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Relevance of social value in Valencian agroecological firms. Application of the Economy for the Common Good framework to improve its sustainable management

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ARTICLE SECTION

Relevance of social value in Valencian agroecological firms. Application of the Economy for the Common Good framework to improve its sustainable management

Abstract: Organical Agriculture leads producers both to focus their business and gain a competitive advantage. However, by doing so, they focus on specific activities of the production process which implies creating only environmental value, contrary to an approach based on sustainability. It is essential to broaden its focus towards people (social value) and profitability (economic value). The present study is aimed at providing a tool based on the Economy for the Common Good model (ECG) which can be applied to the agroecological sector. Thus, allowing the measurement of social and environmental impacts. The methodology employed was structured as follows: 1) in order to identify the most relevant sustainability indicators the authors performed a bibliometric analysis of research papers on agroecology, 2) a screening among the identified indicators through a Delphi method, and 3) peer groups constitution of producers to produce their Common Good Balance Sheet. The results of this empirical study evidence that the agroecological enterprises have a lack of social and environmental impacts in regards to their suppliers, in terms of transparency and participation values. In addition, they have an absence of social and environmental values measurement tools. In this sense, the ECG model may be appropriate for the agroecological enterprises by being adapted to their specific needs.

Key words: Agroecology, Sustainability, Economy for the Common Good, Shared value.

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IDEAS CLAVE / HIGHLIGHTS / IDEES CLAU

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| <ol style="list-style-type: none">1. La agroecología ha de contribuir a crear triple valor: económico, social y ambiental.2. La Economía del Bien Común ofrece herramientas para medir el triple impacto en explotaciones agroecológicas.3. Las explotaciones agroecológicas han de medir también su impacto social, además del impacto ambiental.4. Las explotaciones agroecológicas precisan de herramientas apropiadas para medir su triple impacto.5. El Balance del Bien Común es una herramienta apropiada para medir el impacto social y ambiental de las explotaciones agroecológicas. | <ol style="list-style-type: none">1. Agroecology must contribute to creating triple value: economic, social and environmental.2. The Economics of the Common Good offers tools to measure the triple impact on agroecological farms.3. Agroecological farms also need to measure their social impact in addition to their environmental impact.4. Agroecological farms need appropriate tools to measure their triple impact.5. The Common Good Balance Sheet is an appropriate tool to measure the social and environmental impact of agroecological farms. | <ol style="list-style-type: none">1. L'agroecologia ha de contribuir a crear triple valor: econòmic, social i ambiental.2. L'Economia del Bé Comú ofereix eines per a mesurar el triple impacte en explotacions agroecològiques.3. Les explotacions agroecològiques han de mesurar també el seu impacte social, a més de l'impacte ambiental.4. Les explotacions agroecològiques precisen d'eines apropiades per a mesurar el seu triple impacte.5. El Balanç del Bé Comú és una eina apropiada per a mesurar l'impacte social i ambiental de les explotacions agroecològiques. |
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EXTENDED ABSTRACT¹

1. Introduction and justification

Organic farming has become a prominent reference within the European Union. As a matter of fact, the European Commission created The UE Organic logo in 2015 to be regulated by an authorized control agency or body. In this sense, Organical Agriculture leads producers to focus their business while gaining a competitive advantage. However, by doing so, they focus on specific activities of the production process which implies creating only environmental value. Hence, it is essential to drive its focus towards shared valued creation (Porter and Kramer, 2011). This is, creating social and environmental value.

Under those circumstances, agroecological farms need both to operationalize corporate sustainability and to apply appropriate tools to measure their triple impact. In this line, the Economy for the Common Good (ECG) organizational model provides two interconnected tools, the Common Good Matrix (CGM) and the Common Good Balance Sheet (CGBS), appropriate to measure the social and environmental impact. Thus, the Economics of the Common Good offers tools to measure the triple impact on agroecological farms.

2. Objectives, methodology and sources

This study intends at providing a tool based on the ECG which can be applied to the agroecological sector. Therefore, our specific objectives are (1) to present a tool that facilitates the measurement of the social and environmental values of agroecological farms, (2) to furnish a tool focused on the improvement of sustainability in terms of economic, social, and environmental impact, and (3) to provide a tool able to enhance their competitive advantage by adding social value to agroecological products and exemplifying their good practices.

The methodology employed was structured as follows: 1) in order to identify the most relevant sustainability indicators the authors performed a bibliometric analysis of research papers on agroecology, 2) a screening among the identified indicators through a Delphi method, and 3) peer groups constitution of producers to produce their Common Good Balance Sheet.

The bibliometric analysis consisted of a double study. Firstly, we analyzed the sustainability indicators used in different sources. Secondly, we carried out a search of bibliographic sources on sustainability indicators applied to agroecology. The databases employed were the Web of Science, Scopus, and Google Scholar. Then, the Delphi method served to determine which are the most appropriate sustainability indicators to measure the social and environmental impacts of agroecological farms. The panel of experts was made up of 29 people with two different profiles (producers and agricultural technicians) with a triple origin. The last phase of the study consisted of applying the BBC to a group of agroecological farms through Peer analysis. By doing so, firms participating in a peer group can obtain the Peer Certification issued by the Spanish Federal Association of the ECG. The group selected was formed by producers of different agricultural specialties and different Valencian regions.

¹ Traducción exclusiva de los autores / Authors' exclusive translation.

3. Results and discussion

The results of the bibliometric analysis demonstrate the existence of a gap concerning academic studies on agroecological farms. Moreover, taking into consideration the number of publications by year, the productivity is similar throughout the period studied.

Another key point is the results from the Delphi Method. Thus, most of the experts show notable knowledge in the agricultural sector and sustainability. Likewise, they manifest sufficient knowledge regarding the ECG topic.

It is important to realize that the experts recognize the importance of social value. In this line, they advocate not only for a specific and adapted tool able to measure the social value of agroecological farms but for having a differentiated certification. So, this would lead to an increase in their competitive advantage. Finally, the experts also identify the relevance of owning a tool that facilitates working under ECG model and the CGBS.

The peer groups show a clear concern for social and environmental issues despite there is still a need for improvement. Thus, analyzing the different groups of stakeholders comprehended in the ECG model, the lowest score was suppliers, being the highest punctuation allocated to owners and financiers. Then, accordingly to ECG values, the highest assessment was obtained in human dignity, being the lowest score allocated to transparency and democratic participation.

In the light of this, the empirical study allowed us to design a specific tool for agroecological farms based on the ECG principles. This tool facilitates the measurement of social and environmental value of these companies. By doing so, several firms have been able to develop their CGBS, thus applying improvement measures toward sustainability.

As a result, a great majority of these companies have obtained the first Peer Certification accredited by the Spanish Federal Association of the ECG in the agroecological field. Consequently, this could serve to create an official certification to be obtained for common good companies. Thus, citizen policies could favor the application of social and environmental criteria in the agricultural sector by applying economic incentives to these ECG companies.

4. Conclusions

The empirical study evidences that agroecological farms have a significant lack at social and environmental levels in terms of their relationships with suppliers and transparency and participation. In this sense, applying the CBGS allows the creation and quantification of social and environmental value by agroecological farms, as well as the design of an improvement plan focused on sustainability. Thus, the CGBS is a tool with a strategic nature.

Under those circumstances, the ECC model provides specific tools that allow the implementation of a sustainable organizational model in agroecological farms. In addition, ethical and environmental certifications can represent a value differentiation of agroecological companies, thus leading to an increase in their competitive advantage. Therefore, the ECG model may be appropriate for agroecological enterprises by being adapted to their specific needs.

Taking into consideration the seasonality and temporality that characterize this sector future studies should simplify the CGBS process by adjusting and simplifying its

indicators. This is to say that the small size of this type of organization and the scarcity of human resources complicate the CGBS execution. Additionally, our sample contemplates agroecological farms working under the ECG framework. In this sense, future research lines should focus on those firms operating under a different organizational model, as well as in broader geographical areas.