Social Responsibility of Organizations. CSR 1.0, CSR 2.0 and what’s next?
Contents

Introduction .................................................................................................................. 7

Magdalena Andrejczuk: The development of CSR in Poland as seen by managers / Rozwój CSR w Polsce w opinii menedżerów ......................... 9

Grażyna Aniśewska: Cultural background in CSR communication / Kulturowe uwarunkowania komunikowania działań społecznie odpowiedzialnych ........................................................................................................ 23

Katarzyna Bachnik: Sustainable consumption through the sharing economy / Konsumpcja zrównoważona stymulowana gospodarką wspólnego użytkowania .............................................................................. 35

Wojciech Huszlak: Ecomediations in managing company stakeholders / Ekomediacje w zarządzaniu interesariuszami przedsiębiorstwa ............ 45

Ewa Jastrzębska: Reporting of non-financial information as a stakeholder engagement method / Raportowanie danych pozafinansowych jako sposób angażowania interesariuszy ........................................................................ 61

Janusz Kroik, Jan Skonieczny: Value exchange in CSR strategy / Wymiana wartości w strategii CSR ........................................................................... 79

Maria Roszkowska-Menkes: What does CSR really stand for? An analysis of corporate definitions of CSR in Poland / Co naprawdę oznacza społeczna odpowiedzialność biznesu? Analiza definicji CSR najbardziej odpowiedzialnych firm w Polsce ................................................................. 94

Adam Skrzypek, Nella Saadi: Profitability of socially responsible public listed companies in Poland / Rentowność społecznie odpowiedzialnych spółek giełdowych w Polsce ....................................................................... 107

Justyna Szumniak-Samolej: Changes in the business environment that support the creation of socially responsible initiatives / Zmiany w otoczeniu przedsiębiorstw sprzyjające powstawaniu społecznie odpowiedzialnych przedsięwzięć ........................................................................................................ 122

Dorota Teneta-Skwiercz: Acquaintance with the fair trade idea in Poland – results of the research / Popularność ruchu sprawiedliwego handlu w Polsce – wyniki badań ............................................................................ 138
Introduction

The presented volume of the Research Papers, devoted to the social responsibility of organizations, refers to the Visser’s concept of CSR 1.0 and CSR 2.0. The concept does not concern so much the computer science categories but the progress and need to redefine its role in society. It is worth emphasizing that the CSR transition has different features depending on a company and country. It is a complex and diverse process, both from the perspective of time and space.

Within the framework of scientific discussion held on the CSR transition, several key areas of changes are pointed out. Firstly, early CSR understanding, often identifying it with philanthropy, slowly gives way to partnership relations and cooperation based on good communication between a company and a community. Secondly, the initiatives now should not be a minimalist response to social and environmental stakeholders’ expectations but should be initiated by company’s initiatives included in strategic plans and well-thought-out investments. Thirdly, the actions marked by image aspects and “produced” by PR departments will no longer constitute a credible motives confirmation for taking pro-social initiatives by a company. Enterprises will be judged on actual credible initiatives in the area of environment, society and ethics. Fourthly, a specialization (although still valid) will be gradually replaced by performances integrated into core companies’ operations. Fifthly, the effects of pro-social activity of enterprises, being visible as a form of a product or service, should not be any longer a niche project, but should be directed to a wide audience. In other words – it is about converting the “nice-to-have” product to the “must-have” one. Sixthly, the expansion of the CSR concept from the local initiatives to the global venture will allow a more culturally diverse and internationally applied concept.

Summing up the transition from CSR 1.0 to CSR 2.0, it is important to mention the five principles that constitute the new approach: \textit{creativity, scalability, responsiveness, glocality} and \textit{circularity}. It is worth noting that the content presented and discussed by the Authors of the Research Papers, directly or indirectly relates to the above-mentioned principles. For example, the issues discussed by J. Szumniaik-Samolej, K. Bachnik and M. Andrejczuk refer to the principle of \textit{creativity}. The \textit{scalability} principle corresponds with the issues mentioned by D. Teneta-Skwiercz, E. Jastrzębska, N. Saadi and A. Skrzypek, J. Kroik and J. Skonieczny, M. Roszkowska-Menkes as well. The next principle – \textit{responsiveness} – can be visible in the papers written by G. Aniszewska, W. Huszlak, D. Teneta-Skwiercz, K. Bachnik, E. Jastrzębska and J. Szumniaik-Samolej. The core idea of \textit{glocality} principle is represented in the papers of K. Bachnik, E. Jastrzębska, D. Teneta-Skwiercz, J. Szumniaik-Samolej. The last principle – \textit{circularity} – is visible in K. Bachnik’s and J. Szumniaik-Samolej’s paper.
In response to upcoming changes and parallel emerging questions “what’s next?,” I present with pleasure the Research Papers of Wrocław University of Economics, which not only describe current problems connected with the CSR concept, but also point out the new perspective and directions of CSR.

At this point, I would like to address my thanks to the reviewers of the Research Papers, whose efforts in the form of comments and suggestions expressed in the reviews contribute also a special part to the CSR discussion held on the pages of the current volume.

Magdalena Rojek-Nowosielska
ACQUAINTANCE WITH THE FAIR TRADE IDEA IN POLAND – RESULTS OF THE RESEARCH

Summary: The fair trade movement by underlining the ethical aspects of behaving among particular links of delivery chain and assuring proper work conditions and payments for workers on plantations, natural environment conservation and investment towards local society has become a great tool of accomplishment of such concepts within the company management as CSR and sustainability development. The article has been mainly focused on presenting the essence of the FT movement and moreover the evaluation of the possibilities for the development of the FT market in Poland. Main research questions have been phrased as follows: What is the degree of the knowledge of the FT movement’s rules? What reasons induce consumers to purchase products with a FT label? What are the causes of the consumers’ lack of interest in FT products? The survey was conducted among university students.

Keywords: fair trade, corporate social responsibility, fair trade standards, sustainability development.

Streszczenie: Ruch sprawiedliwego handlu, kładący nacisk na etyczne aspekty relacji pomiędzy poszczególnymi ogniwami łańcucha tworzenia wartości, zapewnienie odpowiednich warunków pracy i płacy pracownikom na plantacjach, ochronę środowiska naturalnego i inwestycje na rzecz społeczności lokalnej, może być postrzegany jako jedno z narzędzi realizacji takich koncepcji zarządzania przedsiębiorstwem, jak społeczna odpowiedzialność biznesu i zrównoważony rozwój. Celem niniejszego artykułu była analiza i ocena stopnia popularności ruchu sprawiedliwego handlu w Polsce. W tym celu zostały przeprowadzone badania empiryczne wśród studentów Uniwersytetu Ekonomicznego we Wrocławiu.

Słowa kluczowe: sprawiedliwy handel, społeczna odpowiedzialność biznesu, standardy sprawiedliwego handlu, zrównoważony rozwój.
1. Introduction

Fair trade reflects many tenets of neoliberal economics. It is based on transnational non-governmental organizations that conduct certification, for example TransFair USA, Fairtrade Labeling Organization (FLO). According to Peck and Tickell, fair trade rolls out liberalization. Fair trade certification takes regulatory power away from the state and gives it to non-state organizations, because it may maintain that such actors are the best regulators of capital; they can regulate the flow of capital effectively. This trade regime shortens the commodity chain and permits plantations to trade directly with international retailers. Furthermore, it creates a new kind of symbiosis between production and consumption. Farmers are satisfied, because fair trade products fetch more than non-fair trade products; consumers are happy because they empower “small farmers” through their consumption practices.¹

The fair trade movement by underlining the ethical aspects of behaving among particular links of delivery chain and assuring proper work conditions and payments for workers on plantations, natural environment conservation and investment towards local society has become a great tool of accomplishment of such concepts within the company management as CSR and sustainability development.

The article has been mainly focused on presenting the essence of the FT movement and moreover the evaluation of the possibilities for the development of the FT market in Poland. Main research questions have been phrased as follows:

– What is the degree of the knowledge of the FT movement’s rules?
– What reasons induce consumers to purchase products with FT label?
– What are the causes of the consumers’ lack of interest in FT products?

The survey was conducted among university students.

The present article contains a review of the literature devoted to fair trade. Different sources such as books, journals and periodicals have been used. Annual reports of the Fairtrade International have been taken into deep analysis and some information in the quantitative form has been used to show the present position of fair trade in the market in general.

2. Defining history and attributes of fair trade

Fair trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to marginalized producers and workers.

While fair trade is primarily conceived as a trading partnership – based on dialogue, transparency and mutual respect – seeking greater equity in international trade, it relies on an organized social movement promoting standards for production practices and

delivery procedures, working conditions and labour remuneration, environmental care and social policies in supply chains of certified tropical goods.\(^2\)

North America’s oldest Fair Trade Organizations (FTOs) began buying handcrafts from impoverished Puerto Ricans and Europeans after the Second World War. The first fair trade shop was opened in 1958. It is worth noting at this point that Fair Trade Organization in the USA found their customers in several groups: university students, co-op shoppers, faith-based organizations, organic and community-farm proponents, environmentalists and organized labor.\(^3\)

FTOs started in Europe in the 1960s. In this time the Dutch division of Oxfam opened its first shops selling goods produced in developing states. In 1988 the Dutch organization Max Havelaar created the first fair trade product certification system.

At the beginning, Fair Trade Organizations traded with handcrafts producers, because of their contacts with missionaries. Most of them focused on buying these handcrafts and sold them through World Shops.

In 1973, Fair Trade Original in the Netherlands imported the first “fairly traded” coffee from cooperatives of farmers in Guatemala. After coffee, the object of the international trade was constituted by food products like tea, fruit juices, nuts, wine, cocoa, sugar, spices, rice, etc.

From the beginning, the fair trade movement was raising consumers’ awareness of the problems of people living in developing countries, so the sale of products always went alongside with information on production, producers and their conditions of living. Furthermore, fair trade shops were meant to encourage consumers to participate in campaigning activities for more global justice.\(^4\)

The fair trade movement has both supporters and opponents. Current criticism of fair trade is based on inappropriate assumptions. The opponents underline that:\(^5\)

1. agriculture is unlikely to generate the growth needed to reduce north-south economic inequality;
2. fair trade is “interventionist” policy that “distorts” the efficient operation of perfect markets and retards diversification;
3. fair trade infringes on the long-term interests of producers who promote intensification;
4. fair trade increases the price for consumers as it includes charges like the premium price, social premium, and very large certification fees which result in increase of business costs.

Sometimes fair trade is blamed for distorting markets as it is not as good at pricing as a real market. The living wage for food production is not the same across countries and continents and yet the fair trade price floors are universal.

Sushil Mohan notes that benefits which bring fair trade may not be as great as many of fair trade’s proponents imply. For example, if the market price falls below the guaranteed price level, though the guaranteed price will be paid for any fair trade purchases, the quantity of produce that will be bought from the producer is not guaranteed. Furthermore, these benefits also come at a cost. The fair trade organizations charge certification fees to cooperatives and wholesalers for services such as inspecting the farms and monitoring the supply chain. The minimum charge for certification for the group fewer than 50 producers applying for certification of their first product is approximately GBP 1,570 in the first year. It is a really large sum of money for producers in the poorest countries. In literature we can come across a statement that fair trade is not a long-term development strategy and is not appropriate for all producers. It is also unable to address structural problems within trading systems.

Proponents of fair trade insist that it might contribute to diversification by overcoming problems of risk and capability deprivation. To get a fair trade mark, farmers and workers in the developing world who receive a minimum wage and stable prices should get an extra bonus called a social premium to invest in their communities (e.g. building wells, buying ambulances, etc.). It needs to have long term contracts, receive advance payments and credit terms, not to use child labor, to have a voice through trade unions, or worker representation, to take care of the environment, and to have health and safety standards. Fair trade standards allow many different producers of agricultural commodities to participate in international markets and help them to progress and acquire greater business capacity over time (see Table 1).

Until the late 1990s, fair trade products were marketed mainly through traditional outlets such as world shops, NGO charity shops and specialist mail-order companies. Today, this kind of products can be purchased in all major supermarket chains.

Campaigning is important for the promotion of fair trade. They help to build positive attitudes towards it and remove skepticism about fair trade in the public opinion. Much of the fair trade campaigning work is organized through fair trade networks and the Alternative Trading Organizations like Oxfam. According to Annual Report of Fairtrade International Organization, in 2014 global sales of fair trade products reached EUR 5.9 billion, a 10-percent increase since 2013. The Fairtrade Access Fund loaned EUR 11.1 million to small producer organizations and 74 producer organizations were trained in and mentored on financial management. Many mature fair trade markets experienced steady growth, while Swedish and German shoppers

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7 A.M. Smith, *Fair trade, diversification and structural change…*, op. cit., p. 459.


significantly increased their ethical purchases, pushing sales up by 37 and 27 percent respectively. In the UK, fair trade sales were impacted by intensified price competition and deflation in the mainstream grocery sector.\textsuperscript{10}

Table 1. Fair trade standards

<table>
<thead>
<tr>
<th>Empowerment</th>
<th><strong>Inclusive participation and transparency</strong></th>
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<td></td>
<td>Empowerment can take many forms such as farmers joined together in cooperatives or workers in large farms joined together in workers’ associations. In all cases, fair trade standards require democratic and transparent decision making.</td>
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<td><strong>Premium management</strong></td>
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<td>Groups of farmers and workers are empowered to determine how to spend community development premiums in the ways that best meet the needs of their communities.</td>
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<td><strong>Focus on training and capacity building</strong></td>
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<td>Fair trade standards require training in areas such as workplace safety, freedom of association, freedom from discrimination, financial management, pricing and international market mechanisms.</td>
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<tr>
<td>Economic development</td>
<td><strong>Stable business partnerships</strong></td>
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<td></td>
<td>Fair trade contracts are honored so that stable trade relationships can develop and small producer organizations are better able to commercialize their products.</td>
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<td><strong>Pre-determined premiums</strong></td>
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<td>Fair trade standards require pre-determined community development premiums for every sale.</td>
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<td><strong>Pricing and wages</strong></td>
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<td></td>
<td>Fair trade guarantees minimum prices in some commodities and focuses on increasing wage levels for workers.</td>
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<td>Social responsibility</td>
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<td></td>
<td>Fair trade prohibits child labor, ensures health and safety measures are established in order to avoid work-related injuries and follows International Labor Conventions (ILO). Workers are guaranteed access to healthcare and community development premiums can be used to provide greater access to quality of healthcare and education.</td>
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<tr>
<td>Environmental stewardship</td>
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<td></td>
<td>For fair trade certified products, the most toxic chemicals are not used and there are no GMOs. Fair trade organizations develop a strategic approach to integrated pest management, the safe use and handling of agrochemicals, responsible waste management, protection of soil and water and biodiversity, and reduction of energy and greenhouse gas emissions.</td>
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The most recognized fair trade products of in Europe are those marked with the Fairtrade label. Other labels are such Fair for life, Naturland & Fair, Ecocert or Bio Equitable. Moreover, fair trade products are made by certified Fair Trade Organizations consociated in World Fair Trade Organization (WTFO).

3. Popularity the fair trade movement in Poland

The fair trade movement in Poland can be characterized as the one with a low institutional maturity. First initiatives of FT products distribution in Poland appeared in 2003. At the same time, Fair Trade Association “Third World and Us” (Stowarzyszenie Sprawiedliwego Handlu “Trzeci Świat i My”) came on stage as well. The main aim of this non-governmental organization is to build society’s awareness and sell certified goods made by manufacturers from poorer south countries. In 2007 campaign of Friendly Cities for FT was initiated. First city which was honored with the name of the Friendly City for FT was Poznań in 2012.

In 2009 the Coalition of Fair Trade came into being. It has consociated non-governmental organizations, natural legal persons and companies from the whole country. In September 2013 in Kraków, as evolving from the Coalition, Foundation “Coalition of Fair Trade” was set up (Koalicja Sprawiedliwego Handlu), which aimed to support scientific research on FT performance and its influence on manufacturers and moreover the Foundation advocates all the initiatives ensuring the accessibility of FT products on the Polish market.

FT products are available in big sales networks and supermarkets as well as in domestic sales networks of delicatessen, in stores with ecological food, internet stores, café’s and patrol stations. Taking into consideration the volume of sale, territorial range and coverage, the most important market channels are international and domestic sales networks. In comparison to countries where FT has been longer known and supported, the list of FT products is still to be worked on and diversified.

![Figure 1. Level of trust in fair trade](http://www.globescan.com)

A comprehensive survey conducted by GlobeScan organization in 2011 across 17 countries shows that the international Fairtrade Certification Mark is the most widely known ethical label. More than 80% of consumers recognize the Mark in the UK, Ireland, Switzerland, Netherlands, Austria and Finland. In Poland only 44% of consumers recognize the Fairtrade Mark. It is less than the average for 24 countries (see Figure 1).11

A complex research study entitled “Market of Fair Trade in Poland”, done by Małgorzata Radziukiewicz also shows that the FT movement has not aroused too much interest in Poland.12 Main reasons of this situation are:

– lack of conviction of real consumers’ influence on development of the economic situation and life conditions in developing countries,
– unwillingness to change habits and customs,
– credit for free market
– lack of trust to the idea of FT.

The outcome of the research suggests that the FT concept is associated with absence of exploitation, ethical ways of production and sales processes and fair wage. The most known goods of FT among consumers are: coffee, tea, cocoa, chocolate, honey, rice, wine and fruits such as: bananas, oranges, grapes and pineapple.

Similar conclusions are found by the author of this article who did her own research among 115 students of University of Economics in Wrocław between May and June of 2014. Participants in the survey included: 31 full-time students of economics, 59 students of extramural studies, and 25 full-time students of engineering department. As many as 69% of the surveyed students were women. The highest percentage of surveyed, which is 83%, were people aged 18-24. Seventeen people were aged 25–30, two people were aged 31–40 and one of surveyed was aged 41–50 years old.

The author has been aware and sensible of the fact that because of a small research sample and on-target selection, limited exclusively to the Wrocław University of Economics’ students, there are no grounds to generalize about the research results. However, these results may give the idea of the factors and market barriers of FT products become widespread and promoted.

As an answer to the question if they have ever found products labeled with a FT mark, 42% of the respondents declared the answer “maybe.” This results from the fact that most people do not pay attention to labels on products that they buy. As many as 40% of the respondents answered that they have “never” seen it and only 5% of the

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11 The study of more than 10,000 consumers was carried out in 2011 for Fairtrade International by GlobeScan. The survey countries included: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, India, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Poland, South Africa, South Korea, Spain, Sweden, Switzerland, the UK, and the US. Fieldwork was conducted between 23 February 2011 and 24 June 2011, http://www.globescan.com (date of access: 19.09.2015).

12 M. Radziukiewicz, Behavior and preferences of consumer of the fair trade products, Internal Business 2014, no. 3(350).
asked students have seen the FT sign but they have not bought such a product. As many as 15% of the respondents came across a FT labeled product and bought it at least once. The respondents associated a FT label with such products as coffee, tea, rice, bananas and cotton (see Figure 2).

![Distribution of answers to the question about the products associated with FT](image)

**Figure 2.** Distribution of answers to the question about the products associated with FT

Source: author’s own survey and its results.

Most respondents associate the FT movement with the owners of medium size farms in developing countries who are paid fairly for products that they sell (38%) and are provided with well prospering markets for their products with omission of huge international corporations (24%). For 41% of the respondents the idea of FT is absolutely unknown.

For the question if the FT idea is legitimate and righteous, 25% of the respondents said “yes,” but at the same time they noticed that they have neither time nor money to support it. As many as 10% of the respondents think that they do not have any influence on the economic situation of people in poorer countries. More than 50% did not present any point of view on FT. Only 10 people, form the whole group, not only think that FT is a very valid idea but also support the FT movement by buying products with FT labels.

As many as 74% of the students do not buy any products with FT labels. Those who decide to buy these goods believe that by doing that they will help to change the situation of producers and farmers (13%), and help to develop local societies in developing countries. Some of them think that it might also help to equalize chances between men and women and eliminate work done by children. As many as 10% of the respondents believe that buying FT products might help to preserve natural environment.
The main reasons for the lack of interest in FT are unfamiliarity with FT rules (48%) and places (shops) where these products could be bought (36%). Other reasons are not eye-catching displays in shops, petrol stations and others, high price and poor quality (Figure 3).

![Figure 3. Reasons for the lack of interest in buying FT goods](image)

Most students (76 people) appreciated the idea of including the issue of the fair trade movement and its rules into the University of Economics’ curriculum. Only 13 students did not agree with that.

4. Conclusions

Although the concept of FT represents an essential and a very important element of sustainability policy in the UE, at the same time going in line with the process of execution and accomplishment of the CSR concept, in Poland it is not very widely disseminated. The author’s and other scientists’ research show that Polish consumers do not have knowledge which might be helpful to make conscious and responsible decisions while buying goods. There are many reasons for that situation. Except for dissipation of initiatives that might help to promote the FT concept, which are mainly conducted by non-governmental organizations, it is worth mentioning such aspects as limited channels of FT goods’ distribution, lack of accessible information and informative activities explaining the mechanism of FT functioning and last but not least very poor involvement of public administration in FT popularization.

Simultaneously, in the results of the present article research show that Polish consumers show openness and interest in ethical aspects while making decision of
buying. This might be a strong argument for existing possibility of development of the FT concept on the Polish market. This process of development needs to be intensified. More actions around informing and promoting must be taken. These actions should involve, for example:

- establishing databases with information about locations of places where FT goods might be bought;
- incorporating and engaging in the process of popularization of the FT concept not only public services, media or even social media but also such places as coffee houses, petrol stations, shops with organic goods, schools and many more;
- coordination of such public events as informative and promoting meetings, workshops, feasts so-called fair trade zones, where people might not only buy FT products, but also be provided with the knowledge of the FT concept and its good impact on life in general.

Moreover, the FT concept needs to be put into educational processes from kindergartens to universities which might not only disseminate sheer knowledge of it, but also help to form and shape proper skills and attitudes allied with the fair trade concept.

The author’s upcoming task is the continuation of more detailed research on the FT movement. It will be focused on the possibilities of more effective launching and FT market broadening. The results of that survey will attract the interest of those companies to which the idea of CSR is very close. Such companies show their support and concern for the human rights and natural environment through FT products’ distribution, trade and consumption.

References


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www.FTRN.org (date of access: 19.09.2015).