

# Blissful Ignorance? Risk management and knowledge of food supply chains

**Jeremy Brice** considers whether management of risk through strategic ignorance is past its sell-by-date

In November 2013 the Food Standards Agency and the Economic and Social Research Council announced a £1.87 million research programme focusing on food safety, food fraud and consumer trust within the UK agri-food system. Operating under the auspices of the UK Global Food Security Programme, this initiative called Understanding the Challenges of the Food System, would explore public perceptions of food supply chains and analyse the resilience, integrity and security of those supply chains. These had, the programme's funders explained, become issues of major public concern and urgent policy relevance following the discovery earlier that year that processed meat products ranging from burgers to lasagne and meatballs had been adulterated with horsemeat.

Academics and food regulators were not alone in experiencing pressure to deliver improved knowledge of food supply chains in the aftermath of the events that became known colloquially as 'Horsegate'. As Peter Jackson has observed, Horsegate tended to be characterized within prevailing narratives as a product of systemic deficiencies in the governance and control of international food supply chains, rather than as the result of malpractice within individual food businesses, or of shortcomings in national regulatory regimes. For instance, the Elliott Review (2013: 18) into the Integrity and Assurance of Food Supply Networks – the most totemic of the official inquiries sparked by Horsegate – suggested that much of the UK food industry's vulnerability to fraud stemmed from the complexity of its supply chains and commented that:

'The first part of risk management is to know who you are doing business with. The food industry could do well to ... improve the knowledge and grip on all parts of the supply chain. ... Understanding your supply chain, and how it works, must be much more than maintaining an appropriate paper trail.'

By this account, Horsegate was a pathology of opaque and convoluted global supply chains which extended far beyond the regulatory reach of any single enterprise or nation state and included numerous layers of murky and unaccountable intermediaries. As such, it appeared that more detailed knowledge of long and complex food supply chains would be required if the risk of food fraud was to be controlled and future adulteration scandals averted.

As a researcher attached to a project funded under the Understanding the Challenges of the Food System programme, I have been an attentive observer of post-Horsegate efforts to achieve an improved

knowledge of the workings of food supply chains and to understand their attendant risks. The project on which I worked – 'Making provisions: anticipating food emergencies and assembling the food system' – examined how actors involved in the production, processing, retail and governance of food go about anticipating potential emergencies and crises before they occur, and how they develop plans to prevent, pre-empt or manage such events. Over the past two years, my colleagues and I have closely followed the rapid proliferation of technologies and services (including specialist audits, brand protection services and supply chain mapping techniques) designed to help food businesses to identify and control potential risks within their supply chains.

We found ample evidence of interest in these services within food businesses. Supply chain managers

and technical staff spoke eagerly of mapping supply chains spanning continents and embracing hundreds of companies, and of utilizing supply chain data to developing new risk analysis techniques. Yet in practice many food businesses' knowledge of and influence over their supply chains extended only as far as the companies from which they bought their products or ingredients. While these immediate suppliers were typically subjected to



painstaking programmes of audit and analytical testing, few food businesses considered themselves responsible for ensuring that risks were managed and compliance was maintained throughout their extended supply chains. Monitoring the companies supplying their suppliers – and the suppliers serving those companies in turn – was, we were told repeatedly, 'the supplier's due diligence'.

The relative inattention of many food businesses to their wider food supply chains appears to be a (possibly unintended) effect of the manner in which criminal penalties for breaches of food law are currently apportioned within the UK regulatory regime. Under due diligence provisions within British food legislation, persons and organizations cannot be held liable for food safety or authenticity offences committed by their associates if they can prove that they took all reason-

able precautions to prevent such an incident from occurring. As a result, a food business's liability for cases of contamination, fraud or food-borne disease often hinges on the question of whether it could reasonably have foreseen that the actions of companies within its supply chains might result in a breach of food law. A food business which had access to, or was in a position to obtain, information indicating that such a breach was likely

to occur within its supply chain would find itself exposed to costly and reputationally damaging litigation. Meanwhile, one which could not reasonably have been expected to obtain such information would not be held legally to be responsible.

This means that investing in identifying the companies which make up their extended supply chains, or in gathering information about the emerging risks and threats to which those companies might be exposed, may not always be in food businesses' best interests. While possession of this information might indeed help a business to prevent breaches of food law and thus avert potential crises, it might also be taken as evidence that its staff could have foreseen offences committed by companies within their supply chains. In short, food businesses are presently caught between a hope that improved knowledge of their supply chains might help them to better manage the risk of food scares and scandals, and an awareness that possession of such knowledge could place them at risk of prosecution for offences that they did not commit.

Caught in this double bind, many British food businesses appear to be

managing their own exposure to supply chain risk through what Linsey McGoeey might term a policy of 'strategic ignorance'. For McGoeey (2012: 559), strategic ignorance is a name for practices which ensure that: 'unsettling knowledge is thwarted from emerging in the first place, making it difficult to hold individuals legally liable for knowledge they can claim to have never possessed'. In this case, food businesses limit their liability for breaches of food law through ensuring that their knowledge of their extended supply chain remains sufficiently limited that they may plausibly claim that they could not reasonably have foreseen any incidents which might occur within it. Many such businesses appear to have concluded that this can best be achieved by working hard to demonstrate that their immediate suppliers are responsible companies which can reasonably be trusted to ensure that compliance is maintained among the businesses which make up their extended supply chain.

This cultivation of a strategic ignorance of the threats and vulnerabilities which may exist within extended supply chains arguably plays as crucial a role in the risk management strategies of many food businesses as does the production of knowledge about those supply chains. Yet many participants in the Making Provisions project also felt that this ability to maintain a strategic ignorance of their supply chains might itself be increasingly a risk. In the aftermath of the Horsegate scandal key food industry assurance schemes such as the British Retail Consortium's Global Standard for Food Safety were overhauled, and now place greater emphasis on the traceability of food-stuffs and on the assessment and management of food fraud risk at all levels of the supply chain. Meanwhile the Modern Slavery Act, passed in 2015, obliged businesses with an annual turnover of more than £36 million to publish an annual statement detailing

what steps they have taken to ensure that all parts of their supply chain are free of human trafficking, slavery, servitude and forced labour.

Such developments suggest that both legislation and private sector regulatory arrangements may be moving gradually towards a position that ignorance of lapses with one's extended supply chain is no defence – a trend which raises questions for academics and risk management practitioners alike. Even if risk management approaches which mobilize a strategic ignorance of supply chains remain legal, are they still acceptable either to food regulators or to the general public? What might be the impact upon the food industry of any potential move towards a regulatory model premised upon a complete knowledge of, and tighter control over, food supply chains which are global in scale and enormous in scope? And if the management of risk through strategic ignorance is to become a thing of the past, then just how is risk to be regulated and governed within the food supply chains of the future? Perhaps those currently grappling with such questions might be forgiven for concluding that ignorance was indeed bliss.

## References

Elliott Review. (2013) 'Elliott Review into the integrity and assurance of food supply networks – interim report.' London: HM Government.

Jackson, P. (2015) *Anxious Appetites: food and consumer culture*. London: Bloomsbury Academic.

McGoey, L. (2012) 'The logic of strategic ignorance'. *British Journal of Sociology* 63(3): 553–76.

**Jeremy Brice** joined **carr** as a Research Officer in October 2016. He was formerly a postdoctoral Research Associate at Newcastle University, where he worked with Dr Andrew Donaldson and Dr Jane Midgley as part of the Making Provisions research team.