



Eating at the limits: Barriers to the emergence of social enterprise initiatives in the Australian emergency food relief sector [☆]



Benjamin Wills

Australian Innovation Research Centre, Tasmanian School of Business and Economics, University of Tasmania, Research House, 1 College Rd, Sandy Bay, Tasmania 7005, Australia

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ABSTRACT

This article explores the absence of social enterprise responses to food insecurity in Australia. Continued growth in demand from chronically food insecure consumers and criticism of the dominant food bank model of gifted food support has led to the development of 'community supermarkets' that charge consumers for donated food in countries including Canada, the United Kingdom, France and Italy, but not in Australia. This research investigates barriers to the development of community supermarkets in Australia through in-depth interviews with senior staff within seven organizations involved in the food relief supply chain, as well as a pilot survey of 38 food insecure consumers. The results of this research are analyzed through the lens of 'voluntary failure' theory and highlight systemic barriers to the reach of social enterprise as a mechanism for addressing food insecurity.

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1. Introduction

The right of every person to access nutritious and culturally appropriate food in sufficient quantities is held to be universal (United Nations General Assembly, 1948). While most consumers in wealthy nations fulfil this need for themselves in the domain of the for-profit market, a growing number of citizens are unable to consistently obtain suitable and/or sufficient food supplies, such that they are considered to suffer from food insecurity, defined as an "income-related lack of access to nutritionally adequate and safe foods or the inability to obtain such foods in socially acceptable ways" (Anderson, 1990, p. 1560). The idea that growing levels of food insecurity might constitute a form of market failure is a relatively novel one, however, the possibility of increased public health expenditures and reduced labor productivity due to food insecurity, support such a claim (Rocha, 2007). In response to this need, countries such as Canada, the United Kingdom, France and Italy have seen, among other responses, the emergence of social enterprise ventures called community supermarkets that sell donated food in retail spaces mirroring those operated by for-profit businesses (Hustinx and De Waele, 2015; Paget, 2015). Despite popular and academic enthusiasm for social entrepreneurial responses to other forms of market failure (Santos, 2012), social enterprise community supermarkets have not emerged in

Australia, a wealthy country that also has growing levels of food insecurity.

The fact neither existing voluntary sector service providers or external social entrepreneurs have yet developed social enterprise community supermarkets in Australia, despite growing levels of chronic food insecurity (Foodbank, 2013), poses interesting questions about the transferability of social enterprise responses to food insecurity. We explore the absence of social enterprise community supermarkets in Australia via empirical research in the Australian food relief supply chain. Interviews were conducted with senior managers within seven organizations working at different levels within this chain, and a pilot survey of 38 food insecure consumers was also conducted. Data resulting from the in-depth interviews with organizational managers exposed existing practices and key barriers to change in the sector, while the consumer survey data yielded information about the extent of consumer satisfaction with the current service offering, as well as likely interest in a community supermarket model.

This research sheds light on constraining factors to the adoption of social enterprise community supermarkets in Australia. The primary barriers identified are the resource dependent power relationships between frontline charitable relief agencies and upstream food donors, and the state-based legislative framework in Australia that restricts protection from civil litigation in instances where donated food is sold to end consumers. The barriers identified are systemic in nature and have implications for the development of social enterprise responses to food security.

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E-mail address: bwills@utas.edu.au

2. Literature review

The worst effects of hunger and food deprivation undoubtedly fall on people living in the least developed and most impoverished nations of the world. According to the United Nations Food and Agriculture Organization (FAO) some 795 million people suffer from hunger and undernutrition around the world, the vast majority living in areas such as Sub-Saharan Africa and parts of Asia (FAO, 2015). The scale and severity of this need must not be underestimated, however, there is evidence to suggest that while food insecurity is declining at the global level (FAO, 2015), it is rising in a number of developed countries, spurred on by underemployment, wage stagnation and declining welfare payments in real terms in the post Global Financial Crisis (GFC) period (Roncarolo et al., 2016; Garthwaite et al., 2015; Foodbank, 2013).

Indeed, the prevalence of food insecurity in many developed countries is now significant; it afflicts 14.7% of the population of the United States (Coleman-Jensen et al., 2014), 8.6% of the population in Canada (Roncarolo et al., 2016), and 7.8% and 10% of the populations of United Kingdom (Garthwaite et al., 2015) and Australia (Foodbank, 2013) respectively. While the short and long term effects of food insecurity can be pronounced, including reduced long term health outcomes (Lim et al., 2012), many people who experience food insecurity never seek formalized food assistance. In Canada, Tarasuk et al. (2014) found that while 70% of people receiving government benefits are food insecure, only 20–30% of those people ever seek charitable food assistance. While this discrepancy would suggest that people only turn to charitable food assistance in times of absolute emergency, Paget (2015) claims that between 55 and 60% of those using food banks in the United Kingdom are in fact suffering from chronic ongoing food insecurity rather than an isolated emergency. The outright numbers of people accessing charitable food relief has also grown strongly in recent years, with annual increases in demand of around 10% year on year in Australia and Canada (Roncarolo et al., 2016; Garthwaite et al., 2015; Foodbank, 2013; Caraher et al., 2014).

The fact that a significant and growing proportion of the population in wealthy countries like Australia cannot afford to consistently obtain sufficient quantities of healthy and nutritious food is evidence of market failure. Market failure is defined as “a circumstance in which the pursuit of private interest does not lead to an efficient use of society’s resources or a fair distribution of society’s goods” (Rocha, 2007, p. 6). One “classic” form of market failure is the under provision of public goods (Isaac et al., 1985, p. 51). While food itself is a private good, “food security [...] is a public good [as] all individuals living in a food-secure society benefit from that condition” (Rocha, 2007, p. 16). That is, the benefits of food security are non-rivalrous and non-excludable. For example, widespread lack of access to these items causes a decline in public health, including more frequent and longer hospital stays and increased mortality, in turn driving increased public health spending and reduced labor productivity in society at large (Lim et al., 2012; Bloom and Canning, 2000).

While the role of government in providing public goods is relatively well accepted (Isaac et al., 1985; Rocha, 2007), the willingness of governments to provide some public goods directly has declined over a number of decades in an effort to reduce tax transfers and drive efficiency (Wolch, 1990). For example, governments in Australia, the United Kingdom and Canada, have chosen to address food security largely through support for not-for-profit, voluntary sector organizations. The voluntary sector responses most favored in this environment have been food banks (Booth and Whelan, 2014; Perry et al., 2014; Wakefield et al., 2013). Food banks function as intermediary organizations that collect donated food, often from large corporate donors such as nationally operating supermarket chains, food manufacturers and farmers, and

undertake the logistical task of making that food available to smaller frontline charitable relief agencies (CRAs). Frontline CRAs comprise a myriad of small to large not-for-profit organizations from churches to local community associations, that take receipt of food from food banks, and sometimes directly from donors, and make it available to end consumers, often through a facility known as a ‘food pantry’, essentially a room stocked with food items that people can take for free (McIntyre et al., 2015).

Despite this system of food relief becoming the dominant approach in many countries, the adequacy of governmental support for food banks and frontline CRAs is highly variable, including within individual countries (Booth and Whelan, 2014). Furthermore, even when governments do provide financial support to food banks the adequacy and appropriateness of this response to the problem of food insecurity has been criticized, with “academics, policy commentators, and food bank volunteers alike [pointing] to the existence of food banks as an indicator of the state’s failure to implement and support social policies that are meant to ensure a minimum standard of living” (McIntyre et al., 2015, p. 3). That is, growing demand for charitable food relief evidences not only market failure but also a government failure, in terms of ensuring that people can access food in a dignified manner, such as having sufficient income to exercise self-determination in the market (Poppendieck, 1998).

In some countries such as the United States, which has a comparatively minimal social security safety net payment system, governments may directly provide food support via programs such as the United States Supplemental Nutrition Assistance Program (formerly referred to as the Federal Food Stamp Program), which does enable longer term use by some vulnerable groups such as young people and the elderly (Kaiser and Cafer, 2017). However, this model of support is not available in Australia, and outside of the payment of modest yet strictly controlled social security payments, support for third party not-for-profit food banks has become the dominant means by which governments seek to address food insecurity. Unlike the food stamp program however, “the food bank model is designed to be an emergency intervention” (Lambie-Mumford, 2013, p. 74) and government funding for these initiatives is not targeted to address ongoing chronic need. As a result, frontline CRAs operating food banks often limit the number of times that a person can access their service, increasing the likelihood that food insecure people may be turned away. A survey by Foodbank Australia, the national body representing state-based food bank organizations, suggests that people suffering from chronic food insecurity may find it difficult to acquire food, as 35% of frontline CRAs in Australia are unable to meet demand due to a lack of funding (Foodbank, 2013).

This mismatch between the growing number of individuals who experience ongoing food insecurity and the dominant model of voluntary sector food relief that focuses on short term emergency relief suggests a significant need may be unmet, and may therefore evidence what Salamon (1987) refers to as ‘voluntary failure’. According to the theory of voluntary failure, while voluntary sector organizations play an important role in the economy as nimble and generally low cost providers of public goods, they are vulnerable to a range of specific problems that limit this capacity. Specifically, the voluntary sector may fail to deliver public goods for four key reasons. Firstly, not-for-profit organizations may simply not have enough resources to meet demand, suffering from what Salamon refers to a philanthropic insufficiency. Secondly, voluntary sector organizations may display philanthropic particularism, which is the tendency of voluntary organizations and those who donate to them to focus on the betterment of specific subgroups in society. This is particularly problematic given that Salamon (1987, p. 40) states that the “not-for-profit sector has long had a tendency to treat the more ‘deserving’ of the poor, leaving the more difficult

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