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COMMENTARY August 5, 2008

# The Food Crisis and Global Institutions\*

By Alexandra Spieldoch

The food crisis reflects a breakdown in our global food system that threatens to worsen poverty, hunger, climate change, and insecurity. Global institutions and governments are responding, yet their answers are vastly inadequate. For decades, trade and investment liberalization have undermined human rights and the environment. The food crisis should help us to understand that now it is time for a new vision of global cooperation, one that is democratic and accountable to people and the planet.



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### **Doha's Collapse**

In July, World Trade Organization Director-General Pascal Lamy organized a mini-Ministerial to complete the Doha Development Round, and couched it as a necessary means to address the food crisis. Not surprisingly, negotiations collapsed over ongoing disagreements about whether WTO members have the right to protect their food security and "livelihoods" (jobs) from import surges. The failed talks signal a growing understanding that trade liberalization has destabilized local food systems and hurt farmers, contributing to both the long-term and short-causes of today's food crisis. This marks a shift from the earlier globalization debates and deserves our attention.

On the other hand, we can't forget that governments are still working behind the scenes to complete the Doha Round. Likewise, they are negotiating free trade agreements at the regional and bilateral levels that go even further than the WTO and could very well worsen the food crisis. Even though the Doha collapse is a signal that the tide is changing, governments haven't yet fully shifted course.

### **The G8, the World Bank, and the UN**

In July, the Group of 8 (G8) released a statement on global food security in July, calling for reinvestment in the agricultural sector. Proposed measures include doubling aid for key food staples in Africa over the next five to ten years, improving infrastructure (roads, irrigation, storage, and distribution), rapid financing to address balance-of-payment difficulties, sustainable food security and biofuels policies, and support for country-led strategies to address climate change. Unfortunately, the G8's credibility is low because they still haven't met their 2005 aid commitments, and these summits aren't binding in any way.

The World Bank's New Deal on Global Food Policy calls for building a safety net and increasing loans for agricultural production and trade liberalization. Unfortunately, the

World Bank's investment agenda is largely defined by partnerships with international corporations to expand trade flows rather than to support farmers and promote food sovereignty. In this context, agribusiness groups who control the export markets will gain the most.

In June, the United Nations launched the Interagency Task Force on the Global Food Crisis and released a draft comprehensive framework for action. This task force comprises the UN agencies (including IFAD, WFP, UNCTAD and WHO), the Bretton Woods Institutions, and the WTO. Civil society is pointedly not invited to participate. Its draft comprehensive framework for action rightly recommends immediate steps to provide emergency food assistance, to boost smallholder production, and to adjust trade and taxation rules in support of national priorities. In the longer term, the document recommends measures to ensure sustained growth in food availability through smallholder production, increased social protection systems, strengthened food security management systems, improved international food markets, and an international consensus on sustainable biofuels.

However, the task force defines "boosting smallholder production" as including World Bank loans for public-private partnerships that pave the way for a more prominent role for agribusiness. The draft framework highlights a stronger role for the Bank and the WTO to help countries boost trade rather than to determine what kind of trade is needed.

The fact that the international financial institutions and wealthier nations recognize the weight of the crisis and have called for urgent responses is a positive sign, yet their various promises are largely rhetorical, thus detracting from the possibility for urgent actions. The institutions are still focused on investment and growth in agriculture based on privatization schemes, deregulation, and trade facilitation. This is exactly the approach that has contributed to many of the problems we are seeing today in the food system; it's likely that this approach will worsen rather than ease the crisis.

## **A Multilateral Alternative**

Perhaps a more promising set of recommendations comes out of the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), which 58 governments approved in Johannesburg, South Africa in April. This report is the result of a six-year process that involved over 400 authors.

The report is groundbreaking, both in its process and its content. The major donors for the report were the European Union member states, the Commission and the United States. The process gave governments, major research institutions, industry, and civil society equal responsibility in the drafting. The IAASTD drafting was led by the World Bank and included the UN agencies such as UNDP, FAO, UNESCO, and the WHO. It also included scientific experts, researchers and development specialists. The United States, Australia, and Canada were the three countries that expressed reservations with the final executive summary of the report, indicating concerns with some of the specific data as well as the substance. However, they commented on the report and formally recognized its contribution to the global debate. It should be noted that Brazil, China, and India, three countries that are leading much of the growth from the Global South, approved this collective critique that includes recommendations for a radical shift in agricultural policies.

The introduction of the executive summary states that the IAASTD is an "initiative that all governments need to take forward to ensure that agricultural knowledge, science and technology fulfils its potential to meet the development and sustainability goals of the reduction of hunger and poverty, the improvement of rural livelihoods and human health, and facilitating equitable, socially, environmentally and economically sustainable development." The report highlights four issues:

1. The need to redirect agricultural science and technology to support small scale farmers in developing countries and to counter global warming;
2. The need to promote innovation, including local knowledge, within farm communities;
3. The need for massive investment in agriculture, both in physical infrastructure such as irrigation and roads) and non-physical, so-called "soft" infrastructure, such as access to markets and credit provision; and
4. The need for immediate attention to the growing involvement of women in agriculture in many developing countries.

Many civil society groups, while recognizing that this multi-stakeholder report isn't perfect, have supported its call for a radical change.

### **Restructuring the Global Food System**

If we are thinking big, we should be envisioning a new structure for the global institutions via the creation of a Global Food Convention, which would be housed at the UN and implemented by an International Commission, working with different stakeholders including civil society and small-scale farmers. The Global Food Convention would serve as a legal framework to address food sovereignty and the agricultural dimension of climate change, including binding commitments to be implemented at all levels. Governments would have sovereignty to define their own food and agricultural policies, but would also be held accountable to international human rights, including the Right to Food, and the environment.

A Global Food Convention would prioritize stabilizing international supply and mandate strategic grain reserves for food security at the local, regional and international levels. An agreed-upon mechanism would also need to be put into place to ban commodity speculation and to guarantee a fair price for farmers. A Global Food Convention would mandate that trade and investment rules allow for national policy space (flexibility) for countries to protect their local food systems and to invest in small-scale agriculture. It would also establish multi-stakeholder participation, including that of farmers, to develop multilateral and national investment programs that promote rather than undermine small-scale farming. Lastly, a Global Food Convention would bind international economic policies to international human rights and environmental norms, including the right to eat.

Realizing this kind of vision is no small task, but in the midst of the global food crisis, there is every reason to try. The burning question now is whether there is political will to do so. It's time to find out.

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\* This article originally appeared in *Foreign Policy In Focus* on August 5, 2008. [www.fpif.org](http://www.fpif.org)