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The role of transnational food and agriculture corporations in creating and responding to food crises—Synthesis paper

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Transnational corporations (TNCs) have been important players in the globalization of food and agriculture. The preceding papers focused on the ways in which the modern food system is a result of the growing influence and global expansion of agrifood TNCs. Pat Mooney outlined the increasing concentration in agricultural input corporations, highlighting the environmental and health costs that result from their power and control. Jennifer Clapp described the latest changes in commodity trading firms, showing that the historically private nature and evolving horizontal and vertical integration in this sector, along with new players, have been damaging for the environment and livelihoods. She argues for increasing transparency and greater regulatory oversight. Finally, Gyorgy Scrinis explored the ways in which food and beverage manufacturing companies ('Big Food') are responding to concerns about the health impacts of their products by adopting forms of *corporate nutritionism*.

Reflection on the role of these significant actors in the food system is critical at this juncture if we are to grapple with how best to move towards a more sustainable and just food system. Key questions arise: Can corporations in highly-concentrated sectors be trusted to innovate and contribute positively to sustainability and health? How are corporations presenting themselves in response to perceived crises in the food system, which threaten their profits? Finally, what sort of governance and oversight is needed to align corporate behaviour with the public interest? The preceding papers provide a compelling case for why current corporate actors are not well-equipped or inclined to move towards providing sustainably-produced and healthy

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food for all. Furthermore, despite representing a fairly small percentage of global food produced and consumed, these actors play an important role in shaping debates about the way forward and as such are critically important to consider. The discussion will be divided into three parts to reflect the key questions raised above: (1) concentration and innovation among TNCs; (2) reaction to perceived crises and discourse; and (3) governance and alignment with the public interest.

Concentration and innovation in food and agriculture TNCs

Much of the initial discussion at the workshop in which these papers were presented focused on the trend of growing concentration—of market share and power—in food and agriculture TNCs, highlighted by Mooney and Clapp. Mooney's contention that these companies have become 'too big to innovate' was underscored as a key issue. As these corporations become more centralized and concentrated, working at increasingly larger scales, the list of innovations that work for them is narrowed. In turn, the list of stimuli that spur innovation is limited. Mirroring a common theme in this issue, the conversation turned to whether or not the current state of food and agriculture can be viewed as a crisis—or if this thinking limits the way in which we perceive a path forward. As was noted in discussion, the catastrophe lies precisely in that the corporations do not view this as a crisis or a failure. Although many feel the negative effects from episodes like the food price crisis, some—including many agrifood companies—have benefited. If we contend that the path forward will require innovation and drastic changes to the status quo, regardless of whether the status quo is contextualized as a crisis, how then can we view companies that lack incentive to innovate, and that profit from maintaining the status quo, as viable partners with solutions to the challenges ahead?

Given these concerns, questions arose about tolerable levels of corporate concentration. While corporations present their concentration as creating efficiencies, some view that the modus operandi of corporations seems to be to determine what is unacceptable and walk as closely to that line as possible. Indeed, monopolies and oligopolies are acceptable to finance because large, concentrated TNCs are highly profitable (and viewed as stable; see Martin, this issue). A clear advantage thus exists for corporations and finance to pursue concentration, attaining power and profits in the meantime. But, as Mooney (this issue) asks, what are the outcomes of this concentration for sustainability and food availability? Are firms with near-monopoly status held accountable? And, at what point does concentration begin to affect innovation and path dependence? Corporate actors portray themselves as able to more efficiently provide agricultural goods and use their ability to collect knowledge to their advantage, but their expanding role has been concurrent with the sustainability and justice issues that have caused debates over crisis.

The three papers from this section make it evident that there are a variety of factors driving patterns of concentration in agrifood TNCs, including awareness of their vulnerability, and a desire to manage risk. The authors converge on the related process of narrowing crop varieties. What is the principle driver of this trend? As the papers note, it may be control of the supply chain, financialization, or food companies looking for new markets. Or, perhaps these are all interconnected elements of the overall food landscape in which corporations are able to gain more power and concentration.

While not represented in this section, the role of the retail sector cannot be ignored. Supermarkets have gained incredible power and authority in recent years, with some arguing that they have attained the greatest power and influence in the system (Burch & Lawrence, 2013). The retail sector is also highly concentrated, and through its buying power has attained the ability to affect decisions made throughout the rest of the supply chain and thus affect the trends discussed previously (Fuchs, Kalfagianni, & Arentsen, 2009). Retail power is a key area of interest and connected driver of concentration through the interrelated trends of supermarket power and financialization (Vander Stichele, 2012).

Food and beverage manufacturers, as Scrinis notes, are much less concentrated than agricultural input firms, commodity traders, and retailers; however, they are still very powerful players within the food system. Their connection to and dependence on the rest of the supply chain has emphasized their vulnerability and served to increase the strategies they use to gain and maintain power. This sector points to the various other ways that corporations have gained power in the system, which are key parts of how they are reacting to perceived crisis and vulnerability and presenting themselves as a partner in solutions for a better food system.

Corporate reactions to crisis

TNCs have presented themselves as the solution to uncertainty around feeding growing populations and to reducing the environmental impacts of food, claiming that they have the resources to innovate and take advantage of efficiencies to provide sustainable food security. In doing so, they have exercised various forms of power that go beyond the power gained through market share (Clapp & Fuchs, 2009). Lobbying is a key challenge to creating change, with the power of big corporations expressed through their ability to affect regulatory outcomes by gaining access to key decision makers. Clapp notes that some of the biggest commodity traders, because they are privately owned, are able to lobby and use their structural power in less transparent ways.

Managing discourse and debates is another critical way that corporations exercise power, and a means by which less concentrated industries (like Big Food) have been able to control perceptions of their activities and deny responsibility for negative outcomes associated with their products (Sklair & Miller, 2010). At the same time, as Scrinis (this issue) makes clear, food and beverage manufacturers are using current framing of nutrition debates to profit from innovations in product re-formulation and present themselves as positive contributors to change. These reactionary measures highlight the ways in which innovation may be spurred, while not necessarily aligning with public interests of health and sustainability.

Is it fair to perceive all actors as equal in this system? Are some corporate actors able to contribute positively to change? Indeed, there is theoretical potential, given corporate ability to quickly scale up innovations. But does this align with their fiduciary responsibility to grow? Corporate actors are creating private forms of governance in order to fill seeming governance gaps that have resulted from a rolling back of the state (Guthman, 2007). However, the results of many of these initiatives have been patchy at best, and harmful at worst, with many having limited results for sustainability and negative impacts for small-scale farmers (Fuchs et al., 2009).

Governance for public interest protection

Given the challenges highlighted above, the contributions also discussed ways forward and questions of governance. As all three papers noted, agrifood corporations are not effectively regulated despite the fact that they control so much of agricultural value chains, from inputs to food and agricultural products. Yet, business actors assert that they are delivering food security, environmental protection, and solutions to non-communicable disease in the most efficient way possible. If they claim to do these things in the public interest, it is critical that we reflect on ways to ensure that this is the case, and determine the entry points for challenging the developments associated with increasing corporate concentration and centralization.

Reining in monopoly power of corporate actors appeals across political lines as a means by which to foster fair competition. Why then has there been so little movement on this front? Is there a knowledge problem given the lack of transparency? Are those who would find the levels of concentration intolerable not connecting the dots? Corporations in the sector are actively engaging in public relations to promote their approach to improving the food system. Similar work needs to be done to offer alternatives to TNCs, such as small-scale farming systems. The food system is at the center of multiple environmental discourses on conservation and preservation, as well as growing awareness about the health costs associated with poor diets. There is room to bring together these multiple narratives of food and environment in response to corporate power.

The reaction of governments and civil society to corporate power has been fragmented; however, given corporate lobbying and strategy, as discussed above, this is perhaps unsurprising. One avenue for hope may be opening up space to show the various ways in which corporations are not delivering the efficiencies they are claiming, and exploring the broader outcomes of simplified efficiency ratios by taking into account some of the "biophysical overrides" required to attain increasing efficiency (Weis, 2013).

Transparency is a key theme in the governance literature that was highlighted by a number of workshop participants. Greater regulations on reporting requirements and transparency provide the ability for civil society and governments to better understand and regulate corporate behavior. The control that supermarkets and finance have over pricing in value chains, for example, necessitates greater transparency around pricing mechanisms.

Beyond transparency, we must take advantage of multiple scales of action. Too often when dealing with corporate actors, there is a tendency to discuss governance only at the global scale, through international governance organizations like the World Health Organization or Food and Agriculture Organization. It is important to think at different levels of regulation, and to foster opportunities at the national level to regulate imports and messaging around products (see World Cancer Research Fund International 2015 for health examples). Opportunities at the national government-level exist to effect change and encourage social movements to build alternatives to corporate dominance.

Conclusion

The panelists' papers and presentations and the subsequent discussion underscored the increasing concentration and centralization of corporations, as well as the political authority they attain and maintain through various other activities including lobbying and private governance mechanisms. In attaining this power, corporations have become active players in the discussion around solutions to perceived or potential food crises. Holding corporations accountable to align their activities with public interests becomes the main task going forward. Returning to the key questions, it is important that we continue to ask where the best entry points are to deal with the apparent conflict between corporate fiduciary responsibility, the environment and health. Additionally, we must continue to work to better understand and critique corporate attempts to present themselves as the solution. Finally, much of the discussion suggested that there is a need for government and civil society to coordinate discussion to better regulate concentration, transparency and behavior of business.

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