

Coordinating Global Efforts to Curb Corporate Power in the Food System

Reprinted from the Center of Concern's quarterly newsletter, CENTER FOCUS, Issue # 168, September 2005

By Kathy McNeely

As the WTO struggles to complete the Doha Development Agenda, reinforced with G8 promises for creating “new market opportunities that could lift millions out of poverty,” and as the U.S. Congress begins to discuss another version of the farm bill, agriculture continues to be a central focus of trade, development and environmental debates. As these debates unfold, the Center of Concern's Agribusiness Accountability Initiative is playing a key role in convening civil society groups to challenge the agribusiness transnational companies who shape policies that maintain their control of the global food system.

DIVERSE GROUPS

Over the past five years, public discourse on agriculture has pitted farmers in the global South against farmers in the North on the topics of subsidies and dumping. In other arenas, workers complain that consumer demands for less expensive food have driven down farm workers' wages while environmentalists critique farmers' use of chemical pesticides and the negative impacts of overproduction in export driven economies.

But when not arguing with one another, stakeholders from farm, labor, consumer and environmental groups have consistently challenged the negative impacts of agribusiness corporations' increasingly concentrated operations. Northern and Southern farmers are both squeezed by the monopoly power of food conglomerates so large that they can set commodity prices substantially below the cost of production. Farm, processing and retail workers along the food chain feel the impact of this compression when wages are cut below levels that would ensure a decent standard of living.

Other groups are concerned with pesticide residues, soil erosion, air and water pollution, loss of biodiversity, and inhumane treatment of animals all exacerbated by the industrial approach to agriculture favored by the major food companies. Some consumer groups are becoming aware of how they support the corporate food industry through distorted tax and subsidy policies.

Each of these constituencies is developing public education and advocacy strategies that target necessary systemic reform, in the face of the tremendous political and economic power wielded by industry interest groups. But these constituencies have often been unaware of each other's efforts and the ways in which their strategies could be mutually reinforcing. The Center of Concern believes the enormity of corporate control in the food system requires farm, labor, consumer and environmental groups to put

aside their differences and create a united response to corporate power in the food system that is “greater than the sum of its parts.”

A SYSTEM NEEDING CHANGE

The stakes are high. More than six billion consumers in the world make the world food system the world's largest enterprise. Over 40 percent of the world's workforce is involved in the production of food. At the same time 852 [k1] million people go hungry, and Bread for the World notes in its 14th annual Hunger Report that this number is rising by 4.5 million a year. ¹With hunger on the increase, the 1996 World Food Summit goal of cutting hunger in half by 2015 is severely off track. These facts call up serious moral questions about corporations, driven by profit and growth, who hold a tremendous amount of economic and decision making power over food production and distribution.

Twenty years of trade liberalization have set in place widespread consolidation in the global food system, led by mergers and acquisitions among U.S. and European transnational firms now firmly established as major power brokers in every level of the modern food chain. In many cases food chain “clusters” work together through mergers, acquisitions and partnership agreements to vertically integrate the food system and thereby direct food production from stage to stage without changing ownership or the location of decision making. Suppliers of inputs such as fertilizers, pesticides and seeds; farmers who use these inputs to grow crops or raise livestock; processing companies that turn farm outputs into edible products; retailers, restaurants and fast-food outlets that sell to the public; and consumers who eat the finished product are all controlled in various ways by, or beholden to, multinational firms within these clusters.

Corporate power is obvious in economic terms when major conglomerates control international food prices, and this power also increasingly expresses itself in politics, law, communications, and other spheres central to cultures around the world. In the United States, corporations claim for themselves, with the complicity of government, the property rights, due process, and equal protection guarantees meant in the U.S. Constitution for the individual person.

Through powerful teams of lobbyists, agribusiness transnationals play major roles in political campaigns and in multilateral negotiations using their influence to shape government positions on key food policy issues so that they benefit from trade and regulatory policy world wide. Some

would argue that the seat of power in the world has moved from politicians to transnational corporations—shifting the focal point of decision-making considerations: politicians are charged with looking out for the well being of people, while corporations focus on production and profit and often ignore social and environmental costs.

JOINING FORCES

Driven by these realities, stakeholders from farm, labor, environment, development, consumer and faith communities, are beginning to see the importance of joining forces against a common adversary. The resulting “whole” response to corporate power in the food system gives civil society groups a stronger impact that is “greater than the sum of its parts.” Such an impact is exactly what the Center of Concern’s Corporate Accountability Project, through its Agribusiness Accountability Initiative (AAI), is proposing.

From June 27-30, 2005, in London, UK, the AAI convened close to one hundred stakeholders and activists from farm, labor, consumer, environment, development, and faith organizations from five continents (23 countries) to explore how best to coordinate efforts to highlight the problems of corporate power in the food system, and to engage the public, the media and elected representatives in processes that address those problems. What emerged from the June meeting was a consensus that collective power is needed to challenge agribusiness monopolies in the food system.

MEETING OUTCOMES

A planning committee for this meeting was made up of representatives from the Grassroots Action on Food and Farming (UK), the International Institute for Environment and Development <<http://www.iied.org/>> (UK), ActionAid (UK), National Catholic Rural Life Coalition (US), the Pesticide Action Network–North America, Farm Aid (US), the National Family Farm Coalition (US), the Asia Pacific Network for Food Sovereignty (Philippines) and AAI staff. The planning group, over two months, by telephone and by e-mail, developed an agenda that would invite participants to outline some appropriate globally coordinated responses to corporate power in the food system.

Over the three and a half day meeting, regional networks already established in North America, Europe and Latin America were reinforced and strengthened. Agreement was

also reached to begin planning an AAI Asian Forum for early 2006. A group of African participants at the meeting agreed to enter a process to explore the possibility of a forum in 2006 and the establishment of an African regional effort. Each region agreed to promote research, public education and policy advocacy to address the impacts of corporate power in the agri-food system, and where appropriate, to develop and advance specific recommendations to governmental institutions regarding competition policy in agri-food markets.

Working groups made up of representatives from relevant stakeholder groups from different regions of the world were formed and named AAI as a secretariat for coordination and support of the international efforts. Specific projects envisioned by working groups include:

- Deepening and strengthening research that identifies the negative impacts of corporate power in the food system and successful attempts to curb that power through legislative and other means;
- Investigating and exposing corporate influence on policy-making in multinational institutions like the World Trade organization, the International Financial Institutions and the United Nations; and
- Planning and coordinating direct actions that challenge specific multinational corporations’ dominance in the global food system.

The right to food is proclaimed by Catholic social teaching and promoted by the United Nations, but this right has been undermined by for-profit corporations with enormous power. Through the efforts of the Center of Concern’s Agribusiness Accountability Initiative, a global effort is underway to mobilize civil society in order to challenge this unjust monopoly. Join us in celebrating this hopeful sign of the times. ■

For more information see:
www.agribusinessaccountability.org

Kathy McNeely is the Associate Project Director of the Corporate Accountability Project at the Center of Concern which focuses on the Agribusiness Accountability Initiative.

1 Bread for the World Institute’s 14th annual report, *Are We on Track to End Hunger?* ©2004 by Bread for the World Institute, Washington DC.