The Causes and Consequences of Private Food Governance

Doris Fuchs, University of Münster
Agni Kalfagianni, Vrije University of Amsterdam
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Abstract

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KEYWORDS: private governance, IPE

Author Notes: Doris Fuchs is Professor of Political Science at the Westphalian Wilhelms University, Münster, Germany; she can be reached via email at: Doris.Fuchs@uni-muenster.de. Agni Kalfagianni is Assistant Professor at the Institute for Environmental Studies (IVM), Vrije University of Amsterdam; she can be reached via email at: agni.kalfagianni@ivm.vu.nl. The authors thank Tim Büthe, Joonkoo Lee, Fritz Mayer, and three anonymous reviewers for Business and Politics for comments on previous drafts.
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**Abstract**

This paper investigates the creation and consequences of private regulation in global food governance. It points to the power to govern and the authority to govern as the two crucial conditions for the emergence and diffusion of private food regulation. More specifically, the paper argues that the power to govern is a function of the structural power of agrifood corporations, particularly retail food corporations in our case. The authority to govern is a function of the perceived legitimacy of retail food corporations as political actors. By linking power and authority to the material and ideational structures existing in the global political economy of food, this paper analyses the processes that serve to create, maintain and reproduce private regulation in food governance. With its analysis, the paper aims to contribute to the theoretical and empirical debates on private authority, private regulation and the challenges for sustainability in the global food system.

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1. Introduction

This paper investigates the creation of private regulation of agricultural production, processing, trade and retail sale of food in the global economy and discusses their implications. In this endeavor, it points to the power to govern and the authority to govern as the two crucial conditions for the emergence and diffusion of private food regulation. Cutler, Haufler and Porter\(^1\) define authority as “decision-making power over an issue area that is generally regarded as legitimate by participants.” Accordingly, we consider legitimacy a constitutive element of private authority in food governance, next to the enabling role of the structural power of agrifood corporations, which allowed the imposition of their rules on others. Indeed, scholars observe that non-state actors, specifically big retail corporations, have increasingly come to be perceived as legitimate political actors in global food politics, particularly in the context of the creation and implementation of private norms, rules and standards.\(^2\)

Global food and agriculture governance faces tremendous challenges at the dawn of the new millennium. Food insecurity, i.e., the inability to access sufficient amounts of safe and nutritious food, remains a core concern for hundreds of millions of people while hunger and poverty are expanding at alarming rates on a global scale. Soaring food prices and the global economic downturn put additional pressure on already vulnerable populations and marginal groups. At the same time, global environmental challenges, in particular climate change, as well as pollution and water shortages, are expected to multiply threats to the provision of adequate amounts of nutritious and safe food. Moreover, environmental problems are exacerbated by a complex array of factors, including resource intensive dietetic shifts in some emerging economies, notably China, less availability of land due to biofuel plantations, loss of agricultural productivity due to soil degradation, and increasing competition for the use of natural resources. Accordingly, we focus on the sustainability of the global agrifood system, especially environmental conditions and food security, in our analyses of the consequences of private food governance.

This paper proceeds in two steps. In the first part of the paper, we discuss the manifestations of private regulation in food retailing and their consequences for the sustainability challenges identified above. We review and add to previous research showing that the rise of food retail governance has serious consequences for two fundamental attributes of global food governance, namely environmental sustainability and food security. Clearly, the environmental impacts of food

\(^1\) Cutler, Haufler and Porter 1999, 362.
\(^2\) Burch and Lawrence 2007; Clapp and Fuchs 2009.
supply chains are numerous and cover all stages from the production of raw materials to processing, distribution and sale. Yet, environmental norms, for instance, tend to play a marginal role in private retail governance and address a few select issues only. Retail governance also affects food security, and, it has had a limited positive impact on food safety. Thus, it has resulted in improved choice for some consumers, as we show below. These benefits, however, tend to accrue only to a small segment of the global population. Simultaneously, retailers also restructure local markets and social networks, particularly in the South, imposing major difficulties on small farmers, and amplifying their food insecurity.

In the second part of the paper, we discuss the causes and facilitating conditions of the emergence of private regulation in global food retailing. Specifically, the paper highlights the role of material and ideational structures in enabling and constraining actors and their access to legitimacy sources. The paper argues that the structural power of agrifood corporations and the supportive setting of public policies that fostered trade liberalization and capital mobility enabled the development and exercise of private regulation. Moreover, we delineate the ways in which neoliberalism and globalization discourses as well as access to and control over financial and technological networks facilitated the attribution of political legitimacy to these economic actors on the basis of expertise, a focus on efficiency values, trust in technology, and the notion of appropriate delegation. Furthermore, the paper points out how food retail corporations are strategically shaping and strengthening their perceived legitimacy as political actors by re-making images and identities, using and framing discourses and instrumentalizing public authority.

With its analysis, the paper aims to contribute to the theoretical and empirical debate on private authority, private regulation and the challenges for sustainability in the global food system. Empirically, the paper makes a timely contribution particularly due to widespread concerns about food safety, availability of food supply and, increasingly, the environmental well-being of the food system. Likewise, private food retail standards present an excellent example of private authority as these de jure voluntary private standards have become de facto compulsory, as actors who fail to comply lose their “license” to participate in the global market. Given that non-elected actors thus design and enforce quasi compulsory rules and norms, the foundations of their authority deserve attention. The paper also contributes to critical analyses of private authority by explaining the mechanisms of private authority creation on the basis of power structures.

5 Blowfied 2005.
6 Busch 2000; Calfaggi and Janczuk 2010; Fulponi 2006; Havinga 2006; Mattli and Büthe 2003.
concluding section therefore delineates the implications of our findings for politics and social science.

2. Manifestations and Consequences of Private Regulation on Global Food Governance

This section presents the manifestations of private retail regulation and its consequences for two major challenges facing the global food system today, namely environmental well-being and food security. Traditionally the concern of governments and international organizations, these two aspects of sustainability now represent a flourishing terrain for retail corporations’ governance activities, particularly in the form of private standards and corporate social responsibility initiatives. On the basis of such standards and initiatives, retailers are able to regulate the human impact on the food system in general, and environmental well-being and food security in particular. The analysis that follows serves two goals. First, we need to know whether private initiative is fostering improvements in the sustainability of the food system or worsening an already bad situation. Second, such an analysis provides the impetus for inquiring about the rise of retail authority, the subject of the next section.

2.1 Environmental Well-being

All stages of the human food supply chains, from food production to processing, packaging, distribution and sale, leave an impact on the environment. Waste, water pollution, energy inefficiencies, pesticide use and the decline of biodiversity constitute typical environmental concerns associated with food chain processes. Crucially, the governance of environmentally harmful side-effects of food production is a rapidly emerging issue for retailers.\(^7\) Retail governance of these environmental issues takes place in three distinct ways: prescription and/or adoption of (a) good agricultural practices and/or promotion of organic products, (b) specific “good manufacturing” practices, and (c) general energy efficiency initiatives. Examples of such governance schemes and their impacts on the well-being of the food system are discussed below.

Good Agricultural Practices (GAP) are standards prescribing farming practices that aim to concretely contribute to environmental, economic and social sustainability of on-farm production, resulting in safe and healthy food and non-food agricultural products.\(^8\) Retailers' environmental standards concerning GAP practices require, for instance, the sparing use of water, pesticide use and

\(^7\) Lang and Barling 2007.
\(^8\) FAO 2003.
antibiotics, or prescribe energy conservation as well as wildlife and landscape conservation and enhancement. Retailers develop such standards either individually or collectively. Examples of prominent environmental GAP standards developed by individual retailers include Tesco’s Nature’s Choice Scheme and Carrefour’s Quality Line Products. At the global level, the Global Partnership for Good Agricultural Practice (GlobalGap), a private sector body that sets voluntary standards for the certification of agricultural products around the globe, is the chief example of collective GAP standards.9

Retail chains are also entering organic retailing. Organic production standards are more stringent than GAP standards and include the forbiddance of conventional pesticides, artificial fertilizers, GMOs, ionizing radiation and food additives, or antibiotics and growth hormones for animals. Beyond these requirements for organic products, retailers often demand that suppliers meet additional stipulations, in particular concerning size and color. Organic fruits and vegetables, for instance, ought to resemble conventional products as much as possible.10 Currently, most organic sales in the EU and abroad are made through conventional retailers.11

Beyond the agricultural sector, some retail standards also focus on the environmental impact of manufacturing processes and packaging; they are part of Good Manufacturing Practices (GMP).12 These practices include, for example, recycling programs for waste reduction in packaging. Many supermarkets have recycling programs in situ, where consumers can return plastic bottles, glass, cans, paper packages, small electronic equipment, mobile phones and batteries. Some supermarkets implement environmental management systems to minimize waste and perform life-cycle analyses to define their policies on check-out bags and advertising catalogues (e.g., Carrefour). Moreover, many supermarkets operate under ISO 14000-series standards.

Finally, given the increasing attention to concerns about climate change at the global and (certain) national levels, some leading retailers have started to adopt energy efficiency initiatives. Similar to GAP practices, some of these

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9 GlobalGAP (first known as EurepGAP) was initiated in 1997 by retailers belonging to the Euro-Retailer Produce Working Group (EUREP). The driving forces were British retailers in conjunction with supermarkets in continental Europe, who wanted to harmonize their own standards on product safety, as well as environmental well-being and labor welfare. As the standard began to gain global significance it was rebranded to GlobalGAP at the 8th global conference in Bangkok in September 2007.

10 Lyons 2007.

11 In Sweden, around 90 percent of all organic food is sold through conventional retail outlets, while the figure for the UK is 80 percent (Lyons 2007). Outside the EU, China reports most organic sales through conventional supermarkets, while in the US the figure is nearly 50 percent (Lyons 2007).

12 OECD 2006.
initiatives are developed by individual retailers, whereas others constitute collective efforts. Examples of individual initiatives include global retail leaders’ initiatives, such as Wal-Mart’s sustainability index label, which communicates the CO\textsubscript{2} emissions as well as other environmental consequences (e.g., water usage and air pollution) of various products sold at Wal-Mart, starting October 2009. Top European retailers, such as Carrefour and Tesco, have also adopted CO\textsubscript{2} reporting schemes. Instead of focusing on some individual products, however, their reports cover their entire operations.

Collective initiatives to regulate energy efficiency can be found at the EU level. Specifically, EuroCommerce and the European Retail Round Table (a consortium of retailers with a customer base of 250 million people), which represent the European retail sector, pledged to improve energy efficiency by 20 percent by 2020 (compared to 2004 levels).\textsuperscript{13} In that context, a Retail Forum and a Retailers’ Environmental Action Plan (REAP) were launched, setting voluntary targets to reduce energy consumption of the retailers themselves as well as the ecological footprint of their supply chains.\textsuperscript{14}

What is the impact of such initiatives? Even though the environmental auditing of retail operations is currently incomplete and covers only specific products or practices rather than the sector as a whole,\textsuperscript{15} some conclusions can be drawn. Specifically, individual best practice projects concern only a small part of total production and thus their impact on the overall environmental characteristics of the global food system is minimal.\textsuperscript{16} Tesco’s Nature Choice scheme, for instance, covers about 12,000 out of the 300,000 suppliers that exist in the UK. GlobalGap, which is currently implemented in more than 100 countries and covers 94,000 suppliers worldwide with growing membership every year, has a larger potential impact. In that case, however, many environmental conservation practices are only recommendations, and supplier non-compliance does not always prevent certification.\textsuperscript{17} The potential of GlobalGap is further weakened by

\textsuperscript{13} According to Sustainable Energy and Environment Design 2008, Carrefour and Tesco participate in this initiative.

\textsuperscript{14} Both initiatives were developed in response to the Communication from the Commission on Sustainable Consumption and Production calling for ambitious and stringent retail standards and labels with the aim to boost energy efficiency, support eco-innovation and enhance the environmental potential of the industry.

\textsuperscript{15} Lang and Barling 2007.

\textsuperscript{16} Fuchs \textit{et al} 2009. Mayer and Gereffi (2010) argue that private governance is only able to contribute to the provision of public goods under certain conditions and come to a similarly critical evaluation of the effects of private governance.

\textsuperscript{17} For a discussion of the challenges related to implementation of private governance schemes, see Bartley 2010.
the declining emphasis on sustainability within the GlobalGap initiative from its launch in 1997 until today.¹⁸

Endorsement of organic standards by retailers has increased the availability of organic food for many consumers and has increased market and financial security for some organic producers.¹⁹ The net environmental benefits of organizing organic production under global supply chains have yet to be established, however. Such practices also foster the weakening of the organic movement’s second-order principles, such as sourcing from local networks and privileging small suppliers. The latter are especially vulnerable, as the retailer’s additional requirements for color and size of organic products can mostly be afforded by big producers.

Regarding the energy efficiency initiatives, it is too early to evaluate their impact. Collective pledges by European retailers to reduce greenhouse gas (GHG) emissions have real potential since retailers are the main drivers of energy inefficiency in the EU food sector, though the target may not be sufficiently ambitious to achieve meaningful GHG reductions.²⁰ Moreover, compliance with these standards is expected to be high, not least due to the supervisory role adopted by the Commission and its “threat” to introduce its own stringent standards. Compliance is another matter for individual (non-EU) initiatives. Thus, reporting in Wal-Mart’s sustainability index is voluntary and non-compliance does not carry any consequences for the suppliers.²¹ Likewise, critical analyses have suggested that the ISO 14000-series standards lack stringency (i.e. they do not set clear, measurable and ambitious targets) and limit the requirements to measuring and reporting, so that little improvement in actual conduct should be expected from them.²²

In general, the question remains whether retail environmental standards are stringent and comprehensive enough to allow the reaping of significant environmental benefits. At the moment, the evidence is inconclusive. We therefore caution against too easily attributing effectiveness to private environmental regulation by retailers.²³

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¹⁸ Van der Grijp 2008.
¹⁹ Lyons 2007.
²⁰ Lang and Barling 2007.
²¹ Rosenbloom 2009.
²³ See also Fuchs et al 2009; Mayer and Gereffi 2010.
2.2 Food Security

According to the Rome Declaration on World Food Security, food security exists “when all people, at all times, have access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.”

Today, food insecurity remains a problem for millions of people while its range and consequences have been aggravated by the recent food crisis. FAO estimates that world hunger is increasing, with the number of hungry people reaching more than one billion in 2009. Sub-Saharan Africa, Asia and the Pacific had the largest increases in the number of undernourished people in the last years, while poor, landless and female-headed households were particularly affected.

Food insecurity has also increased in the western world, however. In the US, hunger has been a persistent cause of concern for decades. In the 1990s, it was estimated that 11 million people lived in households that were “food insecure” and a further 23 million lived in risk of hunger. Likewise, food insecurity is also observed in the EU. According to the European Nutrition for Health Alliance (ENHA), more than 50 million Europeans, particularly low income populations and the elderly, are malnourished.

How do retailers’ private standards affect food security, and which dimensions of food security do they influence? The development of own-brand products and investments in auditing techniques for different aspects of food quality have had a positive impact on several aspects of food security at first sight. Thus, many products have become cheaper, while diversity has increased, allowing more people to satisfy a variety of preferences. Organic food, fair trade, kosher (religious), food for diabetics (health concerns), functional foods and beverages exist in abundance on supermarket shelves.

Moreover, attention to food safety risks, particularly from microbiological hazards, has improved via the establishment of traceability schemes and food safety standards (e.g., HACCP), even though larger epidemic outbreaks have not

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24 FAO 1996.
26 FAO 2008.
27 Lang and Heasman 2004, 95.
30 See also Starobin and Weinthal 2010.
31 HACCP stands for Hazard Analysis and Critical Control Points.
always been managed well. Prominent retail standards with a major focus on food safety include the Global Food Safety Initiative (GFSI), British Retail Consortium Global Standard for Food Safety (BRC), International Food Standards (IFS), Safe Quality Food (SQF) and GlobalGap.\textsuperscript{32}

Critics point out, however, that only affluent consumers have significant food choice, while middle-income consumers have rather less and the poor next to none.\textsuperscript{33} In this vein, the benefits of the private regulations discussed above accrue to a small segment of the global population, particularly consumers in the Western world and the emerging consumer class of fast-developing countries, in particular China.\textsuperscript{34} As we explain in more detail in the next section, this is a crucial observation as retail authority largely depends on such selected “elite” groups.

Finally, large retail chains also impact food security in indirect ways. Many observers view especially the proliferation of private certification schemes (including those identified in the previous section), as pushing small farmers out of the market in favor of large agribusinesses and food processors due to the high costs of implementation.\textsuperscript{35} According to critical observers, thousands of farmers in Africa, for instance, have lost their “license to produce” as a result of GlobalGap certifications.\textsuperscript{36} While pressure on rural incomes in developing countries already existed because of asymmetric trade liberalization,\textsuperscript{37} the negative impact has been reinforced by the spread of private food retail standards.\textsuperscript{38} Here, too, poor, landless and female-headed households are the hardest hit.\textsuperscript{39}

These developments contribute to the ongoing rural exodus, which is already a strong trend in countries with long-term economic maldevelopment.\textsuperscript{40} Rural dwellers currently represent 60 per cent of the population of developing countries. That share is expected to drop to 44 per cent by 2030 with profound social, economic and environmental repercussions.\textsuperscript{41} While it would be an exaggeration to claim that the demands put on developing countries' farmers by global food retailers are the only cause, they are an important additional driver.

\textsuperscript{32} For an extended analysis of these standards see Fuchs \textit{et al} 2011.
\textsuperscript{33} Lang and Heasman 2004, 194.
\textsuperscript{34} See also Fuchs \textit{et al} 2009.
\textsuperscript{35} FAO 2006a; Hatanaka \textit{et al} 2005.
\textsuperscript{36} ActionAid 2005.
\textsuperscript{37} McMichael 2004.
\textsuperscript{38} While these standards are flexible with respect to environmental objectives, they are very stringent regarding “quality” attributes such as size, shape and color, and include strict hygiene and safety requirements.
\textsuperscript{39} FAO 2008.
\textsuperscript{40} See also Fuchs and Kalfagianni 2009.
\textsuperscript{41} FAO 2006b.
Migration to nearby medium and large cities does not necessarily signal a country’s economic development and improvements in living standards. Rather, the fastest-growing parts of large cities are often their slums.42 The already vulnerable members of the population then, become even more vulnerable, when they are forced to migrate to an urban environment due to shrinking opportunities to earn a living as small farmers.43

To sum up, retailers have an impact on the environmental consequences of the food system and on food security via the development of private standards and initiatives. The global net benefit, however, is at best ambiguous at the moment. Evidence of broad-based environmental improvements as a result of retail governance is currently lacking, while examples of best practices are too few at present and have too little coverage to be confident that private regulation makes a difference. The impact of private regulation on food security is even more problematic. While some benefits in terms of food safety and diversity can be observed, these accrue disproportionately to a small segment of the global population. In contrast, the majority of the global poor (also representing the majority of global population) gain little—and many may lose—from retail authority in global food governance.

3. The Causes of Private Regulation in Global Food Governance

The previous section established the significance of private regulation in food governance. Here, we inquire into the causes of its emergence and diffusion. We argue that the emergence and diffusion of private food regulation is a function of two pivotal characteristics of the global political economy of food. It is a function of the structural power of agrifood corporations, specifically retail food corporations in our case, providing them with the power to govern. It is also a function of the perceived legitimacy of retail food corporations as political actors, which grants them the authority to govern.

In fact, the aspect of authority is what is particularly noteworthy about the emergence and diffusion of private regulation. In a seminal work that sparked the debate on private authority, Cutler, Haufler and Porter observed that authority—“decision-making power over an issue area that is generally regarded as legitimate by participants”44—is not necessarily constrained to the realm of the state. Instead, non-state and particularly market actors increasingly exercise authority. Such activities include, for instance, the regulation of finance and international

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42 Davis 2006.
43 See also Mingione and Pugliese 1994.
accounting, internet and e-commerce governance, environmental governance, labor standards, and intellectual property rights.\footnote{For more recent analyses on manifestations of private authority in global governance see Fuchs 2005; Clapp and Fuchs 2009; Graz and Nölke 2008; Porter and Ronit 2010; Büthe and Mattli 2011.}

Central to the conceptualization of authority is the notion of legitimacy. Following Arendt, authority can be defined as legitimate force.\footnote{Arendt 1970.} Importantly, however, authority also works in the absence of force and, in fact, prevents the need to use force most of the time due to the normative buy-in caused by the perceived legitimacy of a given institution or actor. The aspect of legitimacy, then, is the pivotal difference between authority and power. Authoritative rules are accepted as such because they are considered “right” on the basis of moral convictions (i.e., conviction that it is the right thing to do) and/or custom (i.e., because private rule setting has become an understandable and recognized practice) and shared beliefs.\footnote{Beetham 1991; Cashore 2002.} In turn, enforcement of the rules via force is considered legitimate as well.

In the public arena of democratic societies, citizens accept public policies, i.e., governmentally decided rules, as legitimate because they participate directly or indirectly (through elected representatives) in the making of the rules. Put differently, those making the rules have the authority granted by their office, to which they have been elected. Moreover, the public can, through courts of law as well as elections, hold decision-makers accountable for their decisions. In the private sphere, rules lack that quality, however. As the introductory essay of this special issue notes, private rules are rarely, if ever, created with participation of all of the subjects of regulation, an observation that extends to global food governance.\footnote{Büthe 2010; see also Fuchs \textit{et al.} 2011.} Accountability is generally lacking as well, while the absence of transparency in most cases makes it even harder for the regulated to have some control over private regulators.\footnote{Fuchs \textit{et al.} 2011; Harten 2005.} Where does private authority originate from, then? How are private rules legitimized? In this paper, we adopt a critical approach, emphasizing the role of ideational factors, in interplay with material structures, facilitating or constraining access to sources of legitimacy, and therefore providing legitimate power and creating authority.

We will discuss the sources of private power to govern and private authority to govern below by linking the emergence of private food regulation to the material and ideational structures existing in the global political economy of food. Specifically, we will show that the power to govern results primarily from material structures, while the authority to govern primarily results from ideational
structures, although material structures are invested with ideational meaning as well, of course. Importantly, power and authority, as well as ideational and material bases of private governance, play a complementary rather than contradictory role in our analysis. Even though power to govern and authority to govern do not always co-exist, they reinforce one another when operating simultaneously: Retail rule works because little choice is left to subjects but to obey; it remains unchallenged because it is perceived as legitimate.50

Before we proceed, an observation regarding the relationship between public and private food governance is in order. Private food governance has not developed completely independently from the activities of public actors. In fact, public regulation has greatly facilitated the development of private regulation. In certain cases, public actors provide the basis for the creation of private authority by holding market actors accountable for any wrongdoing in the supply chain. Retail traceability standards, in particular, developed as a result of public regulation, specifically the General Food Law of the European Union (EU). More specifically, the EU General Food Law explicitly places responsibility on the private sector stating that food business operators should have “primary legal responsibility for ensuring food safety.”51 This regulation further demands that food business operators should “actively participate in implementing food law requirements by verifying that such requirements are met.”52 Here, the line between public and private food authority becomes somewhat ambiguous.

In that context, it is noteworthy that by pushing responsibility onto private actors, public actors are also hiding from their own. Private authority, however, is more than a simple response to public demands. Global retail standards and initiatives, for instance, develop despite existing public ones, such as those specified by the Codex Alimentarius Commission.53 More specifically, the lobbying of private actors has prevented the development of more specific and far reaching standards as elements of the Codex Alimentarius.54 Indeed, scholars observe the highly politicized nature of standard setting in the Codex with the prevalence of economic and political interests in bargaining processes.55 In such

50 A relationship between power and authority also exists insofar as greater power can be a source of authority, if observers trust that powerful actors can achieve certain goals most effectively. It can also have the opposite effect, of course, as stakeholders may view the visibly powerful actors with suspicion. Still, it makes sense here to distinguish between power and authority for analytical purposes.
51 CEC 2002, paragraph 30 in Humphrey 2006, 578.
52 CEC 2004, 6 in Humphrey 2006, 579.
53 The Codex Alimentarius Commission founded in 1962 by the Food and Agriculture Organization (FAO) of the United Nations and the World Health Organization
54 Sklair 2002.

http://www.bepress.com/bap
cases, then, private authority also serves to constrain public authority from developing.

3.1 Material Structures

The structural power of private actors is traditionally understood as the power to constrain policy choices by making alternatives more or less desirable for formally empowered decision-makers.\(^{56}\) This form of agenda-setting power derives from the ability of private actors, typically transnational corporations, to punish and reward countries for their policy choices by relocating investments and jobs.\(^{57}\) A more recent development in the structural power of private actors, however, is the acquisition of *de facto* decision-making power, i.e. their ability to design, adopt, implement and enforce their own rules in the context of self-regulation.\(^{58}\) In this article, we are particularly interested in self-regulatory activities by retailers as these represent the most prominent new channel for the exercise of structural power by private actors.

We argue that structural power emerges from material structures, i.e., structures that foster and prohibit access to and transaction of key material resources (most broadly, control access to the market), which enable particular private actors, typically transnational corporations, to exercise control over others. The dominance of a few corporations in a vast range of market segments fosters their ability to limit the choices available to actors, specifically suppliers and labor, who desire entry. Control over supply chains enables retail corporations to determine who may gain access and on what terms. Material structures, then, embody processes of inclusion and exclusion and foster relations of dominance and subordination.\(^{59}\) In the context of our analysis, these material structures grant agrifood corporations, especially retail food corporations, the power to impose their rules and norms on suppliers, from farmers to food processors. Yet, as we discuss below, the implications of retail structural power extend to other socio-economic groups as well.

Retailers did not always fare prominently in agrifood governance. The demise of national and agrarian forms of Keynesianism in the late twentieth century fostered a restructuring of supply chains across national borders and towards greater concentration, which occurred initially on the supply side of agrifood chains.\(^{60}\) As a result, big and powerful food producing and manufacturing conglomerates such as ConAgra and Cargill, emerged, particularly

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56 Cox 1987; Wallerstein 1979.
57 Fuchs 2005.
58 Clapp and Fuchs 2009; Fuchs 2005.
59 See also Beetham 1991.
60 Morgan *et al* 2006.
in the US. A number of developments in food retailing, however, and the spread of globalization—facilitated in part by new food, communications and transportation technologies—led to shifts in power towards the end of the supply chain, i.e., retailers. More specifically, retail capitalism has benefitted from capital concentration among food retailers creating large transnational retail corporations as well as a widening group of consumers, currently extending across the globe. In contrast to food production actors, retailers are less dependent upon the natural and organic constraints of agriculture and food. Finally, retailers sit strategically between the consumption and the supply side. As a result, retail corporations emerged as the key drivers in agrifood chains fostering further territorial reconfiguration towards greater geographic stretch as well as greater concentration in the buyer end of these chains. Through global acquisitions and mergers, we can currently observe a diminishing number of internationally operating supermarket chains (see Table 1) whose market share has constantly increased in the last two decades to an extent that regional market structures need to be characterized as highly oligopolistic.

A number of examples illustrate this argument. In the United States, the five largest supermarket chains have almost doubled their market share between 1997 and 2005, from 24 to 42 percent. In the European Union, the top five retailers control more than 70 percent of the groceries retail market on average. In individual countries, concentration is even higher. In Finland, for example, the top five retailers control 90 percent of the market, while concentration is between 70 and 80 percent in Sweden, Ireland, Slovenia, Estonia, Austria, Germany and France. Concentration is also high in developing countries. Reardon, Timmer and Berdegue report that in Latin America the top five chains per country control 65 percent of the supermarket sector.

High retail concentration has two key effects. First, the extent of market control that the largest food retail corporations currently have in the important European and North American markets implies a degree of economic power that cannot be ignored. Retailers, in particular, are increasingly able to dictate prices. In that context, reports reveal that many supermarkets are selling food products at prices manifold the cost of production, without corresponding benefits for farmers. In New Zealand, a Green Party survey revealed that supermarkets are

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61 Henson and Reardon 2004; Nadvi 2004.
63 For a more elaborate discussion on the distinction between supplier or “producer-driven” and retail or “buyer-driven” supply chains see Gereffi 1995; Gereffi et al 2005; Tallontire et al 2011.
65 Morgan et al 2006.
66 Planet Retail 2006a.
67 Planet Retail 2006a.
68 Reardon, Timmer and Berdegue 2004.

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Table 1
Top 30 Grocery Retailers Worldwide, 2006

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Country of Origin</th>
<th>Net Sales in 2006 (US$ m)</th>
<th>Grocery retail banner sales (%)</th>
<th>Domestic sales (%)</th>
<th>Foreign sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wal-Mart</td>
<td>USA</td>
<td>344,992</td>
<td>45.6</td>
<td>78</td>
<td>22</td>
</tr>
<tr>
<td>Carrefour</td>
<td>France</td>
<td>97,739</td>
<td>73.9</td>
<td>47</td>
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Total Top 30  1,928,618

Source: Planet Retail 2006b. Retail banner sales are the sum of the sales of all stores under a retailer's banner. \(^{\text{e}}\) indicates estimate.
pricing fresh fruit and vegetables up to 500 percent higher than the costs of production.\textsuperscript{69} At the same time, apple suppliers are getting the same price they were paid twelve years ago: 50 cents a kilo.\textsuperscript{70} In Europe, while in the late 1950s farmers received half the retail price of food, this has now slumped to 7 percent in the UK and 18 percent in France.\textsuperscript{71} UK potato producers, for instance, are reportedly paid £44.81 per tonne of standard white potatoes, while shoppers are charged an equivalent of £724.25 a tonne.\textsuperscript{72} In Ireland, while profits from supermarket milk have increased by €150 million as a result of double-digit percentage rises in food prices in 2007, farmers received less than a third of the gains.\textsuperscript{73} In Norway, studies have documented a dramatic drop in farmers’ selling power as a result of increasing retail concentration, as well.\textsuperscript{74} This list of evidence provided by individual reports and studies could be continued. Importantly, there are no studies documenting opposing developments.

Second and more importantly from our perspective, high market concentration not only allows retailers to determine prices, but also to impose their own standards on suppliers, since retailers are often also in an oligopolistic or even monopolistic position vis-à-vis suppliers. In developing countries, in particular, any one food retailer is often the sole purchaser for a given type of product. In other words, market control grants them the power to govern.

Some supermarket organizations have generated their own quality assurance and safety schemes including unannounced inspections at farms, gardens and plants. Most commonly however, retailers develop standards collectively. GlobalGap, GFSI and BRC, mentioned in the previous section, are examples where global retailers jointly develop standards with the aim to regulate aspects of food safety, quality and environmental sustainability in the food system. With this form of institutionalized cooperation, retailers are able to impose demands on producers and producing countries that are difficult to avoid.

Compliance with these standards by the participating agricultural and food companies is certified through independent auditors. Auditing takes place normally once a year. If suppliers are found not to comply with the standards, they are first issued a warning, in a second step they temporarily lose their license, and finally they are excluded from the standard. In addition to conducting regular audits, retailers may also select suppliers for special independent audits based on risk assessments. “High risk” suppliers are considered those situated in countries

\textsuperscript{69} Harward 2010.
\textsuperscript{70} Harward 2010.
\textsuperscript{71} European Parliament 2009.
\textsuperscript{72} Uhlig and Foster 2002.
\textsuperscript{73} Thanassoulis 2008.
\textsuperscript{74} OECD 2005.
with problems, such as poor human rights records (e.g. China) or industries specifically targeted by the media (such as the Kenyan horticulture sector).\textsuperscript{75}

On the basis of their market power and auditing techniques, then, retailers are able to exercise control at a distance over supply chains and suppliers, and determine what is appropriate and acceptable in terms of prices and quality. Worldwide suppliers, in turn, “voluntarily” succumb to demands that grant them entry to the desired market controlled by retailers. Other stakeholders are affected by the structural power of retailers, as well. Consumers are affected by the ability of retail oligopolies to predetermine their choice sets. Thus, the variance on retail shelves decreases if a given product is not sufficiently profitable for retailers. On the positive side, consumers may benefit from lower prices, increases in quality, and some improvements in transparency, although the latter tend to be limited. Furthermore, food processors are affected by retail power. As noted above, capital concentration in food retailing has led to a shift in power along the supply chain. While food processors still hold considerable structural power towards producers, they are in a power contest with retailers on the other side. Finally, governments are affected by the structural power of retailers in that their own ability to regulate may be challenged. Scholars note, for instance, that GlobalGap is in competition with public standards in Europe and has prevented national food safety regulation from developing.\textsuperscript{76}

### 3.2 Ideational Structures

Retailers’ power to govern based on market control would remain fragile and potentially ineffective, if it was not paired with legitimacy, however. It is the aspect of legitimacy which turns private power into private authority and thereby reduces the potential to challenge it. A number of different audiences, including the targets of regulation, consumers, governments and intergovernmental organizations, and the broader civil society, are relevant for granting authority to private rule.\textsuperscript{77} Even though not all of these audiences are subjects of private authority \textit{per se} (in the sense that they have to comply with private regulation), they all experience its existence and/or have to face its consequences.

Importantly, retail authority is not being granted by retailers’ suppliers (the targets of regulation), for the most part. Indeed, legitimacy for these actors would derive primarily from “pragmatic sources”,\textsuperscript{78} such as gaining access to high

\textsuperscript{75} Hughes 2007.
\textsuperscript{76} Maze 2010. We cannot be certain that in the absence of retail standards, governments would have implemented superior regulation with better consequences for sustainability and vulnerable socio-economic groups in comparison to retail standards.
\textsuperscript{77} See also Cashore 2002.
\textsuperscript{78} Cashore 2002.
valued markets and/or getting price premiums for their products. As was shown earlier, however, this is frequently not the case. Often suppliers simply have no other choice than to adopt a given retail standard. Rather, food retailers derive their legitimacy mostly from the perception of consumers and governments in developed countries, and an emerging consumer class in developing countries, that retailers are doing the right thing and that they are the best actors to do it.

How do we know that these audiences have, indeed, accepted retail rule as legitimate? First, the new food regulatory context with the proliferation of retail standards is an indicator of legitimacy. Power may have made the development of private rule possible. That the exercise of that rule has not been challenged, neither by consumers and nor by governments, however, is a sign of its acceptance by these audiences. Simultaneously, retailers have assumed an increasingly important role within public regulatory bodies. This is especially evident in the EU where retailers, via their umbrella organization Eurocommerce, have acquired Board representation within the European Food Safety Authority (EFSA). The EFSA is an organization created in the aftermath of the Bovine Spongiform Encephalopathy (BSE) crisis with the aim to provide “independent scientific advice and clear communication of existing and emerging (food) crises” and plays a key role in EU food governance. Flynn et al. (2003) also observe that the articulation of the principles of traceability and Hazard Analysis and Critical Control Points (HACCP) in and through supply chains and as a way of regulating these supply chains is very much related to the active retail presence in the EFSA.

Next to their new political role, retailers are also often accepted as custodians and guardians of the consumer interest. Indeed, retailers are not merely regarded as providers of food any more, but also as “educators” helping consumers to make their choices and teaching them “how to live the good life.”

Here, too, governments play a facilitating role, legitimating private regulators. In the realm of sustainable consumption, in particular, the UK government underlines its belief that governments and businesses both have the responsibility to enable consumers to make sustainable choices. In a recent report, the UK government also appealed to retailers to help consumers eat a healthy and sustainable diet. Likewise, the European Commission sees retailers in a strong

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79 Flynn et al 2003.
81 Durieu 2003, 8.
83 Defra 2005, 44.
84 Defra 2010.
position to improve the sustainability of consumption and support an agenda to empower citizens, as consumers, to make sustainable environmental choices.\footnote{European Commission 2008, 8.}

Some civil society organizations also contribute to the perception of retailers as legitimate political actors. In a 2005 statement, for example, the Executive Director of the Sierra Club, America’s oldest and largest environmental organization, commended Wal-Mart for its efforts to reduce pollution and waste and take positive steps towards safer and healthier communities.\footnote{Fuchs and Kalfagianni 2009.}

Other civil society organizations, however, have criticized retail environmental and social practices and thus challenged the authority of food retailers.\footnote{See ActionAid International 2005; Friends of the Earth 2005.} In a larger perspective, social movements such as the peasant-led Via Campesina (originating in the Global South) and elements within food localization and the Slow Food movements (originating in the Global North) project a very different understanding of food systems emphasizing, among other things, food sovereignty and local food sourcing.\footnote{McMahon 2011.} In such alternative representations of food systems, the dominance of a few large retail corporations is viewed very critically.

Thus, it is only a small segment of the global population that grants retail regulation its authority. It is, however, the crucial segment, as consumers and governments particularly in developed countries, in contrast to farmers especially in developing countries, are the ones with a choice: a choice to protest, to shop elsewhere, or to demand and impose public regulation.\footnote{We do not mean to suggest that such actions are simple, of course. Consumers, for instance, are constrained by information asymmetries, collective action problems, and oligopolistic markets. Nevertheless, a choice remains.}

Retailers’ legitimacy as rule setters, then, results primarily from the dominant ideational structures in developed countries and the political and economic elites of developing countries. Ideational structures are structures that produce and reproduce ideas with the aim to inform and shape the public (and/or political elites’) mind with respect to certain issues. Such structures are numerous and can take different forms ranging from cultural norms and values to the media or the educational system, for example. The role these ideational structures play in establishing and framing legitimacy is an emergent theme in the literature of global governance.\footnote{see Chouliaraki 2006; Hansen and Hoff 2006.}

We argue that the construction of legitimacy via ideational structures consists of two dimensions: a constitutive dimension that reflects norms and mindsets; and a strategic dimension trying to achieve certain ends by attempting
to influence these norms and mindsets. Indeed, as was mentioned earlier, legitimacy is granted to actors when they are seen as operating within the limits of what is considered “appropriate” or “right”. In that context, the audience also creates the boundaries of actors’ authority, which again emphasizes that authority is relational. Legitimacy is also malleable, however. Rather than simply carrying out their actions in the context of generally accepted norms and beliefs, actors can also try to shape them. A number of business activities can be recognized in that area, notably the framing of their own and other actors’ identity, as well as attempts to influence general societal norms and ideas. Below we identify sources of legitimacy relevant both in constituting retail authority and altering it strategically.

First, retail authority is to a large extent based on the dominance of liberal and neoliberal norms and ideas. These norms and ideas provide value to certain societal objectives over others. Thereby, they also assign roles and evaluations of these roles to actors. Specifically, the neoliberal focus on economic growth and efficiency together with the assumption that the pursuit of these objectives is the most effective way to improve societal well-being provides legitimacy to business actors’ interests. At the same time, ideas of the benefit of voluntariness and achievement-oriented reward systems attribute value to a “small state” and discredit political intervention and public bureaucratic management. Proponents of these ideas point out that voluntary private institutions can either supplement or precede public regulation or even make public regulation unnecessary. The universality of the success of these claims is evident in the privatization trend, which has been taking place across countries and cultures and spreading across domains, even politically sensitive ones, such as security, in the last decades.

In the context of neoliberal norms, effectiveness appears as the key characteristic of retailers’ self-representation. Retail claims of effectiveness and efficiency in pursuing social welfare (beyond the provision of jobs and incomes) are promoted primarily via corporate social responsibility (CSR) reports. CSR reporting is based on the idea that, “in order to continue operating successfully, corporations must act within the bounds of what society identifies as socially acceptable behavior”. However, such reporting can also be used to shape ideas and create expectations.

91 see also Hansen and Salskov-Iversen 2008.
92 see also Bernstein and Cashore 2007; Thirkell-White 2006.
93 Fuchs 2005.
94 Fuchs 2005.
96 Lock 2001; Muthien and Taylor 2002.
98 For an extensive analysis of CSR, see Vogel 2005.
Retailers present themselves as effective in protecting food and the environment; establish cost-effective farming practices, ensure standard effectiveness, effectively address health inequalities, have transparent and effective policies, effectively promote sustainability, be effective social partners, have effective systems and communicative policies, exercise effective mentorship and leadership, and so on. Tesco’s 2009 CSR report mentions, for instance, that “managing environmental, social and governance issues is essential to good corporate governance, as these impact on reputation and long-term success of the business. We have clear, transparent and effective policies and processes for managing our business responsibly and in accordance with the law.”

In addition, it emphasizes “We have simple and robust monitoring processes in place to ensure our livestock standards are effective.” Likewise, Wal-Mart underlines the effectiveness of Sustainable Values Networks (SVN), the tool designed to implement its program Sustainability 360, in driving and promoting sustainability. Similar statements are made by all major retailers.

Simultaneously, retailers attempt to belittle the relevance of public actors in that context. Such effort is well reflected in an interview statement by David Blackwell, Wal-Mart’s vice president, to Fortune Magazine: “Governments don’t make any goods, businesses do. So, it’s going to be companies, not governments, that solve these problems.” This is a well-known argument made in many other business sectors in a similar way, today. In general, the notion that private actors do things better is closely tied to discourses about the inefficiency of governments and international organizations as global regulators.

Second, knowledge is a fundamental source of legitimacy for private actors. Possession of expertise or “technical authority” allows private actors to elicit compliance with their rules because the latter are perceived as having an objective quality and political neutrality. The increasingly important role of epistemic communities, bond rating agencies, and certification bodies, for example, can be understood in the context of the creation of technical authority.

Knowledge and expertise also appear prominently in retailers’ reports. The role of nutritional, agriculture, training, and technical expertise in every step of the supply chains is highlighted in many CSR reports. Moreover, the provision of technical advice to the—“not sufficiently knowledgeable”—public actors, which makes them indispensable social partners and allows them to draw on public

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99 Tesco 2009, 47.
100 Tesco 2009, 27.
102 Ferdinand 2007.
104 Porter 2005.
105 See also Haas 2004; Thirkell-White 2006.

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actors’ traditional legitimacy is also emphasized. Thus, Tesco highlights their cooperation with international organizations, such as the Food Standards Agency in providing technical advice, Metro with the UN World Summit on Sustainable Development 2002 or the ILO, or Kroger with the US Department of Labor. 106

Third, the protection of consumer health and safety are fundamental objectives in the global food governance as a result of repeated food crises107 and a turn towards more obesogenic diets worldwide. Food is the number one cause of premature death in the western world due to the increasing consumption of fattier, saltier, and sweeter foods and drinks. 108 A “nutrition transition” also affects urban populations in developing countries and distinctive national diets through a decline in the consumption of traditional foods, increased intakes of fat, sugar, salt and often animal foods, an increase in the consumption of processed foods, as well as an overall reduction in dietary diversity. 109

The responsibility of retailers towards food safety is emphasized throughout their CSR reports and takes place mainly via the establishment of HACCP and traceability systems as noted above. According to Carrefour, “Food product safety is non-negotiable.” 110 For Tesco achieving food safety is of “paramount importance.” 111 Wal-Mart strives to achieve “higher standards of product safety and quality.” 112 Regarding broader health concerns, retailers appear to encourage healthy lifestyles by describing how they offer the choice of “low fat and low calories” products and through the display of nutritional information on own-brand products, as well as the pledge to reduce the content of fat, salt and sugar in ready meals. 113 Healthy eating campaigns, annual nutrition and health events at home and in their foreign operations, form an integral part of retailer’s performance of their commitment to consumers’ well-being. 114

Fourth, attention to environmental and social concerns is an increasingly important aspect of legitimacy in the global domain. 115 Environmental and social norms are embodied in international treaties, “soft” declaratory international law, action programs or statements by leaders. 116 The importance of these norms for business actors is reflected, for instance, in the growing number of global initiatives, standards and public-private partnerships in the sustainability field,

106 Kroger 2007; Metro 2006; Tesco 2009.
111 Tesco 2009, 43.
112 Wal-Mart 2009, 68.
113 Hughes et al 2009.
115 Bernstein 2005.
such as the Forest Stewardship Council, the Global Compact, and the adoption of fair trade and ethical trading initiatives. It also becomes apparent in the recurring theme of community and local values. *Our Global Neighbourhood*, the title of the report of the Commission on Global Governance,\(^\text{117}\) is indicative of the survival of these norms and ideas, even in the era of neoliberalism.

Attention to environmental and social concerns is a central theme of retailers’ discursive campaigns. Through advertisements, public relations (PR) campaigns, and corporate social responsibility (CSR) reports retailers present their efforts in “greening” business, enhancing the quality of products and being a responsible “citizen” on the basis of own brands and standards. Simultaneously, however, retailers also attempt to define these issues. A recent analysis of CSR reports of the ten biggest global retailers reveals that sustainability, a fundamental multi-dimensional concern in global food governance, is limited to eco-efficiency and good environmental management, here.\(^\text{118}\)

The delegation of responsibility to consumers and employees depicted as co-participants in efforts towards achieving retailers’ sustainability strategies is an issue commonly communicated in CSR reports as well.\(^\text{119}\) To illustrate this point, we offer an example from Wal-Mart. Specifically, Wal-Mart Argentina initiated a program titled “Let’s Buy Awareness” in partnership with the ReCrear Foundation in 2009, which was advertised as promoting responsible consumer habits within local communities. In that program, customers were invited to submit their solutions to environmental problems that matter most to their neighborhoods, schools and organizations within their communities. According to Wal-Mart, more than 5,800 customers and schools submitted their recommendations, and several schools received ARS 5,000 ($1,582 USD) in prize money for their suggestions.\(^\text{120}\) In addition, retailers underline their contribution to communities by hiring local people, and providing practical support to local groups and “good causes.” Such practices also receive prominent news coverage, particularly when attracting the attention of politicians and celebrities. Tesco’s contribution to urban regeneration in Leeds, for example, was covered extensively when Tony Blair visited it.\(^\text{121}\)

Fifth, scholars have explored other facets of retailers’ sources of legitimacy such as those of “charismatic” authority.\(^\text{122}\) Retailers appear as charismatic through the use of symbols and public communications. They present

\(^{117}\) Commission on Global Governance 1995.
\(^{118}\) Fuchs and Kalfagianni 2009.
\(^{119}\) Hughes *et al* 2009.
\(^{120}\) Wal-Mart 2009.
\(^{121}\) Pal and Medway 2008.
\(^{122}\) Dixon 2007, 32.
themselves as colorful and innovative actors who also form partnerships with other charismatic actors, such as celebrity chefs.

On the basis of these strategies, retailers attempt to create brand loyalty and install trust. Appearing as valuable agents performing fundamental roles for society, retailers gain legitimacy as political actors. Retail rules then, become authoritative because retailers are viewed as effective, knowledgeable actors with health and safety, as well as environmental and social concerns, and charismatic personality.

Of course, retailers are not the only actors with access to ideational structures. Especially, in democratic societies it becomes more difficult—though not impossible\footnote{See, e.g., Chomsky 1997.}—to become the dominant voice that shapes and reproduces ideas. In comparison to other societal actors such as civil society organizations, however, retailers have superior financial resources to buy media time and space. Indicatively, Wal-Mart spent $1.4 billion, $1.6 billion, and $1.9 billion in fiscal years 2005, 2006, and 2007 respectively for advertisement.\footnote{Wal-Mart 2007.} Tesco, spent 1.1 billion Euros in advertisement in 2006.\footnote{Tesco 2007.} Of course, advertising pursues goals besides establishing legitimacy. An increasing share of advertising messages, however, carries identity framing messages going beyond the mere description of products and prices.\footnote{Keller and Lehmann 2006.} Moreover, the success and longevity of communicated messages depends to a considerable extent on the ability to send repeated messages, which is greatly facilitated by the financial resources available to retailers.

To sum up, on the basis of the material and ideational structures characterizing the current global political economy of food, retailers can impose rules and reach and shape sources of legitimacy. As a consequence, the power to govern is supplemented by the authority to govern, which makes retail governance much less likely to be challenged on the basis of legitimacy concerns. The privileged position in material structures allows retailers to create and enforce rules. Access to ideational structures allows them to influence norms and ideas, and frame their own and other actors’ identities, facilitating consent on their rule and rules. Together these processes serve to create, maintain and reproduce retail power and authority in global food governance.

### 4. Conclusion

This paper examined the consequences of private regulation in global food governance and the causes and facilitating conditions of its emergence. Global
retail food governance has greatly expanded its reach in the past decades, taking primarily the form of private standards and initiatives developed individually or collectively by leading retailers. The impact of such private institutions on the sustainability of the food system is currently ambiguous, at best, which underlines the necessity of an inquiry into the conditions of its emergence and legitimacy.

In terms of the consequence of private food governance, we found little evidence of a significantly positive impact on the well-being of the food system. Currently, most retail environmental initiatives are selected best practices that coexist with regular operations. Rather than changing environmental behavior fundamentally, retailers simply add selected programs. Moreover, such programs are too few and have too little coverage to make an impact. We identified considerable potential in energy initiatives, but it is too soon to offer an evaluation of the adoption of such initiatives. In terms of food security, the consequences are more ambiguous. While some positive impacts can be identified, in particular improved food safety, several concerns remain. More specifically, benefits tend to accrue to a small group of the global population only. In addition, retail standards have negative consequences, particularly for farmers and small retail shops. Vulnerable and marginalized rural populations are the most severely affected groups from the emergence of private retail authority.

Prompted by these rather serious implications of private food governance, the paper then inquired into the sources of retail authority. Rooted in critical theory, it argued that retail authority can be understood to have been enabled by two distinct but reinforcing mechanisms. Through strategic positions in material structures, retailers have been able to impose their rules and standards on global supply chains and demand compliance from suppliers worldwide. Through access to ideational structures, retailers have been in a position acquire legitimacy as rule setters and to strategically present themselves and their institutions as superior “regulators” in global food governance compared to public actors.

What conclusions can we draw about private authority from this analysis? From a scientific perspective, this paper invites analyses that critically inquire into the mechanisms of authority creation. Here, we have suggested the particular value of examining the interaction and synergies between ideational and material structures in a given area of governance. From a political point of view, the paper reveals not only that private food authority is on the rise, with a proliferation of private standards and initiatives in crucial areas of food governance, but also that this development has problematic social consequences. Consequently, our analysis highlights both the possibility of challenging the authority of private regulation in food retailing and the need for additional public governance efforts. Furthermore, as private regulation has also been on the increase in other policy fields, our analysis suggests the need for similar critical inquiries in those fields. Normatively, our results suggest that governmental efforts should pay particular

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attention to those sector, where the poor and marginal groups of society are negatively affected by the operation of private authority.

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