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Should inter-organizational relationships in agribusiness be guided by consumer or by stakeholders?

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The importance of the Stakeholders Theory as an emerging concept for organizations, in relation to consumers, is presented. There is a wide interdependence between the commodity system approach (CSA), *filière*, alliance and network approaches in relation to the theoretical domain of stakeholders. The objective of this article is to propose a framework including the Stakeholders Theory in the interorganizational approaches of agribusiness, and contemplate both vertical and horizontal interorganizational relationships. The inclusion of stakeholders demonstrated to be much more relevant in alliances and networks than in CSA and *filière*. The construction of two models for vertical and horizontal relationships involving stakeholders and interorganizational relationships is carried out.

Key words: Stakeholders, interorganizational analysis, agribusiness.

INTRODUCTION

The degree of uncertainty in the business environment can be classified into four levels, essential for the conception of changes in interorganizational relationships. The first level is called *known future*. In this stage, the market is mature and therefore, articulate, strategic actions may succeed. The second level is that of the *alternative future*, in which one cannot predict, but can still identify subtle scenarios and observe the evolution of some variables in order to identify which scenario is being established. The third level involves a wide range of *possible futures*, in which a large number of possibilities implies on a limited number of variables, but it is still impossible to determine which fact will materialize. The last level is called *total ambiguity*. In this scenario, it is virtually impossible to predict the future, for there are infinite possibilities. These situations are, however, very rare. Evolution of things permits the migration from one

migration from one scenario to another (Courtney et al., 1997; Wood Junior, 1999).

A particular migration of crop and livestock towards agribusiness is noticed in our general environment. The insertion of crop and livestock in the dimension of vertical coordination was, according to Davis and Goldberg (1957), an advance in the relations with other sectors for establishing the concept of agribusiness, which thus creates an interface with the interorganizational relationship, therefore, elevating the degree of uncertainty in two major moments. Studies identify two crucial moments in inter-organizational approaches of agribusiness. Among these approaches are the commodity system approach (CSA) and other interorganizational relationships, such as *filière*, alliances and networks.

The first moment in agribusiness begins with the introduction of CSA (which focused on the farmer) in the United States and considers the set of operations necessary from raw material to the final consumer. The CSA is basically oriented by raw material, systemic view, flow of operations, unified functions and the "interdependence"

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between the agricultural productive system and the businesses, downstream and upstream (Davis and Goldberg, 1957).

In the second moment in agribusiness, the creation of new organizational forms with big analytical power of relationship between actors has allowed competition and cooperation to reside together in approaches such as *filière* (a French approach), networks, alliances and others. What unites these approaches is a predominant orientation for consumer satisfaction (Labonne, 1985; Morvan, 1991).

This emphasis on the consumer by the organizations has a strong influence in the administrative theories of marketing, which are centered solely on the consumer. In the case of agribusiness, an expanded vision included the interorganizational relationships to its organizations.

The researches about market orientation began in the United States and spread throughout the academy (Day, 1999). Its importance is highlighted by Urdan and Rocha (2006) when they assert that a multidisciplinary perspective is essential in market orientation. Organizations are, after all, part of interrelated systems.

Market orientation is delineated by five elements, which are three behavioral components (client orientation, rival orientation and interfunctional coordination) and two decision criteria (focus on the long term and rentability). Particularly, the three behavioral components demonstrate the consumer as the main focus of the approach (Narver and Slater, 1990).

Considering this scenario, a paradigm appears in which the company that adopts the stakeholder satisfaction profile will increase its spectrum of comprehension of the organizational environment by not limiting itself only to consumer orientation. More recently, the growing discussions involving stakeholders also appears in agribusiness. A replacement of the focus on consumers to a focus on stakeholders is suggested. Mauer and Sachs (2005) and Bourne and Walker (2006) affirm that the organizational changes are interpreted and understood by the stakeholders, being that they realize that organizations change constantly. Therefore, the Stakeholders Theory contains tools to identify, interpret and define the circular movements of the relationships among organizations that project them for the future.

The stakeholder orientation allows a greater vision of the companies' target public and can capture the changes in all internal and external needs, parallel to the organizations' goals. By conceding a certain value to these important stakeholders, it becomes clear that there positive and greater values than those created for consumers only (Murphy and Wang, 2006). To Jensen (2002), no company can maximize value without considering its stakeholders. One can therefore realize, when picturing the long-term, that there is larger amplitude for stakeholders than for consumers. Considering today's changes, it is essential to focus on stakeholders and to eliminate the focus on the consumer,

because the logic of demand is ineffective for the organizations that want to survive in the long-term. In this approach, the consumer orientation will be replaced by a stakeholder orientation in a society in transition.

According to Berman et al. (1999) and Caulkin (2002), the orientation changes from consumer behavior to stakeholder behavior have demonstrated to improve investment return. Considering such scenario, some questions are made in this study. Are the efforts of marketing centered solely on the consumer as the only form of orienting the organizations and interorganizational relationships valid? Would a replacement of the consumer logic by the stakeholder logic bring any benefit? And which would be the changes of this substitution for organizations, mainly in agribusiness? Which changes would result in competitive advantages for the different interorganizational relationships? Would it be possible and viable for the organizations and interorganizational relationships? To which degree can the consumer be capable of interfering in the processes of different approaches in detriment of the stakeholders? And finally, what is the role of the consumer in this proposition?

The greatest challenge of this work is its proposal to insert the Stakeholders Theory to the context of different interorganizational relationships such as CSA, *filière*, networks and alliances, while trying to advance from a central focus on the consumer to a focus on the stakeholders in agribusiness approaches.

The Stakeholders Theory presented in this work is used in order to add some innovative ideas to the theories studied. The main reason of this new approach is the fact that it opens possibilities of increasing the field of action and capturing details of all the actors involved in the markets in which the companies are inserted. Considering this, the new managers can choose a tool capable of increasing their range of view and include it in the company goals. They can also participate in the reorientation of the interorganizational relationships in agribusiness. The discussion is made in the realm agribusiness, where interorganizational relationships are deeply studied, particularly in Brazil. The need to adopt a new paradigm centered on the stakeholder in organizational decisions and in the interorganizational field, in order to include more and more uncertainty is also demonstrated.

Considering once more the work of Courtney et al. (1997), one can notice that changes are already occurring and are located in the third and fourth level of *possible future* for uncertainty, the *total ambiguity* environment. This motivates the inclusion of the Stakeholders Theory as organization conductor, considering that the world is in a phase of transition with faster and faster changes, involving multiple dimensions and more and more interdisciplinary solutions. The emergence of new conceptions will strengthen the strategic thoughts and minimize the negative effects of the implications on

sustainable development.

It is noticeable that these changes are still happening, which demonstrates that the manager's role continues being to control and manage long-term uncertainties. All processes that originate from this search for satisfaction and/or expectations will translate into a concept which will break new expectations of survival. In other words, it will translate the need to satisfy all the people that influence and are influenced, not only the consumer.

And through this embryonic movement, the primordial difference between stakeholders and consumers will be revealed, for the studies demonstrate that the processes that evaluate the stakeholders can be better in detecting market tendencies than those that evaluate the consumers. The moment the company widens its range of relations between agents affecting and being affected in search of new formation tendencies, it will begin to motivate the rupture of a linear world view and will start building unlimited new habits of organization.

Aside from this introduction, the article will demonstrate, in a first moment, a brief bibliographic review of the approaches of interorganizational relationships most used in agribusiness: CSA, *Filière*, networks and alliances. In the second part, it will present a discussion of the Stakeholders Theory. In a third moment, the focus will be the elaboration of interrelations between Stakeholders Theory and interorganizational relationships, culminating with the proposition of a framework that will allow the identification of the inter-disciplinarity and stakeholders of the relationships. In this moment, theories approaches will organize of two principles forms: vertical and horizontal. To conclude, the work will present its final conclusions.

Objectives

The objective of this essay is to propose a framework capable of articulating the relationships among interorganizational arrangements, separating vertical and horizontal relationships and substituting the emergent propositions of consumers by a stakeholder orientation.

THEORETICAL REFERENCES

A review of the bibliography used in the work is presented here. Initially, the first interorganizational relationship in agribusiness, the commodity system approach (CSA) is demonstrated, focusing on raw material and the flow of operations presented by this approach. Next, we present the interorganizational relationships with focus on the consumer or the client: *Filière*, networks and alliances. The regional clusters/local development approach, which can also be considered an interorganizational relationship, was not included in this essay.

In a second moment, the main characteristics and

applications of the Stakeholders Theory are presented. This comprises the tool used in this study for the replacement of the consumer orientation. And finally, a framework that inserts the stakeholder in the systemic segments is proposed.

Interorganizational approaches in agribusiness

Commodity system approach (CSA)

Davis and Goldberg (1957), by using the input-output matrix model in the 1950s, documented and proposed a model designed to increase the specialization inside the agro alimentary system. They noticed that the economic activities that aggregated value before and after the rural property had increased while the activities in the productive sector inside these doors had been reduced. In 1968, Goldberg (1968) introduced a new approach in agribusiness - the commodity system approach, or CSA – which focused on the coordination and harmony of the chain, particularly in the vertical relations of the agro alimentary system.

The bases of CSA were launched by Davis and Goldberg (1957) when they created the concept of agribusiness as being the “sum total of all operations involved in the manufacturing and distribution of farm supplies; production operation on the farm; and the storage, processing and distribution of farm commodities and items made from”. Thus, they point the need to picture these operations not in an isolated manner, but under a different point of view, giving the idea of an agro-industrial productive chain and placing the agricultural production as part of a much wider “commodity system”, emphasizing its relations with the world of large businesses.

With these definitions, one can notice that Donald and Preston (1995) increased the spectrum of input-output relations when they first introduced the Stakeholders Theory.

For the CSA, this would present a new range of possibilities between the actors involved, for these would be surrounded by more complex and dependent actors, instead of being overlapped only by investors. In this approach, we notice a more economic focus because of the usage of the input-output matrix, mainly focused on raw material. This approach is different from *Filière* and other approaches that have their main focus on the consumer.

Filière

The concept of *Filière* originated from the French school of industrial economy and applies to the sequence of activities that transform a commodity into a product ready for the final consumer. This concept does not privilege only the price variable in the process of system coordination and focuses especially on distributive aspects

aspects of the industrial product. Morvan (1985: 244) defines *filière* as a succession of operations of transformation of production goods (or of an amount of goods); the articulations of these operations are widely influenced by the state of techniques and technologies in course, and are defined by the strategies of agents looking to valorize their capital in the best fashion possible. The relations between activities and agents reveal the interdependence and complementarities and are highly determined by hierarchical forces. Used in several levels of analysis, *filière* appears as a system more or less capable of guaranteeing, depending on the case, its own transformation.

In the study of *filière*, the logic of chain operations as a form of characterizing the structure of a productive chain, on the contrary of the CSA approach, must be located always downstream to upstream, implicitly assuming that the conditioners imposed by the final consumer are the main inductors of change in the system's *status quo* (Batalha and Silva, 2001).

According to Montigaud (1992: 62), the *filière* is perceived as a "set of activities narrowly imbricated, connected vertically for belonging to the same product (or to a very close product), with the finality of satisfying the consumers". In Brazil, the *filière* approach was demonstrated by Batalha and Silva (2001). In a typical agroindustrial production chain (APC), operations or intermediate states of production, common to several APCs of an agroindustrial complex, can be observed. This seems to be one of the innovative elements in the *filière* approach analysis, because it enables the study and identification of sensitive points in the system, the *filière* "knots". It demonstrates the *filière* structure in its different paths, in order to find the key points of where the politics are established. The *filière* demonstrates a certain number of privileged knots that condition the set of the downstream and upstream behaviors.

Regarding *filière*, the successive sequences of operations with the consumer signaling the sum of product flows and services will be replaced by the stakeholder view. From this moment on, a systemic coherence between the agents involved and the sum of producers, transformers and distributors will begin, and after the insertion of the stakeholders, the satisfaction will not be solely that of the consumer, but of all the links involved in the chain.

It is common to verify that the concepts of chain production (*filière*) and commodity system approach (CSA) are many times confounded. Although they present common characteristics, it is necessary to establish the differences among them. The concept of *filière* is a product of the French industrial economy school that applies to the sequence of activities that transform a commodity into a product ready for the final consumer. This concept does not privilege the price variable in the process of system coordination and focuses especially on distributive aspects of the industrial product.

According to Zylbersztajn (2000), the CSA and *filière*

models share a systemic analytical base and emphasize on the technological variable. Considering the theoretical foundation of these concepts, both are based, first of all, on Leontieff's input-output matrix, emphasizing the importance of measuring the intensity of inter-sectorial relations. Secondly, considering the limitation of this methodology of analysis in dealing with technological changes, both the CSA and the *filière* model replaced this methodology by the classic industrial economy structure-conduct-performance paradigm.

In this aspect, this approach suggests that the graphic representation of a productive chain be done following the succession of technical operations necessary for the elaboration of the final product. Further, the concept and dimensions of alliances and its implications on the stakeholders approach will be presented.

Alliances

The alliances involve individuals who have a plurality of interests, values, loyalties, histories and preferences, which subject the alliances that wish to be successful to, at least, coexisting with this plurality and ideally reaching the conciliation of these factors. The performance cannot be considered as the only sole objective of an alliance because the agents and members of the companies have different interests and views of the results. What is sometimes positive in one's point of view can be negative to another.

Eiriz (2001) define strategic alliance as two or more organizations that decide to unite efforts in order to pursue a common strategic goal. The parts therefore try to develop a cooperative advantage that has positive effects on the individual and collective performance. After presenting the concept of strategic alliances, Eiriz (2001) seeks to characterize different types of strategies according to several authors, such as Douglas and Craig (1995), Faulkner (1992) and Yoshino and Rangan (1995). Eiriz (2001) concludes his study stating that there are different strategic typologies, but most of them deal with juridical and economic criteria. He proposes an alliance typology based on three elements of the managerial relationships: actors, activities and resources, with more attention given to actors and activities.

Although considering that these characteristics define an alliance as being strategic or not, one can affirm that the concepts may spread out among the companies. To one company, the alliance may be operational and to another it may be strategic. Also, an alliance can be initially only operational and turn out to become strategic, and vice-versa.

The activities developed by the actors are one of the best criteria for classifying strategic alliances. The alliances, much like seen in the bases of the Stakeholders Theory, involve individuals with common interests, values and loyalty. In the stakeholders approach, there is a contingent and universal plurality which confronts and at

the same time overlaps the goals of the organizations that form the partnerships, for each different group of stakeholders share the same expectations. In this moment, one notices that the alliances approach reveals the importance of the interactions among actors and their specific objectives. The concept of networks, which presents the flexibility among companies of different segments, is thus presented.

Networks

According to Castells (2000), the development of networks among companies demonstrates two forms of organizational flexibility characterized by connections between the multidirectional network model (small and medium companies) and the licensing-subcontracting model of production under a large corporation. The corporative strategic alliance is an organizational model based on the interconnection of large companies, relevant in the sectors of high technology due to high costs of R&D (research and development) and difficult access to privileged information. Cooperation deals are sometimes forced by governments as a clause for the companies to receive financial support. The structure of high-tech industries spread around the world is a more and more complex web of alliances, deals and joint ventures in which most of the large companies are interconnected. In this new global economy, the large companies are not autonomous and self-sufficient. They cooperate and compete at the same time and friends are at the same time adversaries.

Network analysis, according to Mizruchi (1994), presents itself in two different perspectives. One has its roots in several theoretical perspectives such as those of psychiatrist J. L. Moreno (1934), British anthropologists John Barnes (1954), Elizabeth Bott (1957). The second angle presents the French structuralism of Claude Lévi-Strauss (1969). Network analysis can also be seen as a subtype of a general structure of structural sociology. Structural sociology is an approach in which social structures, restrictions and opportunities are seen as possessing a greater effect on human behavior than on cultural norms or other subjective states. Network analysis is a type of sociological structure based in the explicit notion of the effects of social relations in the behavior of individuals and groups.

When the stakeholder view is inserted in networks, it becomes possible to notice certain nuances pertinent to both approaches, mainly because of the organizational flexibility factor, in which a world of continuous change becomes a relevant strategy. In the networks approach, structural sociology among behavioral relations and familiar aspects, as in Clarkson's (1994) model, is also sought. Stakeholders Theory and its perspectives are presented and the primary objective of this essay is to present and make an interconnection among these

interorganizational concepts possible.

Stakeholders: Concepts and some theories

An introduction to the Stakeholders Theory was first developed by Freeman in his 1984 work called 'Strategic Management: A Stakeholder Approach', in which he declares that his study is derived from the theory of the firm. He explained the relations between the firms and the external environment and their behavior when not in touch with the environment. He delimited the space of social responsibility to a more restricted dimension with the following definition of stakeholder: "includes any group or individual that may affect or is affected by the interorganizational objectives". Therefore, space is opened for anyone to affect or be affected by the organization, creating an infinite possibility of actions by the stakeholder. After all, even climatic factors may play a role as stakeholder (Freeman, 1984; Mitchel et al., 1997; Key, 1999).

The studies about stakeholders were presented through several different focuses. The basic difference between them is the degree of importance given to the organizations. There are two lines of thought. Atkinson et al. (1984), Shankman (1999) and Berman et al. (1999) define the importance of the stakeholder through the degree of their contribution for the organizational performance. Freeman (1984), Donaldson and Preston (1995), Metcalfe (1998) and Moore (1999), however, assert that the company's objective is to attend to the interests of the stakeholders (Donaldson and Preston, 1995). It is important to salient that there were theoretical divergences concerning Jones and Wicks' (1999) Stakeholders Theory, but Freeman (1999) defended the instrumental possibilities derived from this new approach in the field of science.

Clarkson (1994) defines stakeholders in terms of risk involved. According to him, there are voluntary and involuntary stakeholders. A voluntary stakeholder is one that runs some risk, having invested some form of capital, human or financial, or some type of value on the firm. The involuntary stakeholders are the ones that are subjected to risks as a result of the firm's actions. This concept presents a meaning of loss or of associated risk. The same author refines the concepts by considering stakeholders as people or groups that have or claim property, right or interest in a corporation and its past, present or future activities.

Bremmers et al. (2004) define a group of stakeholders as a group of environmental organisms that influence or are influenced by the company's goals and operational processes. The authors correctly notes that while there are not many disagreements about who can potentially be a stakeholder (people, groups, neighborhoods, organizations, institutions, societies and even the natural environment), the definitions about who is a stakeholder

vary from the widest possible to the most restrict, having effective implications on the companies' capacity to recognize the public to whom they must report.

Eden and Ackerman (2002) consider that the stakeholders do not have rights, but only power and interests. Phillips and Reichart (2002) demonstrated that the natural environment and the future generations can also be considered stakeholders.

Stakeholders theory

Different authors such as Freeman (1984), Murphy (1988), Polonsky et al. (1995), Payne et al. (2005), Ethos Institute of Companies and Social Responsibility (2000) have expressed a confrontation between Stakeholders Theory (consumers, organizations, community, managers, etc.) and marketing.

The Stakeholders Theory is linked more of strategy DISCUSSION (Carrol, 1989; Donald and Preston, 1995; Harrison and St John, 1996; Harrison and Freeman, 1999; Campbell, 1997). However, there are no negotiations in the field of strategy in what regards Stakeholders Theory because the strategy is still in developing the Theory. According to Payne et al. (2005), there are two rival perspectives of the stakeholder's intentions, which are improvement of social performance and minimization of the production level with changes in the processes (Polonsky et al., 2003). The approaches based on market relations offer a reformulation of the stakeholder's agenda with emphasis on the collaboration of stakeholders instead of on the urgency of market transactions.

Atkinson et al. (1997) verify that the modern organizations are a complex set of explicit or implicit contracts which specify the relations between organization and stakeholder. According to Bourne and Walter (2006) and Carrol (1989), the stakeholder social science tends to base itself on social justice and equity. It has such great impact on stakeholders that it externalizes moral reason through changes of initiative.

These same authors, together with Donaldson and Preston (1995), indicate that the Stakeholders Theory contains or comports the interaction among managers and stakeholders that have a contingent relationship regarding the natural characteristics and quality of their interactions. The philosophy of stakeholders is, therefore, legitimate and valid. The stakeholders must be identified and their powers and influences must be mapped along with the potential impacts in projects.

Donald and Preston (1995) observed that the concepts and models of the Stakeholders Theory are explained and used by different authors in different paths and critics with several evidences and arguments, contradictory or not. They also affirm that there are four characteristics that may help define stakeholders, which are: a) Stakeholders Theory is descriptive. It presents a model

that demonstrates the organization as a constellation of cooperative and competitive interests with intrinsic values; b) Stakeholders Theory is instrumental. It provides a tool to express the connections between the managerial practice of stakeholders and several increases in the performance of corporative goals such as negotiations, anticipated reactions, partnerships and harmonic or conflicting forces; c) Stakeholders Theory includes normative aspects and involves: ci) Stakeholders as people or groups with legitimate interests in substantive aspects of corporate activities which present functional interest; cii) the interests of all stakeholders contain extrinsic values; d) Stakeholders Theory can be considered managerial, for it requires key attributes to be established in organizational and political structures that attend the legitimate interest of all appropriate stakeholders.

The distinction between the notion of a corporation stakeholder and the perspective of conventional input-output is highly differential. In the model of Donald and Preston (1995: 69), all the groups or people with legitimate interests participate in the enterprise to obtain benefits and there is no priority in personal benefits. The arrow between the stakeholder and company points to both directions. All the relations among stakeholders and company are represented in equal sizes and shapes and are equidistant from the black box (company) in the center.

The notion of stakeholders has been amplified into other ramifications and it sometimes presents controversy or changes in the capitalist economy approaches. The stakeholder orientation allows the questioning of changes that occur frequently and may be used to report the normative, instrumentalist and empiric perspectives (Donald and Preston, 1995; Mauer and Sachs, 2005).

Briner et al. (1996) identified four sets of stakeholders, which are, according to them: clients, organizational project leaders, external services and services of members that are invisible to the group. Clelandl (1995), Walter (2003), and Bourne and Walter (2005) admit the need to develop an organizational structure of stakeholders through the apprehension of each stakeholder's interests and necessity to negotiate both individually and collectively to define the best way of managing their needs.

Walter (2003) suggests that the stakeholder model allows one to visualize the synergies and identify the groups that participate more of the obvious connections of the project. Among these are groups such as family networks and its implications, which are found in the alliance and network approaches. It is important to salient that in the definition presented by Clarkson (1995), stakeholders are people or groups that share the same interest in an organization or in its past, present and future activities, with interests, transaction results and company actions being legal or moral, individual or collective. Stakeholders are also presented with common interests

Table 1. Configuration of primary and secondary stakeholders.

Stakeholder	
Primary	Secondary
Employee	Government
Investor	Regulators
Community	Interested
Local	Midia
Shareholders	Syndicates
Suppliers	Environmental groups
Partners	Political groups
Business	
Natural environment	
Future generation	
Non-human species	
Consumers	

Source: Made by authors, based on Wheeler and Sillanpaa (1997), Donald and Preston (1999), Clarkson (2003), and Walter (2003).

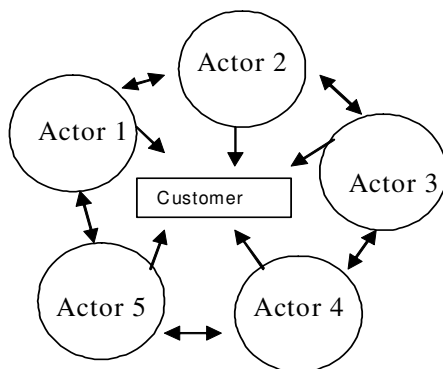


Figure 1. Vertical approach with focus on the final consumer for CSA and Filière.
Source: Made by authors.

Clarkson (1995) distinguishes stakeholders and divides them as either primary or secondary. The primary stakeholders have a meaningful participation in organizations and the later cannot survive without them. These groups are formed by shareholders and investors, employees and businessmen as well as public stakeholders such as the government and the community, which provides infrastructure and the market and laws and rules to be obeyed and taxes and obligations to be paid. There is a high level of interdependence among the corporations and primary stakeholders. When these groups (including consumers and suppliers) become unsatisfied and retracted by the organization’s system, the company will be endangered and should start worrying about the situation.

Through this perspective, the corporation itself can be defined as a system of primary stakeholders establishing complexity among relations and among groups with different interests, objectives, expectations and responsibilities. The survival of the organization and its continuity

depends on the ability of managers to create enough health, value and satisfactions for these groups that belong to each primary stakeholder, once it is clear that each one is part of the organization’s system. Trying to retain the stakeholder’s participation certainly results in losses for the corporative system.

The secondary stakeholders are groups which affect or are affected, which influence or are influenced by the organizations, but are not involved in the transactions and are not essential for its survival. However, they have the power to mobilize the public in their favor or in opposition to the corporation’s performance. The company does not depend on this group for its survival unless a certain group insinuates generating meaningful danger.

Table 1 represents the framework of primary and secondary stakeholders which will be inserted in the horizontal and vertical interorganizational relationship approaches proposed in this article. Murphy and Wang (2006) affirm that the Stakeholders Theory is essential for the functioning of sustainable businesses. Every business is financed by the shareholders, which possess its supplies, provide material and good services that are won by the preference of the consumer through the competition that exists among product and service companies.

Reciprocally, stakeholders can legitimately expect a sustainable business to present an excellent service for consumers, excellent relations between its employees, as well as between partners and corporations. They can also expect an excellent return of shareholder investments, always based on ethical values of affirmation (respect), integrity (morality), efficiency and equality (justice) (Murphy and Wang, 2006).

Interrelations between the theoretic approaches: Frameworks proposed

The proposed frameworks based on the insertion of the Stakeholders Theory on vertical (CSA and *filière*) and horizontal (networks and alliances) relationships is presented here. In some possibilities, however, the relationships are reduced to only two types, horizontal and vertical to facilitate the construction of the framework.

The research in agribusiness has been developed along two levels of analysis: the study of the coordination between vertical and horizontal participation in the food chain, known as agribusiness economy; and the study of decision making in the governmental structures of the alternative food chain, known as agribusiness management (Cook and Chaddad, 2000). Subsequently, many researchers have advanced with studies designed to describe and identify coordination plans or arrangements inside the system, privileging a systemic and dynamic analysis of the sum of producers, transformers, distributors and consumers which intervene on the exchanges. This allows the identification of the process of generation and distribution of income through all stages the industrial chain, as demonstrated on Figure 1.

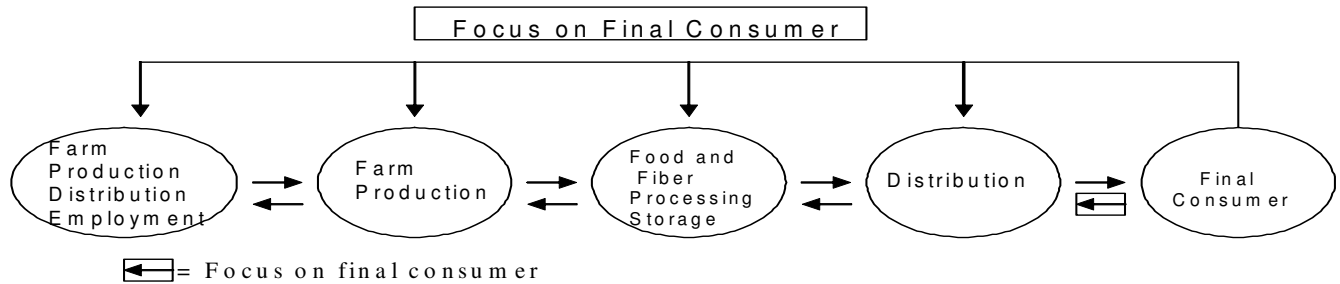


Figure 2. Horizontal approach with focus on the consumer for network and alliances (source: Made by authors).

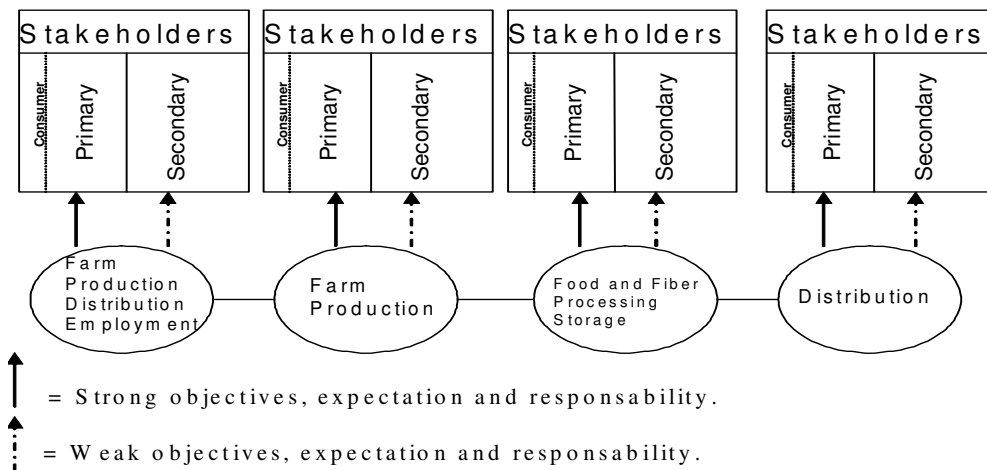


Figure 3. Vertical approach with insertion of primary and secondary stakeholders for Filière and CSA. Source: Made by authors.

On the vertical relationships of Figure 1, the approach is centered on the consumer focus. Therefore, the process has the final consumer as the starting point for interorganizational relationships. When representing the framework with the insertion of the Stakeholders Theory, it is important to return to Table 1 to identify the primary and secondary stakeholders. Regarding Figure 2, we can point out that the network and alliance participants usually possess the same services and are centered on the same consumers. Due to these observations, the consumers can be seen in the center of Figure 2. Figure 3 presents the proposition of a vertical framework with the stakeholder approach. In this model, we can observe that the consumer has been replaced by a group of primary and secondary stakeholders for each vertical link. Stakeholders are highlighted and groups of stakeholders are created for each segment. The consumer does not have importance in this new approach. The importance concerns groups of stakeholders.

In the vertical relationship model of Figure 4, one can observe that there is a bigger connection due to the conceptualization of approaches. It can be seen that there is need for greater integration of the stakeholders

so that their objectives do not become antagonist. When a group of stakeholders define their goals, expectations and responsibilities, the next segments (in this case, the next stakeholders) also determine their goals and this process continues successively. This new view maintains the systemic connection with all the links vertically. An efficient organization is necessary in this process in order to manage CSA and *filière*. It became visible that, when inserting the Stakeholders Theory in CSA and *filière* models, they begin directing their goals to a range of stakeholders, which allows a higher concentration of actors and agents in detriment of consumers.

When inserting stakeholders in the network and alliances vision (horizontally) (Figure 4), we can observe that when the systemic connections among the cooperation and consumer theories occur, the amplitude of people and groups becomes greater and the connections more integrated and strengthened by the stakeholder's participation. The values also become clearer when stakeholders are inserted in the process because stakeholders strengthen the connections of decisions and ethical and historical partnerships. In this new vision, there is a growth of systemic flexibility. The consumer is

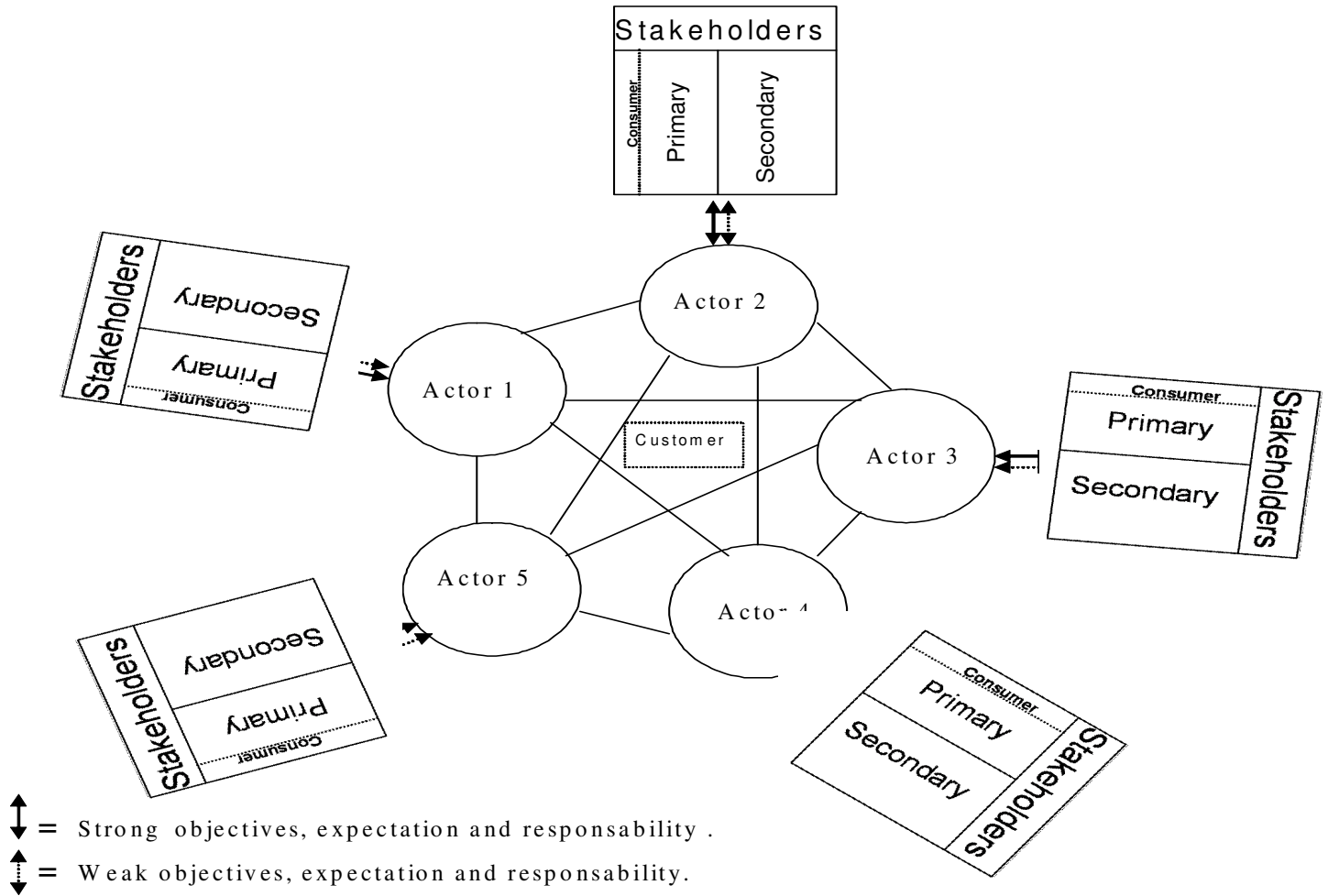


Figure 4. Insertion of primary and secondary stakeholder on the horizontal approach networks and alliances. Source: Made by authors.

consumer is still positioned in the center and in the primary stakeholders of Figure 4. However, with the inclusion of stakeholders, the participants represent different stakeholders and are not the same among the participant links.

It was also noted that alliances and networks possess a closer and wider approach of the systemic view, which permits a heterogeneous and continuous insertion of the Stakeholders Theory in its perspectives, while CSA and *filière* demonstrate static forces in face of the stakeholder conception, not signaling many interrelations. Thus, when the stakeholders become inserted on horizontal approaches, a new conception will arise to confront the CSA and *filière* approaches.

CONCLUSION

The goal of this essay was to help comprehend the new approach presented by the Stakeholders Theory and apply it to different interorganizational relationships such

as CSA, *filière*, networks and alliances, with the intention of reducing the risks and challenges by offering the managers more pertinent, flexible, dynamic and not necessarily simplified decisions in a world of constant change and growing complexities. It also proposes a third moment in the agribusiness logic, based on stakeholder orientation in detriment of consumer orientation.

The company that focuses only on the consumer will not be able to transcend the barriers imposed by competitiveness in the long term. When the company begins thinking about the stakeholders, it will capture all the positive and negative signs of the tendencies in agribusiness, including the growing complexity involving competition and cooperation.

The company, according to Clarkson (1995), is part of the primary stakeholders and there is high interdependence among them; the same not happening with secondary stakeholders. Managing alliances, networks and other partnerships is one of the main activities in which the Stakeholders Theory is to apply. The structures of these relationships determine the advantages of the

processes. The interrelated companies can share all the results that derive from this new approach. After all, generating complex networks of relationships with new theoretical conceptions is extremely difficult and requires great ability. Ethical cooperation is essential for the development of companies and is a central part of the Stakeholders Theory.

An important part of the study of the Stakeholders Theory approach is the ability to live with the paradox and its related ambiguities. The complexity of things is reflected when trying to conciliate it with the systemic theories in agribusiness. The insertion of stakeholders in the systemic approaches in agribusiness will intervene in all theoretical processes and also on the study of consumer behavior, opening a new range of opportunities for the companies and giving them new horizons upon open borders.

Today, several studies have already been made, including the stakeholders approach. But the later possesses a secondary approach, for the consumer or the client is the center of attentions. This essay intends on inverting the importance, situating the consumer as one among different stakeholders and placing these as the main focus of interorganizational relationships and, if possible, of each participating organization. Can the stakeholders substitute the consumers in the common future?

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