FOOD: WTO "must address" food security

JOHANNESBURG, 23 December 2011 (IRIN) - An exchange between two leading world officials on how trade affects food insecurity in countries has helped focus attention on the stalled Doha trade talks.

Olivier de Schutter, UN Human Rights Council’s Special Rapporteur on the Right to Food, says: “Food security is the elephant in the room, which WTO [the World Trade Organization] must address”, pointing out that food import bills had soared by a third for poor countries this year.

Schutter said developing countries should limit their reliance on international trade to ensure they had enough food and be able to put in place measures to beef up their own production and insulate themselves from global price shocks.

He said WTO members should convene a panel of experts to analyse whether space for developing countries to implement them. Measures such as temporary import restrictions, state purchases from small-scale farmers, allowing state-held food reserves, safety net insurance schemes and targeted farm subsidies could help, said Schutter, but WTO rules left little space for developing countries to implement them.

He said WTO members should convene a panel of experts to analyse whether existing WTO rules, and those being negotiated under the Doha Round were compatible with national and international food policies; assess the impact of trade liberalization on world food prices; and initiate talks at the WTO to take into account the long-term impacts of the 2007 global food price crisis for the international trade regime. (More details in his briefing note, The World Trade Organization and the Post-Global Food Crisis Agenda: Putting Food Security First in the International Food System )

Lamy points out that most experts, including those in the UN, agree that international trade is part of the solution.

Allowing developing countries to implement trade restrictive measures could hurt them the most, as, he said, “about 60 percent of developing countries’ agriculture exports go to other developing countries.”

Lamy agreed with Schutter on the need to ensure safety nets are in place to help the urban and rural poor, but he said the AoA provides developing countries with the room to implement policies in line with their national objectives through the use of certain subsidies.

Developing countries do not have to cut their subsidies or lower their tariffs as much as developed countries, and they are given extra time to complete their obligations under AoA. Poor countries don’t have to do this at all, he added.

The Doha Round could help to give developing countries more space by making it easier to maintain food reserves for food security purposes for instance, said Lamy. (More details on Lamy’s response )

Other views

Almost all economists, and even those within the UN, agree that trade is part of the solution and insulating domestic economies with trade restrictions might work in the short-term for a particular country but can have far-reaching repercussions for others in the region.

Economist Dirk Willem te Velde at the UK’s Overseas Development Institute (ODI) cited Tanzania’s export ban on maize in July as an example. “At that moment, the government was responding to domestic demand pressures...”

Some issues WTO needs to address in agriculture

- Ceilings on subsidies: Current ceilings on how much the US and the EU can spend on subsidies that distort trade are still rather high.
- Cotton subsidies: The US has still not fully complied with a WTO ruling in 2009 to remove subsidies for its cotton producers. African farmers could have gained from a 3.5 percent average increase in world cotton prices, if the US had cut subsidies.
- Biofuel Subsidies: Not covered yet. A new study found that US ethanol subsidies may have artificially inflated


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