# THE INTERNATIONAL JOURNAL OF APPLIED BUSINESS TIJAB

# Konvensionalisasi Pertanian Organik: Perbaikan atau Pengurangan

# Conventionalisation of Organic Agriculture: Betterment or Diminishment

# Putu Calista Gitta Kalyana<sup>1</sup>\*

<sup>1</sup>Monash University, Australia

#### **Abstrak**

Produk organik menjadi lebih populer sebagai alternatif konsumsi yang sering dianggap lebih sehat dan ramah lingkungan. Ketika permintaan akan produk organik meningkat, konvensionalisasi praktik pertanian organik menjadi tak terhindarkan. Keuntungan dari konvensionalisasi dapat diperdebatkan karena meskipun dapat meningkatkan efisiensi produksi, praktiknya cenderung mengabaikan prinsip pertanian organik. Artikel ini akan membahas masalah ini melalui kerangka teori utilitarianisme dan keadilan. Perspektif utilitarianisme mendukung konvensionalisasi praktik pertanian organik karena manfaat ekonominya akan lebih besar daripada hasil negatif dari lingkungan yang rusak. Teori keadilan menawarkan perspektif yang berlawanan dengan mempertimbangkan petani yang terpinggirkan dan efek dari praktik konvensionalisasi terhadap lingkungan. Menurut perspektif keadilan ekologis, konvensionalisasi praktik pertanian organik tidak dapat diterima karena melemahkan prinsip organik dan terbukti merugikan petani kecil di mana hanya operasi besar yang melakukan praktik konvensionalisasi.

Kata kunci: Pertanian organik, konvensionalisasi, utilitarianisme, teori keadilan

#### Abstract

Organic products become more popular as an alternative for consumption which are often perceived to be healthier and more environment-friendly. As the demand for organic products increases, the conventionalisation of organic agriculture practice becomes inevitable. The advantage of conventionalisation is arguable because although it can increase the production efficiency, the practice tends to disregard the principle of organic farming. This paper will discuss the issue through utilitarianism and justice theory framework. Utilitarianism perspective supports the conventionalisation of organic farming practice since the economic benefit would outweigh the cost of negative outcome from the damaged environment. Theory of justice offers opposing perspective by considering the marginalised farmer and the effect of the conventionalisation practice to the environment. According to the ecological justice perspective, conventionalisation of organic agriculture practice is unacceptable as it undermines the organic principle and proven to be detrimental for the small farmer where only the large operations perform the conventionalisation practice.

**Keywords:** Organic farming, conventionalisation, utilitarianism, theory of justice

<sup>\*</sup>Corresponding author: putu.gitta@gmail.com

## Introduction

The purpose of this paper is to examine the ethical perspective of organic agriculture, particularly about the prominent conventionalisation surrounding its practice. Organic agriculture emerged as a challenge for conventional agriculture industrialisation which has proven to be destructive to environment as well as to small farmers. Organic agriculture promises to promote more sustainable farming practice. However, question arises of whether the organic practice nowadays stays true to the ideal and whether, as the organic product industry grow, it would not reincarnate into the same faults as the industrialised counterpart.

There has been a significant increase in organic food demand across the globe and it is still expected to rise. Although this might indicate an upsurge in environmental awareness among consumers, this can also promote conventionalisation of organic agriculture. To fulfil the increasing demand, conventionalisation becomes an inevitable solution since organic agriculture tends to have lower yields than conventional agriculture. The conventionalisation of organic agriculture apt to evolve into industrialisation. This evolution is contradictory to the original objective of organic agriculture practice, to challenge industrialisation.

The first part of this paper will elaborate the principle of organic agriculture and characteristics of conventionalisation of organic agriculture. The second part will explain relevant ethical theories in analysing the topics. The third part will focus on the ethical perspectives of conventionalisation of organic farming by applying and contrasting between utilitarian and ethics of justice framework. The fourth part will set out the implication and recommendation drawn from the ethical analysis. The last part will be the conclusion of the entire analysis.

Organic agriculture emerged as an alternative to conventional industrialised farming which was criticised to be harmful to environment. Organic farming methods are intended to enhance soil fertility and sustaining biodiversity (Darnhofer, Lindenthal, Bartel-Kratochvil, & Zollitsch, 2010). The objectives of organic agriculture are "preserving environment, improving people's health, and create better conditions for agricultural worker" (Allen & Kovach, 2000). There are two components of sustainable agriculture which should become the basis of organic, prevention and direct marketing (Dantsis, Loumou, & Giourga, 2009). Prevention refers to the agriculture practice which goal is to anticipate environment degradation rather than act as a cure. It requires a holistic and sustainable use of natural resources. Direct marketing refers to the direct relationship between producer and consumer, where producer is encouraged to select local distribution channels.

Conventionalisation of organic agriculture is a consequence of organic product moving from niche segment towards mainstream market with premium price. Conventionalisation of organic agriculture occurs when organic principles are marginalised while economic profitability is more favourable (Darnhofer, 2006). On extreme case, conventionalisation could develop into industrialisation which is proven to be detrimental because it is socially unjust and ecologically unsustainable (Guthman, 2014). Conventionalisation can be identified by the increasing amount of large agribusiness venture that dominates organic industry with emphasise on monoculture production of high-value crops (Freyer & Bingen, 2014). This could be achieved by employing practices that are not ecologically sustainable but not necessarily prohibited by regulation (Padel et al., 2007). For example, organic standards emphasise on input over processes, enables organic actors to merely substitutes their input that is still within the minimum organic standards while ignoring other practices that are ecological but costly (Darnhofer et al., 2010). It is also worth to mention that organic agriculture conventionalisation also encourages globalisation of organic food that has bad effect in elongating the distance travelled by the organic product before arriving to consumer (alienation of consumption from production) (Eden, Bear, & Walker, 2008). Long distance means large amount of emission due to transportation from producer countries to consumer countries.

Conventionalisation of organic agriculture can also take form in bifurcation. Bifurcation is the dual-structure of organic culture, where the high-growth high-profit mass producer subsists along with smaller artisanal producer which maintain diversification strategies (Darnhofer et al., Kalyana 17

2010). The existence of mass producer could give economic pressure to the artisanal organic farmers (Darnhofer et al., 2010).

However, it can be argued that conventionalisation of organic agriculture is not necessarily negative. Conventionalisation is beneficial for developing countries that are struggling with their current low-yielding agriculture practice, such as Africa, so that they can improve their income (Collier, 2009). Another example is a stable bifurcation found in organic industry in New Zealand where there was a balance between the domestic/small-scale sector of perishable goods and the export/conventional sector of green durable goods (Freyer & Bingen, 2014).

## Literature review

Utilitarianism belongs to consequentialist ethics as it bases its judgement on the intended outcomes of a certain action. This theory is very influential in modern economics in general and often linked to British philosophers and economists, Jeremy Bentham, and John Stuart Mill (Crane & Matten, 2016). Bentham stated that humankind is controlled by pleasure and pain. Therefore, the rational ethics that people should do is to maximise pleasure and minimise pain (hedonistic). It involves quantifying happiness and pleasure to simplify decision making. The aim based on utilitarianism is to achieve the greatest happiness for the greatest number (Jones, Parker, & Ten Bos, 2005). However, this aim could also imply that one should take actions that could benefit the most while worsen the few. Many managements in various industries often employs utilitarian framework in making decision.

Justice is an old philosophical concept from Greece that explains the sum of virtue in relationship between human. The concept of justice focuses on fairness and related to rights. One of the most prominent theory of justice was coined by John Rawl. Rawl concluded that principle of justice can be achieved when (a) each person has as much liberty as possible within the similar system of liberty for all; (b) social and economic inequalities exist on condition where (1) there is a meaningful equal opportunity to achieve those unequal position (2) it is utilised for the benefit of the least advantaged group in society (Shaw & Barry, 2015). Ethics of justice is often utilised in discussing significance of stakeholders to a company or industry as a whole.

#### Research method

This paper use literature review to analyse the ethical perspectives of conventionalisation of organic farming, particularly through utilitarianism and theory of justice framework.

## **Analysis and evaluation**

According to utilitarian framework, organic farming increases income but not that significant (Paarlberg, 2009). It is due to organic farming practice being costly and possessing no confirmed health-benefit over the conventional farming. Therefore, conventionalisation of organic farming which can increase productivity of organic farming and economic benefit, is a right thing to do. The utilitarian perspective is congruent with the anthropocentric view where human position is above nature. Thus, although anthropocentric view also incorporates nature as the important element in the decision-making process, the involvement of nature is only restricted to how nature can be fully functionalised as means of gaining economic value. Kaltoft (1999) found in his case study that organic farmers commonly perceive this anthropocentric view. This perspective leads to belittlement of social and ecological consequences of internationalisation, commodification, and industrialisation of organic products (Freyer & Bingen, 2014). Based on the utilitarian ethics, if the economic benefit of conventionalisation could outweigh the cost of negative consequence of destroyed environment, conventionalisation is a rational attempt to gain total happiness. Organic industry actors who adopt utilitarian thinking will only follow the regulation because it is mandatory not from their sense of moral obligation (Freyer & Bingen, 2014). In other words, it can be argued that this perspective is what drives the conventionalisation of organic agriculture.

Discussion of justice in organic agriculture can be differentiated into three concept, social justice, environmental justice, and ecological justice (Alrøe, Byrne, & Glover, 2005). Social justice limits the discussion to inequalities in labour market, human rights, and the distribution of goods

and burdens by society. Environmental justice includes the fair distribution of positive and negative environments only in the interest of human. Moreover, ecological justice expands the fair distribution to all creatures in the earth (Low & Gleeson, 1998, as cited in Alrøe et al., 2005).

Although also focusing on the economic issue, social justice approaches the issue differently with utilitarianism concept. Utilitarianism tends to overlook the marginalised small farmers in organic industry, while social justice put more concern on them instead. Conventionalisation practice marginalises social justice in favour of economic benefit (Allen & Kovach, 2000). Social injustice even impacts more severely in the case of bifurcation where large agribusiness venture who implement conventionalisation practice dominates organic product sales, giving more pressure to the small farmer. Since the social and environmental justice represents anthropocentric perspectives, which is related with the utilitarianism discussed previously, the following discussion will broaden the view of conventionalisation of organic agriculture into ecological justice perspective. Ecological justice takes a non-egalitarian approach in which the relevant actors (e.g. human, animals, plants) are responsible to the extent of their capacities.

International Federation of Organic Agriculture Movement in 2012 formulated four basic principles of organic agriculture that serve as ethical framework and foundation of separate national standards and regulations. Those principles are principle of health, ecology, fairness, care. The IFOAM Principles represent what Alrøe and Kristensen (2003) call a "systemic ethic" where moral concern for other individuals also comprise concern for non-human being. Additionally, Bell (2006) argued that Rawl's theory of liberalist justice can be further extended to include fairness to animals and other environment aspects. The liberalism theory of Rawl indicates denunciation towards biospherical egalitarianism and instead support substantive bias towards humans. Therefore, this argument supports the view that human, animals, and ecosystems are taken into moral consideration. However, human should act as moral agent, since they are able to act morally and have larger portion of moral responsibility toward moral objects (animals and nature).

Typical conventionalisation practices of organic agriculture such as intensification, larger farmer size, fewer mixed farms, use of fertiliser, are opposed to the principle of ecological justice. One important aspect of conventionalisation practice is globalisation. Ecological justice allocates social and ecological interests against market globalisation and economic growth (Alrøe et al., 2005). Globalisation gives additional pressure to the organic market to cover up possible ecological injustices to compete with the conventional product (Alrøe et al., 2005).

## **Implications for Business Practice**

Keeping sustainability as the main goal leads to a necessity of re-examining the organic practice standards to maximise the combination between economic benefit as short-term implication, and social and ecological considerations as long-term implication. IFOAM has initiated the solution by formulating new basic principles that includes broader ideas of social and ecological justice. However, these principles are only partially codified in rules and regulations (Darnhofer, 2006).

Since constraints and opportunities faced by organic farmers are different, formulating value-based indicator for organic agriculture practice that involves multiple stakeholders of organic farming industry becomes crucial. By involving multiple stakeholder and using context-based approach, IFOAM and other certification organisation an ensure more flexibility in organic farming which is also holistic in nature. Furthermore, the type and degree of state/regional support also contributes to degree of conventionalisation (Guthman, 2014). Therefore, government could also provide incentives for smaller enterprise to enable them competing with large enterprise and to encourage genuine organic agriculture practice.

Just as consumer inducing the conventionalisation of organic agriculture, consumer power could also reduce the negative effect of conventionalisation. By encouraging consumer to be more aware and more active in seeking information about organic product that they consume, organic

Kalyana 19

trader and producer could distribute their responsibility in promoting ecological justice (Alrøe et al., 2005).

#### **Conclusion**

Conventionalisation of organic agriculture practice becomes more common due to the increasing popularity of organic product. It is arguable whether conventionalisation practice can truly bring improvement to society, since conventionalisation of organic principle often simplifying the genuine organic practice for the sake of economic profitability. Two different ethical frameworks, utilitarianism and ethics of justice, have been exercised to give ethical perspectives of this issue. Based on utilitarian perspective, conventionalisation which can increase productivity and profitability of organic agriculture is a right thing to do since organic agriculture typically is a low-yield production. Although utilitarian perspective can also include concern for non-human being such as animals and ecosystem, this ethical perspective potentially downplays the harm of demolished environment in favour of larger economic profitability. On contrary, ethics of justice considers the marginalised party in the conventionalisation context. Social justice considers the marginalised small farmer that is economically deprecated by the emergence of large agribusiness venture. Based on ecological justice, conventionalisation practice is intolerable as it often undermines organic principles that were set out by IFOAM which include principles of principles of ecology and health. IFOAM has formulated new basic principles to overcome harmful conventionalisation practice. However, these principles are only partially codified in rules and regulations. There should be a value-based indicator for organic agriculture practice that involves multiple stakeholders of organic farming ensure more flexibility in organic farming thus can maximise the combination between economic benefit as short-term effect and social and ecological considerations as long-term effect.

#### Reference

- Allen, P., & Kovach, M. (2000). The capitalist composition of organic: The potential of markets in fulfilling the promise of organic agriculture. *Agriculture and Human Values*, 17, 221–232. http://doi.org/10.1023/a:1007640506965
- Alrøe, H. F., Byrne, J., & Glover, L. (2005). Organic agriculture and ecological justice: Ethics and practice. *Global Development of Organic Agriculture: Challenges and Promises*, 75–112. http://doi.org/10.1079/9781845930783.0000
- Bell, D. (2006). Political liberalism and ecological justice. *Analyse Und Kritik*, (28), 206–222. Retrieved from http://analyse-und-kritik.net/2006-2/AK\_Bell\_2006.pdf
- Collier, P. (2009). Africa's organic peasantry: Beyond romanticism. *Harvard International Review*, 31(2), 62–65.
- Crane, A., & Matten, D. (2016). Business ethics: Managing corporate citizenship and sustainability in the age of globalization. Oxford University Press.
- Dantsis, T., Loumou, A., & Giourga, C. (2009). Organic agriculture's approach towards sustainability; Its relationship with the agro-industrial complex, a case study in Central Macedonia, Greece. *Journal of Agricultural and Environmental Ethics*, 22(3), 197–216. http://doi.org/10.1007/s10806-008-9139-0
- Darnhofer, I. (2006). Organic farming between professionalisation and conventionalisation-The need for a more discerning view of farmer practices.
- Darnhofer, I., Lindenthal, T., Bartel-Kratochvil, R., & Zollitsch, W. (2010). Conventionalisation of organic farming practices: from structural criteria towards an assessment based on organic principles. A review. *Agronomy for Sustainable Development*, 30(1), 67–81. http://doi.org/10.1051/agro/2009011
- Eden, S., Bear, C., & Walker, G. (2008). Mucky carrots and other proxies: Problematising the knowledge-fix for sustainable and ethical consumption. *Geoforum*, *39*(2), 1044–1057. http://doi.org/10.1016/j.geoforum.2007.11.001

- Freyer, B., & Bingen, J. (2014). *Re-Thinking Organic Food and Farming in a Changing World*. Retrieved from https://books.google.com/books?id=yKDcBAAAQBAJ&pgis=1
- Guthman, J. (2014). Agrarian dreams: The paradox of organic farming in California. Univ of California Press.
- Jones, C., Parker, M., & Ten Bos, R. (2005). For business ethics. Routledge.
- Kaltoft, P. (1999). Values about Nature in Organic Farming Practice and Knowledge. *Sociologia Ruralis*, 39(1), 39–53. http://doi.org/10.1111/1467-9523.00092
- Paarlberg, R. (2009). The ethics of modern agriculture. *Society*, 46(1), 4–8. http://doi.org/10.1007/s12115-008-9168-3
- Padel, S., Röcklinsberg, H., Verhoog, H., Fjelsted Alrøe, H., de Wit, J., Kjeldsen, C., & Schmid, O. (2007). Balancing and integrating basic values in the development of organic regulations and standards: proposal for a procedure using case studies of conflicting areas.
- Shaw, W. H., & Barry, V. (2015). Moral issues in business. Cengage Learning.