



Beyond Food Charity

How can the food sector tackle household food insecurity?

Beyond Food Charity

How can the food sector help tackle household food insecurity?

Report of Business Forum, 21st May 2019

Introduction

Charitable food assistance – the provision of food to people in need by charities – has grown significantly in the UK in the last decade. Major food companies are involved in a range of types of charitable food assistance projects – from Kellogg’s providing cash to school breakfast clubs to major supermarkets donating food and money and much more.

However, the ethical implications of this corporate involvement have not often been tested. How can food companies balance short-term emergency support to people in need with a longer-term response? And can they play a genuine, lasting role in tackling household food insecurity without first ensuring their own employees are paid and treated well?

Despite some improvements with the introduction of the National Living Wage, low pay remains an issue in the sector. According to recent Food Foundation¹ research, 62% of employees in food retail, 83% of waiters and 36% in agriculture & fishing are paid below real living wage. Pay ratios in the sector are typically much greater than the 8:1 benchmark (between highest & lowest staff salary) considered good practice by the WageMark Foundation. Security of employment is also a challenge.

What is the reality of UK poverty?

Poverty can be defined as ‘when a person’s resources are not sufficient to meet their minimum needs as deemed reasonable by the standards of their society.’ Poverty is a reality for many in the UK. A poverty premium exists, whereby paradoxically the poor often have to pay more for certain things e.g. through having fixed prepayment energy meters.

Several poverty measures are in common usage, each capturing different aspects of people’s living standards. One measure is the officially compiled relative income poverty measure: how many households manage on less than 60% of contemporary median income, i.e. c. 14.3 million people (or 22%) in the UK, after housing costs. This proportion was c. 25% of the population in 1997, falling to just over 20% in 2004/2005 and remaining at 22-23% in recent years.

Amongst the other measures is the level of destitution, with Joseph Rowntree Foundation finding 1.5 million people (including 365,000 children) in the UK were, at some point in 2017, destitute. This is defined as lacking two or more of six essentials: food, shelter, heating, lighting, basic toiletries and clothing & footwear.

Poverty among families with children fell from around one-third in the late 1998s to its lowest level of 27% in 2011/12. This was driven by two major factors. Firstly, rises in employment and significant reductions in worklessness. Secondly, successive governments chose to increase support for these families through the benefit and tax credit system, arguably protecting them from the worst effects of the 2008/09 recession.

In-work poverty and the food sector

The number of workers in poverty in the UK is now c. four million, a rise of half a million people in the last five years, meaning that it is at its highest rate in twenty years. A working parent is more than one-and-a-half times more likely to be in poverty than a working non-parent. As support from tax credits has weakened, the growth of in-work poverty over the past five years has been almost entirely driven by the increase in the poverty of working parents. Couples with only one earner and couples with only part-time workers are at a higher risk of poverty.

In-work poverty is not confined to workers in traditionally low-paid occupations. However, three industry groups (out of 16 in total) contain two-fifths of the workers in poverty: wholesale and retail (18%); human health and social work (12%); and accommodation and food services (10%). The poverty rate is highest for those in accommodation and food services (25%); and agriculture, forestry and fishing (23%). Hence a significant minority of those working in food and farming sectors are at risk of in-work poverty.

There has been a rise in average earned incomes in recent years, including through the introduction of the national living wage. However, there has also been a decline in (in- and out-of-work) support for families with children, whilst many people have had to face higher housing costs and rising childcare costs.

“Food charity and redistribution are not going to solve homelessness and poverty”

The rise of food charity

‘Food charity’ can be defined as freely-provided available food for people that would not otherwise be able to access it. Charitable food assistance has grown

¹ The Broken Plate, <https://foodfoundation.org.uk/wp-content/uploads/2019/02/The-Broken-Plate.pdf>

extensively in the UK in the last decade. The provision of food parcels by the Trussell Trust, the UK's largest food bank charity, rose from 128,697 parcels in 2011-12 to 1,583,668 in 2018-19². There are reported to be at least 2,056 food banks across the UK – a mix of independent projects identified by the Independent Food Aid Network (IFAN) and those registered as part of the Trussell Trust³. There are lots of non-food bank food aid providers across the UK as well. The UK has witnessed a rise in wider charitable food provision e.g. a reported rise in breakfast club provision of 45% from 2008 to 2014 (APSE data cited in Kellogg's 2014).

Since 2017, the FSA has measured household food insecurity in its Food and You survey and reported that '13% lived in marginally food secure households and 8% lived in low or very low food secure households (food insecure)'⁴. UNICEF data found that 19% of UK children under 15 live with a respondent who is moderately or severely food insecure and 10.4% with someone who is severely food insecure, the highest proportion anywhere in Europe.

Many food companies sponsor food drives, donate money and food and provide mentoring to charities, while some are strong supporters of breakfast club initiatives. The main benefit of a food charity approach is that it is helping meet a current and acute need for a lot of people. A separate but related argument is that food can be used as a gateway to provide other important services. Addiction charities for example who are not getting addicts to come and use their services say that when food gets brought in, it creates a 'stickiness' that attracts people and encourages them to access the service.

However, food charity is surely not a long-term solution to poverty and should not be needed in the first place. It was argued that food charity is an unsustainable, inadequate and socially unacceptable response to household food insecurity. Why? It is because food charity tends not to be universal or guaranteed, can be inaccessible and unreliable (e.g. holiday club provision may only be for a couple of weeks in the summer holidays) and is unaccountable to those it serves, with recipients lacking rights or entitlements in these systems.

The oft-cited example of the perversities of the food charity approach is the claim that a proportion of food retailer employees are having to rely on food banks to which that retailer itself is donating lots of food.

Many food businesses are funding a charitable sector which is becoming normalised as a second-class distribution system for people who don't qualify to be full members of our society.

"If you're hungry, why should you have to survive off food that others would... reject?"

There is lots of important work being done around the edges of food aid provision, but they are nonetheless exclusionary spaces, using food from a secondary market. Separately, it was argued that the food redistribution model is also not a long-term solution to the waste built into the model.

The real living wage question

Employees should all be paid a fair wage, have appropriate benefits, be treated fairly, and have a say in how the organisation operates. A recent study in Oxford looked at the impact of the real living wage Oxford and found a clear link between paying the real living wage and improvements in household food security, employee wellbeing and productivity⁵. So, paying a real living wage can bring a variety of benefits.

What stops food and drink businesses paying the real living wage? Some pay on a par with it but choose not to officially adopt it. Reasons for this are varied. One representative said the Board felt it was too much of a risk to the business to in effect "hand control of the wage bill to a third party". Another said if their company switched to a real living wage, it may have to take away benefits it already offers, e.g. employees getting an hourly bonus if they meet mystery shopper criteria and free meals. It was suggested that in such a case most employees would end up worse off. Yet another said they had debated internally why they should pay employees a real living wage, knowing that suppliers themselves were not. Some will say these are excuses for inaction; others will argue they are legitimate business reasons.

Is the food sector a 'special case'?

Do food businesses have a particular role to play in tackling poverty compared to other businesses? There were different perspectives on this issue.

One line of argument is that food businesses *do* have a special role, not least because food is the most fundamental thing everyone needs. Given that in-work poverty particularly affects certain food sectors (e.g. foodservice and food retail), surely food businesses

²<https://www.trusselltrust.org/2019/04/25/record-1-6m-food-bank-parcels/>

³ <http://www.foodaidnetwork.org.uk/mapping>

⁴<https://www.food.gov.uk/sites/default/files/media/document/food-and-you-w4-exec-summary.pdf>

⁵<http://goodfoodoxford.org/wp-content/uploads/2019/04/Oxford-Living-Wage-full-report-GFO-2019.pdf>

have a particular responsibility to treat their employees better? It can not be right that employees of some major food businesses have to resort to food banks (or that there is a need for food aid provision in the UK at all). Shouldn't food businesses be pioneering an approach to tackling poverty by ensuring their own employees – and those in supply chains – are not themselves suffering from poverty?

The opposing line of argument is that food companies do *not* have any more moral responsibility to deal with poverty than any other sector. There is enough food in the world to go round. The issue is not really about *food per se*, it is about *equity of access*. It was argued that it is unhelpful to imply that poverty equates to food insecurity. The argument goes that if a family in poverty receives clothes, that may help alleviate poverty just as much as receiving food may help to ease poverty (albeit in the very short-term).

“All we do is try and fix the problem in front of our faces by giving surplus food to people who are hungry. The real measure of success is they don't get hungry in the first place. And that's no one industry's problem any more than another.”

Regardless of whether or not food companies should be treated as a 'special case', it was agreed that all businesses should be playing their part in alleviating poverty and in positively contributing to society.

Treating employees as human beings

There is a need for people to be much more aware of other people, including fellow employees. If someone is not eating, that should trigger alarm bells with colleagues. Employers should treat employees as human beings and support them appropriately.

Employees need to feel empowered to solve the problems they face. They need a space to shape society, giving them back their dignity – which extends beyond just having sufficient (healthy) food. If people are treated as citizens, not consumers, they tend to have a greater sense of responsibility and agency.

What people need to survive changes over time. If someone does not have a mobile phone and is not contactable, that may limit their ability to access a job. In an increasingly cashless society, if someone does not have a bank account, they may be at a disadvantage. With more companies providing only web-based services, the only way to be a citizen is by having access to the internet. Everyone should be able to participate fully in society. Currently not everyone can.

What can and should employers do?

There are many things employers can do to reduce the poverty risk. Some are relevant for all businesses; some are more to food businesses. These include:

- Pay the higher voluntary living Wage or above to all their staff (over a third of FTSE 100 companies are already doing so).
- Encourage governments to regularly review and update minimum wage levels, including national governments of countries they are sourcing ingredients or goods from.
- Design employee fringe benefit schemes to support low earners e.g. low-cost deposit schemes.
- Provide jobs which offer security in both hours and contract types to give households on low incomes the certainty of income needed for better wellbeing and reducing costs such as child-care. Job stability enables employees to plan both for the future and in the short term.
- Invest in continuous training for lower paid staff and design progression routes that part time workers especially can take advantage of. The lowest paid workers need employers to signal that they believe in and care about them.
- Provide independent employee support. An example was cited of one business that pays for an independent person to provide employee support. If an employee has a domestic issue (financial or illness-related or of whatever sort), employees can approach the appointed person at no cost. He or she then has the ability to provide loans and help get the employee back on track.
- Consider other forms of support. Examples included a business that provides a financial donations programme, offering financial grants to small, grass roots, homelessness charities; an employment initiative for ex-homeless and ex-offenders; and a partnership to offer deposit-free accommodation at affordable rents for ex-homeless employees (to bridge the gap between living in hostel and living in independent housing).
- Consider gender dimensions, as working with female employees could be a key child hunger initiative – hence consider childcare costs, security of contracts and more.
- Sensitively and respectfully ask if anyone in their workforce - and ideally their suppliers – has to face household food insecurity.
- Lobby government – individually or via trade associations - to provide a level playing field and a properly functioning safety net. Support demands from organisations arguing for welfare reform. Food companies can dispel the myth about food surplus being a solution to poverty.

Fundamental role of government

It was argued that much food insecurity in the UK is driven by welfare reform e.g. the 'five-week wait' and that these often create crises that drive people into using food banks. Upstream policy responses are needed from government to address underlying solutions, on cost of living, income levels and income security. The UK government has a chief coordinating role and should provide a properly functioning safety net. Governments should ensure national minimum wages are at a high enough level to ensure fair standard of living plus a responsibility to make sure e.g. that there is affordable housing. They should also hold businesses to account to offer decent jobs with decent pay and conditions. So, government has a fundamental role, but businesses have a vital part to play too.

Concluding comments

- There are c. 14 million living in poverty in the UK, with a significant proportion of those experiencing in-work poverty (particularly in food and farming).
- Solving poverty requires a collective effort. Governments have a fundamental role, but businesses (particularly food businesses?) do too.
- Food businesses should develop solution action plans. If food businesses are interacting with food charities, what else are they doing at the same time, to ensure they are not just dealing with symptoms of the problem? As part of that, food companies should work towards exit strategies for involvement with food charity. It may also be useful for food businesses to map out potential knock-on effects and unintended consequences from certain food charity interventions.
- There is an increasing gap between what ordinary people are paid and what their bosses are paid. Shouldn't more effort be put into tackling *inequality* rather than poverty (alone)...?

What next?

Some ethical questions to consider:

- How can food businesses avoid simply contributing to alleviating the symptoms of a problem they have powers to address at the root cause - through their role as employers and supply chain managers?
- Through high-profile corporate food drives and e.g. providing collection bins in supermarkets, to what extent are food companies normalising a charitable response to hunger, rather than being part of root cause solutions?

- With surplus food redistribution, how can food businesses avoid playing a part in conflating two distinct policy problems (food waste and hunger) which require distinct structural responses?
- What should companies do to ensure they do not encourage food charity dependency?

Food businesses should:

- **Say more** – speak out that food charity is not the answer and lobby to ensure government steps up to its own responsibilities, whilst ensuring you meet your own.
- **Share more** – share best practice in treating employees, suppliers and customers fairly wherever that exists.
- **Explain more** – be open about what you are doing and why, including on the real living wage. Encourage an open culture so others can support or constructively criticise.
- **Find out** whether any of your workforce is in household food insecurity. Ask whether anyone in your business or your supply chain is struggling to be able to afford to eat and eat well? If the answer is yes or you don't know, then you need to act.

Further resources

1. [Fabian Commission on Food and Poverty – the interim report \(A recipe for inequality\) and final report \(Hungry for Change\)](#)
2. [End Hunger UK – Resist the institutionalisation of food banks](#)
3. [Hungry Britain: the rise of food charity](#) – by Hannah Lambie-Mumford
4. [God's Lone Country](#) – video from RSA Food, Farming & Countryside Commission

Other relevant Business Forum reports:

5. [Below the breadline: Beyond reach? What should food businesses do to address food poverty?](#)
6. [The beginning of the end of cheap food? How should we prepare for food inflation and true cost food?](#)

This is a report of the Business Forum meeting on 21st May 2019. We are grateful to our speakers, **Frank Soodeen**, Deputy Director External Affairs, Joseph Rowntree Foundation; **Dr Hannah Lambie-Mumford**, author of 'Hungry Britain: the rise of food charity' and research fellow at SPERI, University of Sheffield; and Isabel Bradbury, UK Food Donations Coordinator at the Pret Foundation. **Geoff Tansey**, Curator of the Food Systems Academy, former Chair of the Fabian Commission on Food and Poverty and member of the Food Ethics Council, chaired the meeting. The views expressed in this report do not necessarily represent those of the Food Ethics Council, nor its members. For more information on the Business Forum, contact Dan Crossley dan@foodethicscouncil.org +44 (0) 333 012 4147.