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Reformation of voluntary food recall system from the angle of the theory of risk society

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Abstract

The vitality of the theory of risk society has been manifested from its own confirmation and application in reality. At the same request of precautionary of system, the theory of risk society could be guidance to voluntary food recall system exactly. Operational defects do exist in our current voluntary food recall system apparently. On the basis of theoretical research on the actual state of voluntary food recall system, combining with the theory of risk society, principles of economics and legal theory, and studying on the systems of other countries that advanced in voluntary food system, we should reform the present system by establishing voluntary recall system which is turned into the operation system of food enterprises as an integrated component.

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Key words: risk society; food recall; internalized system

1. Introduction

In the context of severe food problems today, seeking for a rational method to deal with seems to be the most imperative. This article believes that the “well known” voluntary food recall system is an effective prescription. But concerning about that the current voluntary food recall system does not display its proper function in the reality, and regarding the majority of existing studies that on the dilemma focus on the system merely, this paper tries to be along with the pathway of Risk Society Theory. In order to attempt to identify the crux but skim the surface of complex causes, this paper analyzes the current voluntary food recall system and the environment of system and points the causes that lack the mechanism of precautionary and risk-communication out. Depending on the above analysis, this paper, on the one hand, emphasizes to reform traditional philosophy by stressing that the system should be internalized with prevents; at the level of content, this paper emphasizes the three essential parts of voluntary recall system that include the information mechanism, the reversion physical distribution mechanism and the post-processing mechanism, and puts forward the concrete consummation proposal on the existing flaw furthermore.

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2. Relationship of the theory of risk society and voluntary food recall system

2.1 A snapshot of recall system

Historically, subject to the continuous auto accidents owing to the manufacturing defects of Cadillac and GM during 1959 and 1960, the recall system was formulated in the National Highway Traffic Safety Act formally (Mashaw and Harfst, 1990). It requires that vehicle manufacturers should report information related to recall, should report to the National Highway & Transportation Safety Administration (NHTSA) when it conducts a safety recall, should maintain the defects free of charge also. The recall system was then applied with great success to other fields, such as: food, drugs, medical appliances and cosmetics.

Defective Automobile Products Recall Regulation was considered to be the first recall system in china. Afterwards, the recall system was adopted in the regulations of children toys, drugs, food and medical appliances etc. According to the contents of Food Safety Law and Provisions on Administration of Food Recall, the food recall system could be characterized as the one which required that once defects existing in the same batch of foods are detected and justified as operational fault of food business itself, food business should stop the distribution and sale of the affected product as soon as possible, inform the government authorities and the public of the problem, determine the method of food product disposal such as destruction and further processing to ensure the safety and suitability of food product, and keep in conjunction with relevant authorities during the whole course.

The food recall system could be differentiated into voluntary recall system and mandatory recall system according to the different sponsor. Food recall is generally be triggered by food business voluntary, relevant authorities only mandate a recall when food business refuse to or inappropriately, then food business shall start recall to avoid regulatory pressure, however food business always be the recall performer whether to be compelled, Consequently, how food business to perform recall comes to be the core of food recall system.

2.2 Application of the theory of risk society

From the angle of the theory of risk society, we realize that traditional methods show it is helpless when faced to most issues in modern society, otherwise, new methods confused us because lots of “uncertainty”. As the character of uncertainty, modern society is risk society definitely. In this society full of risk, the public believes that risks are hidden in all “expert product”, such as the novel GMT food, the paradoxical viewpoints between different experts and the variable maximum residue limits (Beck, 1986). On the other hand, experts hold more positive attitude towards risks. Depending on the massive knowledge on science and technology, they strive to investigate, evaluate, predict, manage and control the risk. Owing to the discrepancy ideology between experts and the public, risks represent more likely a Pandora box, the trend of risks seems to be more blurred. Actually, the gap is not too wide to go beyond, the crux of the problem is that expert who possess the risk information can’t communicate with the public who lack of information timely, exactly and reasonably, in another words, it’s information asymmetry.

The character of risk society is reflected in our food industry apparently during recent years, for instance, “Sudan red contamination event” and “San Lu milk powder scandal”. After the frequent collisions, we might find ways out of these risks by the theory of risk society, especially the “uncertainty” and risk communication. Concerned with the food recall system which is characterized as “precautionary system” meets the “uncertainty” nicely, we should then analysis the one which is the best in risk communication. Compared with consumers and relevant authorities, food business which possess complete food risk information and as the center stage of entire food chain is the right one without doubt. Consequently, voluntary food recall system could be the effective one to deal with these risks.

3. Problems of our current voluntary recall system

Recognition of voluntary recall system as the best food safety system available has increased with legislator. Nevertheless, problems, such as the majority of consumer still unfamiliar with it, large segments of food business shun it and food emergencies occur year after year, do exist. We should call for more research on this issue, so as to take the most advantage of voluntary food recall system as it ought to be.

3.1 Mistrustful consumer

The attitude of consumer, especially bias, distortion and incomplete recognition, influences the “voluntary system in practice”. According to a new investigation questionnaire, 51.4% respondents have inadequate cognition of voluntary food recall system, they are confused by withdraw, destruction, life-threatening and recall. 45.6% respondents also view recall activities as a disaster to food business, as opposed to 32.5% booster. Under the circumstances, voluntary recall system hang-out. It could be demonstrated by the words from the former chairman of San Lu Group in the trail, as she said that Fonterra Co-operative has demanded San Lu Group to start a recall, but subjected to adverse reaction from consumers, recall was replaced by changing back eventually.

3.2 Complex administration

Another handicap in the implementation of voluntary food recall system is the multitudinous but disordered administration that be charged of food issues. Firstly, concerned with different benefits of different administration, the limits of authority appears to be indistinct, hence power vacuum or power battle turns up occasionally. Secondly, so many administrations could hardly coordinate with each other effectively when confronted with the same problem. Thirdly, Miscellaneous but contradictory standards or orders are caused by multitudinous administration. The food business has to face to a serious dilemma caused by these administrations. Fourthly, the model of current separate supervision could hardly be workable in essence. Food recall system is an integrated system which requires holistic thought to gasp any mishap inherent in any section of the overall system.

3.3 Food business's problem

From the angle of economic theory, rational person has to take opportunity cost into account when making a choice, rational person also think about marginal cost (Mankiw, 2006). There is no doubt that food business is a rational person who insists on the idea of maximize profits and cost minimization. On account of the modern character of food is risk invisible, food risk information comes to be a parameter which a guide to business behavior gradually. Since lack of profit incentive, food business perceives voluntary recall system as a costly system but a reasonable system (Neal D and Fortin, 2003). Furthermore, recall activities contain economic risks, such as high recall costs, legal costs, damage of brand, fall of expect profit, weaken of autonomy in management and even bankruptcy, food business hesitate to start a food recall voluntary.

3.4 Legal defects

After analysis of the existing legal rules, legal defects are reflected in these aspects: Firstly, the concept of recall was merely defined as an activity but an integrated system, and it was set in the stage after risk evaluation. Nevertheless, the stage of start recall hardly could be separated from the stage of risk evaluation, as the latter is determinant of the former. Secondly, the final decision-making power was distributed to administration, however, the limits of power are vague and regulation failure is normal. Thirdly, the legal rules related to voluntary recall is inconsistent and the contents of rules overlapped with each other or even conflicted with each other, take the question of who charge of food recall activity for example, there are Quality and Technical Supervision Administration and administration of public health. Thirdly, it's too rough to implement by food business.

4. Recommends for a more effective voluntary food recall system

4.1 Philosophy of voluntary recall system

4.1.1 Internality principle

The concept of internality could be interpreted into three implicit meanings, as autonomy of food business, systematical devising and keeping documentation. Specifically, food business should formulate voluntary food recall system on the premise of taking full account of business under internal and external circumstances. Since comprehensive ponder on business is advantageous in cost-benefit analysis of business, food business could form and implement a rational and effective recall system. Otherwise, food business should make a recall plan which is the written document a business produces which details the recall system. Written documents of recall had been provided in the requirements of Food Safety Law and Defective Product Recall Regulation.

4.1.2 Precautionary principle

Subject to the traditional recognition of recall that merely as an activity and be separated from the stage of evaluation, the voluntary food recall system could hardly be taken full advantage, we should increase the scope and depth of recall system with an application of precautionary principle. First of all, We should recall independently from the traditional start link, before pushing, to the collection of information and the flaw appraisal link, and will recall the nimble penetration independently in daily stratification planes and so on food business's operation, social risks communication. Moreover, possibly appears in view of the administration Supervisory department recklessly, recalls system's formation to be possible independently to a certain extent, complete the preventive protection to food business reasonable benefit. Take article 22 of Defective Product Recall Regulation for example , the Administrative department may choose a “ more effective” plan to replace food business’s decision with statutory discretion. In view of this problem, food business could formulate “memorandum of stakeholders” to clarify responsibilities in advance.

4.2 Key elements of voluntary recall system

4.2.1 Specialized agency to manage recall activity

With the application of precautionary philosophy, we could learn reasonable provision that to set up a specialized agency to take charge of recall affairs from Australia and New Zealand Food Standards (FSANZ, 2008). The agency should take favors recalls embarks on the goal in routine, the affairs include: Collect the production, sales, the service information that involved recall; analysis implicit threaten that might render recall; formulate food recall system which conforms to food business own situation, and process the system by modifying and mocking recall practice. Besides, the agency should communicate with all stakeholders, such as partners, administrations and consumers when confront with food issues, and conducting propaganda of recall system to diminish bias or incompletely understanding from consumers, as a result to make perfect use of recall system to reduce risks in reality.

4.2.2 Necessary parts of recall procedure should be improved

Generally speaking, the procedure of voluntary recall contains: food defects identifying and assessing, recall initiating, detoxification processing and recall evaluating. Because between these stages has the overlap content mutually, and causes the actual operation to lack the concentricity, therefore, the author believed that must take concentrate the same nature content as the master line, consummates the following three link's system consummation emphatically:

The information mechanism is the heart of recall system and the key to give rise to the interaction of other sections. Firstly, the traceability system should be established, the information including not only the business interior information, for instance, the information about production processed food in quantity quality and technical aspects, enterprise's management information; but also the business exterior information, such as, the information of entire food chain, the information of legal rules and the information of the advanced recall experiences in overseas. The specialized agency should concern about business own situation and conduct the analytical study to the above information. After analysis relevant information, the agency should communicate with the consumer, supply and sales business and the administration Department that responsible for recall activity, carry on the communication and the feedback by the written form may as well, and may synthesizes forms as “the enterprise - consumer opinion appendix”, “the enterprise - supply and sales business opinion appendix” and “the enterprise - Supervisory department opinion appendix” and any other communication mechanism.

Reverse logistics. The reverse logistics is urgent after the business starts recall. The majority recalled foods are given rise to design defects, so might only be returned to the business to make detoxification processing. The smooth reversion physical distribution should be based on the supply and sales chain link's complete information, but the reversion physical distribution itself has some new problems, for example, because of the raid, the identical type's reason, the reverse logistics are not only the simple transportation, but needs to provide the recycling food sort technology. If it does not have the strict advanced physical distribution operation, the product physical recovery, the technology of accurate inventory and sorting, the work of information input and nucleus coordinated are impossible to complete. Even if the advanced information system has been established, following tasks could hardly be achieved. Therefore, to select effective reverse logistics cooperation should be set to be the fundamental work of voluntary recall system (Tang, 2004).

On account of the post-processing is at high cost and the recalled foods had to be destruction when recall is emergency, food business had to shrinks back at the sight. But we should realize that in addition of formulate recall system with sufficient time beforehand, food business could analysis and select rational method of post-processing by collecting, analyzing information which produces based on food flaw, rests on different situations and so on flaw reason, sales scope, physical distribution, the choice corresponding appropriate processing method, simultaneously and feeds back gives the information link. Because post-processing might need high science and technology, it's necessary to appeal to the government related department which gather assistance and support together. In addition, the post-processing needs the food business to bear the massive expenses indeed, it also needs to the help of insurance agency, as a risk allocation mechanism.

What is more, the system should also include training and mock practice, so as to assure voluntary recall system completely, identify mishaps in the system and revise the system gradually. After all, system could play role only when practices be inserted into the system.