

Implication of TNCs in agri-food sector - challenges, constraints and limits - profit or CSR?

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Abstract

The paper evaluates the impacts of the transformation of agri-food sector under the influence of foreign capital and the CSR implication in sector having into consideration the TNCs actions. The main aim of the paper is to provide a synoptic and integrative analysis of the implication of TNCs in agri-food sector by highlight the challenges, constraints and limits. The results outline the general framework of the main transformation of agri-food sector under the influence of foreign capital and present ways in which the CSR could be applied in agri-food sector for reducing discrepancies and poverty.

Keywords

transnational corporations, foreign direct investment, CSR, agri-food.

Introduction

In highly competitive economies, agriculture has redesigned its traditional role and become a vital sector not only by generating economic growth and providing significant employment for the rural population, but also has increased the awareness of population for a more responsible consumption and environmental protection. In this context, agriculture has imposed and triggered significant contributions in achieving sustainable development goals, an important role being played by companies with foreign capital that have the financial strength and know-how necessary not only in terms of production activity, but also in terms of management and marketing strategy, including by promoting Corporate Social

Responsibility (CSR) actions. Still, nowadays the recent transformations of the agriculture have generated massive debates on the implication of TNCs in providing sustainability and wellbeing for rural communities.

Agriculture ensures a special role in providing ecosystem services starting with ensuring global food production for the population, storing organic carbon in the soil, mitigating climate change and last but not least strengthening rural communities. Implications of TNCs in agri-food sector are much complex and needs a broader approach in understanding the general agricultural framework in balancing the needs, restrictions and challenges in a competitive sector as agriculture. In order to develop applicability in agriculture, CSR needs a favourable environment and a

greater involvement from companies as well as from society in general and from rural communities in particular, allowing them a sustainable access to sources of financing and information.

In the predefined context of the transformations of the global economy and of the orientation and readjustment of the classical economic structures, TNCs has emerged as a determinant factor in drawing the new future trends. As already argued in literature (Andrei et al., 2015; Anghel et al., 2017) agriculture has becoming a lucrative economic factor with an extensive role in the domestic economies, not only limited in providing food for population but also it contributes to eradicating poverty in the rural communities, given the fact that a large number of people is living in poverty and suffering from hunger. Although it is predominantly rural, agriculture incorporates into current practice the results of the technological and digital revolution by promoting and applying agricultural business models and innovative agronomic practices with a high degree of efficiency and productivity.

In contemporary economies, agriculture generates numerous public services and positive externalities, which, although difficult to identify and evaluate in the free market, act as a catalyst for rural economies, significantly contributing to the economic potential of rural communities. The variety of CSR measures is an opportunity not only to address the agriculture in all its complexity, but also to improve and adapt the role of this economic branch in the global economy as a whole. Specific and targeted policies are not enough to generate positive CSR effects, but require highlighting important and long-term progress in the field.

For numerous countries, agriculture continues to represent the basic economic branch capable to generate revenues for population in rural communities and the agricultural sector ensures the absorption of an important share of the local labor force. In this context, agriculture has become a vector in promoting sustainability and welfare in the rural communities. In addition, the quantity and quality of agricultural products have effects on the health of the population and trade.

As remarked in the literature (Vasile & Ungureanu, 2014; Schwarz et al., 2015; Heijman et al., 2019; Bowers & Cheshire, 2019; Balogh & Jámbor, 2020), agriculture has to face new challenges imposed by the implementation of new

production systems, climate change, price volatility, development of international trade with agricultural products, changing diets, urbanization or depopulation of rural areas. At the same time, new technologies are imposed by the need for sectorial adaptation as part of either maintaining the competitiveness of the agricultural sector or reducing dependence on migrant labor in these areas. Also, as (Neumayer & De Soysa, 2005; Deblonde et al., 2007; Pandey et al., 2019; Borsellino et al., 2020; Jiang & Chen, 2020; Yao et al., 2020; Zaman et al., 2020) highlight the unsustainable or unethical practices of agri-food corporations such as inhumane treatment of livestock, use of pesticides and fertilizers with consequences on environmental and food contamination, genetically modified crops, water usage and recycling, questionable practices (such as misleading or double standard offers on product quality sold in developed and developing countries), environmental pollution, monopolistic practices, small farm exclusion, improper working conditions, exacerbation of child labour, land use change and land grabbing.

Starting from the heterogeneous nature of agriculture, the implication effects of TNCs in the agri-food sector may be different, especially as the reaction of farmers is focused on ensuring the economic sustainability of their farms and less on CSR. In this context, the main aim of the article focuses on the activity of companies in the agri-food sector, constrained by the interests of shareholders, seeking to maximize profits and not being interested in long-term sustainable economy and the need for sustainable development principles fulfilment promoted by other categories of stakeholders. The novelty of this scientific approach is based on the analysis of the chameleon behavior of companies in the agri-food sector.

The paper is structured in two main sections. In the first section, it presents and analyzes the transformation of the agri-food sector from the perspective of foreign capital involvement, which completes and supports the national efforts in financing the agricultural sector. The second section is dedicated to the analysis of the CSR strategies used by companies in the agri-food sector. Given the negative impact that companies in this sector have on the environment, the promotion of CSR programs is therefore a necessity.

1. Transformation of agri-food sector under the influence of foreign capital

In contemporary economies with high levels of competitiveness and need for development, the foreign capital has become a major financing support in numerous economic activities including in agricultural sector. Not always, the farmers have the financing support for developing their local business and farms and they had to resort to alternative or foreigner capital sources. The foreign capital has brought not only the much needed financing of the agriculture, but imposed dramatic sectorial changes from economic, social, technological and environmental points of view.

Foreign capital is attracted by the possibilities of increasing economic performance and could not always be considered social responsible factor for increasing the wellbeing of rural communities and environmental protection. In this context, as (Borsellino et al., 2020) remarks, the agri-food sector is in a complex process of transformation, under the action of several economic, social and environmental determinants, with convergent or divergent action (Borsellino et al., 2020). According to (Reardon et al., 2009), the agri-food sector went through several restructuring stages that targeted specific areas, namely (1) wholesaling, mainly in the 1960s – early 1990s; (2) processing, mainly in the 1970s – 1990s; (3) and retailing, mainly in the 1990s – 2000s. Often, as it is presented in literature (Ciutacu & Chivu, 2014) the sectorial reforms in the field weakened the agricultural sector and the immediately visible result, the subsistence agriculture was a facilitator of the outflow of value added abroad.

The changes that the agri-food sector is going through, generated by the technical progress, do not only concern the production process, but also the way in which the products are marketed and consumed. On one hand, the activity in the agri-food sector has captured new values that are fueled by the transition from meeting basic food needs to pursuing by consumers, companies and other categories of stakeholders on issues related to human health or preservation of the environment (Grubor & Đokić, 2015; Sodano, 2019) considering the impact of food production and consumption. On the other hand (Da Silva, 2009; Grubor et al., 2018; Sima & Gheorghe, 2018) show that the increase in the population's income determines a considerable development and diversification of the demand for agri-food products, being able to identify new consumer behaviors that are oriented towards organic

products, dietary products, green products, non-traditional fruits and vegetables or ethnic foods.

In literature (Ene, 2009; Jan, 2009; Stancu, 2012) globalization is considered as another factor that contributes to the remodelling of the agri-food sector, with positive contributions to food safety, but also negative effects such as standardization of dietary patterns that could influence health, segmentation, relocation of different stages of production, the existence of global chains that could affect traceability of food products, dependence of the agro-food sector on the distribution sector.

As it is highlighted in Jan, 2008; Aschemann-Witzel et al., 2015; Zaman et al., 2020, in developed countries, high living standards generate food waste, while in developing countries, much of the population is on the brink of poverty and lives in rural areas, where agriculture is a major source of livelihood. The increase in the demand for agri-food products has also favoured the development of agro-industrial enterprises, a phenomenon observed mainly in developing countries. Process of agro-industrialization as already analysed by Henson and Cranfield, 2009; Maertens and Fabry, 2019 is generated by consumer requirements, technical progress, liberalization of trade in agricultural products as it is argued by numerous literature in the field (Radulescu & Dumbravescu, 2008; Matkovski et al., 2017; Voica & Panait, 2017; Borsellino et al., 2019) or liberalization capital movements (Matei, 2004). But often, like Chivu et al., 2015, they argue the household income level is representing a challenge to economic and social cohesion increasing the resistance to the CSR policies in the field.

The drivers' framework of economic agents involved in feeding foreign capital flows from the agricultural sector has diversified considerably. In addition to transnational companies that make their presence felt, other actors can be observed, like investment funds and regional or international financial institutions that support the food security policy of governments. These entities finance agriculture or consider investment in this sector an opportunity that not to be missed given the need to diversify the portfolio to reduce risk (Matei, 2004; UNCTAD, 2009; Panait et al., 2016).

The main ways of implantation specific to foreign direct investment (FDI) are green field investment and international acquisitions. Considering the specifics of the activities carried out in the agricultural field, foreign investors have

nuanced their way of implantation in the sector over time, in the sense that in recent decades there has been a trend of land acquisition in developing countries (FDI in land) and less involvement in the activities like production and processing of agricultural products. This situation, observed in both African and Central and Eastern European countries, is generated by the weak capacity of public authorities to guarantee the right to food of the local population, paints a new profile of foreign investors who are considered land grabbers and which causes negative spillovers on local development and food security (Constantin et al., 2017; Santangelo, 2018).

The interest of foreign investors for certain host countries has faded over time and is no longer generated by the existence of fertile land, but by the availability of water resources that support the irrigation process. The lack of water and fertile land in some countries thus generates not only the intensification of trade in agri-food products (from countries that have a much better endowment with natural factors) but also the emergence of virtual water trade and virtual land trade (Qiang et al., 2013; Schwarz et al., 2015; Da Silva et al., 2016; Miglietta & Morrone, 2018), as well as the reconfiguration of foreign capital flows. International trade in agricultural products generates exploitation and redistribution of water and land resources. So, the liberalisations of trade and capital movements have direct effects on the use of natural resources especially from developing countries.

Numerous studies in the field (Chaudhuri & Banerjee, 2010; Slimane et al., 2016; Santangelo, 2018; Martin, 2019) notice the negative effects that companies with foreign capital could generate on developing or transition countries in which they make investment. Adherents of the dependency theory emphasize the potential destructive effects that foreign investors could cause on host countries, fuelled by bureaucracy, corruption and the weak involvement of public authorities in promoting the national interest. Thus, multinational companies present in the agri-food sector sometimes behave unethically by manipulating the price of products sold on the local market, using the transfer price mechanism, distorting costs or revenues in order to avoid taxes, repatriating profit to origin country, offering improper working conditions for employees, using child labor and polluting the environment.

According to the followers of the modernization theory, multinational companies have become important actors on the agri-food market, and the foreign direct investments not only finances the agriculture from the developing countries, but have also ensured the transfer of technology, know-how, quality standards, direct implications on food safety, sales markets for finished products and local employment (Matei, 2004; Reardon et al., 2009). However, the generation of these positive spillovers in the economies of the host countries is particularly influenced by the ability of these countries to absorb the tangible and intangible resources offered by transnational companies, which depends on the reaction and involvement of the workforce and public authorities in the host country (Slimane et al., 2016).

As it is shown in literature (Santangelo, 2018; Hughes, 2019) foreign direct investment in the agricultural sector is generated by natural conditions (soil, water and climate conditions), provided by the host country. This type of investment is resource-oriented investment, and the different endowment of countries has direct consequences on the production, trade and financing process of agricultural activities. In fact, as (Gow & Swinnen, 1998; Matei, 2004; UNCTAD, 2009) describes, the first foreign investment made worldwide on the colonial era were generated by the expansion of European companies to the colonies, the motivation being the search for natural resources that were processed with cheap labor in the host countries, the main sectors being agriculture and extractive industry. Also, as Bolling and Somwaru, 2001 and Matei, 2004 argue, over time, the motivation of foreign investors has faded, with investment being made that seek access to a local or regional market or that generate products that are not sold for the local market but are exported. In fact, in agri-food sector, FDI is a cost-effective way to reach local markets, so this investment is efficiency seeking.

As (Bolling & Somwaru, 2001; Voica & Panait, 2017) state, the expansion of FDI in the field of agri-food was also generated by the emergence and consolidation of free trade areas and customs unions (NAFTA, MERCOSUR, EU) which led to a reorientation of the interest of foreign investors with free access to the regional market (facilitated by free movement of goods by signing trade agreements) focused on other countries in more remote regions. At the level of

the European Union, the existence of the Common Agricultural Policy has essential impact not only on the production activity and the trade, but also on the price of the land, the migration of the labor force, the financial flows and the innovation of eco technologies.

Moreover, the interest of foreign investors has shifted from the production of agricultural products to upstream or supporting industries or downstream industries. So, TNCs are present in all segments of the global value chain – GVC as (Rueda et al., 2017; Maertens & Fabry, 2019) present in their researches. Moreover, the emergence and development of the biofuels segment attracted new transnational companies that initially had nothing to do with the production of agricultural products. However, the production of biofuels is a rather controversial topic considering that agricultural lands are no longer used to meet the food needs of the population, but to generate products used for energy as it is argued by Dusmanescu (2013) or Ene et al. (2017).

The liberalization of capital movements internationally was also reflected in the increase in FDI flows concentrated in the agricultural sector, the maximum being reached in 2007. After this peak, the overlap of the international financial crisis and the food crisis of 2008 dramatically affected foreign capital inflows until year 2011, after which FDI flows remain on ascending trend. FDI flows oriented towards the industrial processing sector of agricultural products (food, beverage and tobacco) have experienced, since 2008, a less dramatic decrease compared to those in agriculture and later an evolution of the saw tooth type (FAO, 2020).

In addition, national policies contribute to improve the spillover effect of foreign investment on host economies deepening or improving these differences. According to FAO statistics, the countries were divided into net exporting countries of agricultural products, net importing countries, and there is a group of countries that have natural resources, but the lack of proper use of natural resources and low involvement of public authorities in supporting the process of investing and financing them makes these countries import large quantities of agricultural products to meet the needs of the population (UNCTAD, 2009). The best example in this sense is Romania, which, despite its special agricultural potential, is listed as a net importer of agricultural products. These countries need massive

investments, technology transfer and knowledge to increase labor productivity and improve the share of arable land used.

At the top of the most attractive countries for foreign investors are those countries that have fertile agricultural land, generally developing countries such as China, Argentina and Indonesia. Romania ranks 10th in the top of foreign direct investment attracted to agriculture, but imports large quantities of agricultural products, which demonstrates the speculative nature of attracted investments in the sense that those investors bought agricultural land but do not use it for agricultural production but as an asset financially necessary to diversify and reduce portfolio risk (FAO, 2020). From the point of view of the countries that attracted the most important FDI flows in agri-food sector, the top 10 is ruled by developed economies, with a strong industrial sector (SUA, Netherlands, UK, Spain, Italy, and France).

The problem of budgetary constraints specific to developing countries and poor financing of the agricultural sector could be solved by attracting foreign direct investment. But also in this field, the attitude of public authorities towards foreign direct investment is nuanced; there are countries that allow access to foreign investors but also countries that restrict the presence of foreign capital for strategic reasons related to food security. Unfortunately, worldwide, experts believe that agriculture is a neglected engine for development (UNCTAD, 2009).

Foreign direct investment in agriculture is mainly concentrated in the countries of Asia and the Americas, given both the existence of fertile arable land and a certain economic, social and political stability conditions specific to the countries in the region compared to the mainland Africa (Rjoub et al., 2017).

From the point of view of foreign investment in the agro-industrial sector, European countries are the main recipients of the capitals of transnational companies. Mergers and acquisitions or greenfield investment are fueled, in the case of these countries, by the existence of a large number of consumers with purchasing power, with food preferences for both traditional and eco products, access to the entire European market for products made, and economic, social and political stability.

Mergers and acquisitions are a way to make foreign direct investment in a host country, which has the advantage of rapid deployment. The use of this method of implementation is generated by

factors such as initiation and development of privatization programs or the onset of financial crises that favor the emergence of a large number of private companies that can be taken over at low prices due to financial difficulties (Matei, 2004). The statistical data published by UNCTAD show the reduced use of this method of implantation in the agricultural sector, it being more used in the agri-food sector, where there are companies that have been the subject of international take overs (Figure 1)

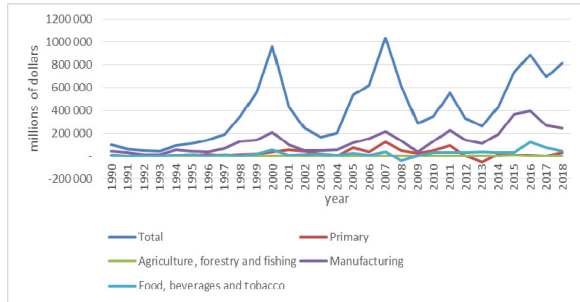


Figure 1 Value of cross-border M&A purchases, by sector/industry, 1990-2018
 Source: The authors based on UNCTAD, 2019

The food, beverage and tobacco sector also stands out through a higher number of mergers and acquisitions, compared to the agriculture sector. Statistical data show the dynamism of this sector, which in certain years has registered more mergers and acquisitions projects and higher values even than the entire primary sector, which in addition to agriculture also includes mining, quarrying and petroleum (Figure 2).

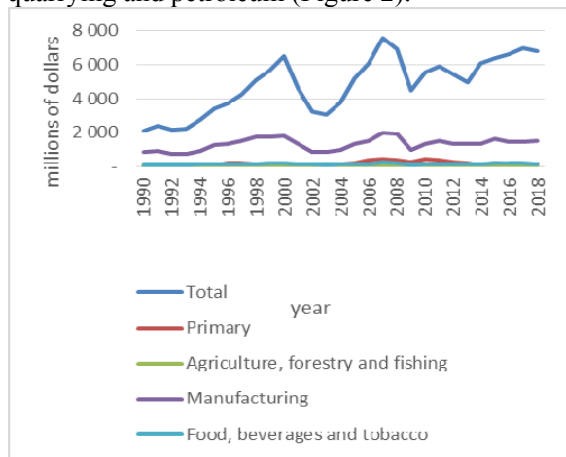


Figure 2 Number of net cross-border M&A purchases, by sector/industry, 1990-2018
 Source: The authors based on UNCTAD, 2019

Greenfield investment (figures 3 and 4) is a preferred way of implantation by certain investors because it has an advantage that the new business is properly sized and developed from the

beginning, no longer staff or technology restructuring being needed. The main disadvantage is the longer period of implementation of the investment.

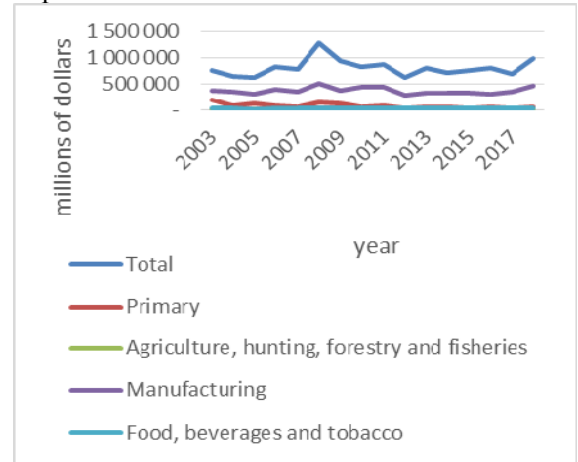


Figure 3 Value of announced Greenfield FDI projects, by sector/industry, 2003-2018
 Source: The authors based on UNCTAD, 2019

The analysis of statistical data published by UNCTAD demonstrates the concentration of greenfield projects in the secondary and tertiary sector. The annual data place the Agriculture, hunting, forestry and fisheries sector on the last places in terms of the number of greenfield investment. Although the presence of foreign capital in the agri-food sector is modest compared to the services sector, the strength of TNCs has fuelled the agro-industrialization process that has led to increased food production and partial resolution of food security investment.

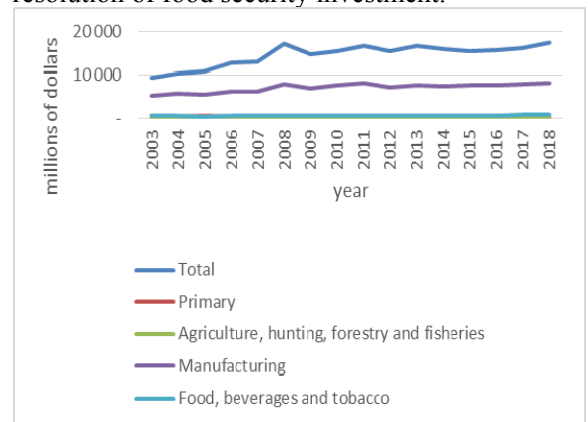


Figure 4: Number of announced greenfield FDI projects, by sector/industry, 2003-2018
 Source: The authors based on UNCTAD, 2019

The agro-industrialization process and the existence of the global supply chains created in the food industry also have beneficial consequences on the spread of the concept of CSR on an international level, the transnational

corporations being the main promoters. In addition to their own CSR programs that transnational companies initiate and carry out, they could impose codes of conduct on subcontractors or raw material suppliers and promote codes that apply at the level of the field (Matei, 2013; Rueda et al., 2017).

Foreign capital attracted to the agri-food sector has a complex impact on host countries, in the sense that in addition to the recognized effects of foreign direct investment, certain specificities can be observed. Rural communities develop both under the direct action of production processes carried out by transnational companies but also through their involvement as beneficiaries of CSR programs carried out by these companies. So, CSR programs run by TNCs are drivers for rural development. Although the presence of foreign capital in the agri-food sector is modest compared to the services sector, the strength of TNCs can generate important changes in the economies of host countries regarding food security and health of the population or consumer awareness of food waste.

2. CSR implication in agri-food sector

The agricultural sector can generate a negative impact on the environment through various mechanisms such as soil degradation, deforestation, greenhouse gas (GHG) emissions, soil and water pollution through the use of fertilizers or pesticides (UNCTAD, 2009; Zaman et al., 2020). The degradation of the environment that threatens food security and safety has led to an increase in the concerns of economic agents in agriculture to promote the principles of sustainable development through various mechanisms and instruments, at national, regional and international levels.

Climate change generated by environmental pollution has direct consequences on agricultural production, because even small variations in temperature or precipitation can cause considerable losses to agricultural producers. For this reason, local farmers and TNCs have adapted their activities to the new challenges and achieve better water management, use of renewable energy sources in farms and production process, promote pest management. In fact, the relationship between agriculture and the environment is bidirectional, in the sense that, on the one hand, agricultural activities generate environmental pollution, and on the other hand, environmental quality is essential for agricultural

production efficiency and quality of finished goods. For these reasons, agriculture plays an important role in promoting the principles of sustainable development and achieving the sustainable development goals (SDGs).

One of the tools of involvement in promoting sustainable development is CSR which reshapes the activities of companies in various fields, especially those that have a negative impact on the environment or local communities (Siano et al., 2010; Palazzo et al., 2016; Deight et al., 2016; Barić et al., 2020). The concept of CSR emerged as a response of companies that realized that maximizing shareholder profit is no longer a strategic goal in a complex world, with multiple interdependencies, shaken by scandals and crises such as food contamination, financial frauds, practicing deceptive techniques to promote products or services (Ciutacu et al., 2005; Matei, 2013; Brezoi, 2018; Martos-Pedrero et al., 2019; Stancu, 2019).

More and more companies have become aware of their role in the economy, of the negative externalities they generate, which is why they try to enhance their positive impact on society and even contribute to the harmonious development of the communities in which they operate, protect the environment, respect the rights of employees and fight corruption. Socially responsible companies must comply with legal regulations and make additional investment in human capital and the environment and improve their relationships with stakeholders (Siano et al., 2010; Matei, 2013; Siminica et al., 2015; Siminica & Sichegea, 2018; Sima & Gheorghe, 2019; Nazzaro et al., 2020). In this way, companies are very attentive to the requirements of different categories of stakeholders, given their involvement which are no longer mere spectators of the economic phenomenon, but sanction the inappropriate actions of companies such as those in highly polluting industries or those whose activity has an impact on public health, encouraging the activity of companies that have adopted the principles of sustainable development. Thus, consumers base their product purchasing decisions on issues related to the behaviour of manufacturing companies towards the environment, public health or local communities, and portfolio investors consider additional criteria for selling and buying financial securities such as corporate social responsibility, thus fuelling the process of divestment from polluting companies and the process of investing

in environmentally friendly companies (Panait et al., 2014; Lombardi et al., 2015; Palazzo et al., 2016; Cristea et al., 2020).

Reality has shown that CSR is not a simple tool for involving companies in society or in the community; it is not a marketing technique but a component of the management strategy that fuels the company's long-term competitive advantage (Genier et al., 2009; Matei, 2013) by generating favourable attitudes from stakeholders, by creating a business opportunity, by the emergence and integration of new tools through which we witness business reengineering (for example, social investment).

However, researchers (Panait et al., 2014; Lombardi et al., 2015; Raimi et al., 2015; Palazzo et al., 2016) draw attention to the use of CSR programs as a tool to improve the company's image, without a real involvement of the company in promoting sustainable development principles, in response to pressure from certain stakeholders, mainly NGOs or as a tool to improve consumer loyalty. The chameleon attitude of some companies goes so far as to practice green washing techniques, trying to promote a favourable but unrealistic image among consumers, only out of the desire to join the greening trend specific to recent decades, especially in some sectors of activity with a negative impact on the environment.

The agri-food sector has a huge potential for CSR given the large number of stakeholders who are affected by the actions of agri-food companies as buyers, suppliers, employees and rural communities in which they operate. In addition, the impact of these companies on the environment is significant both by the negative externalities it can generate and by the positive externalities it achieves (Zaman et al., 2020) and the public goods it provides (Zekić & Matkovski, 2017) in the form of achievement of food security and food safety, environmental protection of agricultural land, establishment of viable rural communities; biodiversity conservation, preservation of landscape and cultural and historical heritage of rural areas. Therefore, CSR must be a long-term, permanent and proactive strategy in the agri-food sector (Martos-Pedrero et al., 2019) to ensure the reduction of risks related to future events.

Local communities are a very important category of stakeholders as a target for CSR programs (Deigh et al., 2016). In the case of the agricultural sector, the local communities become even more important considering that they are not

only areas that host the development of production activities characteristic of this economic fields, but they also fulfil specific functions such as providing recreation, sports facilities for urban population, preservation of traditional, cultural and historical values. This situation could generate the transformation of small farms, into a new multifunctional production-service "enterprise" promoting agricultural and non-agricultural activities. In this way, the farms could move away towards secondary and tertiary activities, generate employment and greater economic self-reliance of rural areas. Therefore, CSR is considered a feasible driver for rural development (Arato et al., 2015) given that through the liberalization of international trade and capital movements local communities have access to new development opportunities but will also be affected by new threats as a result reducing the role of the state in the economy and dominating the agri-food system by transnational companies and small and medium enterprises (Borsellino et al., 2020).

Conclusions

Despite numerous transformations, agriculture continues to be perceived as strategic economic sector in contemporary economies. Analysing the implication of TNCs in agri-food sector has revealed the existence of a determinant divergence between the CSR approaches and the need for profit. The capital movements could be considered a feasible vector in identifying the most profit rewarding activity, and the agri-food sector has managed to attract significant amount of investment.


The lack of natural resources has generated a reconfiguration of trade and capital flows at international level, and new forms of trade have emerged, namely virtual water and land or new forms of implantation of foreign direct investment in trade culture, namely land acquisition, sometimes this phenomenon acquires extreme valence in the form of land grabbing.

Promoting the principles of sustainable development is not the prerogative of public institutions. Private companies and consumers can contribute to supporting the efforts of public authorities through specific measures. Companies could reduce their negative externalities, and consumers must sanction the inappropriate behavior of companies towards different categories of stakeholders through acquisitions. So, consumers have become a force that reshapes

the behavior of companies in the agri-food sector because they sanction the actions of those companies that do not prove real concerns for the promotion of CSR and the principles of sustainable development. It can also discuss the responsibility of consumers who need to improve their level of food education and to promote sustainable food consumption.

Overall, the current research is consistent with previous studies in the field and generates a more visible approach by highlighting both the challenges and effects generated in the process of creating a more responsible agri-food sector. It therefore requires a complex approach to the concepts of CSR and sustainable development in the agri-food sector given the implications of economic activities in the field on food safety and security. The latest trends specific to the agri-food sector, namely the liberalization of international trade and capital movements, must not turn into threats to food security and safety, given the imbalance of forces between developing and developed countries. Food safety standards in developed countries can generate considerable costs that may not be met or covered by companies in developing countries. In addition, the practice of different quality standards can lead to disputes over the unethical behaviour of manufacturing companies in developing countries. Therefore, the practice of unitary standards in the agri-food field should not become an obstacle in business development or generate costs, but should be seen as an opportunity by both companies and consumers.

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