



**CORPORATE POWER  
AND  
FOOD SAFETY AND QUALITY  
STANDARDS**



# Corporate Power Facts and Stats

- 1. Of the 100 largest economies in the world, 51 are corporations; only 49 are countries (based on a comparison of corporate sales and country GDPs).**
- 2. The Top 200s' combined sales are 18 times the size of the combined annual income of the 1.2 billion people (24 percent of the total world population) living in "severe" poverty.**
- 3. While the sales of the Top 200 are the equivalent of 27.5 percent of world economic activity, they employ only 0.78 percent of the world's workforce.**



## **Gates offers ministers for sale at world trade conference**

**GEOFFREY LEAN ENVIRONMENT CORRESPONDENT**

**Sunday, 22 August 1999**

SOME of the world's biggest companies are paying hundreds of thousands of dollars for privileged access to key heads of state, ministers and negotiators, at an international conference which will decide the future of world trade.

They have taken up an offer from a committee headed by Microsoft supremo Bill Gates to exploit "a very exciting opportunity" provided by a crucial meeting of the World Trade Organisation (WTO) - the body which regulates world trade - in Seattle at the end of the year. Both the White House and Sir Leon Brittan, the outgoing Vice President of the European Commission, have protested.

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The letter, from the Seattle Host Organisation, says that companies who help pay for the conference's running costs will "become part of a process to develop substantive business input to the WTO through a series of business programs".

It adds that they will also be able to send representatives to two special receptions and a dinner for "Heads of State, Ministers and Delegates" and promises "preferential seating placement will be made for sponsors". It concludes that the organisation is "confident that you will agree these benefits make your participation worthwhile".

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# Setting of Food Safety and Quality Standards: An Effective Way of Governance

- 1963: FAO and the WHO established the “Codex Alimentarius”:  
Food standards for commodities, codes of hygienic or technological practice, the use of pesticides, food additives and veterinary drugs as well as guidelines for contaminants

More than 150 countries have joined Codex

Member countries of Codex **do not** have to implement the established standards

However: Codex has become the **most important** reference in terms of food standards



# **Setting of Food Safety and Quality Standards: An Effective Way of Governance**

- **1995: WTO established the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement)**

**conditions importing country may restrict the importation of certain goods to protect human, animal or plant life or health**



# Setting of Food Safety and Quality Standards: An Effective Way of Governance

## SPS Agreement Article 3 Harmonization

1. To harmonize sanitary and phytosanitary measures on as wide a basis as possible, Members shall base their sanitary or phytosanitary measures on international standards, guidelines or recommendations, where they exist, except as otherwise provided for in this Agreement, and in particular in paragraph 3.

2. Sanitary or phytosanitary measures which conform to **international standards, guidelines or recommendations** shall be deemed to be necessary to protect human, animal or plant life or health, and presumed to be consistent with the relevant provisions of this Agreement and of GATT 1994 (General Agreement on Tariffs and Trade).





# Setting of Food Safety and Quality Standards: An Effective Way of Governance

SPS Agreement  
Article 3  
Harmonization

(...)

**3. Members may introduce or maintain sanitary or phytosanitary measures which result in a higher level of sanitary or phytosanitary protection than would be achieved by measures based on the relevant international standards, guidelines or recommendations, **if there is a scientific justification**, or as a consequence of the level of sanitary or phytosanitary protection a Member determines to be appropriate in accordance with the relevant provisions of paragraphs 1 through 8 of Article 5.**



# Setting of Food Safety and Quality Standards: An Effective Way of Governance

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# Setting of Food Safety and Quality Standards: An Effective Way of Governance

## SPS Agreement ANNEX A DEFINITIONS

### 3. International standards, guidelines and recommendations

(a) for food safety, the standards, guidelines and recommendations established by the **Codex Alimentarius** Commission relating to food additives, veterinary drug and pesticide residues, contaminants, methods of analysis and sampling, and codes and guidelines of hygienic practice;

**Result:**

In 1995 Codex has become the most important reference in terms of food standards



# Consequences of the Implementation of Codex

- WTO members decreased their food safety standards to avoid incompatibility with Codex

**Japan: Reduced pesticides standards for imported products**

**US: Codex allowed higher pesticide residues than in the whole United States**

**EU: Ban on import of beef treated with certain growth hormones**



## **Corporations as Decision Makers**

- Members of Codex are exclusively countries
- corporations found early their way into the decision making process

**Joint FAO & WHO Codex Alimentarius Commission,  
Understanding the Codex Alimentarius (2003) 15:**

**“National delegations are led by senior officials appointed by their governments. Delegations may, and often do, include representatives of industry”**



## Corporations as Decision Makers

- Detailed study of the composition of Codex from 1989-1991 sessions

### Proportion of industry delegates:

**Switzerland: 61 %**

**U.S.: 49 %**

**Japan: 44 %**

**France: 40 %**

**Germany: 34 %**

**United Kingdom: 31 %**

**Canada: 23 %**

**Participants: 105 governments and 140 food and agro-chemical companies**

**3 member countries included NGOs to advance their view**



## Corporations as Decision Makers

- Detailed study of the composition of Codex from 1989-1991 sessions

**Sessions took place where specific industries are based:**

**Norway: Fish and Fishery**

**New Zealand: Milk and Milk Products as well as Meat Hygiene**

**Switzerland: Cocoa and Chocolate and Natural Mineral Waters**



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# Solution

- **Ensuring Legitimacy**

- Exclusion of corporations out of the active decision making process**

- Implementation of participation standards outside the active decision making process**

- **Implementation of Corporate Social Responsibility**



# Definition:

## Corporate Social Responsibility

- “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a **voluntary basis**”.

(European Commission Green Paper 2001 “Promoting a European Framework for Corporate Social Responsibility”, COM(2001)366 Final)



# Drivers of CSR

- Reputation and brand management
- Access to capital
- Business risk management
- Employee recruitment and motivation
- Cost savings



# Barriers of CSR

- Lack of acceptance
- Initial costs
- Lack of information
- Time



# CSR standards

- Global Reporting Initiative's Sustainability Reporting Guidelines
- Social Accountability International's SA8000 standard
- The ISO 14000 environmental management standard



# Fish facts

Fish stocks worldwide are in serious decline:

- 48% are fully exploited
- 16% overfished
- 9% depleted

(United Nations Food and Agriculture Organization (FAO))

# Unilever & WWF initiated: Marine Stewardship Council



MSCI0250

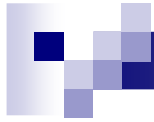


3M

- 1997: 3M Corporation banned all tobacco advertisements from its billboards







Thanks for your attention...