How to assess the social impacts of agricultural activities?

The Neighbour method

Catherine Macombe, Inrae
catherine.macombe@inrae.fr

Anaïs Falk, Cirad
anais.falk@cirad.fr

Denis Lœillet, Cirad
denis.loeillet@cirad.fr

**Jean-Marc Deboin, Vitropic**
vitropic@vitropic.fr

For the families of agricultural labourers, what are the basic services (housing, healthcare, education, etc.) that really count? This is the fundamental question facing public and private decision makers, if they truly wish to improve the services offered to the local populations. They also need to be able to assess the needs of families and their satisfaction level. That is the aim of "Neighbour", the value chain social impacts assessment method developed by Inrae and Cirad. In this respect, it calls into question the other assessment methods uncritically adopted by certifiers and supermarket sector purchasers, in Europe and worldwide. We offer a detailed review of this new method, which was successfully tested on an export banana industry.

© Denis Lœillet

BOUQUET VEGETABLES AND SALAD STUFFS

"WHAT IS ESSENTIAL IS INVISIBLE TO THE EYE"

(Antoine de Saint-Exupéry)
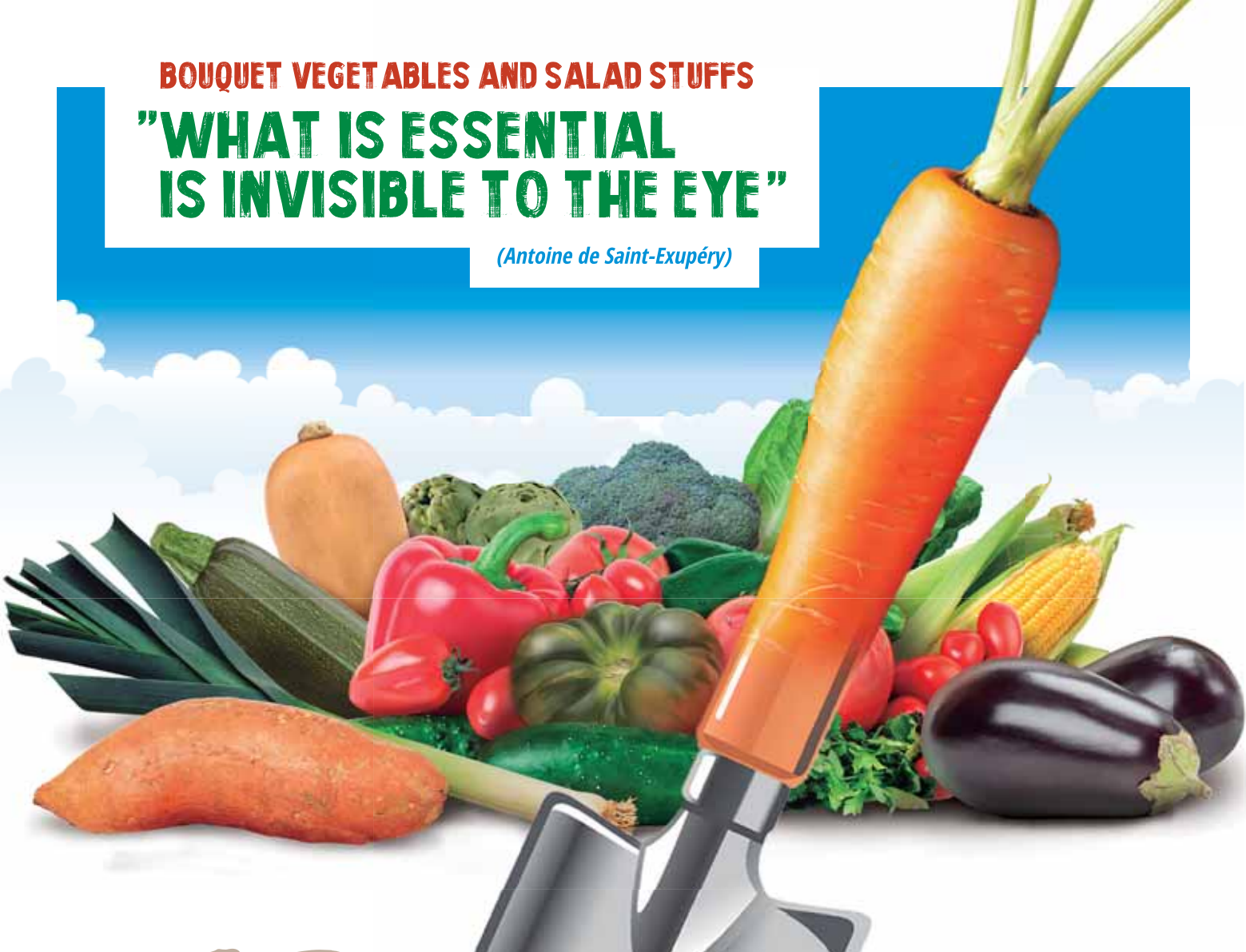
PREMIUM QUALITY and TASTE are the main demands of consumers, and they are ours too. We strive for excellence in all of our products.

LOCAL PRODUCTION. Bouquet fruit and vegetables are grown in Europe, ensuring maximum freshness, optimum ripeness and a smaller carbon footprint.

We protect people's **HEALTH** by adding vitamins and minerals to their diet. We guarantee **FOOD SAFETY** by growing our vegetables and salad stuffs in accordance with European regulations and the most stringent certification

The land is our life. As growers, we work and care for it, promoting **SUSTAINABILITY.** We look after the environment and improve the quality of life of people in rural areas.

BOUQUET
Growing the future

Anecoop
www.anecoop.com

Visitez l'exposition FLIA entre les halls 20 et 21

Visit FLIA exhibition area in passage between Halls 20/21

In the majority of developing countries, agricultural enterprises, particularly the biggest ones employing large workforces, have a big influence on the living conditions of local inhabitants, especially the families of their agricultural labourers. Besides wages, they sometimes provide basic healthcare, open an infant school, repair the roads or stimulate local development. Improving living conditions is vital in its own right, but also helps foster labourer loyalty. These enterprises are aware of the difficulties of recruiting agricultural labour, just as in developed countries a few decades previously. In the case of the export industries, it is also a response to the demands of the downstream segment in the value chain or of backers, seeking reassurance as to the social impacts of their purchases or their funding. Finally, for the national and local authorities, it is a way of verifying that the operators meet their social obligations, even though at times they go beyond their duties, taking the State's place where the latter falls short.

Under these conditions, how should CSR activities (Corporate Social Responsibility) in agriculture be directed, in such a way as to improve the living conditions of labourers' families? First of all we need to understand the composition of their living conditions, and what matters most for them. But how do we achieve this?

Identifying what matters

The first idea is that the quality of living conditions depends on the quality of the accessible basic services (housing, healthcare, education, etc.). This is even truer in rural zones in Southern countries, and for families falling into the categories of poor or among the most deprived, which often include agricultural labourers. So to assess their quality of living conditions, we need to take into account the quality of accessible services which matter to the labourers' families. Then we need to identify, among the services rendered to these families, those which are felt to be insufficient. This is where there is a margin for progress.

The second idea is that in general the families judge the quality of their access to the basic services according to a social norm implicitly defined between neighbours (proximity in terms of where they live, social class, etc.). For example, they will say that "everyone in the village thinks that the children should enjoy good conditions for obtaining their secondary education diploma." This norm describes the access deemed normal in this particular location, and depends on what people see on television, on what they aspire to obtain, but also what they rationally judge to be realistic. In addition, this norm changes over time. It becomes more demanding when new services become accessible (a new hospital is built), and is lowered in times of armed conflicts. Families also explain how they are positioned in relation to the norm, making it possible to identify any "gap" between their own access to the service, and what is deemed normal for the neighbourhood.
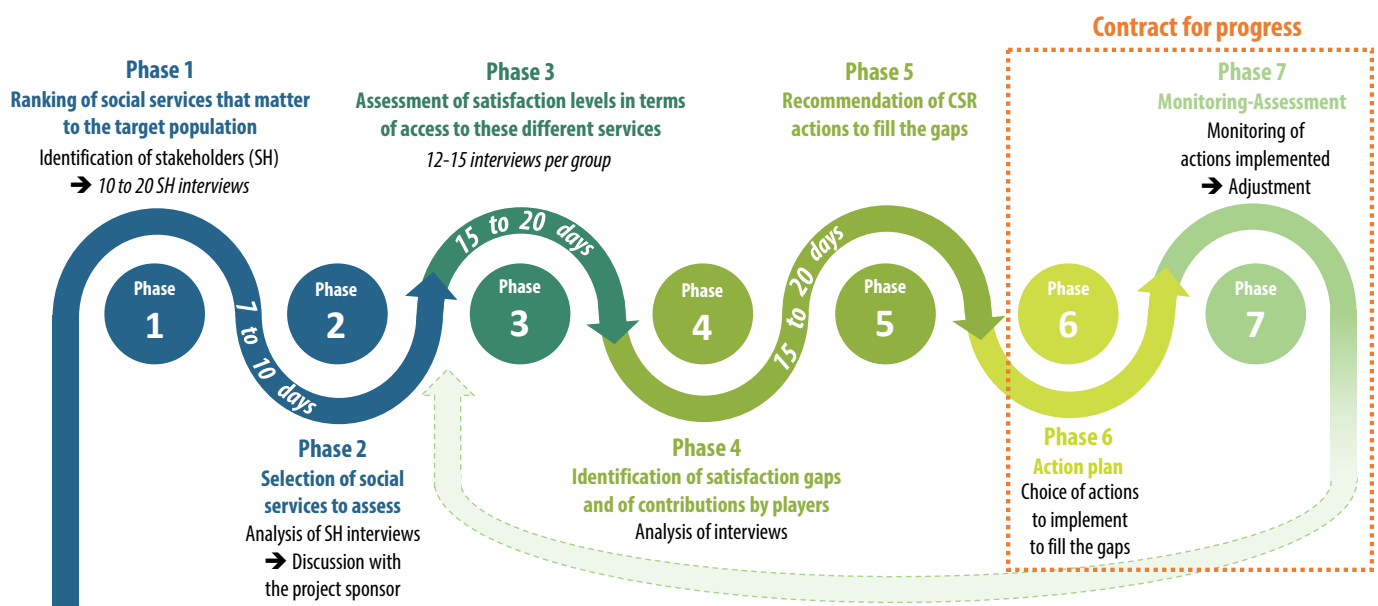
© Carolina Dawson

The "Neighbour" method put to the acid test

These ideas represent the outlines of a new method, dubbed the "Neighbour" method, tested in 2022 on a banana plantation of several thousand hectares (Falk et al., 2022).

It was a PhD student within the company Vitropic, supervised by researchers at Inrae and Cirad, who conducted the study through two one-month assignments. Thanks to the active collaboration of this banana plantation's CSR services, the PhD student first chose a panel of players capable of expressing their opinion on the living conditions of the labourers. She also interviewed 24 people, reflecting various opinions, such as representatives of unions, school teachers, managers, village leaders, etc. [phase 1]. After these initial interviews, seven services were deemed to be major ones for the labourers and their families. Through dialogue with the plantation's CSR team, five services were selected on which this team believed that it could take positive action [phase 2]. At the request of the researchers, the CSR team chose as wide a variety as possible of labourers' families (age of parents, with or without children, with or without school diploma, etc.), which the PhD student met, on her own, in their homes [phase 3]. Three groups of families were set up:

- **group 1** comprised 22 families, at least one member of which worked on the banana plantation;

- **group 2** comprised 19 families, not including any plantation labourers, but living nearby, insofar as they enjoy access to some of the services created by the plantation;

- **group 3** related to 18 families living 70 km from the study zone, in a location without any large agricultural enterprises or industrial-scale economic activity. This is a reference group (or control group), similar in lifestyle to the previous two groups.

©Thierry Lescot

Contract for progress

Phase 1
Ranking of social services that matter to the target population
Identification of stakeholders (SH)
➜ *10 to 20 SH interviews*

Phase 3
Assessment of satisfaction levels in terms of access to these different services
12-15 interviews per group

Phase 5
Recommendation of CSR actions to fill the gaps

Phase 7
Monitoring-Assessment
Monitoring of actions implemented
➜ Adjustment

Phase **1**
Phase **2**
Phase **3**
Phase **4**
Phase **5**
Phase **6**
Phase **7**

7 to 10 days
15 to 20 days
15 to 20 days

Phase 2
Selection of social services to assess
Analysis of SH interviews
➜ Discussion with the project sponsor

Phase 4
Identification of satisfaction gaps and of contributions by players
Analysis of interviews

Phase 6
Action plan
Choice of actions to implement to fill the gaps

Figure 1: The "Neighbour" method.

In more depth: Falk A., Macombe C., Lœillet D., Deboin J-M (2022) How Can a Company Assess Social Needs to Reduce Poverty among Its Workers? The Case of the Export Banana Industries, Sustainability, Corporate Social Responsibility (CSR) in Developing Countries, 14(17), 10794.
Abstract: https://www.mdpi.com/2071-1050/14/17/10794 – PDF Version: https://www.mdpi.com/2071-1050/14/17/10794/pdf
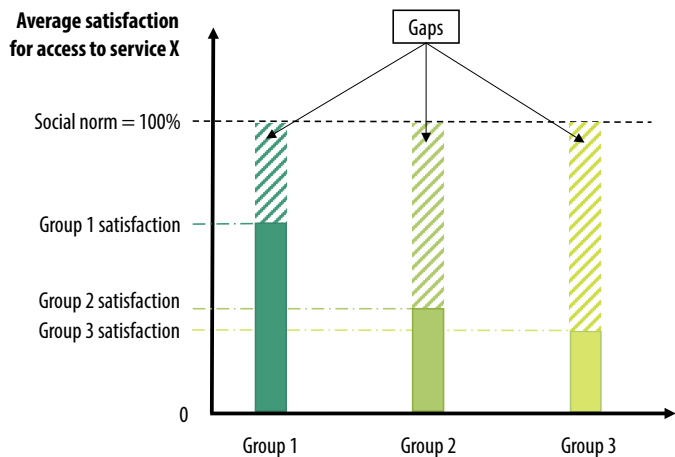
Figure 2: Example of average satisfaction results for access to service X for the 3 groups.
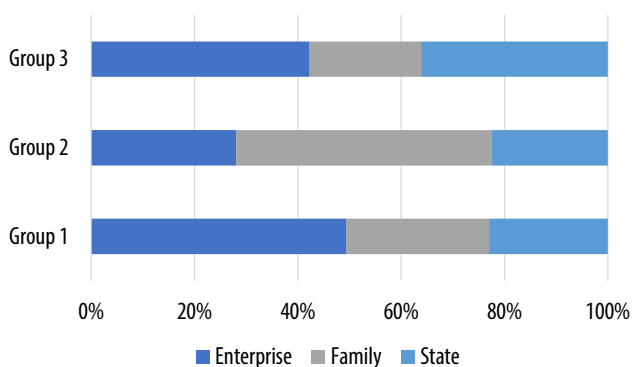
Figure 3: Example of results of contributions by different players for access to service X, for the 3 groups.

The differences in satisfaction in terms of access to a given service between group 1 and group 2 informs us on the contribution of being employed by the plantation rather than merely a local resident. Similarly, group 3 represents a control of the living conditions of this country's inhabitants, when there is no industrial economic activity nearby (example in Figure 2).

The interviews provided unsurprising results in terms of the services deemed the most important by the families, but also of the reasons given to explain the deficient quality or good scores for a particular service. In addition, the contributions of each player (the State, an NGO, the plantation, the family, etc.) to the existence of each of the services (example in Figure 3) were reconstituted [phase 4].

The banana plantation's CSR team was able to compare the representations of the quality of each service by the labourers' families with the efforts made to support this service. The results are not proportional to the efforts deployed. Sometimes, a great deal of time and money had been expended, for a middling result. In other cases, a small "helping hand" had been sufficient to achieve a highly satisfactory quality of service. Avenues for progress were sketched out for the five previously selected services [phase 5]. The enterprise understood the full benefits of the method, especially in-house for its CSR service. The choice of the actions to implement [phase 6] and the monitoring & assessment thereof [phase 7] may be part of a discussion between the plantation and the purchasers of the downstream segment of the industry (importers, distributors, etc.). Indeed, in the case of the export industries, this may represent the initiation of contracts for progress, with the aim of improving the living conditions of the labourers and the social impacts, involving both the upstream and downstream segments.

From a scientific perspective, the underlying hypotheses of the method were confirmed in the field. In addition, the method is compatible with the business world and its tempo. With fairly small resources, it gives clear and precise results in a short time. It can now be regarded as operational, and can be deployed in multiple fields in the South.

Leaving behind methodological conformism

This work is part of the current concerns of agricultural enterprises in terms of determining the social and socio-economic impacts they cause in their locality. Many players have recently discovered the "Anker method", which strives to calculate for each country a "decent wage" (see inset). The "Neighbour" method is complementary. Its objectives are different, in that it seeks mainly to identify margins for progress in terms of basic services rendered by the banana plantation and by others for the labourers. The "Neighbour" method is also different in that it was specifically designed for rural zones in developing countries, and to assess the living conditions of agricultural labourers. It is just as applicable to assessing the living conditions of smallholders, regardless of the agricultural activity ■

© Thierry Lescot

Bibliography

Falk A., Macombe C., Loeillet D., Deboin J-M (2022) How Can a Company Assess Social Needs to Reduce Poverty among Its Workers? The Case of the Export Banana Industries, Sustainability, Corporate Social Responsibility (CSR) in Developing Countries, 14(17), 10794. Abstract: https://www.mdpi.com/2071-1050/14/17/10794 — PDF: https://www.mdpi.com/2071-1050/14/17/10794/pdf

What are the differences with the Anker method?

The "living wage" has become a hot topic, especially for many agricultural enterprises in developing countries. Currently the Anker & Anker method has the upper hand, with its recommendation to calculate a "living wage" in the agricultural sector. The principle of this method is to put together a "basket" of goods and services corresponding to the minimum requirements for a standard agricultural labourer's family. The cost of this basket is used to estimate the "living wage" that the labourers should receive for their families to be able to purchase this basket. The calculation is made for a given country, in this case a developing country.

The Anker method (2011), followed by the Anker & Anker method (2017), is a reproduction of the Morris method (2003) and Glasmeier's "Living Wage calculator" (n.d.). The latter two authors applied the "living wage" calculation in the United Kingdom and the USA, respectively. In developed countries, there are basic services (education, healthcare, transport) established and governed by the public authorities, as well as markets for all the goods and services that a family might need. So much so, that it is possible to make a "living wage" calculation for different population categories (single people, children families, etc.), and indeed this has long been practiced (Bradshaw, 1993). Conversely, Brown et al. (2004) dispute the applicability of the "living wage" method to a country lacking basic infrastructures, and in which many goods and services are not available on any market, especially in rural zones. Moran (2002) is particularly critical of comparisons in "living wage" levels between developing countries "since the cultural differences combining to establish variable local consumption levels are exacerbated." Conversely, the Neighbour method was designed to take into account the reality of rural zones in developing countries, where the basic infrastructures may be lacking, and some markets may not exist at all. It provides a fine analysis of the accessibility and state of the major services available in the specific context of the surrounding area of the banana plantation.

Bibliography

Anker, R. 2011. Estimating a living wage: A methodological review. International Labour Office.
Anker, R., & Anker, M. 2017. Living wages around the world: Manual for measurement. Edward Elgar Publishing.
Bradshaw, J. 1993. Budget Standards for the United Kingdom. Avebury.
Brown, D.K., Deardorff, A., Stern, R. 2004. The Effects of Multinational Production on Wages and Working Conditions in Developing Countries. In Challenges to Globalization: Analyzing the Economics; Baldwin, R. E., Winters, L. A., Eds.; National Bureau of Economic Research: Chicago, United States; 279-309.
Glasmeier, A. K. n. d. Living wage calculator. https://livingwage.mit.edu/ (accessed on 20 August 2021)
Moran, T. H. 2002. Beyond sweatshops: Foreign direct investment in developing countries. Brookings Institution.
Morris, J. N. 2003. Commentary: minimum incomes for healthy living: then, now and tomorrow? International Journal of Epidemiology, 32: 498-499. https://doi.org/10.1093/ije/dyg212