



**Remarks of Rocco Renaldi, Secretary-General of the
International Food & Beverage Alliance
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“The Political Economy of NCDs: A Whole of Society Approach”
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Your Excellencies, Ladies and Gentlemen,

I’m pleased to be part of a panel discussing the political economy of NCDs. I studied the political economy of climate change about 20 years ago. And I think there are some good parallels that we can draw.

Then, as now, one of the perennial questions is: “Is the private sector part of the problem or part of the solution?”

Some, especially in the public health community, say problem, some, especially in the private sector, say solution!

To me this is actually a non-question. The private sector is obviously both part of the problem and part of the solution. Why?

There is no ONE private sector, there isn’t even one food industry, there are a myriad of different operators; there are problematic areas and areas where solutions are being devised and implemented. There are those with more vision or more capacity and those with less, those with more resources and those who cannot even afford the luxury to think beyond how they will pay their employees next month.

Incidentally, the same is true for all other players in the system.

So, the juxtaposition of monolithic interests, “the public sector looking after the public good” on the one hand, and “the profit-driven private sector” on the other is both simplistic and unhelpful.

There is no ONE private sector and there is no answer to the PROBLEM/SOLUTION question, other than, “both, clearly”.

What does that entail? It entails that we must dig deeper, deconstruct and analyse the factors that shape views and positions and unearth the many inter-related drivers. In other words, a Political Economy Analysis.

Some in the industry I work with would balk at this statement I just made. And I understand why: a political economy approach is so often boiled down to expressions like “the commercial determinants of health”, “industry interference” etc – which may be useful to get people’s attention but are inevitably reductionist and simplistic.

If you are in a position like mine, that allows you to “look under the bonnet” and see how companies operate, what drives them and what worries them, you will see the complexity.

1. On the surface, it’s simple. Every company exists to make a profit for its owners or shareholders.
2. That simple picture becomes more complex if we recognise that reputation matters to the bottom line too. And that is increasingly so, not least because consumers increasingly value brand purpose and want to know what a company does, what it stands for, beyond making a good quality product. The same is true for some shareholders and the same is increasingly true for workers: reputation is increasingly important to attract and retain talent.
3. The second level of complexity arises from the realisation that sustainability – and I include public health in this – at some point starts impacting the bottom line too, way beyond reputational considerations. If my supply of raw materials is under threat from climate change, I will take climate change seriously. If consumers start staying away from my products because of concerns about sugar, I will take nutritional innovation and reformulation seriously. This is where ethics morphs with business imperatives.

And indeed, major companies have not stood still. Many of the companies in IFBA membership have championed action against climate change ahead of governments. Zero-emissions and zero-waste in operations have become global corporate objectives. Nutrition and health are today topics of discussion in the boardroom. In these companies, these issues are effectively being mainstreamed.

Is progress sufficient? No. Is progress universal? By no means. Do these companies always do the right thing? No, they don’t. But is there a will and is there a commitment? In the companies that I represent I can affirm that there is.

The key question then is: how do we best foster this evolution? I have a few suggestions:

1. Firstly, recognise the diversity of the private sector, and recognise that companies, like any other organisation, are also made of people. And different people have different views, priorities and drivers. Some of those are shaped by the environments in which they operate. And so, there are organisational dynamics that push and pull a company in different directions. It’s not that different from a Government and the different Ministries. So complete consistency cannot be expected of a corporation any more than it can of a government. But there are plenty of places where you can find willing people in good faith. Understand their constraints and work together to overcome them.

2. Secondly, to be an effective agent of change you need to identify the best levers, the most likely drivers of change - and act on those. To give you an example: if nutrition becomes part of the investment rating of a company, that company and its shareholders will necessarily pay attention to it. ATNI is a case in point, but to date the impact of such indices remains marginal. Greater public sector support to drive responsible investment could help. To give you a different example: if you put a blanket tax on a sugary product, no company making that product will like it; and it will simply become an additional overhead. If on the other hand you structure and intelligent set of fiscal incentives and disincentives to foster progressive change, you will create a competitive playing field that drives competing companies in that same direction.

3. Thirdly, study and understand the broader systems within which companies operate – otherwise you are fighting windmills. To give you a very practical example: there is no point demanding that a company cut sugar in product X in market Y if that company has, say, 10% market share and the rest of the market is dominated by small local companies that have no incentive to do the same: we need to work together to shift that whole market along, taking the consumer with us.

If we transpose this thinking to the macro-level it becomes clear that addressing NCDs effectively requires addressing a broad and inter-related set of features of our societies.

An increasing amount of research is looking at food systems change. I do not believe that it is helpful to say that “our food system is broken”. In many ways it is extremely effective, but there are very significant externalities that do need to be addressed. And even if or when we manage to fix that, we won't have defeated NCDs until we significantly reduce socio-economic inequalities – a key determinant of poor diets and NCDs. And if, as a number of Member States called for at the WHO EB in Geneva this week, we better integrate air pollution in our approach to NCDs, we only need to glance at the Bangkok skyline today to realise that we have another major challenge on our hands.

Following this thread, it quickly becomes apparent to me that indeed a true whole-of-society approach is needed. Today that is a rarity if it exists at all. Only government can make it happen. I hope that further reflection through the lens of political economy will help.

Meanwhile – so that we don't stand still while brighter minds ponder these big questions – I would plead for pragmatism. Let us dialogue more and evolve that dialogue into collaboration in areas where 1+1 is more than 2.

Thank you.