CHAPTER 13

Responsible Business Practices of Dutch Enterprises in Kenyan Agri-Business

Lisanne Heemskerk¹

Abstract

Responsible business or corporate social responsibility (CSR) has received increased attention in the past decade and has been identified as having the potential to make significant contributions to poverty alleviation and development. Companies are under greater pressure to take responsibility for their impacts on the societies, environment and value chain in which they operate. There is, however, a great lack of research on what determines responsible behaviour in developing countries and what the impact is of ‘Western’ responsible business approaches in the context of these countries. This paper investigates how responsible business is practised by Dutch enterprises operational in Kenyan agri-business and questions what this means for local sustainable development. Specific focus is placed on the drivers of responsible business and the impact of applying responsible business in the value chain. The paper also discusses the implications of the findings for practice and policy, proposing that there is a need to critically pose the question: ‘How responsible is responsible business?’

Introduction

The notion of acting responsibly in business has gained substantial ground. Businesses are increasingly considered to have obligations—which go beyond making a profit—to the societies and the environment in which they operate (Idemudia 2011). The private sector is increasingly seen as important in contributing to economic growth and development but also in reducing poverty, building human capital and protecting the environment. As a result, more and more companies are adopting responsible business practices—some

¹ Winner of the Master’s thesis competition. This chapter is based on her Master’s thesis (Heemskerk 2012) and is available online at http://igitur-archive.library.uu.nl. The author wishes to thank Professor Annelies Zoomers (Utrecht University) for her supervision with the original thesis.
voluntarily, influenced by the notion of giving back to society, and others more or less forced—as a means to sustain market access or merely a way to comply with rules and regulations regarding the behaviour of business in society (Gilbert 2008).

Most research on responsible business has been concentrated on developed countries, generally in Europe and the US (Carroll 1991; Visser 2008). There is a great lack of research on responsible business practices in developing countries, and in particular on Africa. Previous research on responsible business in Africa mainly concentrated on best-practice case studies and did not take into account the overall impact of business practices. Nor has it shown the real impact of applying responsible business—such as the compliance to certification labels—in the value chain of a product. Furthermore, as African countries are in the initial stage of implementing responsible business, and regulatory frameworks are largely absent, responsible business often manifests itself differently compared with the more rooted responsible business in Western countries (Visser 2008). Hence, to discover what makes responsible business in developing countries different from its manifestation in the developed world, there is a need to examine the factors driving responsible business practices in these developing countries. These drivers could encourage or prevent a company from engaging in responsible business (ibid.).

The need for research on responsible business practices in developing countries is increasingly felt because of the following factors: 1) developing countries have the most rapidly growing economies, attracting new businesses; 2) social and environmental impacts are acutely felt; and 3) current responsible business approaches, with their origin in Western countries, may not sufficiently relate to the context and circumstances in developing economies. As for the latter, developing countries have different cultural and social norms and values, so there has been increased apprehension that responsible business legitimizes values that are not in the interest of developing countries and the poor (Prieto-Carron 2006; Muthuri & Gilbert 2011).

In Kenya, the notion of acting responsibly has received increased attention during the last decade. As the country is economically growing and has obtained a substantial economic position internationally, domestic and international companies are deemed to contribute to the further economic as well as social and environmental development of Kenya. This is particularly relevant in agri-business—and more specifically in the floriculture sector—in which many international (especially Dutch) companies are active. As these sectors produce mainly for the international market, they are increasingly exposed to international responsibility requirements. Hence, what these approaches involve, what their impact is in Kenya and whether they