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‘Maximising shareholder value’:
a detailed insight into the corporate political
activity of the Australian food industry

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Abstract

Objective: To gain deeper insight into the corporate political activity (CPA) of the Australian food industry from a public health perspective.

Methods: Fifteen interviews with a purposive sample of current and former policy makers, public health advocates and academics who have closely interacted with food industry representatives or observed food industry behaviours.

Results: All participants reported having directly experienced the CPA of the food industry during their careers, with the ‘information and messaging’ and ‘constituency building’ strategies most prominent. Participants expressed concern that food industry CPA strategies resulted in weakened policy responses to addressing diet-related disease.

Conclusions: This study provides direct evidence of food industry practices that have the potential to shape public health-related policies and programs in Australia in ways that favour business interests at the expense of population health.

Implications for public health: This evidence can inform policy makers and public health advocates and be used to adopt measures to ensure that public interests are put at the forefront as part of the policy development and implementation process.

Key words: food industry, corporate political activity, non-communicable diseases, policy

Indeed, the political influence of the food industry has been recognised as a major obstacle to NCD prevention efforts.9 While the CPA of the tobacco industry has been studied for many decades,10–12 assisted by access to internal documents,13,14 the food industry’s CPA has not been investigated in great detail.4 In Australia, previous analyses have shown that the CPA of major food industry actors include a diverse range of strategies.15,16 However, these analyses mainly relied on public information and the experiences of relevant stakeholders were not explored.

This study aimed to gain deeper insight into the CPA of the Australian food industry from a public health perspective, through interviews with current and former policy makers, public health advocates and academics who have closely interacted with food industry representatives or observed food industry behaviours.

Methods

For this project, researchers aligned their work with the critical social science approach. The food industry was considered as a potential determinant of health and was studied from a public health perspective. This fits within the field of research on the influence of corporations, more generally, on health.17–19 The critical approach informed the way data were collected, analysed and results reported in this paper. This work was part of efforts to improve the accountability of the

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The authors have stated they have no conflict of interest.
A purposive sample was recruited from a pool of participants identified for their potential to provide detailed insight and first-hand experience into the CPA of the food industry. Potential participants were identified by examining published authors in the relevant academic literature, and through their involvement in, or public commentary on, the development and/or implementation of public health-related policies and programs based on the experience of the authors. Additional participants were identified using a snowball sampling method. People currently working within the food industry were excluded from the study because the authors felt that the commercial perspectives they were likely to offer, and the constraints (e.g. non-disclosure or confidentiality agreements) that they were likely to be under, would not allow them to contribute substantially to the research aim. Initial contact with potential participants was by email, with follow-up by email or phone call. All contact details were retrieved from potential participant’s websites or the websites of their organisations. Single semi-structured interviews with open-ended questions were conducted by MM. Fifteen participants were interviewed between November 2014 and February 2015. Participants included a former chief minister/State Premier (n=1), a former Minister of Health (State/Territory level) (n=1), other former or current senior staff of government agencies (n=3), senior executive officers of relevant not-for-profit organisations (n=4), academics (n=4), a nutritionist (n=1) and a former senior manager from a food industry organisation (n=1). One person declined to participate. Participants provided their written informed consent and consent for the discussions to be digitally recorded. MM also took field notes during the interviews. The interview guide was pilot tested prior to data collection (a copy of the interview guide is provided in the supplementary file). Interviews were administered either face-to-face at the workplace of participants or through Skype or phone calls, and lasted about one hour each. This approach was considered the most cost-effective way to reach participants across Australia. All interviews were conducted and transcribed (semi-verbatim transcription) by MM. Transcripts were provided to participants for their comments and corrections on request. In this paper, only general identifiers for participants are employed, including generic terms such as ‘her’ or ‘she’ to refer to both female and male participants and, for example, ‘public health advocate’ to describe the professional position of the participant. In cases where participants had multiple different roles throughout their careers, such as policy maker and academic, participants are identified using the role most relevant to the example they were describing. Interviews were collected until data saturation was reached, defined as the point where no new codes emerged from the subsequent analysis of interviews. A qualitative thematic analysis was undertaken by the interviewer, MM, and data was re-analysed by another researcher, GS, to ensure inter-coder reliability. Data were managed using NVivo software. Themes were identified from a proposed framework for classifying the CPA of the food industry.22 The framework was adapted to include any new themes emerging from the data (iterative process). The only new CPA practice identified through this study was, ‘Creating antagonism between professionals’, and was classified under the ‘opposition fragmentation and destabilisation’ strategy. Illustrative examples are presented in this paper, classified under the themes proposed in the framework. For each strategy, evidence provided by participants was compared with data obtained from a previous study, which was based only on an analysis of publicly-available information, investigating CPA strategies of the food industry in Australia.21 This research was approved by the Human Ethics Advisory Group of the Faculty of Health at Deakin University, Australia (project number HEAG-H 145_2014).

Results

Five of the six CPA strategies were observed by participants. ‘Legal strategies’ were not described during the interviews. When discussing the CPA of the Australian food industry, in a general sense and from a public health perspective, participants highlighted the fact that, by nature, the food industry and public health advocates often have different objectives:

“They are all strategies that don’t have public health as the underlying outcome. The outcome certainly is more about money and the financial [benefit] of the company, rather than other community outcomes, such as public health.” [Senior manager at a public health-related not-for-profit organisation]

“They start from a very different point from public health, where the objective is to maximise the public health outcomes. And the two, unfortunately, are not at all aligned in many cases.” [Academic]

Information and messaging strategy

Participants reported experiencing the ‘Information and messaging’ strategy in

| Table 1: Description of CPA strategies and related practices, based on Mialon et al.4 |
|-----------------|--------------------------------------------------------------------------------------------------|
| CPA strategies  | Description and related practices                                                                 |
| Information and messaging | The information strategy includes practices through which the industry disseminates information that is likely to be beneficial to its activities in order to influence public health-related policies and outcomes in ways that are in their favour. This strategy includes: lobbying policy makers; stressing the economic importance of the industry; promoting deregulation; framing the debate on diet- and public health-related issues; shaping the evidence base on diet and public health-related issues. |
| Financial incentives | Through the financial incentives strategy, the industry provides funds, gifts and other incentives to politicians, political parties and other decision makers. |
| Constituency building | The constituency building strategy aims to gain the favour of public opinion as well as other key stakeholders, such as the media and the public health community. This strategy includes: establishing relationships with key opinion leaders and health organisations; seeking involvement in the community; establishing relationships with policymakers; establishing relationships with the media. |
| Legal strategies | In this strategy, the industry uses legal action (or the threat thereof) against public policies or opponents. The industry may also attempt to influence the development of trade and investment agreements in their favour. |
| Policy substitution | When threatened by regulation, the industry proposes alternatives, such as voluntary initiatives or self-regulation. |
| Opposition fragmentation and destabilisation | The constituency fragmentation and destabilisation strategy refers to practices employed by the industry to fragment and destabilise groups or individuals that have criticised or are likely to oppose a company’s products or practices or policies that may adversely impact on the company. |
Promotion of deregulation
Participants provided different examples of arguments used by the food industry to promote deregulation. The primary argument that was regulation will be a cost to the industry and that jobs will be lost. These were similar to information found in previous studies.13

One participant explained that:
“The sky will fall in [when there is the suggestion of regulation], or, you know, everybody will lose their jobs. That’s the classic argument [made by the food industry].”
[Former senior manager at public health-related not-for-profit organisation]

Importantly, some participants suggested that the Australian government and citizens probably support the industry arguments:
“It’s different parts of the government: for example, the agriculture sector very strongly promotes deregulation and stresses the importance of the food industry in terms of number of jobs supported. When we have a federal nutrition policy, it’s all about the economic aspects of it, rather than the nutrition aspect.”
[Former industry staff member]

“They [food industry] have a specific technique that they use; it’s the term ‘the nanny state’. It’s a very effective term. (...) It’s the way they are framing the debate, and it rings true with Australians, they don’t want too much government interference.”
[Former senior policy maker]

Frame the debate on diet and public health related issues
Participants shared many examples of the industry trying to ‘frame the debate on diet and public health related issues’. As with previous evidence from publicly available information,13 the industry: shifted the blame away from themselves in relation to the non- communicable disease (NCD) epidemic (e.g. by focusing on personal responsibility); promoted the good intentions and stressed the good traits of the food industry (e.g. saying that the industry produces legal and safe products); and emphasised its actions to address public health-related issues (e.g. saying that it is ‘part of the solution’).

Some participants mentioned specific examples, such as a campaign by Coca-Cola:
“The Coca-Cola campaign – we’re part of the solution’ – that very much focuses on physical activity and the role of individuals and parents – that’s a perfect example of [the way that the food industry frames the debate].”
[Senior manager at a public health-related not-for-profit organisation]

One of the points of tension between food industry and public health representatives was the use of evidence to defend a particular position. One participant explained that some arguments used by the food industry were not necessarily based on evidence:
“I’ve sat through many meetings where I’ve heard the food industry extend the view that ‘this is personal responsibility, there is no such thing as a bad food; every food is part of a balanced diet’. These are all sayings that really haven’t got any science behind them, but are designed to exonerate the food industry.”
[Academic]

One participant identified that the discourse of the food industry was aligned with that of the Australian government:
“I have seen [the food industry shift the blame for NCDs away from themselves] and, that’s a strong philosophical position of the government at the moment (...). They focus on individual responsibility. (...) [A] classic example I can see there is [when the food industry] says, ‘Well, what we produce is legal’, and we’ve actually had Tony Abbott coming out, the (then) Prime Minister, coming out and saying ‘yes, they are producing legal substances’ (...) So stressing that what they produce is not illegal.”
[Academic]

Shape the evidence base on diet and public health-related issues
Many participants described the ways in which the food industry tried to shape the evidence base on diet and public health-related issues in Australia. This practice was also reported in previous analyses.13

For example, one participant explained that the food industry did not systematically follow international research standards:
“The food industry does publish, but it’s grey literature of their results; and that gives equal air time to peer-reviewed public health reports. (...) I think it’s unfair (...). And there are [food industry] reports that certainly seem to be commissioned to get the results that the food industry wants, reports that are quite influential with decision makers. (...) [These reports use] quite emotive words, and certainly link back to how it would be detrimental to go down the path of some of the regulation that we are pushing for, because it is not needed, and because it costs money, and that sort of thing.”
[Senior manager at a public health-related not-for-profit organisation]

Participants identified that the food industry cherry-picked evidence that suits its position and tried to promote it to the public health community and to policy makers:
"If they find an article that they think we need to know about, and it supports their case, and it looks pretty impressive and is in a peer reviewed journal, they will send it through [to policy makers]. The dairy industry does that very effectively." [Public servant]

One participant mentioned the role of nutrition professionals working in the food industry who present their views in the media:

“There are even some of those nutrition professionals who do work with the food industry becoming quite vocal in the media about [a recent public health program under development] as well, bringing that industry-flavoured position into the public arena, which really is unhelpful from a perspective of trying to give the community a clear and unbiased advice, when we, as a nutrition community, appear to be debating among ourselves, where some people in the nutrition community are actually coming from a particular industry standpoint.” [Senior manager at a public health-related not-for-profit organisation]

Another participant explained that industry involvement in research at her institution had an influence on the media strategy of her research group. This participant gave an example of how her research group deliberately did not put out a media release regarding one of her publications out of concern for how a food industry partner might react to the results.

**Financial incentives strategy**

Even though previous data analysis found evidence of the financial incentive strategy, most participants did not have first-hand experience of this strategy. However, some provided details about gifts they received from the food industry during their professional careers, or examples of circumstances in which funds from the food industry were provided to policy makers or public health advocates:

“When an industry provides funds to political parties to help them get elected, the politicians don’t completely sell their souls, but what it does do is it invariably gives them access to the politicians and better access. (…) I have actually been on a cabinet (…) where two of the politicians said ‘well, we can’t do that because this is actually one of the major donors to our party’, so I actually witnessed that statement.” [Former senior policy maker]

“…I was invited once to go and talk (…) at [a] conference (…), and I’d said yes, and [the organiser] paid for my airfare. When I got there, in the introduction for me, they said that my airfare had been paid by a particular industry group. They didn’t even tell me [who the funder was]. So I was furious. (…) I felt almost ambushed that they had said they paid the airfare, but never had they even said ‘oh we are actually covering it from this particular global company’. So sometimes they don’t even tell you.” [Academic]

It is important to note that participants viewed this strategy as one of the less prevalent and least influential in terms of public health, due to the existence of generally strong processes with respect to declaration of financial incentives, and the cultural unacceptability of any forms of actual or perceived bribery.

As example, participants explained that:

“We are not allowed, as public servants, so to speak, to receive gifts or entertainment or financial inducements.” [Current public servant]

And:

“One of the major problems with that is that, invariably, you get found out and you look really, really bad. If it looks like you tried to bribe somebody, whether it’s effective or not, to most of the world it looks like the wrong thing.” [Former industry staff member]

**Constituency building strategy**

Participants shared many examples of the ‘constituency building strategy’ during the interviews.

Establish relationships with key health organisations and opinion leaders

As indicated in publicly available information, participants noted strong relationships between the food industry and key health organisations in Australia, as well as with opinion leaders. Participants expressed concerns regarding these relationships because they could provide ‘credibility by association’ for the food industry. For example, participants described:

“The Nutrition Society of Australia, the Dieticians Association, if you have a look at their conferences, and have a look at their sponsors, they have an extraordinary range of sponsors, from basically all the junk food companies – they [the food industry] get credibility by association.” [Former senior policy maker]

“It’s a really bad view; it undermines the perception of the integrity of the profession when there are industry groups clearly promoting their Maggi noodles and Milo to parents” [Senior manager at a public health-related not-for-profit organisation];

the Food Bank, where the food industry contributes with its products; AusKick, the Australian Rules Football program for kids, where children “had to go to McDonald’s to pick up their uniforms and materials” [Academic].

Establish relationships with policymakers

The practice by which the food industry established relationships with policy makers was one of the most commonly observed by participants. Many reported that they had the opportunity to witness this practice directly, and so they provided more details than what was found in publicly available information. For example, a participant explained:

“One of the food industry people said to me, as we walked along the corridor of Parliament House, ‘you can say what you like, we’ve got friends in high places,’ which [she/he] did have.” [Nutritionist]

Several participants said the relationships between food industry representatives and policy makers undermined the development of effective public health policies. Mentioning the example of a working group on a diet-related issue that included food company staff members, one participant commented that:
Establish relationships with the media

The establishment of relationships between the food industry and the media was observed to a limited extent by participants. One participant explained:

“They [the food industry] have offered plenty of reporters trips to conferences, where they’ve reported. It’s quite nice, you’re getting a free trip to a conference, which is in a luxury hotel somewhere in a nice place. (…) I’m sure it changes people’s perception of the product.” [Former public servant]

Another commented that her career had been affected by these relationships:

“With one of those magazines [I used to write in], when the editor called me to say they couldn’t use me anymore, because it meant they wouldn’t get any advertising from the [food industry]. [He/she] said ‘if you ever say anything about this publicly, I will deny it’. I thought that was particularly dirty.” [Former public servant]

Policy substitution strategy

All of the 15 participants interviewed as part of this study observed, to some extent, the ‘policy substitution’ strategy. This strategy was also identified in publicly available information. They mentioned the voluntary initiatives led by the Australian Food and Grocery Council: the ‘Responsible Marketing to Children Initiative’, the ‘Quick Service Restaurants Initiative’ and the ‘Daily Intake Guide’. Participants bemoaned the lack of formal monitoring of these initiatives and generally described them as ‘a distraction’ from government-led policy progress. Several participants talked about the Food and Health Dialogue, a previous collaboration between the Australian government and the food industry to improve food products, commenting that they saw the initiative as a way for all parties to avoid regulation.

A participant summarised what most people interviewed expressed during this study: “There has been a lot of pressure for regulation and the food industry came up with their codes (…), and that was fairly obviously to fill a gap that was going to get filled by the government if they didn’t. And they since changed those [codes] slightly as well, to keep up with the time, give the impression that they are adapting and changing them to meet the [current] needs. And then they sell that as being a cost-effective measure that saves the government money and saves the industry money, and is just as effective, that’s how they sell it.” [Senior manager at a public health-related not-for-profit organisation]

Legal strategies

‘Legal strategies’, through which the industry sues its opponents, challenges regulations in courts, and influences the development of trade or investment agreements were not reported by participants. Only one example of the use of legal strategies was previously identified in relation to the food industry in Australia.15

Opposition destabilisation and fragmentation strategy

In Australia, almost all participants mentioned their exposure to the ‘opposition destabilisation and fragmentation’ strategy, a strategy that was not identified in previous studies. For example, one participant highlighted that the food industry criticised public health advocates personally:

“If they [the food industry] ring me or email me directly, I feel like there is no protection for me. And they can be quite threatening. (…) They do feel that they’ve got the right to call personally, or contact me personally; and I tell them I can’t talk to them and I refer them elsewhere. But sometimes that doesn’t stop them saying what they want to say.” [Academic]

And:

“(They) try to undermine our authority, but also in semi-confidential systems that actually affect our career and research possibilities. I think they’re very, very powerful. It sounds like a conspiracy theory (…) but it’s real. (…)” [Academic]

One participant explained that, in their view, the food industry deliberately created antagonism between professionals working on the prevention and control of obesity with, on one side, people working on physical activity and, on the other side, people working in nutrition so that they debate against each other instead of working together.

“They will then get people who argue that physical activity is more important than nutrition. They basically have the nutritionists and the public health people and the physical activity people fighting each other. That meant neither of them could do anything. (…) So this was a deliberate tactic to get the physical activity and the nutrition people arguing among themselves so much that neither of them could actually do anything.” [Nutritionist]
Discussion

This study provided detailed insight into the CPA strategies used by the Australian food industry, as viewed through a public health lens. Participants revealed that the ‘information and messaging’, the ‘constituency building’, the ‘policy substitution’ and the ‘opposition fragmentation and destabilisation’ strategies have frequently been observed. Participants identified that many of the practices of the food industry have influenced policy makers and community attitudes. In some cases, such as the ‘promotion of deregulation’, some participants felt that food industry practices were in line with the views of policy makers and the community, although it is not clear the extent to which the views of these groups have been influenced by the food industry. In most cases, such as the way the industry has shaped the evidence base on diet and public health related issues and the relationships between food industry representatives and policy makers, participants expressed concern that these practices have resulted in policy responses that favour business interests over public interests and may have undermined NCD prevention efforts.

This study supplemented information from a previous study investigating CPA practices of the food industry in Australia using only publicly available information. The results of this study were broadly consistent with the findings of the earlier study. However, participants in this study shared examples of the ‘revolving door’ and of the ‘constituency building’ strategy, that were not identified previously. This may partly be as a result of the previous work focusing on only five food industry actors. In this study, data saturation was reached, making it likely that most practices used by the food industry in Australia were identified, although specific examples might remain unexplored.

While results from this study are not generalisable to other countries, the practices identified in relation to the Australian food industry are similar to the practices previously identified in relation to the same industry in other countries. This could be partly explained by the fact that many food industry actors cited by participants also operate in other countries. The CPA practices identified in this study are also comparable to those employed by other industries, such as tobacco and alcohol. Accordingly, this study adds to the growing literature on the influence of corporations on health.

This study has a number of limitations. It relied on the personal experiences of participants. Accordingly, the insights offered by participants reflect their personal biases and perspectives. However, the data obtained from participants was compared with data collected from publicly available sources, with findings similar across both data sets. Critically, this study explicitly adopted a public health perspective in considering the CPA of the food industry. Other perspectives, such as corporate or economic perspectives, are likely to result in different classifications of the industry practices identified in this study. For example, many practices cited in this study under the ‘constituency building’ strategy could be considered as part of the ‘social responsibility’ of businesses.

Because this study was retrospective, it might describe CPA strategies that were used in the past only. Moreover, this study did not assess in any great detail the extent to which the CPA of the food industry actually influenced the decision making process or policy makers. As part of future efforts to understand the CPA of food companies globally, this study can be replicated in other countries. This study indicates that key informant interviews seem to be a useful way to supplement analyses of publicly available information with respect to CPA. Future investigations might benefit from being more targeted and could focus on strategies used by food companies in respect of specific public health policies or programs under development. It is important to note that the CPA of the food industry is part of normal business practice. For example, lobbying, funding of political parties and involvement in the community are all acceptable and legitimate practices in democratic countries such as Australia. However, as this study identifies, these practices also represent a risk to public health.

Due to the imperative to improve population diets as a matter of urgency, strategies to mitigate the risk related to food industry CPA need to be investigated and implemented. As an example, that could include more detailed disclosure of information in the Register of Lobbyists in Australia, such as amount spent on lobbying and issues discussed. Recent efforts by Coca-Cola in Australia, the North America and United Kingdom to disclose detailed information about the research the company supports is a clear and commendable step.

Conclusion

This study has provided direct evidence of food industry practices that have the potential to shape public health-related policies and programs in Australia in ways that favour business interests at the expense of population health objectives. Policy makers and public health advocates can use this evidence to adopt measures to ensure that public interests are adequately balanced with other concerns as part of the policy development and implementation process.

References


Supporting Information
Additional supporting information may be found in the online version of this article:

Supplementary Information 1: Interview Guide.