

CSR in Chilean Fresh Fruit Supply Chain

Chile

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Executive Summary

In an emerging economy such as Chile, fruit exports play an important role in economic development. However, the working conditions of small fruit producers and exporters are now largely determined by their buyers and ultimately by the end customers, mainly those in northern economies, who have in the past few years demanded more sustainably sourced products for consumption. Thus, in order to secure a piece of these lucrative developed economy markets, Chilean fruit producers and exporters have found it necessary to “green up” as part of the supply chain of larger retailers.

This case focuses on the achievements of a capacity-building program called ChileGAP (Good Agriculture Practices). ChileGap aims to strengthen the social and environmental performance of agricultural practices in Chile in order to satisfy the social and environmental requirements of buyers. Such fundamental change of business mindset does not take place quickly or easily. Challenges and problems have had to be faced and overcome with the assistance of public and private initiatives.

Introduction

The onset and rise of Corporate Social Responsibility (CSR) has left few economies or business sectors untouched. Indeed, CSR has been widely credited for helping generate sustainable development or what is also known as the “win-win” situation, where all parties or stakeholders benefit. It is thus apparent that CSR has a huge appeal to business, governments and society as a whole.

Indeed Chile, the subject of this case, has not been exempt from this new concept of doing business. With the growth and development of CSR in more developed economies in the northern hemisphere, partly in response to the new ethical demands of the so called “green” and “social” consumers, it would be good business sense for a natural resource export oriented economy such as Chile to get in on the act and produce its exports in a more socially responsible manner.

This case focuses specifically on one such export sector, Chilean fresh fruit production, which has adopted a proactive stance towards CSR. This involved implementing an integrated CSR business strategy to make exports more competitive, while at the same time contributing to sustainable development. However, despite the proactive actions they have taken, Chilean fruit producers, to a certain extent, have also been driven to green their production and become more socially responsible by the demands imposed by consumers in the prosperous and socially conscientious economies of the northern hemisphere. Indeed, it is the economies in Europe, North America and Japan that have increasingly demanded higher standards. Their insistence that commodities be ethically produced has had a knock-on effect on exporting economies such as Chile.

The groundbreaking dimension of the case relates to the integration of CSR elements into the business practices of the enterprises. Aside from being a concept that is most relevant to developed economies, CSR has also been mainly relevant to multinational enterprises and other large companies. In fact, one of the main criticisms levelled by academics and non-governmental organizations (NGOs), is the SMEs lack of awareness or commitment to CSR. Considering that SMEs account for the vast majority of companies and the largest source of employment in Chile and in the rest of the world, the failure to include SMEs as part of this new sustainable business practice would come in the way of achieving the CSR goal of providing benefits on a large scale.

A multi-stakeholder initiative to integrate CSR practices into Chilean SMEs in the fruit sector not only resulted in more socially responsible business practices but also gave the SMEs a

competitive business advantage. This transformation began with a voluntary social and environmental initiative undertaken by the Chilean fruit sector.

In Chile, SMEs in the fresh fruit sector have been driven towards corporate responsibility as a result of both societal and international market expectations. Producers are conscious that to remain competitive and be able to integrate themselves into the major global supply chains, they need to adopt higher standards of corporate responsibility. In some cases, supplying large supermarkets can only be done by producing fruit in a socially responsible manner and having these practices independently verified.

Given Chile's importance as an exporter of fresh fruit accounting for 48.5% of exports from the southern hemisphere, high standards of CSR are essential to the industry's development and competitiveness. The pressure coming from external markets, government, consumers and civil society is largely believed to have forced companies into increasing their standards. This has been accepted by the sector because of fear that failure to do so would put its reputation at risk.

For a greater number of SMEs seeking to enter international supply chains, social and environmental conditions are challenges which increasingly must be met in order to gain market access. However, while compliance is a competitive issue since suppliers can lose contracts through non-compliance, meeting social and environmental standards alone is not enough to win and retain customers. Some industries are, nevertheless, responding to this perceived constraint by establishing their own standards as a way of actively building a competitive advantage in terms of social and environmental standards, rather than continuing to see the matter as one of compliance for market access.

The favorable location and temperate climate conditions are natural advantages for the development of the fruit industry in Chile. But it is the public and private efforts which have made Chile one of the main exporters of fruit in the world.

The government of Chile has invested heavily in researching: a) the main potential international markets, b) their specific demands and c) sanitary standards required to access these markets. As a result of this investment from the government, and with the cooperation of private organizations a number of programs have been established specifically for this industry. Buenas Prácticas Agrícolas - BPA (Good Agricultural Practices - GAP) and in particular, ChileGAP are two of the programs that are working to find ways of enhancing sustainability in the fresh fruits supply chain.

Nevertheless, greening the production of fruit and also meeting large multi-national buyers' social requirements in terms of labour working conditions have, by no means, been a smooth or a rapid transition for the Chilean fruit sector. The typical business practices of Chilean SMEs over the past several decades could be considered as not fully socially responsible. Thus, efforts at changing mindsets and business practices came up against certain obstacles and significant challenges for the Chilean fruit sector SMEs. However, with the assistance of public and privately financed initiatives business leaders have been able to address these issues.

Good Agricultural Practices and the Chilean Association of Exporters (ASOEX)

The association has put in place a policy of going beyond market compliance as a means to improve the competence of producers. It developed the concept of ChileGAP early on, following the first established agreements made by EurepGAP.

ASOEX has established Chilean standards governing key social and environmental aspects of the production process of Chilean fruit. The standard, ChileGAP, provides both short and potential long-term advantages. In the short term, it can be more readily aligned to the particular characteristics of the Chilean fruit sector in contrast to the more generalized, global standards historically preferred, and largely controlled by international buyers in Europe and North America. Furthermore, certification through ChileGAP has proved to be cheaper to Chilean producers than alternative international certification processes. In the long term, ASOEX wishes to use ChileGAP to differentiate Chilean fruit in the highly competitive fruit export market. Thus the association participated in the creation of the ChileGAP certification and has continued working with the producers to build their competency so that they can be certified. There are more than 4000 fruit producers participating in programs on good agricultural practices in Chile, about 1500 are working with technical assistance from ASOEX.

Before the establishment of ChileGAP, the agricultural producers of Chile had to comply with the standards of the European market and of a number of supermarket chains in the United States. This made the export process more complex. The problem for the Chilean producers was that they did not know if their products would arrive in the United States or in Europe, and if they went to the United States which of the various possible buyers would receive them. To facilitate the export process, ASOEX started its Good Agricultural Practices program which is known today as ChileGAP. The European and North American markets certify that the ChileGAP's standards meet their own level of standards.

ChileGAP focuses on three specific aspects: environmental issues, hygiene and phytosanitary standards, and the safety of employees. The program has not only resulted in a greater number of products grown but it also provides a guarantee that consumers would receive high-quality goods. The ASOEX staff made sure that participating companies understood ChileGAP's standards. They visited producers and help them implement improvements in production, minimize the use of pesticides and improve the quality of life of employees.

In order to be certified by ChileGAP, producers have to prove that they abide by the three aspects of the GAP. Many independent international verification companies certify the Chilean producers.

There are some costs related to the implementation of sustainable practices for the company which include the staff employed to supervise the process and the continuation of the ChileGAP process. Although there are no short-term economic benefits resulting from this process, ASOEX hopes that participation in ChileGAP will increase the exports of Chilean goods to primary markets. Given the international acceptance of ChileGAP, the agricultural producers have a greater guarantee that they will be able to sell their products to more profitable markets.

At the same time, through a multi-stakeholder initiative, ASOEX has been working together with a Chilean corporate responsibility research, consulting and non-profit center known as Vincular, with financial support from the Inter-American Development Bank (IDB). The consortium is developing a project to adopt a CSR management system for SMEs in the fruit exporting sector. The project also involves two other productive sectors from the Chilean economy, the wine industry and the manufacturing industry. The CSR model developed in the project is based on an industry-wide vision, and is in accordance with the ISO 26000 process, GRI indicators for SMEs and other relevant international standards on social responsibility.

Chilean Fresh Fruit Production

The Chilean fruit sector has around 14,000 producers mainly located in the central valley zone and accounting for 64% of the economy's total fruit production. The fruit sector generates direct full time employment of around 128,000 workers and close to 300,000 temporary workers, and indirect employment such as that of transport.

In 2006, there were 7,000 registered fruit exporters from 4000 in 2004. However, only 19 companies with sales volumes of over 2.2 million boxes each accounted for around 55% of the fruit exports.

Chile exports a wide range of fruit products but the most important are table grapes, followed by green and red apples. Other fruits exported are kiwi fruit, plums, nectarines and peaches and other emerging produce such as avocado. The Chilean fruit sector takes advantage of its southern hemisphere location which makes it possible to supply the demand for these fruits during the times when they are out of season in the northern economies. The total exports grew from 224,062,000 boxes in 2004-2005 to 230,828,000 boxes in 2005-2006.

The main markets for Chilean fruit exports are shown in **Table 1**. The leading destinations based on volume exported are the USA and Canada representing 37.8% of the total exports, followed by Europe with 30.6%. Significantly smaller volumes are exported to Latin America, the Far East and the Middle East.

Table 1:
Volume (in tons) of Fresh Fruit Exports by Season, by Region

Products	USA Canada	Europe	Far East	Middle East	Latin America	Season 2005/06	Season 2004/05	Var. % 2006/2005
Grapes	469.974	195.114	73.537	6.280	64.836	809.741	754.292	7,4
Red Apples	78.566	176.107	60.676	74.110	201.953	591.412	503.741	17,4
Avocado	65.662	21.288	642	0	1.146	88.738	143.940	-38,4
Kiwi Fruit	24.883	91.667	14.049	2.360	13.294	146.253	133.933	9,2
Green Apples	13.980	69.983	3.831	10.367	26.272	124.433	132.548	-6,1
Pears	20.561	50.682	1.031	4.708	37.653	114.635	115.940	-1,1
Plums	29.319	24.314	11.932	1.430	12.944	79.939	97.379	-17,9
Peaches	32.062	3.368	162	0	13.105	48.697	57.763	-15,7
Nectarines	24.869	8.070	4.671	64	6.844	44.518	62.860	-29,2
Lemons	15.378	76	15.353	0	5	30.812	35.607	-13,5
Oranges	2.469	6.321	9.774	0	836	19.400	22.313	-13,1
Clementines*	14.484	7.760	740	157	693	23.834	21.443	-10,0
Cherries	11.229	3.885	5.109	32	2.191	22.446	13.907	61,4
Blueberries	12.031	2.613	389	0	32	15.065	11.336	32,9
Nuts	0	5.857	103	0	2.339	8.299	7.697	7,8
Asian Pears	4.873	349	138	16	1.169	6.545	7.857	-16,7
Raspberries	4.163	153	19	0	7	4.342	4.976	-12,7
Almonds	0	2.144	117	17	1.662	3.940	4.754	-17,1
Apricot	1.954	179	4	0	661	2.798	2.951	-5,2
Cherimoyas	310	1	10	0	10	331	361	-8,3
Others	2.809	2.006	739	31	1.001	6.586	8.186	-19,6
Season 2005/06	829.576	671.937	203.026	99.572	388.653	2.192.764		2,3
Season 2004/05	864.233	676.766	171.796	86.987	344.002		2.143.784	
Part. % 2005/06	37,8	30,6	9,3	4,5	17,7	100,0		
Var.% 2006/2005	-4,0	-0,7	18,2	14,5	13,0	2,3		

Source: ASOEX based on information from Chilean Agricultural and Farming Government Agency.

A market analysis shows that the USA is the main destination for Chilean fruit exports and that Holland receives the bulk of exports since it is the first point of entry and distribution in Europe. Despite the USA's current position as principal destination for fruit exports, the European Union has been gaining ground as an export destination mainly due to the recent strength of the euro and lower import taxes from the Free Trade Agreement (FTA) with Chile. The Latin American and Far East markets have also been targeted for expanding export sales.

It can be argued that the Chilean fruit exports industry has enjoyed a continued success which can be attributed to its effort to meet specific demands from the market. Hence the increasing global trend in consuming fruits that are ethically and responsibly produced and also taste better, has coincided with the GAP program and the Chilean government's Clean Production Agreements, that an increasing number of producers comply with. This highlights the advantage of going beyond the merely practical business considerations and arriving at a win-win situation, which satisfies both the enterprise's desire for profit and the demands of the market for social accountability. Socially responsible behavior has been led by ethical consumers in northern hemisphere economies, and these demands have had a direct impact on Chilean fruit production methods.

Despite the fundamental changes in business practice that has developed among Chilean fruit producers, some major challenges remain.

Social and Environmental Problems in Fruit Production

For the fruit producing sector, the main social problems are related to quality of work life and the environmental impacts.

Environmental Aspects

Various environmental authority reports and those by the Organization for Economic Cooperation and Development (OECD) and the United Nation's Economic Commission for Latin America and the Caribbean report, "An Evaluation of Environmental Performance – Chile," indicate that contamination of water from improper use of pesticides and fertilizers has been the main negative environmental impact of fruit production.

A secondary impact of agricultural production is the degradation of agricultural soil due to poor agricultural practices or ways of tilling the land. This often resulted in considerable soil erosion and made the soil infertile. Likewise, the use of salt water for irrigation and intensive production techniques has caused salination of the soil, which consequently makes it less productive.

Social Aspects

Work life quality, particularly that of temporary harvest workers, is by far the main social concern for the fruit sector. The main problems that arise are related to the existence of legal contracts and compliance with workers welfare benefits. They include lack of sub-contractor legal contracts, excessive work hours well over the legal maximum and the general lack of human resource infrastructure.

However, it should be pointed out that the export oriented fruit producers tend to perform better in these potential pitfalls since many of them already comply with GAP, which ensures that environmental and social standards are met in the workplace. Nevertheless, the social and environmental problems confronting fruit production highlight the need for a more responsible business model, especially because the sector's main export market in the north is raising the "ethical bar" for the purchase and consumption of primary sourced products.

Profile of ASOEX

The Association of Chilean Exporters A.G. (ASOEX initials in Spanish) is a trade organization founded in 1935 by a group of fresh fruit and vegetable exporters who shared a common goal to open up new markets and improve competitiveness for their partners.

The importance of ASOEX is shown by the fact that its 90 members account for 90% of the total Chilean fresh fruit exports and over 50% of total fresh fruit production. The signing of various free trade agreements has allowed Chilean fruits to be exported to new and previously unimaginable markets where these products are now renowned for their quality, safety and competitive prices.

One of ASOEX's main differentiation strategies is to place emphasis on its GAP program, the only such initiative in the world with a national focus. This program permits Chilean producers and exporters to comply with international norms and legislation on food safety, environmental protection and CSR via the verification of technical protocols developed by the ChileGAP program. ChileGAP has also been approved recently by EureGAP, the European body that manages the most advanced verification system of these concerns. As a result Chilean producers and exporters have gained more competitive edge by offering trustworthy products. The system likewise helps reduce industry wide certification costs, thereby placing all stakeholders in a win-win situation in terms of sustainability.

Good Agricultural Practices (GAP)

Towards the end of the 1990s after the mad cow disease epidemic and debates about genetically modified foods, public debate about food origin in Europe became more commonplace. The risks that this situation posed to Chile's exporters were among the main drivers in creating the concept of GAP.

Likewise, higher levels of public concern for social and environmental impacts of agriculture production along with the communication revolution of internet, electronic mail, mobile phones and digital cameras which can expose unethical offenders, have acted as strong drivers in the creation of GAP.

These factors sometimes known as "the triple bottom line - people, planet and profit" recognize the importance that major corporations and multinational supply bases place on mechanisms that would ensure responsible agricultural practices that respect food safety, the environment, workers welfare and the welfare of animals. Good Agricultural Practices, which are understood by producers the world over, deliver clearly defined outcomes in these areas (EurepGAP, 2007).

EurepGAP

One of the best known international initiatives based on Good Agricultural Practices is the EurepGAP. It began in 1997 as an initiative by retailers belonging to the Euro-Retailer Produce Working Group (EUREP). British retailers in conjunction with supermarkets in continental Europe were the driving forces for this initiative. They reacted to the growing concern of the

consumers with product safety, environmental and labour standards and decided to take more responsibility for what happened in the supply chain. Likewise, the development of common certification standards were also in the interest of many producers. Those with contractual relations with several retailers complained that they had to undergo multiple audits using different criteria every year. Given this, EUREP started to work on harmonized standards and procedures for the development of Good Agricultural Practices in conventional agriculture.

ChileGAP

The requirements imposed by international markets regarding compliance with certain standards for the application of Good Agricultural Practices resulted in a complex situation arising from the different points of view on GAP that have been established by the various markets. Hence, Chilean exporters and producers were confronted with levels of requirements which were inconsistent, even contradictory in certain cases. In many cases more than one certification must be obtained for the same property or packaging plant, resulting in an increase in costs for the producers.

Faced with this situation, in August 2003, the Chilean Exporters Association (ASOEX), with technical support from the Fruit Development Foundation (FDF), deemed as urgent and necessary the implementation in Chile of an overall program aimed at defining a uniform procedure for meeting all the requirements of the principal international purchasers of Chilean fruit.

This is the main reason for ChileGAP's conception, the implementation of which will enable the Chilean fruit industry to cope with varying requirements of international markets, through a single audit and certification.

The implementation of the program has already been widely recognized in Chile's main international markets, with formal equivalencies having already been secured in Europe and the United States of America.

The objectives of ChileGAP include responding to worldwide food safety requirements and reducing the risk of contamination in Chilean exports of fresh fruit, taking into consideration compliance with practices relating to CSR and overall crop management. This set of measures helps strengthen Chile's reputation as one of the world's principal producers of fruits that are internationally recognized for their safety and uniformity.

ChileGAP certification is accepted today as equivalent to EurepGAP in the European market. Similarly, in May 2005, an agreement was signed with Davis Fresh Technologies (Prosafe) to place ChileGAP on an equal footing with certification of safety for the US markets, a recognition which went into effect in October 2005.

ChileGAP is the first program in the world which has developed a uniform procedure for Europe and the USA that is implemented at all levels of an economy's fruit growing industry. It is the only non-European system of standards that has received accreditation from EurepGAP.

Verification of compliance with Good Agricultural Practices established by ChileGAP is carried out by internationally accredited independent certifying organizations. The certification system upon which they rely is updated continually in accordance with international industry demands, making it an effective tool for guaranteeing the safety of fruit and the excellence of the Chilean industry's production and post harvest processes.

Producers and exporters work together to administer ChileGAP. Their central mission is to promote and develop this program and comply with plans to improve it, thereby facilitating long-term relationships between suppliers and distributors. They have, among other mechanisms, a free of charge online technical information system with different levels of access and confidentiality, which could be accessed by producers and exporters for information on the technical and historical background of the degree of implementation existing in their properties. Buyers can likewise obtain information on the certification status of their suppliers (Website: www.chilegap.com).

At present, ASOEX is leading a much-needed “Initiative for Worldwide Unification of GAP standards”, with the goal of unifying criteria, procedures and requirements imposed on the various destination markets of Chilean fruit, thus facilitating marketing, avoiding duplication of efforts and helping to reduce the industry costs.

Integration of Good Practices/CSR into Supply Chain

As described previously, transforming production and making the supply chain of the fruit sector conform to international social and ethical responsibility standards has been imposed, to a large extent, upon the Chilean fruit sector by international market conditions. Exporting principally to northern economies in Europe and North America has raised social responsibility standards among producers of consumer product serving these developed economies, and has trickled down to the Chilean fruit sector as well. In these economies, the general public have gradually become more socially aware of consumer product ethics and with their purchasing power they can easily sway producers to follow more sustainable processes. Hence, there was a need for a program such as ChileGAP to strengthen practices in the exporting sector.

As a way of integrating GAP into the supply chain, the large exporting companies have assisted their fresh fruit suppliers in implementing GAP standards and going through the certification process.

The agriculture producers can also obtain co-financing for consulting on the implementation and certification of the GAP through CORFO instruments such as those of FOCAL which help SMEs to obtain ISO and GAP certifications for the agricultural industry. Other CORFO financing includes programs such as the “Programa de Desarrollo de Proveedores” (PDP) or Supplier Development Program which is aimed at improving the competence of productive chains and strengthening relationships between the larger firm participating in the PDP and its smaller suppliers. These retailers reap the benefits of the development program by achieving market stability and know-how, whereas the larger participating company attains a consistently higher quality supply.

The other CORFO co-financed program is the “Proyectos Asociativos de Fomento” (PROFO) or Project Partnerships for Business Development which essentially helps create and develop new business, which due to its nature and size, would be better carried out by forming new business partnerships that are larger in capacity and competitiveness.

The integration of GAP via the supply chain has proven to be a win-win situation for all stakeholders of the supply chain. On the part of exporters, they are able to comply with their clients’ demands (i.e. European and North American supermarkets/buyers), while simultaneously strengthening supplier relationships and assuring product quality, thereby making their fruit

produce more competitive in more demanding markets. By eliminating pesticide use and lowering rate of work related accidents, producers are able to reduce their production costs significantly. The consumers for their part enjoy the benefits of ethically produced and safer product.

It should be pointed out that in terms of CSR, ASOEX has been proactive in promoting the concept and its benefits to SMEs and large companies, and in some cases these SMEs supply exporting firms.

Challenges/Problems Faced and How These were Dealt with

Cultural Factors

Arguably the biggest challenge to the implementation of the GAP program has been the resulting culture shock when the CSR concept was first brought to the attention of SMEs and fruit producers. Participating SMEs had no prior knowledge of CSR and how it works. They were also initially wary about the seeming lack of immediate economic returns from what could be a significant financial and time investment in CSR which was still a vague and uncertified concept. The five SMEs which attended the agriculture sector meeting and met with the consultant to share sustainability information aired their distrust and suspicion of the new concept.

Another culture-related problem that was witnessed during the implementation of the ChileGAP program was a misunderstanding of CSR and confusing it with corporate philanthropy. Indeed such a mistake can be forgiven in a society such as Chile's, where historically the landowners have taken a paternalistic stance with their workers and local community. More specifically, it opened opportunities to improve management of the business through more rigorous data collection, imposition of controls and the adherence to procedures. All these have made possible better control of the production system and generation of financial savings through a more efficient use of resources, more commonly known as economic efficiency gains.

This misconception was addressed by further training and dialogue through the CORFO co-financed programs. In time, the SMEs also saw the business case take effect within their companies which, in turn, helped change their mindset from a philanthropic outlook to a CSR orientation. Chilean fruit growers and exporters however were not accustomed to being held accountable for the social conditions nor the working conditions of their workers which they had traditionally overlooked. Thus the program implied a radical change in their day to day operations.

Another serious challenge was how to change the behavior of the workers themselves and conform to the requirements of the GAP program especially in terms of health (e.g. personal hygiene) and safety issue (e.g. use of new equipment). Personal hygiene concerns included regular washing of hands, not smoking and others. The GAP program requires producers to train and certify that their workers observe socially and environmentally responsible practices. Workers who were required to take training courses in GAP included tractor drivers and those working directly with pesticides.

View to the Future with ChileGAP

One issue which will have to be confronted in the future is how to harmonize (or mutually recognize as equivalent). ChileGAP standards and international standards such as those of ISO 26000 on Social Responsibility, Global Compact, the GRI and more sector specific initiatives like EureGAP and Prosafe. Another contemporary issue which will have to be tackled is raising the program level to meet the increasingly demanding social and environmental standards of large international retailers. Large supermarket retailers such as Wal-Mart, Tesco's and Marks & Spencers are constantly demanding enhanced evidence of social and environmental responsibility from their suppliers.

Recently, the emphasis has been placed on the specific working conditions of those involved in production, and not just on the health and safety aspects. Tesco, Marks & Spencers, Sainsbury, Waitrose and an array of other UK import retailers participate in an initiative called Sedex or the Suppliers Ethical Data Exchange, a web-based system for companies to input data on labour standards at their production sites. The Sedex system has been designed to allow companies that are in an existing trading relationship to share this information, thus saving time and money lost in duplicated information. As a result, companies are better able to drive and demonstrate improvements. In fact, Sedex, along with Ethical Trading Initiative and Temporary Labour Working Group, resulted from the demand of consumers from mainly northern economies to be provided information on detailed labour practices from their suppliers. This development will undoubtedly be in the minds of fruit producers from emerging economies like Chile in the near future.

Conclusions

Sector specific social responsibility initiatives such as ChileGAP have broken new ground and achieved significant results. Given the importance of SMEs in Chile's economy, the resulting employment generation and promulgation of good practices in the global food supply chain have contributed substantially to a more sustainable development model.

Although the pilot project encountered birth pains and other unforeseen difficulties, the project team has been able to address many of the obstacles, particularly those related to cultural factors that have inhibited the willingness to change. It is hoped that ChileGAP will progress even further by addressing the problems that confronted its initial adoption. The vision is for SMEs in the fresh fruit export sector in Chile to play an even more active role in running businesses that are socially and environmentally sustainable, and which are cognizant of the emergent social and ethical responsibility of their main clients, the large northern economy-based buyers and retailers.

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