UN Special Rapporteur on WTO Ministerial: “Trade negotiations need to reflect the new global consensus on hunger”

GENEVA (1 December, 2009) – Days after the World Summit on Food Security in Rome, the UN Special Rapporteur on the right to food reviews the stakes of the ongoing WTO Ministerial for global food security. According to the UN human rights expert, the trade community should devote the upcoming six months to ensure coherence with multilateral efforts to eradicate hunger.

Professor Olivier De Schutter welcomed the statements by developing and developed WTO members recognizing the critical importance of food security concerns and the need for it to be better incorporated into the multilateral trading system. But, he added, “Governments negotiating trade issues must be consistent with the new global consensus on hunger”. **Prof. De Schutter called on States to ensure that trade rules will not deprive States from the policy space they require to implement actions that ensure food security at domestic level. He also called for a systemic review of the Doha Work Programme to ensure the trade system can meet the challenges posed by the post-crisis global food economy.** “The current multilateral trade system needs to be fixed”, said De Schutter. “But it would be naïve to think that simply promoting more trade liberalization will be a solution. What is needed is a balanced trade agreement that puts the needs of the hungry at its centre. The poor need appropriate regulation and protection as much as they need trade”.

The UN Special Rapporteur called for three concrete actions. First, he called for a “compatibility check” between existing trade agreements and the policies that food-insecure countries are currently putting or planning to put in place, including those policies promoted by UN High-Level Task Force on the Global Food Security Crisis and the recent Rome Declaration on food security. “The WTO has not seriously assessed the extent to which the WTO disciplines impose restrictions to the policy space of countries. In certain areas, these restrictions may be decisive for food security.”

In response to the 2008 global food crisis many countries have implemented policies and programmes to improve resilience against higher future food prices and price volatility. These policies include providing farmers subsidized inputs, establishing local and regional food reserve systems and marketing arrangements, guaranteeing adequate prices to farmers, and direct food subsidies to the poor. Given that countries with the highest levels food insecurity are the least represented in Geneva and experience significant capacity constraints, it is important to address the veil of uncertainty these countries face as to whether measures they are putting in place are compatible with the WTO disciplines. “This uncertainty is detrimental for food-insecure countries. It must be fixed!”, said De Schutter, adding “Governments should be able to rely on a clear, formal document. I recommend a comprehensive and transparent review process be initiated to provide guidance to countries to speed up their food security efforts. Either the trade rules allow for these policies aiming at food security to be implemented, and that must then be stated clearly ; or they do not allow the required policy space, and they should be changed”.

Second, countries should embark on a review of the Doha Work Programme to consider the long-term impacts of the global food crisis. “Caution is needed to ensure a completed trade deal does not come at the expense of the global food security” said De Schutter, who added: “The global food economy of 2009 is fundamentally unrecognizable with the one in 2001 when the Doha round began. The old assumption of falling prices no longer holds true and food prices are expected to stay above their pre-crisis levels. The concentration is such in global food markets that an increasing portion of the added value is captured by wholesalers and traders, not producers in developing countries. And competition is increasing between small producers who are squeezed out from supply chains and large producers who have much easier access to global markets. Yet, the current WTO draft modalities on agriculture fail to capture these new realities and thus the trade system is ill-prepared to address present and future agricultural policy and food security challenges”.

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Prof. De Schutter expressed concern the future impact a concluded Doha round may have on food security, noting recent reports by the World Bank, OECD, and independent economic assessments of the current WTO deal which predict it to further push cereal prices higher to the detriment of low income, net-food importing developing countries. Recalling that higher food prices increased the number of hungry people to over 1 billion food insecure people, Prof. De Schutter said “This an alarm bell for food security. A good deal is one that prioritizes the interests of the hungry first and foremost. It is a fundamental obligation of trade negotiators to tread cautiously and make sure that before any final deal is signed that national economic interests will not come at the expense of the most vulnerable and food insecure.”

“Given the fact that States are not working at full-speed on completing trade negotiations for a number of reasons, they should take the opportunity to start looking towards the future with their eyes on reality, not textbook economics. The reality is that while trade liberalization redistributes global economic welfare, it does not automatically lead to improved food security outcomes”.

Third, the Special Rapporteur shares the view that a comprehensive and balanced conclusion of the Doha Round could be important to improving world food security. That holds only, however, “if a set of conditions were met”. This set of conditions includes but is not limited to the possibility for States to retain the freedom to take measures which insulate domestic markets from the volatility of prices on international markets. “Safeguard measures are crucial; they are the essence of maintaining national food systems in countries that cope with import surges.” He noted it was also imperative for WTO members to decisively implement the long overdue Ministerial Decision on Measures concerning the Possible Negative Effects of the Reform Programme on LDCs and Net-Food Importing Developing Countries, as called for by earlier WTO ministerials and recently affirmed once again by heads of states and ministers at the World Summit on Food Security.

The Special Rapporteur has promoted the inclusion of the right to food principles in trade agreements since he assumed his mandate in May 2008, amidst the peak of the global food crisis. In a report issued in March 2009, he made a series of recommendations “to make trade human rights-compatible” based on his mission to the WTO. His proposals included that a final Doha deal be subject to human rights impact assessments to ensure its compatibility with Member states’ obligation to respect, protect and fulfill the right to food.

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Olivier De Schutter was appointed the Special Rapporteur on the right to food in May 2008 by the United Nations Human Rights Council. He is independent from any government or organization.