Food fight at the WTO: de Schutter v Lamy on whether trade leads to food security

The WTO ministerial (there was a ministerial?) was predictably forgettable, apart from the accession of Russia (the last major economy still to sign up) and a pretty outspoken attack on WTO boss Pascal Lamy (right) by UN Food Security czar Olivier de Schutter (below), who accused Lamy of ‘defending an outdated vision of food security’.

‘We must ensure that the debate starts from the correct premise. This premise must acknowledge the dangers for poor countries in relying excessively on trade. We must also assess the compatibility of WTO disciplines and the Doha agenda with the food security agenda. Without such a fundamental reassessment, we will remain wedded to food systems where the most efficient producers with the biggest economies of scale are relied upon to feed food-deficit regions, and where the divide only gets bigger.

This may look like food security on paper, but it is an approach that has failed spectacularly. The reality on the ground is that vulnerable populations are consigned to endemic hunger and poverty.

The food bills of the Least Developed Countries (LDCs) increased five- or six-fold between 1992 and 2008. Imports now account for around 25 per cent of their current food consumption. These countries are caught in a vicious cycle. The more they are told to rely on trade, the less they invest in domestic agriculture. And the less they support their own farmers, the more they have to rely on trade.
By promoting this trade-centric approach, we miss the simplest of win-wins. If we were to support developing world small-holders, who are often the poorest groups, we could enable them to move out of poverty, and enable local food production to meet local needs. In this context, trade would complement local production, not justify its abandonment. The urban poor would have access to fresh and nutritious foods, and the gap between the farmgate price and the retail price would narrow. This however requires policy space to limit price volatility at domestic level: it is this policy space that the WTO rules are reducing.

The policies currently shaped by the international trade regime are not supportive of these small-scale farmers. Instead, we impose a lose-lose upon them. They do not benefit from the opportunities that access to international markets represents for some. But it is they who are the victims of the pressure on land, water and natural resources on which they depend, for which they increasingly have to compete with the agro-export sector.

In the long term, poor net-food-importing countries will not be helped by being fed. They will be helped by being able to feed themselves. This is the consensus of the post-global food price crisis world that even the G20 has recognized. It is disappointing that the WTO continues to fight the battles of the past.”

Lamy replied with a letter (“I fundamentally disagree with your assertion that countries need to limit reliance on international trade to achieve food security objectives. On the contrary…”) and a detailed critique by WTO staff of de Schutter’s paper, “The World Trade Organization and the Post-Global Food Crisis Agenda: Putting Food Security First in the International Food System”.

Interesting seeing how much more critical of trade-based food security a number of commentators (and governments) have become since the food price crisis. I remember being told in the early 90s by Costa Rica’s Central Bank governor that there was no reason why his country should grow any food at all – much better to export pineapples and buy food cheap from the US. Now governments have seen how volatile world prices can be, they have come to see the wisdom of rebalancing trade and domestic production. I still don’t buy the food sovereignty line about farmers in all countries having the ‘right to produce’ – that ignores issues of prices and consumers – but the debate has definitely moved away from seeing trade as the answer to everything.

One other postscript on the ministerial. The ODI’s Yurendra Basnett argues that it’s time for the ‘decoupling of the WTO and trade liberalisation’. Based on this exchange, good luck with that, …..

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