in a range. Very specific products, or where the companies who deal with the type are few, are referred to with a general name such as “food products”. Such product names are replaced in quotations. The function of the interviewee is mentioned as it has relevance for the validity of the data, but if the title was very specific it has been replaced with a general name identifying the function, such as “sustainability manager”.

All telephone interviews were recorded, and the interviewees were asked for permission to record before recording started. All were informed that interview documentation will be kept for research purpose only.

The fact that the interview data is anonymous, makes it difficult for external persons to control the sources. This poses high ethical demands on the researcher. I have tried my best to stay true to the interview data when making the interpretations. To make it as transparent as possible, a summary of company interviews is placed as Appendix A.

6.5 Data analysis

The interviews were coded from the transcribed interviews using meaning coding to identify different meanings in the interview material. The method for the data analysis was concept driven coding, looking for concepts relating to the research questions and the theoretical framework. Categories were developed for different strategies to social responsibility, and different conventions respectively, and the identified meanings were compared to them (Kvale and Brinkmann 2009: 202-203). Due to lack of time, and partly due to lack of routine, full coding schemes were not developed. Coding notes were made with colors and notes on the transcribed interviews. The method is, as mentioned before, an interpretative method. The role of the researcher is to analyze and ascribe meanings to the data. Thus I as an author of the paper have contributed to the analysis as well as while doing the interviews. The thesis does not aspire to be objective, but as far as possible to present the views of the participants as their own.

7. Previous research

The growing global trade in certified organic food has received increasing attention by scholars the last 10 years. Raynolds (2004) analyses the institutions and regulations governing organic trade. In 1972, IFOAM, the International Federation of Organic Agricultural Movements was founded as an international umbrella for organic organizations. Raynolds (ibid: 730) argues that ”IFOAM´s …efforts to define and enforce “certified-organic quality specifications bolster industrial and commercial conventions at

the expense of organic movement-oriented domestic and civic values, practices and institutions on the major fronts". This conflict between market and movement orientation played an important role in the formulation organic standards in the US (ibid: 730, cf Klintman and Boström 2007: 619).

This conflict refers to the difference between a *minimalistic* and a *holistic* definition of organic agriculture. In the minimalistic definition organic refers to "food and fibre grown without the use of artificial fertilizers, chemicals, growth hormones and GMO" (Lockie et al 2006: 3). The holistic dimension includes contributions to biodiversity, protection of animals natural behavior, preservation of landscapes and even human dimensions such as personal relationships of trust and social justice (ibid, Raynolds 2004: 726).

Since many of the holistic values are difficult to operationalize, they tend not to be part of governmental regulations, such as national standards (Padel et al 2009: 248). Therefore, some argue that organic certification, while setting the basis for the development of the organic trade it actually erodes the values of organic food (cf Lockie 2006: 31). Legally binding standards tend to be focused on ecological production criteria while for example biodiversity, recycling and social considerations tend to be left out. With regard to the social issues, this has to do both with unamity in the movement about how to address it and difficulties to develop suitable auditing mechanisms (ibid, Padel 2009:248).

There are also some studies discussing the relation between organic trade and fair or ethical trade. Raynolds (2000:306-307) concludes that the Fair trade movement compared to the organic movement has a more direct aim to inform consumers of injustices in the global trade. Browne et al (2000: 69-70) finds that the organic movement values were incorporated into European organic legislation with the exception of social justice. At the same time, ethical trading is becoming mainstream trading upheld by supermarket chains, which means that organic trade will have to comply with a common perception of what is ethical (ibid). Blowfield (2001), comments that many are surprised that organic and fair trade has developed with so little synergy. Part of the reason lies in the different definition of ethical and fair trade. As outlined more extensively above, the difference

concerns whether companies should concentrate on the guarantee of minimum acceptable standards for workers or opt for a broader community development perspective (Blowfield 2001:2-3).

Several studies of social effects of global trade in certified organic food are critical of the increased costs and bureaucracy that organic certification imposes on producers in developing countries (eg Getz and Shreck 2006, Raynolds et al 2007, Raynolds 2004). There are also studies on the consumer preferences and perspectives of green and ethical consumption, discussing motivations to consume organic food or fair trade food and whether this should be seen as a political act (Klintman et al 2008, Lockie et al 2006: 126-145, Lockie et al 2002). Importing firms (sometimes via intermediaries) become the bridge between producers and consumers, but so far little is known on their perspective. Lockie et al (2006 104-125) wonders "whether processes of globalization (and along with it, the need for transnational agri-business to demonstrate global corporate responsibility) will elevate organics over other products in the pursuit of such important goals as social justice for food producers…". Bernzen and Braun (2014) and Bernzen (2014) studied the perspective of importers of certified organics with regard to risk and reputation. By focusing specifically on social responsibility, this thesis aims to build further on the knowledge of the previous studies on importers.

Although consumer perspectives are not the focus of this thesis, research by Klintman et al (2008) on eco-labeling in relation to political, or ethical consumerism and by Klintman (2009) on the" *discursive* dimension of political consumerism" was useful to the development of this thesis. Research on organic standards as a "discursive field" was also done for example by Campbell and Liepins (2001), examining the process of developing organic standards in New Zealand. This field was studied for better understanding of the processes of standards development, and how organic standards serve to communicate the content of a product to consumers.

8. Theory

Convention theory is a theory that can be used to analyze economic exchange. The theory has been found useful by researchers studying trade in organic commodities, since it

enables an analysis that goes beyond the pure economic value of the product (Bernzen and Braun 2014: 1247) Agreements about economic transactions should be understood as negotiations between representations of different values (referred to in Convention Theory as orders of worth). In the case of organic food, these negotiations establish a negotiated view, a convention, as to how the quality of the product is perceived. *(*eg Boltanski and Thévenot (2006[1991]: 25, 278-335, Rosin and Campbell 2009:37). The different conventions are in effect social constructions (ibid), and therefore convention theory has similarities with for example framing theory or discourse analysis. I will discuss this connection further in a section below.

8.1 Previous use of the convention theory

Convention theory (CT) was developed by French researchers as an alternative to standard economic theories such as game theory (Wilkinson 1997: 306). One of the central works of the Convention school is Boltanski and Thévenot *On justification* (2006[1991]). This book aims to look deeper into how agreements between people are formed, thereby resulting in the construction of market orders (ibid:25,27). Boltanski and Thévenot have identified six different worlds of justification, are identified and each of them connected to an order of worth. What this means, is that people (or products) products are evaluated according to certain underlying principles. These are not openly disclosed, it is rather the role of political philosophy (or here, the researcher) to do that (ibid: 13). The different worlds refer to "alternative perspectives on achieving the common good" (Rosin and Campbell 2009:37). The orders of worth, are the principles for attaching value to a person or product (ibid.). In social interaction, the different perspectives are negotiated which results in the establishment of conventions that "facilitate the efficient operations of markets" (ibid).

Worlds of justification	Order of worth (what is valued)
1) The inspired world.	Higher ideals, such as creativity
2) The domestic world.	Traditions, place, long term relations and trust
3) The world of fame.	Public opinion, fame, communication is aimed at an audience

4)	The civic world.	Altruism, aspiration of unity for the common good, civil society
5)	The market world.	Price, measured in money. Competition
6)	The industrial world.	Efficiency, productivity

(Boltanski and Thévenot. 2006[1991]: 159-211, also wholly or partly summarized in eg Marescotti 2000, Raynolds 2004, Rosin and Campbell 2009, Bernzen and Braun 2014)

Several researchers have used CT to explain governance aspects of organic agro-food networks. Agro-food networks refer to a complex web that links a product, in the case organic food, via a varying number of intermediaries to a consumer. Agro-food networks is linked to the analysis of commodity chains (Gereffi et al 1994), and global value chains (eg Kaplinsky 2000, Ponte and Gibbon 2005). Through the integration of actor network analysis and convention theory a less linear perspective value- or commodity chains can be obtained (Raynolds 2002, Raynolds 2004) and the analysis of how quality standards emerge through the negotiated conventions provides better understanding about how value- or commodity chains are governed (Ponte and Gibbon 2005).

Conventions, or "negotiated entities" (Rosin and Campbell 2009) form the "mode of coordination between the actors" or the "rules of the game" (Thévenot 2002:2) and they evolve in response to the uncertainty about the quality of the product that is the object of the exchange (Rosin and Campbell 2009:37). The issue of quality has been a focus in several of the studies employing CT in the area of agro-food studies. Barham (2002) discusses how the social construction of quality in value-based labeling can connect consumers' choices to the values of the movement that constructed the label. Wilkinson 2006: 331 sees quality as a "fundamental organizing concept for the institutional analysis of economic life" and CT as especially useful for explaining heterogeneity of organizational forms. Rosin and Campbell (2009) has analyzed what the six worlds mean in the context of organic agriculture in New Zealand.

Bernzen and Braun (2014) has employed CT to analyze how Australian and German importers address uncertainties in relation to their suppliers. Risks are perceived both in the relation to the supplier, such as the supplier being new or lack knowledge, or in relation to the system/institutions such as standards not being strict or loopholes in the

certified supply chain. Their conclusion is that industrial conventions, to which organic standards belong, form the basic and necessary requirement in the trade coordination between firms and their suppliers, but other conventions, notably civic, domestic and market conventions are as significant.

Now, when our focus as outlined above is socially constructed conventions and underlying principles some might wonder whether discourse analysis and/or framing theory. Discourse analysis aims at identifying "shared terms" that rest on "assumptions, judgements, and contentions that provide the basic terms for analysis, debates, agreements and disagreements" (Dryzek 2013: 9-10). Framing theory can be used to deconstruct these discourses and identify topics or values that become more salient than other (Klintman and Boström 2007:615). This is for example done by Campbell and Liepins (2001) in their analysis of the development of organic standards in New Zealand, and Klintman and Boström (2007) analyzing the development of organic standards in the US and Sweden. It is also useful for understanding the limitations to consumer power when buying labeled products. In this thesis, discourse analysis could have been applied to identify different discourses relating to social responsibility and organic trade. Especially it is relevant in organic standards and whether customers are able to make informed decisions about the labeled product.

Since the focus here is on the importers, CT has an advantage with its actor-centered perspective (Bernzen and Braun 2014, Wilkinson 1997: 306). In the context of the thesis it means that the analysis does not only focus on the discourses in terms of the boundaries set by formulation of certain problems, but also addresses action, the process of decision-making in the firm. I think the way CT interprets the emergence of different conventions has similarity with discourse analysis, but it goes further in analyzing concrete actions and especially (at least in the background literature of this thesis) relates to the functioning of the market. CT enables a combined analysis of "real" processes, such as producing, trading or using a food product, and social constructions of quality (Barham 2002: 353-354). This is also in line with the worldview of critical realism, as outlined above. There is no room in this these for in-depth analysis of the relation between CT and discourse analysis. The purpose of CT here is for the theory to serve as an analytic

framework and therefore further analysis of the framework and its relation to problem formulation and discourses instead is recommended for further research.

8.2 Theoretical framework for the thesis

CT, similar to the actor-network analysis approach CT is interdisciplinary, has an interpretative methodology and an analytical focus on the actor (Wilkinson 1997: 306). Conventions are here to be understood as "commonly recognized meanings and standards" (Rosin and Campbell 2009: 37). CT has proven to be a useful tool to study how relation between actors in economic activities consist of "not only measurable economic and industrial aspects but also the perhaps less tangible dimensions of trust, culture and ethics" (Bernzen and Braun 2014: 1259. Focusing on actors, instead of a whole system, means that any conclusion drawn will be relevant for this type of actors and not necessarily for the whole system.

Rosin and Campbell (2009:37) explain how these conventions (negotiated entities) establish orders of worth (explained above) in organic agriculture, and also point out that the conventions are a way to manage uncertainties related to product quality. They summarized what this means related to the organic sector, with a specific focus on the organic industry in New Zealand (ibid 41). Bernzen and Braun, has summarized the uncertainties perceived by importers relating to the products quality and which conventions they apply to address the uncertainties (2014: 1254-1256). In Table 2 below I have merged these findings to create a theoretical framework as basis for analyzing issues of social responsibility in this context. In doing so I merged some aspects that Rosin and Campbell (2009) defined as relevant to the sector as a whole into the column "Relevance to organic importers". For example the public opinion on organic influences the business of the importer. This table should not be taken as a full summary of the findings by Bernzen and Braun (2014) or Rosin and Campbell (2009), but rather a selection of the aspects found relevant for this thesis.

Table 2: Theoretical framework				
World of justification	**Order of worth**	**Relevance to organic importer**	**Perceived risk by organic importer**	**Comment**
The inspired world	Higher ideals, such as creativity	Mission of the firm to promote organic products	Addressing challenges of ”scientific” views on agriculture *, Consumer orientation and competitive advantage	In the present thesis this aspect will be analyzed together with the civic convention
The domestic world	Traditions, place, long term relations and trust	Trust in the supplier, shared values and tradition	New/unknown supplier	
The world of fame	Public opinion, fame, communication is aimed at an audience	The public opinion on organic as a better alternative, and the company's ability to deliver this	Reputation of supplier or sourcing country. Bad suppliers risking the company's reputation	
The civic/green world	Aspiration of unity for the common good, civil society	Contribution to good for the environment, good for the producer	Standard not as strict as firm requires, firm demands stricter environmental and social requirements,	
The market world	Price, measured in money. Competition	Prices, possibility of revenue, need to source increasing volumes	Supplier prioritizes economic benefit to social and environmental benefit	
The industrial world	Efficiency, productivity	Organic certification defines product content, production process and quality	Lack of know-how. Functioning of the control system. Need for own audits	
Source: Boltanski and Thévenot. 2006[1991]: 159-211, Marescotti 2000, Raynolds 2004, Rosin and Campbell 2009, Bernzen and Braun 2014)		*Source: Rosin and Campbell 2009: 41, Bernzen and Braun 2014*	*Source: Bernzen and Braun 2014: 1254-1256 except for* *Rosin and Campbell 2009	

In this thesis I assume that the inspired world is less relevant to importers of certified organic food products. I make this assumption since access to the inspired orders of worth requires that

> One must "*break out* of habits and routine," "accept *risks*," "reject habits, norms, sacrosanct principles, "and *call* everything *into question* while shaking oneself loose from the "inertia of knowledge."
>
> (Boltanski and Thévenot (1991/2006: 161)

The choice by an importer to trade primarily in certified organic food implies a basic acceptance of some general norms, for example the necessity of paying certain license fees required by the certification system and get a label in return. The inspired world, as said above relates rather to the rejection of norms, and risk taking. Even though some of the importing firms show strong commitment to promoting products that they believe contribute to a better world, they are still doing this within the system of certified organic agriculture. An example of inspired conventions could for example be the imports undertaken by firms that favor "direct trade" with producers in developing countries. These brands often disregard traditional organic or fair trade certification, and some invent their own direct trade schemes. Instead they assure customers that they guarantee the quality by personal follow up. (Latta, 2014:4-5). Without any third party certification quality assurance will depend on the company to a higher degree, and the small volumes that can be produced also involve taking higher risks.

The importers of certified organic food can also be committed to doing good for the environment and for the producers, but these activities within the certified trade fit better into the description of civic conventions of "aspiration of unity for the common good", based on the worth of "civil rights" and finding joint solutions to "problems common to all". Rosin and Campbell (2009: 42) places the actions of the organic movement to defend it against call for "scientific" agriculture in the inspired realm. However, it can also be argued, that such claims belong in the civic realm, since collective actions are by nature "political", a property of the civic order of worth (Boltanski and Thévenot (1991/2006: 187). Therefore claims of the importers to do good for the environment and for social responsibility will be assessed under civic conventions.

9. Background

9.1. The organic market and imports to Sweden

The Swedish market for organic food is growing rapidly. During 2014 the market for organic food increased 38%, which was the largest increase in the world that year (Ekoweb 2015:4) Demand for organic food surpasses the supply of domestically produced products (KRAV 2015:4). There are no official statistics for organic food imports to Sweden. In 2012, Ekomatcentrum therefore conducted an inventory of imported goods among retailers and firms in Sweden. According to that inventory, 50% of the organic food was imported (Ekomatcentrum 2012:2). Since then, no further inventories are available but based upon media reports (Svenska dagbladet 2014) and a telephone call to Ekomatcentrum (2015), 50% is still valid still. Possibly there could be a small increase due to the total increase of the market (ibid).

A significant part of the import is exotic products such as tropical fruit, coffee and tea (Ekomatcentrum 2012:3). These products are often produced in developing countries where living standards and working conditions are more challenging than in the countries where the products are consumed. Sweden has the second largest concentration of retail sales in Europe. The three big chains ICA, Coop and Axfood together have 88% of the market. In European countries except Nordic countries the corresponding share is 70% (Coop 2015: 10).

ICA Coop and Axfood all promote their own organic brands and make commitments to sustainable trading ethical trading (Coop 2015, ICA Gruppen 2015, Axfood 2015). According to a study by Lehner (2015:11) third party labels (organic certification including an independent auditing scheme) continue to be an important strategy for the large grocery retailers for obtaining their sustainability goals, often combined with their own brands. Browne et al (2000: 88) calls the supermarket strategy “mainstream ethical trading”.

Beside the large retailers, organic food is imported through a number of other channels. Whole food stores, special shops and organic shops sell about 10% of the retail sales of

organic food in Sweden (Ekoweb 2015: 7). Further there are wholesalers delivering to public administration, schools, hotels and restaurant. In publically owned foodservice, 23% of the food was organic in 2013 (Ekomatcentrum 2014:23). The interviewed sample are mostly from these categories, and a few selling raw material to other businesses.

9.2 Organic certifications

The most common organic certifications on the Swedish market are:

9.2.1 EU-Organic

For all packaged organic food the EU-organic label is mandatory. It is however voluntary for imported goods (SMAK 2015). The EU organic standard is equivalent to a government regulation, a minimum standard mainly focusing on production methods that member countries should incorporate to their laws (Lockie 2006: 6). The EU Organic standard includes strict limits to use of chemical pesticides, limits to use of additives, no use of genetically modified organisms and yearly control by assigned control bodies (European Commission 2015).

9.2.3 KRAV

KRAV (Association for Control of Organic Production) is the most well known organic label in Sweden. It is a voluntary and license-financed organic label (KRAV 2015). KRAV has stricter requirements than the EU-Organic standard, with regard to animal husbandry, climate, additives, some farming practices and social responsibility (KRAV 2015e). Its regulations are approved as equivalent to IFOAM organic standards (KRAV 2015b: 17). According to the KRAV requirements for social responsibility (social justice) documentation of the social conditions the following must be presented, unless the country has social justice encoded in its legislation:

- The producer must have a written social justice policy. Producers with less than 10 employees, and producers active in countries where the relevant social justice issues are regulated by valid legislation, are exempt from the documentation requirement.

- Products cannot be KRAV-certified if human rights violations or clear cases of social injustice take place in connection with production.
- The producer must not use forced or involuntary labour.
- The producer must treat their employees equally, provide them with the same possibilities and not discriminate.
- The producer must make it possible for underage employees to take part in basic education.
- Employees within organic production must have the right to unionize and negotiate collectively. (KRAV 2015d: 235)

KRAV can approve a number of standards for social justice as equal to the above, such as IOAS IFOAM standard), FLOCERT (Fair Trade), Ecocert Fair Trade, IMO for Life, IMO Fair for Life etc (KRAV 2014)

9.3 Fair Trade Certification

Many of the importers in the study use a Fair Trade certification to certify the social conditions. Fair Trade is the most well known certification for a fairer trade, aiming to promote better conditions for disadvantaged producers. It is a voluntary label (Fair Trade International 2011a). Similar to the organic standards, Fair Trade is divided into one standard-setting and support organization, Fair Trade International and one controlling organization, FLOCERT (Fair Trade International 2011b).

10 Empirical data

10.1 Approaches to social responsibility

Among the interviewed sample of importers, twelve of the thirteen interviewed companies answered that they do regard social responsibility in their choice of suppliers. However, the strategies and depth by which they address it vary. Four main strategies were identified. The categorization of the companies is done by interpretation of the interview data. Categorization was sometimes difficult since theory differs from practice in many cases, and alternative categorization may be possible. However categorization

was made to the best of available knowledge. In the following analysis, direct quotations from interviews are translated from the Swedish original by the author of this thesis. A summary of the approaches is available in Table 3 below, which also includes a short summary of uncertainties perceived by the importers in relation to social responsibility.

10.1.1 Ethical trading

Companies C, J, K, L, M

Several companies refer to some variant of ethical trading, as defined by Blowfield above. Companies which finds that minimum requirements for social responsibility should always be considered, view social quality aspects as separate from organic, do not have a socially-oriented branding, and/or mainly use a supplier code of conduct as an instrument for follow up were categorized in this group.

> In addition to organic certification we require, as for all products, to follow our supplier code.
>
> (Sustainability manager, Company M)

Organic certification or Fair trade certification can be an instrument for complementary or more thorough follow up. There was a great variety within this group with regard to concrete strategies and the degree of resources they could put on it. One company (J) for example collects primary documentation such as compliance with ILO standards which were approved for certification according to KRAV. Some request social certification, whereas others attach the supplier code to contracts. With regard to follow up, few companies are able to double-check documentation about social responsibility by personal visits. This is contrary to the situation with the ecological requirements where companies often make own tests for pesticides. The largest company (M) has a supplier code and a random audit model, whereas company L only audits when there is concrete suspicion. Company C trusts the organic certification organization to do social checkups. Company K which has a very small portion of organic products, states that social responsibility is important and part of the supplier code. But for the small portion of organic products coming from outside EU there is no specific follow up on social responsibility and no specific requirements to the products.

10.1.2 Organic farming methods naturally are better for the people

Companies G, H

Two companies stress the ecological qualities of organic agriculture and the fact that it does not use pesticides. One of them (G) states that it in principle does not consider social responsibility at all. The company was still placed in this category as it has made an active choice to sell 100% organic and biodynamic products. Company H, also 100% organic says that social responsibility is important as a value, but the practical implementation has a focus on ecological aspects. These importers do not request detailed information about how the suppliers in developing countries work with social responsibility.

> We focus on ecologic and hopefully the other aspects come with it.
> (Purchaser, Company H)

10.1.3 Social requirements should be part of organic certification

Companies A, B, F, I

The companies in this category referred to a holistic view of organic production that includes social responsibility, and think it should be required as part of organic certification schemes. This could be interpreted as seeing social quality aspects as integral to the perception of product quality.

> [Organic] is about using the soil with care, not use artificial fertilizers or pesticides or overuse it, and then you should not overuse the people who produce it.
> (Partner, Company F)

They all prefer organic certifications that include social aspects or a combination of organic and social certifications.

In practice, however, three of the companies (B, F and I) clearly state that it is sometimes difficult to fulfill the documentation requirements for the social aspects, and in that case

only EU-Organic certification are applied. One company (A) does everything they can to convince suppliers to fulfill the requirements and in most cases manage to certify it with KRAV. Assumingly this is more difficult for B and F as they have more complex and processed products. Further, Company A is the only one in this group that brings up social responsibility as an important part of their branding (see also E below). Besides stating that social responsibility is necessary, the ways of fulfilling the requirement are flexible. It can be to document the conditions of production or a social certification of some kind. None of the companies have their own fair trade initiatives. Company B and F have intermediaries that do such projects, but not for all suppliers. Company A states that regular personal visits to suppliers is a follow up strategy complementary to certification and trusted intermediaries, whereas B states that the intermediary visits the suppliers at least two times per year. Company F and I follows up mainly by the intermediaries, but has made some personal visits. Company I even if supporting the inclusion of social conditions in the organic certification in theory, admits that it rules out the possibility to certify products from some of its suppliers, due to high transaction costs for obtaining the documentation. With the possible exception of A, despite a holistic commitment practice of these companies has similarity with the firms in the ethical trading category.

10.1.4 Importing products that are both organic and fair

Company E

> Our company is all about social responsibility, environment, health and ecology (…) If [the partner] does not have that out to the fingertips, we will not do it.
> (Owner, Company E)

Company E imports a brand with EU and Fair Trade certification from an intermediary with own production in developing countries, and a community development program. The company thinks both aspects are equally important, but should be subject to control in different certification systems. Supporting community development and justice is central, using a fair trade approach. Company E never visits the raw material producers, it just supports the working model of the intermediary.

TABLE 3: Summary of importers attitudes to social responsibility (SR)								
Code	**Employees**	**Organic share**	**Distribution**	**Import fr dev. country**	**SR in choice of organic supplier**	**SR in relation to "ecologic"**	**Org. cert should incl.SR**	**Perceived uncertainty**
C	0-10	100%	Specialty, decor, premier brand stores	Direct	Yes	Ethical trading	No	No detailed information about SR, small resources
E	0-10	100%	Decoration and furniture stores	In-direct	Yes, but not always in certification	Separate equally important aspects	No	No uncertainty, focus on one supplier that fulfils requirements
F	0-10	96-97%	Specialty stores, web shop, retail	In-direct	Yes, but not always in certification	Holistic	Yes	Complex products, Unclear control system for social issues, Some suppliers have difficulty to certify SR.
G	0-10	100%	Specialty stores	In-direct	No	Only ecologic	No	Small resources, unclear control system, transaction costs
H	0-10	100%	Foodservice	In-direct	Yes, in theory	Only ecologic	No	No detailed information about SR, transaction costs
A	30-70	100%	Retail, specialty	In-direct	Yes	Holistic	Yes	Some suppliers have difficulty to certify SR, uncertain market value
D	30-70	100%	Web shop, Specialty, therapists	In-direct	Yes, pre-ferable	Ethical trading	No	Some suppliers have difficulty to certify SR
B	30-70	70%	Retail, Specialty, foodservice	Direct/ In-direct	Yes, but not always in certification	Holistic	Yes	Some suppliers have difficulty to certify SR, many suppliers, transaction costs.
I	30-70	40%	Other business, Foodservice retail	In-direct	Yes, but not always in certification	Holistic	Yes, but exceptio n needed	Some suppliers have difficulty to certify SR, knowledge about local conditions, SR subjective value
J	0-10	20%	Other business	Direct	Yes	Ethical trading	No	No possibility to follow up in-depth. SR subjective value. Other aspects of production more important than SR
K	200	8%	Foodservice	In-direct	Yes	Ethical trading	No data	Many suppliers, knowledge of SR based on documentation, customers do not request SR
L	1000-3000	12%	Foodservice	In-direct	Yes	Ethical trading	Yes (secon-dary)	Many suppliers. Cannot audit and follow up all. Supply according to customer demand
M	1000-3000	3-5%	Retail, Other business, foodservice	In-direct	Yes, code of conduct	Ethical trading	No	Working with risk analysis/audits

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10.2 Conventions and social responsibility

In the next section I will analyze the approaches taken by importers to social responsibility in relations to the different conventions of Convention theory identified in section 8 above. The frequency of answers clearly in support of, or expressing a meaning similar to a statement is given in a separate column. Where there is a specific need to point out opposing views, frequency followed by (+) means in support of the statement and (-) means opposing the statement.

10.2.1 Market conventions and social responsibility

According to the **market** order of worth, the incentive for stakeholders in the organic food chain (in this case importers) to engage in it is the possibility to get a higher price premium (Rosin and Campbell 2009:41). A through follow up of social responsibility is seen by importers as costly and resource-demanding while volumes from developing countries are small. Most of them have thus chosen to work through an intermediary. Several also acknowledge that follow up of social issues cannot always be in-depth.

Organic certification is the market instrument available for requesting the higher price premium (ibid). According to this logic, including social responsibility in organic certification would then allow a price premium worthwhile to cover the higher costs. Several firms doubt whether addressing social responsibility in general, or choosing a certification including social responsibility will result in the higher price premium.

TABLE 4 Market conventions and social responsibility		
Statement/finding	**Fre-quency**	**Quotation**
Intermediary reduces transaction costs for small volumes	12	We got to know British and German companies who had already done this work [identifying suppliers] and then we could buy smaller quantities (Partner, Company F)
Reasonable level of follow up in relation to transaction costs	5	We have so many suppliers that we cannot follow up all, one has to trust the documentation (Head of purchasing, Company B)
Unclear if addressing SR results in price premium	5	I can never sell the amount of coffee needed to get economy in a product that does so much good (Owner, Company G)
Organic certification including SR does not lead to higher price premium	4	Grocery chains have little interest whether a product is KRAV or EU-Organic, the price is dominating over the brand value. (Purchaser, Company A)
Live with uncertainty	3	We don't have enough resources, but we manage it well! (Owner, Company J) If you are too suspicious, it might not be possible to work with import. (Owner, Company C)

10.2.2 Domestic conventions and social responsibility

With regard to the **domestic conventions**, the closest "family member" becomes the intermediary. It is important for these companies that the intermediary shares the same values with regard to organic production and/or social responsibility, and work with 100% organic food. Facing the need of keeping the transaction costs down, frequent personal visits in the production line is not possible, production conditions are controlled for by "second-order" trust where the intermediary has the first order relation with the producers. A few importers never visit the production sites, while most try to do occasional visits when possible.

Association with a certain producer or place, which is a potential benefit of organic production (Rosin and Campbell 2009: 42) not surprisingly gets lost in the length of

supply chains (cf Getz and Shreck 2006: 490) Among the importers only one (E) consistently only supported production in combination with community development for small farmers, on the other hand that was done through an intermediary and the firm had never visited the production sites. In the case of all others, the importer had no specific ideology with regard to type of producer and collaborated with many types, depending on the product. Many had a mixture of social arrangements in the portfolio. The scale of producer that was most relevant for the product, had relevant certifications, found trustworthy and could deliver some quality and product was selected.

TABLE 5 Domestic conventions and social responsibility

Statement/finding	Fre-quency	Quotation
For 95-100% organic firms or brands the values of intermediary are central	5	The [intermediary] is just like us, working with 100% organic products. It is better to keep it so down the whole chain (Purchaser, Company H)
Development of a second order trust.	13	We cannot send someone to Peru to checkup one box of ginger a week. (…)We cannot handle the work it takes to visit the farms to do checkups, it has to be done by someone who has the resources, whom we can trust. (Purchaser, Company H).
Loss of connection to the producers and place	7	We have decided not to trade [directly] with countries when we do not have enough knowledge. In these cases we take a secure approach and take it through an intermediary (Purchaser, Company I)

10.2.3 Civic conventions and social responsibility

Civic conventions, as mentioned above mean the will to act for the common good, and in case of organic food the most important civic justification is the environmental benefits. As Rosin and Campbell (2009:42) notes, "the quality associated with an organic product lies in the reduction of environmental impact and human health risks associated with alternative production methods as well as improved nutritional and health benefits.

The perceptions differ whether additional aspects of social beyond those that come naturally with the farming methods should be included in the quality of organic products. This has implications for how the importers view the civic conventions associated with organic.

Some confirm that the production with no pesticides is naturally a more socially responsible alternative than conventional farming, and therefore the responsibility comes automatically. Several seem satisfied with the way they address social responsibility given the limited resources at hand.

Table 6 Civic conventions and social responsibility

Statement/finding	Frequency	Quotation
Social responsibility is a core value of organic	2	For me it goes without saying, that if you work with organic food, the workers shall have good conditions. (Head of purchasing, Company B)
Ecological production is socially good by definition	3	Organic [farming] does not use pesticides, and that is good for the worker at the plantation or the farmer who does not get poisoned, and that is a form of social responsibility integrated in organic certification, it is responsibility for the workers health (Partner, Company F) Our goal is ecologic. And hopefully the other aspects come with it. (Purchaser, Company H)
Skepticism to social schemes. Social responsibility is subjective, biased.	4	We cannot (...) ask them to change their ways because we in the West think '(…) it should be this much pay, and training opportunities, and trade unions and such things'. I think we run into cultural problems which makes it [social responsibility] difficult to fulfill. (Purchaser, Company I) It is so interesting - What is child labor? Can the farmers own kids help or not? (…)My kids have helped me to chop beets since they were kids! (..) And you still eat the sugar with good conscience? (Owner, Company J)

Several are hesitant about what is actually required for being socially responsible. A few voices criticize western or industrial origins of social responsibility, while others argue that if one wants to support the core values of organic farming, locally produced should be supported instead of imported goods. Companies provide imported goods as long as there is demand, but if there was a fit between demand and supply, they would rather stock Swedish produce only.

Another unclear dimension of doing good is how to address the growing problem of guest workers with poor conditions on organic farms and berry picking within Europe. Now, this thesis is limited to imports from developing countries, but it is worth noting that some of the importers think that the social requirements for organic import fail to address the situation of migrant workers in Sweden and Europe.

10.2.4 Industrial conventions and social responsibility

Industrial conventions refer to "measurable criteria like standards and certificates" (Bernzen and Braun 2014: 1250). For food, and organic food there are several standards to comply with; food safety standards, organic standards and social standards. If the standards that correspond to the importers notion of product quality are obtained and followed in the production process, product quality is obtained (ibid: 1248). The organic certification system contains third party controls performed by specialized control bodies. The interviews confirm that a valid organic certification normally is the basis for the business relations between the importers and the suppliers, similar to the finding by Bernzen and Braun regarding Australian and German importers (ibid). The industrial convention of organic standard plays the crucial role of codifying the production process so that the importer knows which quality the product will have, and in turn can communicate this to the customers.

However, there is a wide variation, both in theory and practice as to whether organic certification should also codify social responsibility, or if it is better that the organic certification is focusing on ecological aspects, and social issues are followed up either through separate social certification or through a supplier code of conduct

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TABLE 7 Industrial conventions and social responsibility		
Statement/finding	Frequency	Quotation
Difficult to certify social conditions	5	In the end, maybe nobody in the world can deliver a product if they are going to tick all the boxes of all certifications (Purchaser, Company D) I know this producer pays attention to social responsibility but they do not have any certification on it. (Owner, Company F)
Ecological control system is more trustworthy, measurable, scientific than social	4	I am very confident with the ecological certification, there are many control organs and clear rules. It is possible to measure whether the delivered product contains any pesticides. But Fair Trade and other social certifications are much more insecure. It is much easier for someone to misbehave down the chain and much more difficult to control (Partner, Company F) I cannot check the social aspects for the raw material (..) It is easier to check that it is ecologic. The certifications [for ecologic] are independent (…) and follow certain rules, but for the social aspects there are no rules. (Owner, Company G)
Too many values in the certification will blur the concept, focus on ecologic	4	Ecology I think should be about environment and pesticides and farming methods. Social responsibility is something different. I don´t think it should be the same control organizations. (Owner, Company E) If you have the goal of organic products, how far does it reach, what should it cover? (...)I think that it [social responsibility] should be considered for all products. I don´t know if it should be just for organic products. (Purchaser, Company H)
Include social responsibility in all organic certification in EU	3	(..)the organic organizations that (..)are approved within EU should have a social program, so that all control organizations require it (Head of purchasing, Company B)

Views differ on whether a supplier code is an assurance as good as an organic certification with social responsibility or not:

> We had a signed code of conduct from our suppliers but when submitting it to KRAV for certification the social assessment was rejected. So I had to write that it was EU Organic.
> (Purchaser, Company I)

> We do not have the resources to audit that all our suppliers really follow the code of conduct. A certification requires regular audits by an audit organization which is a proof of the standard being followed. I cannot say with a good conscience that a product, certified with EU Organic where the contract requires compliance to out supplier code, really reaches the KRAV level for social responsibility.
> (Sustainability manager, Company L)

> The organic certification is primarily a guarantor for ecological farming. Our code of conduct codifies our social requirements.
> (Sustainability manager, Company M)

When asked about the risk management in relation to imports several importers mentioned the increasing risk for fraud in the trade of organic food. Similar to the findings by Bernzen and Braun (2014: 1256) the Swedish importers "double-check" the quality promised by the certification by developing long term relations with familiar and recommended suppliers, and taking samples for measurement of chemical residues.

For the social aspects, if they were included in the certification, double-checking every batch by taking samples is not possible. One company expressed that there is no measurement to social responsibility. Instead the importers seemed prone to trust the documentation, especially if the supplier was known by the network. Some undertook initial visits to suppliers but some got all the information via an intermediary. Further, since social responsibility could be certified in so many ways, some expressed difficulty to know in detail what the certification means. The supplier codes of conducts contained risk analysis but actual scope and frequency for follow up varied, including whether independent audits were applied.

Those who favored including social conditions in the organic certification meant that it would facilitate for companies to prioritize cost and administration involved. If all certification does not include social responsibility the incentives are strong to choose the less holistic and less costly alternative

10.2.5 Fame conventions and social responsibility

There are two different but interconnected dimensions the world of fame in relation to organic imports and social responsibility. One is the relevance (fame) of the quality dimensions of social responsibility for the intended buyers of the product, i.e. the consumers. This in turn influences the other dimension, the relevance for the reputation (fame).

This study is not looking at the consumer perspective, but rather how the importers perceive their customers' demands for regarding social responsibility in the supply chain. Customers for the interviewed importers vary between regular consumers, foodservice and industry.

Many of the companies do not feel a large pressure to account for social responsibility. A group of companies state that customers, or the supermarkets that display their products, are mainly interested in a low price. Others refer to a lack of knowledge among consumers about the content of different labels.

A few companies connect social responsibility with a potential to do better branding. A small number already work with social branding, whereas other say they would do it if they had the resources for the required marketing work.

Another issue that emerges from the material is that some firms import a brand which has a certification that includes social responsibility, such as Soil Association, the British label. Even if such certifications in many cases is approved by KRAV to exchange for a KRAV certification (KRAV 2015b: 233), the company chooses not to do that since they perceive it as unnecessary administration, cost and might require a change of packaging. It is difficult to know how common such practice is, but if it becomes widespread there is a risk for an emerging "plurality of standards" (Jutterström 2013:3). This may in turn make it more difficult for consumers to have an overview.

TABLE 8 Fame conventions and social responsibility		
Statement/finding	**Frequency**	**Quotation**
Customers do not know about certifications and do not request social responsibility	4 (+) 2 (-)	If you ask the regular consumer [in the grocery store]they have no idea about all this. I see myself as rather knowledgeable, but I hardly know. It is a jungle. (Purchaser, Company K) Many customers believe that Fair Trade is organic (…) and the other way around (Partner, Company F)
Social responsibility part of branding	2 (+) 2 (-)	Inspired by our consumers´ trust in our brand, we continue to learn more about products and the people who produce them (Purchaser, Company A) Since we are sourcing from a risk country the customers would like it…it would strengthen the brand if I could say that they are working under the right conditions (Owner, Company C)
Emerging plurality of organic labels in addition to KRAV and EU on the Swedish market	3 (+)	The choice of organic label is made by the producer(…)and it is of course a matter of cost. (Partner, Company F)

10. 3 Social responsibility on the systemic (certification) level– the example of KRAV

KRAV, the Swedish private organic certification, has included social responsibility as one of four "additional values" that choosing the KRAV label instead of a minimum production standard such as EU will bring (the other are health, animals and environment/climate) (KRAV 2014b). According to the interview with KRAV (Riddselius 2015), KRAV core members promoted the inclusion of social requirements in line IFOAM standards. According to surveys social responsibility remains the least well known of the four "additional values". The regulations for social responsibility in KRAV regulations are now being revised. The revisions are intended to further improve the working conditions for producers of KRAV certified food, as well as to improve stakeholders' knowledge about the social requirements. The present rules are not so detailed, resulting in difficulties for stakeholders to know exactly what is required. In the new regulations, the flexible approach

of acknowledging different social certifications will be maintained, though measures are taken to make rules stringent. In addition, KRAV will strengthen its communication regarding the new regulations. KRAV has the intention to facilitate imports for several reasons

- To increase the organic market in Sweden
- To promote and support ecological farming and organic producers globally
- To satisfy the demand for certain imported products
- To make sure that organic products are available to consumers

Potential negative effects on the climate by transports are seen as compensated for by the reduction of negative effects on the climate and the environment that ecological farming methods bring about. To obtain KRAV certification for imported goods, another organic certification such as EU is the basis. In addition a certification body has to check that KRAVs additional requirements are fulfilled. The interview with KRAV confirms that importers of organic food are of varying kinds, and that approaches to social responsibility differ between companies. KRAVs impression, similar to the company interviews, is that there are sometimes difficulties to obtain the official documentation needed for certifying social responsibility for all levels of the supply chain, or that primary producers sometimes find extra costs to high. Therefore alternative procedures are under consideration. (Riddselius 2015, interview).

11 Analysis

The data from interviews show that importers experience uncertainties with regard to the social conditions of the production when importing from developing countries at large geographical distance. Some of the uncertainties relate to conditions at the firm level, such as available resources and knowledge, as well as the values of the firm owners. Other emanate from the systemic level, that is how the scope of different certifications are formulated, which control systems that are available and how knowledge about the system has been spread to firms and the public. Table 9 summarizes main uncertainties identified in the data, and an assessment of the level they relate to. The table does not rank frequency or relative importance of the different uncertainties.

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TABLE 9: Uncertainties relating to Social Responsibility (SR)		
Uncertainty	***Convention***	***Level***
Transaction costs for small firms and volumes	Market convention	Firm
Lack of detailed knowledge about production	Market/domestic	Firm
No price premium for including SR	Market	Systemic
Values of the intermediary	Domestic/civic	Firm
Find a long-term trusted intermediary	Domestic	Firm
Social responsibility is biased/subjective value	Civic	Systemic
What is the scope and content of SR especially in relation to organic?	Civic	Systemic
Difficult to certify SR	Industrial	Firm/Systemic
Unclear control system	Industrial	Systemic
Too many aspects in organic certification	Industrial	Systemic
Risk of fraud	Industrial	Firm
Customers do not know about or request SR	Fame	Systemic
Limited resources for marketing of SR	Fame/market	Firm
Different content of SR in different organic standards	Fame/industrial	Systemic

The approaches taken by importers to address the uncertainty and for implementing social responsibility vary. The study did not generate enough data to support a statement of having identified all possible approaches, but we can see some important categories of approaches and conventions applied.

For the implementation of social responsibility, domestic conventions are the salient way of double-checking documentation for social aspects. The need to double-check is comparable to the general approach to organic import by the German and Australian importers in the study by Bernzen and Braun (2014:1254). These importers combined domestic conventions of developing trust and long-term relations with alternative industrial conventions such as sampling and checking chemical residues on delivery.

While only one importer explicitly addressed the risk of fraud in connection with social conditions of production, other mentioned unclear control criteria and control organizations. Further, some brought up the need to double check the food quality and chemical residues, as well as a general impression of a risk for fraud with unknown organic suppliers. Whereas products can be checked for food quality and organic contents, it is not possible to check the specific aspect of social responsibility on delivery. In the absence of good industrial conventions for "double-checking", the domestic convention of assigning a trusted intermediary plays a crucial role for selecting suppliers as well as for following up and assuring social responsibility. Intermediaries, in the case where there is no direct import, have a crucial function being the ones in direct contact with the producers, and that the domestic convention is strongly complementary to the industrial convention of the standard. A system based on a domestic convention of "second-order trust" in the quality of the product is established, where firms with a strong purchasing organization situated in for example Germany, the Netherlands and Denmark are highly trusted by importers as guarantors of holistic organic values, in addition to being able to deliver the requested product quality and reduce transaction costs.

Another complementary strategy, more important for firms with a large number of suppliers and/or products, was a decision to simply trust the social certification or documentation provided by suppliers. A somewhat contradictory picture of the importers view of the social controlling system emerges, where some contest the unclear objective of social certification, the potential for fraud or inconsistency, while at the same time they choose to import a product with a social certification to ensure that they have done everything possible to ensure socially acceptable production. The reason that firms sustained from upgrading to KRAV certification was mainly costs and administration, as well as failure by the supplier to comply with requirements, rather than distrust in the system.

One importer describes a process where social responsibility first was a requirement for the organic certification, then when realizing that the certification could not be obtained for the product as conditions for social responsibility were not fulfilled to the degree required by the certifying agency, the importer instead choose to sell the product with EU certification. The

firm still took actions to guarantee acceptable social conditions, but these were settled in contract negotiations between the importer and the supplier. Another firm in the same situation instead went on to convince the supplier to change the production conditions in order to get the holistic certification (KRAV) that the firm wants. We can see here that for the holistically oriented firm, the organic certification works as an industrial convention of codifying the production process, and the whole chain is prepared to pay the certification costs involved.

In terms of industrial conventions many firms express a high degree of trust in the ecological dimensions of the organic certification system, and the potential of this system of following the ecological ingredients down the chain. This is in contrast to the German and Australian importers (Bernzen and Braun 2014). Maybe it is related to previous findings by Klintman and Boström (2007: 626) of the existence of "a kind of methodological trust concerning labeling issues" in Sweden, or that Sweden does not have a context of multiple private organic standards like Germany and Australia (cf Bernzen and Braun 2014:1251). There was no room in this study to investigate this aspect in detail, but it is worth noting that several interviewees contrasted the "subjective" controlling system of social aspects with the more "scientific", "measurable" and "orderly" ecological certification system.

Provided that actors see the control system as credible, which is the basis for its legitimacy (Raynolds et al 2007: 154), industrial conventions of organic or social certification could function as a formalized guarantor of social conditions in cases where companies do not have personal relations with suppliers. One company, in the larger segment, saw organic certification with social requirements as a better follow up than the company's supplier code, since certification includes yearly third-party visits to the supplier. If business contracts with supplier codes constitute the main industrial convention for governing social responsibility, it may have the same effect for guaranteeing minimum standards of production as organic certification but with the difference that it will not be visible for the consumer in the same way as an organic certification, at least in theory restricting the consumers possibility to make an informed choice.

There is thus no unified perception among the importers of the control system for social aspects of organic food. While some see a general inclusion of social aspects in the certification as a way forward, and especially to justify the associated transaction costs, quite a few point out that ecological and social aspects require different competences and different controls. And especially since it is regarded as subjective what to include in the notion of social responsibility, some of the firms fear that the concept of organic risks to be "blurred".

Market conventions applied by importers addressed mainly the challenge of transaction costs, and lack of additional price premiums for choosing organic certifications with social components. Only the two largest firms applied strategies resembling the "mainstream ethical trading" approach (Browne et al 2000: 88) to social responsibility discussed above. In mainstream ethical trading (generally termed corporate social responsibility) investments in social components are supposed to have the potential of leading to economic gains (eg European Commission 2011). Such investments within mainstream ethical trading are thus justified both in terms of market conventions and civic conventions. Many of the importers saw an approach to social responsibility as necessary and justified in terms of civic conventions, i.e the altruistic value of taking care of the producers. The civic convention applied could either be a holistic view of organic production or a promotion of responsible business in general, for all products. However, in most cases a tradeoff between the civic conventions and market conventions was discussed where market conventions were seen as the need to reduce costs, rather of potential gains in economic terms of taking social responsibility. While some importers favored organic certification that includes social requirements, or combining organic and social certification on the conceptual level, several of them would in reality not finalize the social certification when facing practical problems or unreasonable transaction costs, and instead choose the minimum production standard represented most commonly by EU-organic.

If the firms had more resources, there is a potential to draw on fame conventions to turn the engagement in social responsibility from cost to gain. One importer for example expressed that lack of resources for marketing was one of the reasons that his firm did not engage more actively in supporting the producers directly. Bernzen (2014) found a correlation between

the degree of public exposure of firms in the organic supply chain, and the attention they paid to coordinating fame (here understood as reputation). The degree of public exposure was not measured in this thesis, but with a general knowledge about the firms a similar pattern can be seen. Many of the importers in the study, with a few exceptions, receive little public attention compared to the large grocery chains. They are supplying small amounts or specific products, or products to be sold by other industry, retailers and foodservice. Further the interviews revealed that many do not experience pressure from the customers to account for socially responsible production. As one importer suggested, organic certification could play a role in clarifying and communicating the inclusion of social aspects into the concept of organic products. In terms of convention theory, that would mean to clarify the industrial convention to guide the production, and the expected quality contents, thus justifying the costs involved.

12 Discussion

In the analysis so far, I have highlighted different approaches taken by importers to social responsibility, and analyzed them in terms of different conventions applied by importers. By using an actor-centered perspective we could see how different convention influenced the co-ordination with suppliers. In the following discussion I will focus on the third research question, namely the potential and limitations of organic certification as an instrument for addressing the social aspects of the expanding international organic trade.

It is understandable that KRAV and other certification agencies would like to facilitate imports and therefore opens up for different methods and schemes to document social responsibility. However, the backside of a too flexible approach is that it does not codify stringent industrial conventions, and at the consumer end the customer will not be clear about the benefits. This may on the one hand make the customer less prepared to pay a higher price premium (cf Rosin 2009:41), and also make it difficult for the customers to make choices and act as a political consumer (Klintman 2009: 49-50).

Since additional requirements organic certification involves additional costs for primary producers, as well as for importing firm there is a need to be clear about the purpose and benefits of addressing and controlling social requirements within the framework of the organic certification, compared to other methods of implementing social responsibility. From the perspective of holistic values, integrating social responsibility in the organic certification makes it a non-negotiable value of organic production. On the other hand, the data indicates that the practice of importers when addressing social responsibility, no matter if it was included in the certification or not was similar to norms of mainstream business codes (the type referred to above as "mainstream ethical trading"). That is, the issues addressed (minimum wage, working conditions, child labor etc) were more or less the same, except when fair trade certification or similar was applied. A difference could in some cases be seen as yearly independent audits by a third party were seen as required in organic certification. With a business code the company could in contrast apply different modes and frequency of control for example based on a risk assessment. At the same time the Swedish standard setting organization KRAV also moved towards acknowledging alternatives to third party audits for the social aspects (Riddselius 2015, interview), providing additional choices for companies approaches to social responsibility.

Besides being a subject for discussion within the field of organic certification, there is also a field of standards for corporate social responsibility. Such standards are developed both by organizations and industry. A study by Jutterström (2013), without claims of being exhaustive, identified 100 standard setting organizations for corporate social responsibility. For every standard that is created, an organization and a control system will follow to guarantee its reliability (Jutterström 2013: 16).For companies who want to take social responsibility when importing organic food from developing countries, there are thus a plurality of roads to take. Since the data in this study is based mainly on information from importing firms, further study of actual effects on the producer level is needed to understand the where the different roads lead in terms of actual improvements of workers and farmers conditions.

Another question concerns whether and why social implications of organic production *in itself,* should be treated separately from other social production conditions. Many firms mentioned the social benefits brought about naturally by conversion to organic farming, especially for workers health and living environment. Arguably, the fact that conversion to organic agriculture is seen by some as a socially beneficial, may have led them to pay less attention to other social aspects. Getz and Shreck (2006) for example show that, on the one hand the production of certified organics provided better market access for farmers, but on the other hand risks to nurture a surveillance culture, were some cooperative members had advantages to others. This in turn created a lack of ownership of the production processes among farmers. To analyze the changed power structures in the villages that emerged from the production in this study, a good knowledge of the local context is needed. The social effects in this example reach beyond minimum wages and standards for child labor applied in ethical trading, and are not easily foreseen. Blowfield (2001:4) also points out that in connection with conversion to organic agriculture it cannot be assumed that the reduced costs from less external input compensates for higher labor input at once. In the beginning working hours and labor costs may increase, which needs to be analyzed from a social responsibility perspective.

If the social good of organic was perceived as clearly defined organic certification would probably work better both in terms of market conventions, to ensure a price premium, and as an industrial convention to guide production. It would also be a motivation for producers, and for importers to pay the relevant fees. Several importers responded that in effect there is no difference in the follow up they themselves undertake towards suppliers with a social certification and those who have ascribed to a business code. The difference in practice for the supplier thus becomes the frequency of visits by independent auditors. For certified commodities this has to be done once a year, while business codes as stated by the interviewed importers normally decide the frequency and content of follow up based upon risk analysis. Further research is needed to understand what actual effects and differences for the working methods on the farm, or agro-industrial plant, it has when a product is certified according to an organic standard with social requirements, a separate social label or by a company´s code of conduct.

Fame conventions could be used more to promote the social aspects of organic farming. At the systemic level, KRAV has initiated work to promote that additional value in relation to its certification. Aligning with media could be one strategy. For example, after media reports about chemicals used in the production of bananas, sales of organic bananas increased rapidly in grocery stores (Ekoweb 2015: 10, 11, 12). On the other hand, an increased public exposure of the exotic imports may also contain a risk that negative social aspects are revealed. When promoting the social goods of organic farming, standard setting organizations and companies both have to be clear about what the goals and intentions are.

Especially for the importers with long and close relations with its intermediaries, it seems like an ideal arrangement to ensure quality and reduce transaction costs. The trade-off is the domestic convention of place. Goodman and Goodman (2001) has analyzed how the place of production plays a role in the marketing of some products where for example a share of the revenue goes to saving nature or social projects, or organic fair trade projects. Such fame conventions are not extensively used in the sample of this study. Even if visits to primary producers are prioritized by some, organic and social certification also increases the distance between producers and importing firms. As brought up by the importer above, regular visits by auditors within the frame of the certification in view of scare resources replaces the personal contact (cf Getz and Shreck 2006: 490).

13 Conclusions

The study shows that social responsibility is considered by most of the Swedish importers of certified organic food at least to a minimum standard. Few associate their products strategically with social responsibility, for example by a branding strategy. Instruments applied are organic certification that includes social responsibility, a combination of organic and social certifications or a business code. Only one of the interviewed firms stated that it did not consider social responsibility issues separate from the social benefits emanating from organic agriculture in itself (notably no pesticides and chemicals). Uncertainties faced by the importers relate to different conventions and include:

- Uncertainty about whether addressing social responsibility will lead to a price premium. Social responsibility, even when seen as a core value is addressed in terms of transaction costs rather than a potential economic gain (Market convention)
- The use of intermediaries are seen by many importers as a positive solution to the need to reduce transaction costs, while at the same time safeguarding quality and values. The trade off for this system of "second-order trust" is a loss of connection to producers and place.(Domestic convention)
- Uncertainty about the scope of social responsibility. Organic certifications, as well as practice give different options of social approaches: ethical trading, fair trade or the belief that conversion to organic farming will automatically bring about social benefits. Some consider the social values subjective and with a western bias (Civic convention)
- Views vary on whether organic and social aspects should be controlled by the same control systems (Industrial convention)
- There are also uncertainties about the demand from consumers with regard to social responsibility and whether consumers have the right knowledge. Social responsibility is not often associated with company reputation or with branding.

Uncertainties regarding social responsibility for the interviewed importing firms emerge both at **systemic** level (as an aspect potentially included in organic certification) and at firm level (in relation to suppliers). The major uncertainty on the systems level concerns to what extent organic certification should codify the quality requirements related to social aspects, or if that is done better in other ways. The variance of social approaches available within KRAV certification makes it difficult to see the difference in scope to some well-developed business supplier codes. Certification requires follow up once a year by and independent auditor. For products that are not certified, few companies are prepared to pay for equally thorough follow up.

On the **firm** level, intermediaries are employed to satisfy a mixture of market conventions (costs and efficiency), civic conventions (representing holistic values) and domestic conventions (trust). This creates a system where the social dimensions are controlled by "second-order trust".

The social good inherent in organic production as such also need to be analyzed in the context of other social challenges and benefits. Organic certification schemes need to be clearer about the scope and intended effects of included social aspects. Since most companies develop business codes the advantages of placing follow up of social aspects within the framework and controlling system of organic certification needs to be discussed.

Further research is needed to understand and compare the social effects and differences at producer level, at the farm or factory, that may be achieved by the four identified approaches to social responsibility in organic trade; organic certification according to a standard with social requirements, combining organic certification according to minimum production standard either with a separate social label, or with a business supplier code of conduct, or finally the belief that conversion to organic farming will automatically bring about social benefits. The question of whether organic trade should develop closer ties to communities and producers and link up with an alternative trade agenda should also be revisited. For the firms involved, different approaches involve different actions for follow up, and there is a need to increase clarity. This is especially important when the goal of organic certification in the KRAV example was to improve the conditions for workers involved in organic production (Riddselius 2015, interview).

The fame convention is believed to increase in importance for large product groups where public exposure is larger (cf Bernzen 2014), as has already been seen with bananas. With an increasing consciousness among consumers, importers may have to pay more attention to communicating their social approaches. Further research could also address the social agenda within the organic movement as different discourses, in order to identify the limitations for the consumers to make conscious choices when buying the products.

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Company Interviews

Company A, Purchaser, *e-mail interview* 22 April 2015, additions on 29 April 2015

Company B, Head of purchasing, *telephone interview* 24 April 2015, 17:46 min

Company C, Owner, *telephone interview* 20 April 2015, 18:37 min

Company D, Purchaser, *e-mail interview* 27 April 2015, additions on 29 April 2015

Company E, Owner, *telephone interview* 27 April 2015, 11:31 min

Company F, Partner, *telephone interview* 24 April 2015, 20:10 min

Company G, Owner, *telephone interview* 23 April 2015, 18:56 min

Company H, Purchaser, *telephone interview* 22 April 2015, 14:41 min

Company I, Purchaser, *telephone interview* 27 April 2015, 23:37 min

Company J, Owner, *telephone interview* 10 April 2015, 38:05 min

Company K, Purchaser, *telephone interview* 20 April 2015; 25:18 min

Company L, *Sustainability manager, e-mail interview* 17 April 2015, additions on the same day

Company M, *Sustainability manager, e-mail interview* 20 April 2015

Appendix A: Summary of company interviews

Company A

Code	Employees	Product	Organic share of food sales	Distribution	Import from dev. countries	Direct from dev. country	Regards SR in choice of organic supplier
A	30-70	Food	100%	Retail, speciality	18%	No	Always, ”branding”

Company A has its own organic brand, and aims at certifying all products with KRAV certification. Therefore, it always regards social responsibility and includes it in certification documentation. If the product does not have certification including social responsibility, Company A will either convince the supplier to change to a certification that is eligible for KRAV, or to submit additional documentation for a so called second-party audit of social responsibility in order to be approved by KRAV. A concern for social responsibility is part of the company branding, and the company strives for personal meetings with producers. However there is a need to strike a balance with achieving sufficient volumes.

Imports from outside are Europe mostly through an intermediary situated in Europe**.** Company A develops long-term relationships with its intermediaries, and the intermediary helps to identify reliable producers in more remote countries.

Company A believes that customers who actively choose their brand also agree that social responsibility is integral to organic production. At the same time especially big grocery chains do not differentiate between different organic labels. Therefore the customers are bound to select the cheapest ecological product. There are few incentives for suppliers to go through the extra trouble to obtain a label including social responsibility requirements. With the large demand for organic food, EU-organic, NOP (National Organic Program, the US Certification) or JAS (Japanese Agricultural Standard) certified goods will sell as well.

Company A stresses that organic production has social advantages by itself. Many problems in the working environment for producers come from use of chemicals, and these are automatically avoided in the organic production.

(Interview with purchaser, Company A)

Company B

Code	Employees	Product	Organic share of food sales	Sales system	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
B	30-70	Food	70%	Retail, Speciality, foodservice	Large amount of products	Yes, but also much indirect	Yes, but not always in certification

Company B has its own brand of ecological products, and also sells a large number of other brands. It has specialized in imported products, and many have their origin in developing countries. A few of these products are imported directly from a producer. The company has tried to purchase directly in more cases, but their experience is that volumes are not sufficient to reach efficiency. Instead the company has developed a long term relationship with an intermediary, situated in Europe**,** which is trusted to have the same values and working methods, including on social conditions for the production. The company prefers that its organic products are certified wither with Swedish KRAV certification, an organic label that includes social responsibility or a combination of an organic label and a fair trade or similar label. The company finds social responsibility to be crucial in organic production, but it is sometimes difficult to get it certified. The company has visited many of the suppliers, but in view of the amount of suppliers it has to trust the contents of the certification when it is not possible to visit. The cost for checkups of the social requirements by personal visits for all suppliers would be too high. Company B sees a risk that companies refrain from organic certification with social requirements. To prevent this it would like to see that all organic certifications approved within EU contain a social program, so that it becomes required by all control organizations. (Interview with Head of Purchasing, Company B)

Company C

Code	Employees	Product	Organic share of food sales	Distribution	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
C	0-10	Single product	100%	Speciality, decor, premier	100%	Yes	Yes

Company C imports a specific product from a large scale producer with its own farmlands and factories in a developing country. The producer is certified by IMO (Institute for Marketecology) for both ecological and social conditions according to the knowledge of the interviewee. Central aspects when buying a product is the quality in terms of ecological production, taste and nutrition as well as the aesthetic value of a high quality product. When imported, Company C also goes through the process to obtain KRAV certification, which means that social responsibility documentation is included. The reason given by Company C for choosing to certify their product with the KRAV label is primarily that they associate the label with the above-mentioned qualities, especially that it guarantees the absence of poisonous content and is good for the body. Since the products come from a country at risk regarding social aspects of the production, the interviewee thinks that the customers are interested in knowing whether the conditions are fair. If the company is able to confirm that the production conditions are good, it would strengthen the brand. Company C is of the opinion that social responsibility is always important, no matter what goods that are imported. However, it is a separate matter from organic production**.** When building relations with the suppliers, the company hopes to achieve trust and a shared vision about the contents of the product. The company stresses that import is a risky business, since the production is always at a distance and especially with regard to unhealthy substances, there might be a need to double-check measurements and information.

(Interview with owner, Company C)

Company D

Code	Employees	Product	Organic share of food sales	Sales system	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
D	30-70	Food supplements	100% organic or natural	Webshop, Speciality, therapists	Only one product line	No	Yes, pre-ferable, not necessarily in organic certification

Company D has its own brand of whole food and food supplements, today it is only one product line imported from development countries. For this product line, they import through a German organic food producer who carries out its own fair trade and development projects with the producers. The company is of the opinion that conditions for the production should be regarded when importing from developing countries. A certification for fair trade for such products is so far the goal, and is implemented when the factual conditions allow. However, it must also be considered that nobody could in reality deliver a product when having to "tick all boxes from all types of certifications" Social responsibility must not necessarily be part of the organic certification. As regards organic certification, the most important aspect is that it is a well known and reliable certifying firm. The company sees its quality requirements on the suppliers and producers as rather strict. An ecological certification and updated analysis certificate is the necessary basis for any supplier relation.

(Interview with purchaser, Company D)

Company E

Code	Employees	Product	Organic share of food sales	Distribution	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
E	0-10	Non-food and some food	100%	Decoration and furniture stores	100%	No	Yes, central aspect

This company has an offer of mainly handicraft and furniture and a supplementary line of three organic food products. The company's mission is to stimulate more consumers to buy brands that are both organic and fair, none of the aspects can be excluded. It does not have an own brand for the food products, but focus on distributing other brands in line with the company mission. The food line is imported from a German producer with own production in developing countries. The production is combined with education and development projects. The German brand has a long tradition of developing fair production, and the products imported by Company E all have the EU organic certification as well. The company states that adding a KRAV certification to the product for the Swedish market would only mean extra cost and administration, whereas the German producer is "the best you can find world-wide for this kind of products". Company E finds that ecological and social qualities should not be combined in the same certification, and be controlled by different control systems. Ecology is about environment, chemicals and farming methods. Social responsibility is something different.

(Interview with owner, Company E)

Company F

Code	Employees	Product	Organic share of food sales	Distribution	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
F	0-10	Food and non-food (hygiene, cleaning)	96-97%	Specialty stores, webshop, retail	50% of imports	No	Yes, prefer s such certifications

Company F is a distributing, importing and retailing company for food, hygiene and cleaning products. It imports everything through an intermediary, mainly because volumes are not considered sufficient for importing directly. For small volumes, the price will be too high for the general customer. With available resources, the realistic choice was to import a brands from Germany and Great Britain. All brands have an organic certification. Company F primarily looks for brands with organic certification that includes social responsibility requirements, such as Soil Association, or EU Organic in

combination with Fair Trade. In a few cases the company has checked the production conditions and found them satisfactory, although there is no certification. Certification for both ecological and social aspects can be costly and burdensome. Complex products, such as cookies, provide further challenges. The organic certification can be traced back to every ingredient, but one cannot be sure that social responsibility is included at all levels.

The company sees higher risk for abuse in connection with the social dimensions of the production, and in certifications such as Fair Trade. The ecological certification control system is seen as trustworthy. There are many and well known control agencies. Further, potential problems can be detected by measurements on delivered products. Social certification is based on subjective values and the rules are not clear. If the company has to choose between ecologic and Fair trade, the choice would be ecologic. Still, the company finds that it is preferable to include social aspects in the organic certification, so that one can be sure that the conditions are right. A combined certification according to the company denotes a holistic view on the relation between humans and the environment. Organic production in itself contributes to the health of workers, by not using chemicals. However, a company must ensure that they get reasonable pay as well.

Company F finds that consumers are often not well informed about the difference between organic labels. Many mix up organic and fair trade labels. Company F does not have the impression that social responsibility is very important for the customers, while customers are aware that pesticides are not used in ecological production.

(Interview with partner, Company F)

Company G

Code	Employees	Product	Organic share of food sales	Distribution	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
G	0-10	Food	100%	Specialty stores	Ingredients from all over the world	No	No

Company G imports and distributes brands on the Swedish market via intermediaries in Europe. The main focus of the company is ecological, and the most common certification is EU Organic or Demeter . The company has not reflected much on social issues when deciding which products to import. First it is a question of time and resources limiting the possibility for follow up on too many aspects. Many products are complex and includes several ingredients. Further, the company questions the relevance of social certifications, and expresses doubt whether Fair Trade certification really improves the life of the producers. Fair Trade rules are perceived as lacking in transparency. In contrast, the control system and requirements for ecological certification are perceived as clear, transparent and easy to understand. The whole chain of organic certifications is perceived as trustworthy. Even if the company believes that some customers eventually might have an interest for social responsibility, the company's' staff and volumes would be too small to make a real difference on the social side. To be sure that the social conditions are good, one would have to participate closer in production, and have a different marketing strategy for the product. Otherwise, a social label becomes just a label to buy a good conscience. Therefore, Company G will for the time being continue to focus on mainly ecological standards.

(Interview with owner, Company G)

Company H

Code	Employees	Product	Organic share of food sales	Distribution	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
H	0-10	Fruit and vegetables	100%	Foodservice	Small share	No	Trust that intermediary has checked it

Company H as far as possible avoids imports from outside EU as a risk management strategy, since it considers its resources too small for a thorough follow up of such import. According to the company maximum one box a week with for example organic exotic fruit, garlic and ginger has to be purchased due to customer demand. This is

imported through a European intermediary that also works with 100% organic fruit and vegetables. Social responsibility is an important value for the company, but with the small volumes the transaction costs for follow up are considered too high. Therefore the job is "outsourced" to the intermediary. Company H trusts the values and working methods of the intermediary. The Company would only contract an intermediary that does works with 100% organic food. The intermediary has good contacts with producers in developing countries, even some own production, so there is a good feeling about the production conditions. Normally this kind of product is certified with EU Organic. Most of the products that Company H imports from within EU is taken further to KRAV certification, but for the products from outside EU it is too difficult to follow up the additional requirements. The company considers social responsibility to be important for all kinds of production, and therefore is hesitant to include it as mandatory in organic certification. The ecological production process is the main goal of the company, otherwise there might be too many aspects to squeeze into the certification. Further, the ecological production is in itself better for the workers, so it would be strange to have stricter requirements for social certification for organic products, when conventional production is even more problematic. So far, the company has not got any requests from its customers, belonging to foodservice, to consider social aspects of the production. (Interview with purchaser, Company H)

Company I

Code	Employees	Product	Organic share of food sales	Distribution	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
I	30-70	Fruit and vegetables	40%	Other business Foodservice, retail	A few organic products	No	Yes

Company I delivers mainly to industry and foodservice. It has an own brand and strongly promotes its offer of organic products beside the conventional offer. According to the company's experience those who request KRAV certified goods are mainly aware of social responsibility, while those requesting organic in general are not so aware of the

differences. The amount of organic products imported from developing countries by Company I are just a few. These are imported through an intermediary with an extensive purchasing organization and experience of purchasing organic vegetables from the relevant countries. This is necessary to get the right quality with less administration. While the products imported from EU are all taken further to KRAV certification, the products from outside EU are certified EU-Organic. The reason stated by the company is that the conditions for social responsibility in the KRAV certification cannot be fulfilled. The company assessed that the conditions were in line with the company´s code of conduct, but they do not have the resources to do the required independent audit. Company I finds that social responsibility requirements should be part of organic certification. It is important to state that social aspects are central to organic production. However, Company I finds that there might be reasons to make exceptions, when demand for a product could not be met. Otherwise imports from some countries could not be certified organic when the social requirements are obligatory. Now there is the option to sell it as EU-Organic. Company I also points to the conflicting cultural values that surround social responsibility. It is difficult to come from another country in the West and have opinions about trade unions and training opportunities. In these cases it is preferable to use the EU Organic certification.
(Interview with purchaser, Company I)

Company J

Code	Employees	Product	Organic share of food sales	Distribution	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
J	0-10	Agricultural products	20%	Other business	Important	Yes	Yes

Components for agricultural production are imported from a trader in a developing country who administrates the production. The necessary documentation for KRAV certification, including social responsibility is collected and approved by KRAV certifying agencies. The interviewee points out that the level of control must be

reasonable in relation to the low economic margins. For example, it is impossible to make a personal visit in the production line, out in the villages. Instead they have chosen a trader who knows English and was recommended by business partners. The company has visited the trader in person and discussed the production in detail, to make sure that the quality is right and the partner trustworthy. The arrangements are perceived as satisfactory .When talking about the quality of the product, the most important aspects are food safety and technical quality. Social aspects are not the same as the ecological quality aspects. If there are bacteria in the product, it has to be sent back to the seller and destroyed regardless of all other conditions. Social responsibility is a relative value, and agricultural production has many other important values. Of course, the conditions for the KRAV certification has to be fulfilled. But what is child labor in relation to farming? Even in Sweden, the whole family including the children are helping with farm work. The whole family working together on the farm is a positive value in contrast to the industrialized production where the family is scattered. Therefore, views on social responsibility put forward in the West are often single-minded. The rules and regulation about social responsibility must be clear and relevant. The company has KRAV-certified products in its portfolio, since customers require it. The company's perception is however that customers in supermarkets buy green labels without knowing much about how the food is produced. In Sweden conventional production might well be of better quality, safer and produced with more social responsibility than some imported organic food. Part of the reason that the company engaged in import is that the product cannot grow in Sweden, and part of the reason is that the product has the right quality and price.

(Interview with owner, Company J)

Company K

Code	Employees	Product	Organic share of food sales	Distribution	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
K	200	Fruits and vegetables	8%	Foodservice	Marginal for organic	No	Yes, code of conduct

Company K provides fruits and vegetable for foodservice. The organic products from developing countries are very few and imported through intermediaries. Bananas is the largest category. Bananas are KRAV certified, but other categories from outside EU are certified EU-Organic. The company also carries organic Fair Trade bananas, coffee and tea. Social responsibility is not a specific requirement by the customers. 'The company perceives that the foodservice industry would request an organic certificate, but the appearance of the product is as important. Social requirements are addressed by a code of conduct attached to contacts, and so far the company is more concerned about reports of fraud in connection with ecological production. The company has also felt the need to follow up of production in Sweden, to ensure that conditions for people on temporary contracts are good. Company K believes that consumers at the end of the line probably have no idea of the difference between different certifications. The multitude of certifications makes this even difficult for a person working with it every day.

(Interview with purchaser, Company K)

Company L and M

Code	Employees	Product	Organic share of food sales	Distribution	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
L	1000-3000	Food and non-food	12%	Foodservice	-	No	Yes, code of conduct

Code	Employees	Product	Organic share of food sales	Distribution	Import from dev. ecountries	Direct from dev. country	Regards sr in choice of organic supplier
M	1000-3000	Food	3-5%	Retail, other business, foodservice	-	No	Yes, code of conduct

Company L and M are presented together since they are similar. They are both considerably larger than the other interviewed companies and organic food or food components constitute a minor share of the company´s activity. The companies are large

enough to have an organization to work specifically with social responsibility, including a sustainability manager or similar position. Products from outside EU are imported through intermediaries by both companies.

Both companies refer to the code of conduct for suppliers when asked about how social responsibility is addressed in relations with the suppliers. The codes include risk analysis and systems for follow up. Company L highlights that all kinds of organic certifications should be available in their offer, depending on customer demand. The interviewee of company L thinks that the ecological aspects of organic certification are the most important, and other aspects are secondary. However, when social responsibility is included in the organic certification, third party audits are an assurance of the follow up. Accordingly organic certification that includes social responsibility are regarded as stronger assurance than the company´s own code, Company M in contrast regards organic certification mainly as a certificate of ecological farming methods, whereas the company´s code of conduct guarantees satisfactory social conditions. At the same time satisfactory social conditions are non-negotiable for Company M, "if it is not fair, the ecological aspects are worth nothing", the company states.
(Interviews with Sustainability Manager, Company M, and Sustainability Manager, Company L)

Appendix B Questionnaire

Masteruppsats VT 2015, Anna George (Södertörns Högskola, Miljövetenskap)

ÖVERGRIPANDE FRÅGEOMRÅDE

-Hur arbetar importörer av ekologiska livsmedel med socialt ansvar?

Uppsatsen syftar till att förstå om, och i så fall hur importörer arbetar med socialt ansvar vid import från utvecklingsländer och om ekologisk certifiering anses vara ett tillräckligt instrument för uppföljning i relationen med handelspartners.

All information används och sparas enbart i forskningssyfte och referat som bygger på intervjuer anonymiseras i rapporten.

Målgrupp för intervju: Små och stora importörer av ekologiska livsmedel eller komponenter i livsmedelsproduktion. Det är av intresse även om företaget har få ekologiska varor från utanför Europa/USA, eller om man enbart importerar via mellanhand.

INTERVJUFRÅGOR

Företagstyp

Detta är till för att kunna kategorisera företagen i rapporten.

A) Namn och position

B) Vad är det för typ av företag (t ex AB, enskild firma, familjeföretag)

C) Hur många anställda/omsättning ?

D) Huvudsakligt varuutbud?

E) Var säljs varorna (partihandel, detaljhandel, nätet osv)

F) Hur stor andel av varuutbudet är ekologiskt (överslag) ?

Frågor:

1. Importerar ni ekologiskt från utvecklingsländer, eller där råvarorna kommer från utvecklingsländer? Vilka varor och länder? (Obs! Räkna också in sådant som importeras via Europeisk/amerikansk mellanhand, se fråga nr 2)

2. Importerar ni dessa ekologiska produkter från utvecklingsländer direkt från producent eller via mellanhand? Varför?

3. Om via mellanhand, har varan då en färdig certifiering (vilken?) eller sköter ni själv den dokumentation som krävs för certifiering?

4. Har varorna ekologisk certifiering? Vilken eller vilka? Är det någon/några särskild ekologisk certifiering ni vill ha i sortimentet och varför?

5. Tar ni ställning till socialt ansvar när ni importerar ekologiska varor från utvecklingsländer? Varför/varför inte?

6. Hur viktigt är socialt ansvar i förhållande till andra aspekter av ekologisk produktion?

7. Får ni någon information om producenten i det fall ni handlar via mellanhand? (Om direkt, hur tog ni reda på informationen om socialt ansvar och fick ni några reaktioner från partners?)

8. Upplever ni att kunderna (eller affärspartnern ni säljer vidare till om business to business) är intresserade av socialt ansvar när de handlar ekologiska livsmedel? Varför/varför inte?

9. Ser ni några risker med att importera ekologiska livsmedel, särskilt när det gäller socialt ansvar och vilka instrument/metoder använder ni för att hantera dessa?

10. Hur förhåller ni er om den ekologiska certifieringen inte har uttryckliga sociala krav, t ex EU-ekologisk?

11. Hur hittade ni partnern och varför valde ni den (välj något eller några exempel i det fall ni har många olika partners, och ange vilket land och vara det gäller.Om mellanhand, ta någon som importerar från utvecklingsländer)?

12. Är producenten en större anläggning eller småjordbruk? Är det viktigt för er vilken typ av företag/jordbruk producenten är, eller är det framför allt vem som kan leverera en viss vara enligt beställning?

13. Vilka krav ställer ni på producenten/partnern? Vad är viktigast?

14. Har ni haft möjlighet besöka producenten, och i så fall iaktta eller diskutera sociala villkor för produktionen? Några reflektioner?

15. Upplever ni att en formell ekologisk certifiering räcker för att ni ska känna er trygga att kraven är uppfyllda eller använder ni också andra metoder, som direktkontakt eller egen provtagning, för uppföljning av de ekologiska resp sociala kraven? Varför/varför inte?

16. Vad tycker ni är viktigt för att relationen med er handelspartner ska fungera och att ni ska känna er trygga med produkten?

17. Har ni annat utbyte utöver handelsrelationen med någon partner, t ex utbildning eller gemensamma aktiviteter?

18. Bör sociala krav vara en del av ekologisk certifiering? Varför/varför inte?

19. Har ni någon code of conduct/policy för socialt ansvar?

20. **Endast för de som har KRAV, IFOAM m fl:** Har ekologisk certifiering som innehåller socialt ansvar (ex KRAV, IFOAM) någon betydelse för hur ni utformar era konkreta aktiviteter för uppföljning i leverantörskedjan?

21. **För de som har KRAV:** Har ni erfarenhet av att använda KRAVs sociala riktlinjer? Har ni själv dokumenterat sociala krav för certifieringen, eller har leverantören annan certifiering som KRAV godkänner, t ex Fair Trade eller IOAS?