An advertisement for baby formula in Hong Kong. Many large companies have violated the International Code on the Marketing of Breastmilk Substitutes, causing distrust on their role in nutrition. (IQ Remix/Flickr)

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How Can Businesses Operating in the Food System Accelerate Improvements in Nutrition?

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Introduction

Poor diet is the common currency of all forms of malnutrition (GBD 2016 Risk Factors Collaborators, 2017). Diets that are deficient in key nutrients such as vitamin A, iron, and zinc or laden with unhealthy diet components such as salt, added sugar, and trans fats will prevent optimal child growth and development, make it more likely that women will have high levels of anemia, and promote obesity, type 2 diabetes, and hypertension (IFPRI, 2016).

Food systems – everything from what is grown to what is eaten – play a key role in determining the availability, affordability, and desirability of nutritious foods. Food and agricultural

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systems currently meet the food and nutrition needs of approximately two out of three people (IFPRI, 2016). That leaves between 2–3 billion people around the world who are not well served by the status quo. What can be done to make these systems more nutrition promoting?

Governments set the rules of the game for food systems (GPASFN, 2016; HLPE, 2017). They can create positive incentives for businesses to do better things for nutrition and negative incentives for them to do harmful things. Businesses – small, medium, and large – are the key investors in the system and, within the imperative to maximize profit, can do things that are more or less positive for nutrition outcomes. Another set of core actors in the global food system is civil society. This group has the power to support elected representatives who set and enforce rules and also to name and fame businesses and governments according to their commitment and performance in advancing nutrition according to those rules.

This chapter outlines some of the actions that businesses can take to improve nutrition outcomes and what governments and civil society can do to incentivize them to do so. The chapter argues that a failure to incentivize businesses to do more to improve nutrition results in missed opportunities to meet the UN Sustainable Development Goal target of ending malnutrition by 2030.

Why Businesses Matter for Nutrition Outcomes

As the world urbanizes and markets grow, more and more people will access their food from businesses via the market (GPASFN, 2016). The latest data from the World Bank (Fig. 11.1) indicates that most households, even in the lowest-income countries, access food from markets rather than home production. As indicated in Fig. 11.1, in India in 2011 over 80% of the food acquired by households was purchased from markets. Even for the country with the lowest share of food acquired through markets, Mozambique (in 2008), it was over 40%.

The spatial and temporal distance between what is grown and what is consumed is likely to grow, increasing the opportunities for nutrients to leave the food value chain – but also increasing the opportunities for nutrients to enter the food value chain (Fig. 11.2). Even though agriculture's share of activities within value chains will diminish as food products become more processed, agricultural input and output markets will remain a vital first step in setting a nutrition trajectory for a food product. For example, biofortification of beans can, if effectively commercialized, transform the nutrient delivery of an entire value chain, helping to get fortified bean flour into a variety of food products, such as noodles.

How to Incentivize Businesses to Advance Nutrition Outcomes

So what can be done to get businesses within food systems to do more to improve nutrition status? There are three sets of actions with key roles for each of the sets of stakeholders: (i) creating demand for nutritious foods; (ii) improving the supply and affordability of nutritious foods; and (iii) creating an enabling environment for businesses to improve nutrition.

Creating demand for nutritious foods

The first set of actions is around demand creation (Table 11.1), more specifically building demand through compelling public behavior-change campaigns and shaping demand through price policies.

Businesses often claim that if there were a bigger demand, they would produce more healthy foods. The private sector certainly shapes demand for its own products, but it is perhaps too much to expect it to generate the demand for nutritious food as a whole. This is the job of governments. Yet public nutrition behavior-change campaigns tend to restrict their focus to evidence and cause and effect without appealing to consumers' emotions. The private sector is very good at generating demand for products that are much less essential than affordable nutritious food. We need more blended public nutrition messaging that retains a strict fidelity to government guidelines on nutrition but uses aspiration, emotion, and creativity to make messages engaging, compelling, and 'sticky'. For example, in 2014, the Indonesian government collaborated with the Global Alliance for Improved Nutrition (GAIN),

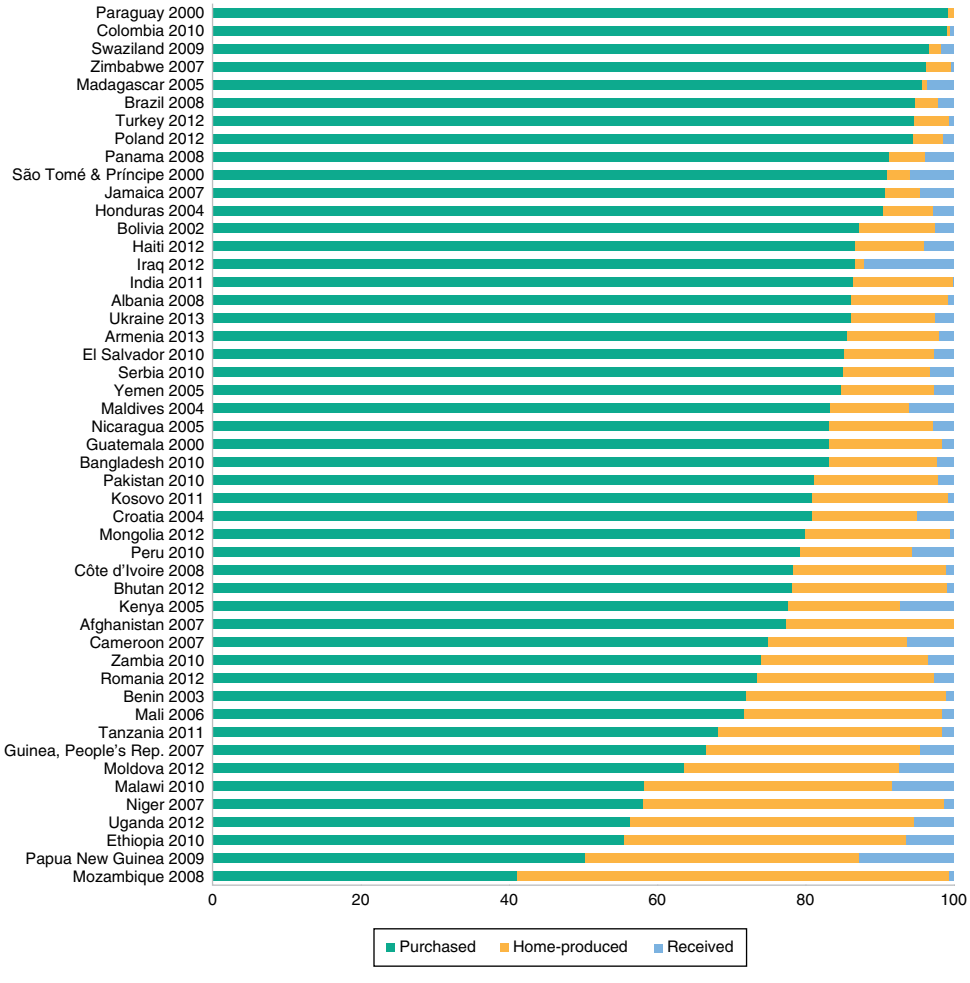

Fig. 11.1. Household value of food consumed: percentage by source of acquisition (data compiled by World Bank LSMS team; Global Panel on Agriculture and Food Systems for Nutrition, 2016).

the London School of Hygiene and Tropical Medicine, and a local advertising agency on crafting nutrition messaging. The result was the 'Healthy Gossip' campaign, a 1-minute video during which a mother gossips about how everyone else is failing to feed their children properly. The use of humor and emotion within the video seemed to work, in contrast to standard government-produced instructions about what people should be eating. An independent evaluation of the program involving the campaign indicated that it helped 50% of the 6–24-month-old infants in the villages assessed to meet a 'nutrient adequacy threshold', compared with 36% of infants in the control villages (University of Sydney, 2017).

Demand is also shaped by price signals. Nutritious foods are relatively expensive in most countries (Biehl *et al.*, 2016; Miller *et al.*, 2016; Bachewe *et al.*, 2017; Headey *et al.*, 2017; see also Chapter 2) and low-nutrient, highly processed foods have become relatively inexpensive. So-called 'sugar taxes' are becoming more and more popular – they are now present in over 20 countries – and, as the evidence shows (Nakhimovsky *et al.*, 2016) they can have an important role to play in reducing the consumption of drinks and other products with high levels of

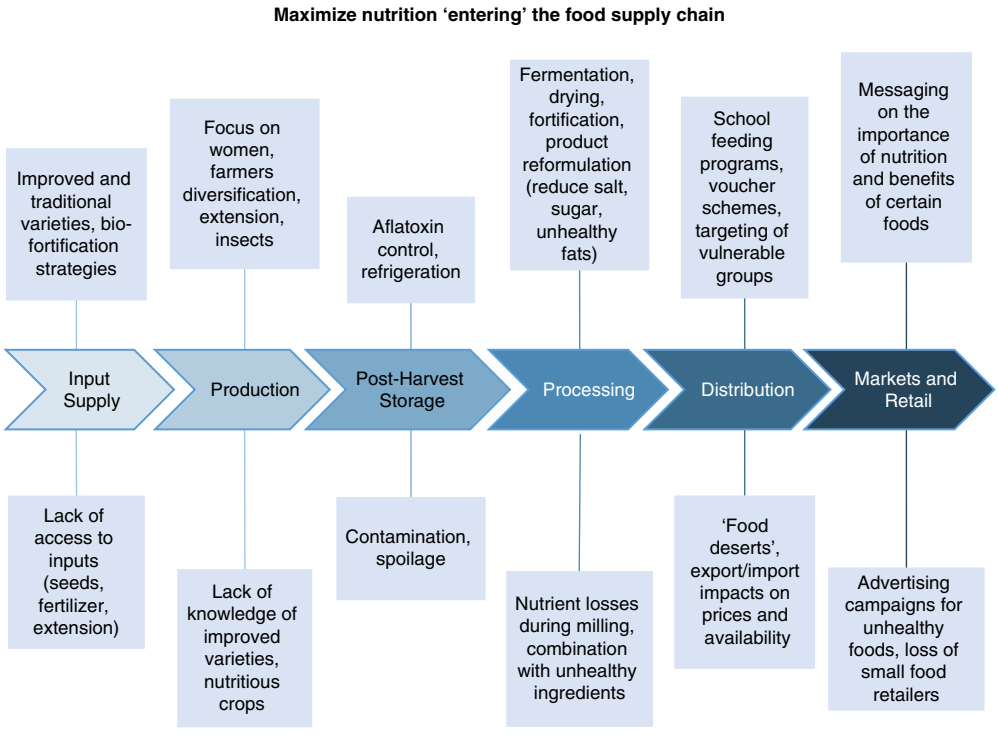

Fig. 11.2. Maximizing and minimizing nutrition entering and leaving the food supply chain. As food chains lengthen, the opportunities for nutrition to move in (and out) increase (Fanzo *et al*., 2017, adapted by HLPE, 2017).

Table 11.1. Areas in which governments and businesses could work together to create a greater demand for nutritious food.

The goal	Example of action	What businesses would do	What governments and civil society would do
Improve demand for nutritious foods	More effective public nutrition campaigns	Contribute in marketing techniques that appeal to aspiration, emotion, desire	Contribute to the development of messages, identifying what resonates with values and culture
Incentivize consumers to purchase more of certain foods and less of others	Taxes on foods that are best avoided Subsidies on foods that are the best nutrition choice	Work on reformulation of products ○ Less fat/salt/sugar ○ More fiber, micronutrients	Build pressure on governments to pass laws Organize consumers and investors to reward/ pressurize businesses

added sugar. The evidence also shows (Afshin *et al*., 2017) that reducing the price of healthy foods can increase their consumption. More can be done with sin taxes and virtue subsidies to change the price trajectories of different foods according to their nutritional contribution.

Improving the supply and affordability of nutritious foods

The second set of actions is around improving the supply and affordability of food (Table 11.2). This set includes efforts that aim to: (i) reach the

Table 11.2. Areas in which governments and businesses could work together to improve the supply of affordable nutritious food.

The goal	Example of action	What businesses would do	What governments and civil society would do
Reach entire population with better nutrient profile	Large-scale food fortification Support businesses that produce nutritious foods	Work with government to adopt and implement fortification Use the support to lower price, improve market penetration	Pass legislation to fortify staples Support the establishment of business enterprise funds
Improve the nutrition content of food products for specific populations	Development of low-cost nutrient-dense foods for specific food groups	Build demand for and lower the cost of (e.g.) home fortification for 6–24-month olds	Establish standards for the fortification, labeling and marketing of food products for specific populations
Reduce food loss in the food system	Strengthen cold chains: reach and cost	Develop new approaches and technology to reduce loss	Orientate new infrastructure investments in order to prevent nutrients from exiting the food value chain

entire population with a better nutrient profile; (ii) improve the nutrition content of food products for specific populations; and (iii) reduce food (nutrient) loss throughout the food value chain.

Large-scale food fortification of staple foods is an example of the first area, one with large benefit–cost ratios and proven impacts on nutrition status (Aaron *et al.*, 2017). Here millers or oil processors are required to add a micronutrient premix to their milled cereal or edible oils, often passing on minimal costs to consumers or having this cost subsidized by the government.

Another example is the provision of support to companies that want to expand their sales of nutritious foods. This support could take many forms, such as offering technical assistance on business plan development, the provision of small grants to overcome barriers to entry, and helping forge links to formal finance. Since 2013, for example, GAIN has been working with more than 500 small and medium-sized firms to get more servings of nutritious foods (such as beans, fish, peanuts and chicken) into markets in five countries in Africa and Asia, and to make those servings cheaper. Independent evaluations show some significant achievements. For example, one firm in Kenya has helped make tilapia fish affordable for 68% of the population (up from 49%) in the region where it is operating (Altai Consulting, 2017).

The support could also take inspiration from policy in other areas. For example, instead of export processing zones (whereby governments create favorable incentives for businesses producing goods for export in order to generate valuable foreign currency), policymakers could consider the creation of nutritious-food processing zones for businesses committed to producing these foods for domestic consumption at a certain price point. Here preferential rates on utilities and taxes could be offered.

The second area relates to improving the nutrition content of food products for specific populations. An example is the marketing and distribution of home fortification powders or sprinkles: how can these be made aspirational, safe, and affordable? Government promotion and quality standards are important to build demand and ensure the safe provision of home-based fortification solutions.

The third area relates to reducing food (nutrient) loss throughout the food value chain, primarily by introducing innovations for low-cost cold chains. Perishable food tends to be richer in micronutrients and fiber and also lower in added sugars, salt, and fat. Anything that can be done to reduce food losses during transport and storage is a big boost for preventing nutrients from leaving the food system. Simple technologies such as reusable plastic crates

instead of woven baskets are proven (WRI, 2013) and the use of more sophisticated technology such as solar panels and high-quality insulation can help lower the costs of these vital chains.

Creating an enabling environment for businesses to improve nutrition

The third set of actions is around creating an enabling environment for businesses to re-orient their actions towards improved nutrition outcomes (Table 11.3). How easy is it for businesses to do positive things for nutrition and how difficult is it for them to do irresponsible things such as marketing foods high in sugars, salts, and trans fats to children? Examples relating to the ease of doing positive things for nutrition include policies that reduce or exempt tariffs on imported micronutrient premixes to be added to staple foods, and policies that reduce or exempt tariffs on imported insulation materials for cold chains. Accountability metrics such as the Access to Nutrition Index (ATNI) published by the Access to Nutrition Foundation in Utretcht (ATNF, 2018), are ways of faming good behavior and shaming irresponsible behavior. This independent initiative evaluates the world's largest food and beverage manufacturers on their policies, practices, and performance in relation to undernutrition and obesity and publishes the results every 2–3 years.

Workplace programs that aim to create a more pro-nutrition environment for employees are another potential intervention area. Actions include providing maternity leave, breastfeeding facilities, canteen food that uses fortified ingredients, and food-choice messaging and behavior-change sessions. Ways of making nutritious choices easier at point-of-purchase include simple 5-star or traffic-light ratings on the front of packaging labels, and quality seals that are intended to impart a certain level of confidence in consumers as to the nutritional value of their purchase. Supermarket layout designs that preserve profits but improve the probability of customers selecting nutritious foods are also viable options (Demmler *et al.*, 2017).

What is Holding Back Effective Public–Private Engagement to Improve Nutrition?

If there are so many possibilities to incentivize businesses to do more to improve nutrition status, why then do we not see more public–private engagements for nutrition? Why are research programs

Table 11.3. Areas in which governments and businesses could work together to strengthen the enabling environment for businesses to improve nutrition outcomes.

The goal	Example of action	What businesses would do	What governments and civil society would do
Improve ability of private sector to do good for nutrition	Taxes and subsidies Trade and finance	Inform governments of where the bottlenecks are	Apply a food-based dietary guideline lens to fiscal policy
Make it harder for private sector to behave irresponsibly	Monitoring and accountability metrics	Make public commitments and report on them	Help influence and track business commitments and ensure they – and the reporting against them – are widely shared
Improve the nutrition environment at work	Workplace programs	Work with governments to establish workplace guidelines that support nutrition plans	Tax breaks to companies that have a government-approved workplace program
Improve the nutrition environment at point of acquisition	Labeling Quality seals Supermarket design choices	Lead the way, to get a competitive edge Work with government to ensure alignment with government priorities	Legislation or championing of nationwide voluntary codes on labeling

and peer-reviewed literature quiet on this topic? Why are there so few university courses on this subject? What is holding us back (Haddad, 2018)?

There are many reasons. First, there are few documented examples of the impact that public–private engagement has had on nutrition. A review by Hoddinott *et al.* (2016) stated that 'there are few independent, rigorous assessments of the impact of commercial sector engagement in nutrition'. This means that we have few examples to emulate or from which to learn. We need more impact evaluations on these kinds of collaborations. We also need more learning from other sectors where public–private engagement is routine, such as in health and infrastructure (see, for example, the World Bank's Knowledge Hub on public–private partnerships in infrastructure). A dedicated knowledge hub for public–private engagements in nutrition that is quality screened but which goes beyond peer-reviewed literature would be a valuable resource for all.

Second, trust is low between public and private actors in the nutrition space. Fear of the unknown is one factor. There are differences in culture, language, and networks between the public and private spheres in nutrition, but these are fairly superficial and can be easily overcome, given the opportunity.

A more serious reason for low levels of trust is industry conduct on the marketing of breastmilk substitutes. The International Code on the Marketing of Breastmilk Substitutes is a well defined code that governs the way in which milk products aimed at 6–23-month-old infants and young children are marketed. It is designed to protect the exclusive breastfeeding of infants from 0 to 6 months and to protect breastfeeding as a complement to the introduction of other foods in the age range of 6 months plus. Anything that discourages breastfeeding is a count against a child's early nutrition and Code violations are serious – for the child, for the mother, and for the company. Many large companies have been found to violate the Code (Save the Children, 2018).

Another source of distrust is the marketing and promotion of sugary drinks, especially to children. Throughout Latin America, Africa, and Asia during the past 15 years, the level of consumption of these drinks has skyrocketed. Their increased consumption is associated with rapid rises in obesity in children and adults (PAHO/WHO, 2015). These companies do not assume any responsibility for the extremely adverse public health environment they are creating. They have the potential to play a much more positive role in improving nutrition outcomes, but to craft those opportunities, stakeholders must engage with them.

These two hotspots have received a lot of attention, and rightly so. But the attention has also blinded us to the potential opportunities to improve nutrition in other domains of the public–private space. For example, mobile phone technology has the potential, under the right circumstances, to improve the reach of nutrition messaging to low-income families while increasing the highly prized traffic flow to mobile phone providers (Turner *et al.*, 2015; Barnett *et al.*, 2016). Marketing and advertising companies have the potential to create markets to provide services to the public sector to dramatically improve the 'stickiness' of mass-media public health sector messaging around nutrition. Cold chain and logistics companies could develop relatively low-cost technologies and practices using solar energy, repurposed storage containers, and low-cost insulating materials to reduce food losses during storage and distribution. Small and medium-sized businesses in horticulture and aquaculture could make their products more available, more affordable, and more profitable, if they had some technical assistance and a small-scale investment facility to support their ambition. Many of these opportunities will involve working with small, medium, and large national companies. The power imbalance between the multinationals and governments does not have to rear its head in every public–private engagement.

Third, the potential to do harm makes us rightly cautious, even when working with companies with good track records on nutrition. Few in the private sector are willing to advance public health outcomes if there is a significant commercial loss involved – that is not sustainable financially. But there are many in the private sector who are willing to work hard to adjust, adapt, and evolve to find overlaps between the two goals. They are the ones with whom partnering is ideal. The accountability measures highlighted above will help reduce the risk entailed with embarking on such a partnership.

Conflict of interest guidelines will help to uncover multiple aims and interests on all sides and to design governance arrangements that tell us when public health goals are in danger of being compromised for other goals.

Finally, there is a dearth of opportunities for public and private stakeholders to talk. Overcoming this hurdle is foundational to resolving many of the issues already mentioned. Talking is the way we get the measure of a potential partner. Do they share our values, aims, and ways of working? Will they act for nutrition when no one is looking? Failing to talk leads everyone into a low-level equilibrium where we do not build up an understanding of who is a potentially valuable partner, we do not build up trust, we do not work with potentially valuable partners, and we do not resolve any hard boundary issues that exist.

How do we break out of this dialogic impasse? There are a number of practical solutions. Conference organizers could incentivize panels at conferences or meetings to have a mix of public and private participants on them. Research funders could design nutrition research program calls that encourage public and private organizations to prepare joint proposals. Employers could launch staff exchanges between companies and public-sector organizations. Universities could offer short courses that bring together professionals from the public and private sectors to learn together from instructors who are also drawn from these two worlds. The possibilities to promote public–private dialogue for improving nutrition are endless. So too are the opportunities missed by failing to do so.

Conclusion

Poor diets are the main cause of ill health in the world and are at the heart of all forms of malnutrition. Food systems are key shapers of the choices consumers face and the choices they make. Governments set the rules around food systems, civil society shapes the norms, and businesses are the main investors within them. Hence food systems will not deliver more affordable nutritious food unless businesses are seen by governments as a part of the solution and not only as a part of the problem.

This chapter has outlined numerous ways in which businesses, working with governments and civil society, can improve nutrition. But they need to be incentivized to do so, as commercial imperatives will not always overlap well with public nutrition goals. This chapter has detailed the opportunities governments have on hand to deploy policy carrots as well as policy sticks to encourage businesses to do more good things for nutrition and fewer bad ones. Governments need to actively deploy these carrots and sticks. If they fail to do so, opportunities to advance nutrition will be missed and the most vulnerable will lose out.

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