

The questions

1. How do major commercial actors, such as food producers, manufacturers and distributors, impact on healthy lifestyles?
2. What changes in voluntary regulation & public policy can make these more conducive to health?

“Big food”

Companies often claim that they simply satisfy consumer demand. This is false. Companies promote ultra-processed foods instead of healthier foods. Why?

- Whole foods are hard or impossible to brand.
- Whole foods are more perishable.
- Supply of whole foods is often seasonal and unreliable.
- Opportunities for profit increase with extent of processing.

The result is a glut of ultra-processed foods:

- Based on a few core ingredients from oil-based, state-subsidised, industrial agriculture
- Processed for immediate sensory appeal – so high in salt, sugar and/or fat.
- Processed for long shelf-life – so low water content, and low in micro-nutrients.
- Branded and promoted by all known marketing methods, unlike whole foods (when did you last see a cabbage advertised?).
- Including misleading “health halo” strategies (‘low fat,’ ‘wholegrain goodness’...).



Hi&Lo from That Sugar Film



Companies & free markets

Most food and drink companies are large, multinational corporations. How do such organisations come to exist?

- Usually, it’s assumed that corporations are part of “the free market.”
- But corporations wouldn’t exist in a free market – that is, a market based purely on contracts between individuals.

Corporations have some interesting features:

- Legally, they are separate from the people who comprise them. This means they are potentially immortal. They can act and own property in their own right.
- Like a university or church, a corporation is not owned by anyone. Shareholders have certain rights, but they own shares – *not* the corporation.
- Without corporate law, it wouldn’t be possible for businesses to take this form, with their own legal personality and duty to pursue the corporation’s interests.

Corporations depend on state *charters*. Their proper scope is a decision for politics, too.



“God give us good fortune”
Coat of Arms of York’s Company
of Merchant Adventurers, given its
charter by Elizabeth I in 1581

Corporations – a very brief history...

- The first corporations were medieval city-states, religious foundations, and guilds with monopolies on specific goods or skills. They received individual charters from the sovereign.
- In the 17th century, several European states created corporations for trade and conquest, like the Dutch East India Company.
- Only in the 19th century were private individuals given the right to ‘incorporate’ their businesses. Corporate law sets out the structure of these enterprises, including the roles of directors and shareholders.

“Self-regulation” – can we rely on it?

Companies and politicians often promote this. When does it work? When does it fail?

Self-regulation can work when the interests of companies and consumers align.

- E.g. if raw ingredients are expensive, companies have an interest in smaller portions. If the products are unhealthy, then consumers have an interest in smaller portions too. So: UK ‘Responsibility Deal’ and smaller chocolate bars.
- Or if substitute ingredients don’t increase costs – e.g. limited success with product reformulation in UK.

But companies need to maintain profits and market-share. They may want to be responsible but market pressures often prevent them.

- E.g. EU Pledge on marketing to children. In WP7, we found this is widely broken, even by companies that have signed it.



Politicians find it hard to limit companies, especially in the face of lobbying. So no wonder they often hope self-regulation can work better. Sadly, there is no evidence for this.

What can we do?

- Learn that food markets are not free markets – they are structured in ways that promote unhealthy options.
- Regulation is not state interference in free markets. Regulation is about making artificial corporate markets work better for all.
- Realise that companies *need* regulation – often they can’t alter behaviour unless firm rules also apply to competitors.
- Start taxing the worst products – e.g. sodas.
- Better regulation against advertising to children, including online and social media.
- A simple, mandatory labelling system to reduce consumers’ confusion & highlight sugar content. Tighter controls on misleading health claims. A meaningful standard/mark for truly healthier options.
- Better enforcement of regulations throughout the supply chain – from ‘horsemeat’ to worker protection.
- We need political debate about agricultural regulation and subsidies. Too much is still secret and most voters don’t know how they support large companies.