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Consumers drive fairness for farmers: a social enterprise perspective

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Our research examines the role of macro-structures in shaping market practices, including consumption and production, in a food system operating as a social enterprise. The paper draws on the related literatures of service-dominant (SD) logic (Vargo and Lusch 2006; 2016), transformative service research (TSR) (Anderson et al. 2013; Fisk et al. 2016) and consumer culture theory (CCT) (Arnould and Thompson 2005; Arnould, Price and Malshe 2006). Extending earlier work on community supported agriculture (Thompson and Coskuner-Balli 2007), we argue that in this context consumers act to shape the market centered around an alternate organic food market system in response to frustration with the dominant market offerings from large-scale, commercially available food supplied by large corporations.

The aim of the research is to unpack and explore how and why consumer practices can drive changes at a societal level. In particular, we examine how consumer practices have driven demand changes and how consumer agency, as the active pursuit of action that is driven by choice and aligned to important values, can change widespread market practices. We argue that consumers and producers are equal partners in a trading relationship that is captured within the philosophy of a “social enterprise” (Defourny and Nyssens 2010; Galera and Borzaga 2009). More importantly, we emphasize the role that democracy (Woods 2004) plays in exchange

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relationships which to date has not been considered in detail in the literature on S-D logic or TSR.

Employing the theoretical lens of S-D logic, we argue that this sustainable food system is conceptualised as a service ecosystem in that it is a “relatively self-contained, self-adjusting system of resource integrating actors connected by shared institutional arrangements and mutual value creation through service exchange” (Vargo and Lusch 2016, p. 161). The exchange practices engaged in by the actors construct and reconstruct structure and agency within the parameters of the system (Edvardsson et al. 2011). Therefore, through the act of resisting commercial offerings, actors construct other viable alternatives for food provisioning, thereby creating demand for and support of an alternative food network (Thompson and Coskuner-Balli 2007). By doing so, the consumers who purchase food outside the hegemonic corporations could also be considered a practice of activism where consumers question the morals and ethics of their choices to consider broader social and environmental implications (Kozinets and Handleman 2004). Consumers can effect change by embracing the alternate food system and voice their dissatisfaction with the hegemonic commercial market logic. Thus, in turn, exercise the principles of democracy by supporting a social enterprise built on more equitable economic values (Galera and Borzaga 2009; Woods 2004). In the context of a market, democratic practices are defined as the ability of actors to participate decision-making; engage in open dialogue between all parties; focus on the collective well-being of the entity and not individual gains; and are driven by an ethical or moral regard (Woods 2004).

This research is a case study (Einshardt and Graebner 2007; Yin 2003) of a social enterprise whose mission is to support a more democratic food system through linking consumers more directly with famers providing local, seasonal food grown with ecological integrity. Data was collected from 16 semi-structured in-depth interviews (Cheung, McColl-Kennedy and Coote 2016; Prell 2013). We also conducted participant-observations of interactions between customers, staff, suppliers and farmers in the food system over a nine-month period between March and December 2017 and recorded extensive field notes. The data analysis concentrated on understanding how consumers and producers constructed meaning from their food purchasing behaviors informed by Practice Theory (Schatzki 1996) in which he argues social practices are the fundamental unit of analysis of all social phenomena. In this context, we consider practices to be the actions and decisions to be normalized, routine activities that are exhibited through the

mundane act of food consumption and production. This is not to say that the everyday is predictable, but rather than many of the decisions and choices, food eaters and food growers are often habituated in the context of food consumption. Through the data analysis of the verbatim transcriptions we were able to develop a conceptual framework of the democratic principles that underpin practices undertaken by both consumers and producers of fair trade in this social enterprise.

Content from the interviews revealed how consumers played an active role in establishing the network driven by their growing dissatisfaction with price, quality and experience of purchasing food from large corporations. Supporting a social enterprise gave consumers the opportunity to “make a difference”, to “send a signal” to large corporations that “consumers want to have a relationship with the food they eat”. Even if the consumer often feels “powerless”, “dissatisfied with the taste, quality and price” of food available in large supermarkets, they often didn’t see any alternative. Significantly, loyal social enterprise consumers use their food consumption practices, preferences and choices as an opportunity to demonstrate their social values. One consumer suggested that “supporting local farmers is a really important responsibility in this community”. The outcome repositions the farmer (producer) as a visible, important part of the community via consumers leveraging their agency for a food system model that supports stakeholder inclusion and transparency.

The normalised and often routine practices that organic consumers participate in include: not buying fresh food from large supermarkets; joining fresh food co-ops; subscribing to food box deliveries schemes; purchasing fresh food from weekly or monthly local community markets; buying directly from farmers on the farms; volunteering to assist with harvesting, packing, ordering and deliveries within the regional food hub; recycling packaging, and consciously minimizing food waste by freezing and preserving surplus foods. In contrast to supermarket shopping, the customer practices described involve considerably more effort and inconvenience. In many cases consumers face limited choice and repetitive assortments of fresh food associated with surpluses of seasonal harvests. Some committed consumers consciously do not restock if the food supplies run out low.

Consumers were often motivated by anti-consumption values (Chatzidakis and Lee 2012) and offered a range of range of reasons for doing so. Some said they wanted to “make a stance

against globalisation”, or “were concerned about climate change and food security”. Others felt boycotting large corporations were practices that would “reduce waste” and “reward more environmentally sustainable producers”. In line with Chatzidakis and Lee (2012) not all arguments for certain consumer practices can be viewed as rational opposites to other alternatives. For example, we also found that while consumers may be committed high ethical or environmental values in relation to food purchasing this was not always the case in other areas of consumption such as fashion, transportation or fuel.

The interviews with producers in the regional food network also provided rich insights into the how consumer demand to have a direct connection with the farm drove the establishment of the organic food social enterprise. According to one of the farmers, consumers wanted to “change the food system, fundamentally, change the system”. Further he suggested that “it might be as simple as they want to buy fair trade coffee or purchase of reusable cup, but more and more, consumers understand that the food system is one place that they can make a difference”. At the heart of the social enterprise is the moral value of a “fairer system” where “true-cost economics can highlight the true value of food” taking into account the economic, ecological, social justice and environmental costs of growing food. The social enterprise sprung from “getting the farmers and the consumers together”. The farmers “said these are the things we can grow and developed a seasonal calendar” – “the consumers designed the boxes based on what the farmers said they could grow”. Farmers also discussed the importance of collaborative, democratic decision-making underpinning the business strategy. Constant themes of “fairness”, “integrity and trust”, “realistic and clear expectations”, “mutually beneficial relationships”, “sharing risks”, “resisting being strong-armed into delivering unrealistic high yields or risky crop selections” and “co-operating with other farmers rather than competing” were apparent in the research.

Increasingly food consumers are concerned with the modern economic practices prevalent in commercial food systems in the developed world, such as the concentration of markets in agricultural from the farm, through processing and right to the supermarket shelves. The trend is for a small number of large players to control global control of food systems (iPES 2017). “This means that the vast majority of farmers, consumers and communities are left out of key decisions about how we farm and what we eat,” (Hendrickson, Howard and Constance. 2017, p. 1). This type of collaboration between actors embedded in regional food networks, such as the one in this case study, offer consumers an alternative to large global food systems (Holt Giménez and

Shattuck 2011). According to Thompson and Coskuner-Balli (2007) “the ideological appeal of CSA flows from what appears to be a simpler (and more indubitable) choice of a very specific form of food production and consumption,” (p. 151). Many CSAs are organized as social enterprises. Social enterprises are organisations driven by a primary social purpose that trade, wherein profit goes towards the fulfillment of mission rather than profit maximisation for shareholders (Doherty *et al* 2014). An important feature of social enterprise is the inherent social capital which is derived from the multi-stakeholder collaboration and mutuality (Pearce 2003). “Social enterprise is a way in which people can work together to create wellbeing in terms of equality and fairness...whereby economic activity is a means to an end not end in itself” (Kay *et al.* 2016 p. 224).

In our case study the food consumption and production practices can be defined as expressions of a common area of agency representing shared goals at community level and embodying a gradual shift from utilitarian–private visions to economic models based on solidarity and the defence of common goods (Renting 2012). Working collectively, the food network actors are able to create new ‘spaces to manoeuvre’ for organizing food production, distribution and consumption differently (Renting 2012, p. 298) and work as ‘agents of change’ at a local level, with the intention of wearing down dominant institutional narratives and practices that work against their values. Even if change is gradual, the local actors within a sustainable food network continue resist dominant commercial offerings, marketing strategies, and corporatized political agendas, with the intention of providing alternatives to centralised global food systems.

We conclude by suggesting that the exploration of social enterprises that operate with a democratic orientation will be useful additions to current theorising regarding how and why consumer practices change macro-level structures and attain civil societal outcomes such as sustainability, community development, and fairness. According to Renting and his colleagues (2012, p.289), actors embedded in sustainable food networks are ‘reshaping the relations between food practices and the market in ways that go beyond material and economic exchange’ and that contribute to more democratic food economies.

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