Once a Generation: The Search for Universal Food Security

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Like gladiators to the coliseum, governments, non-governmental organizations (NGOs) and multilateral institutions are converging on Rome this November to do battle with a dangerous and elusive foe: world hunger. Girded with statistics and armed with proposals, ministers, academics, and activists, farmers, consumers and traders, will attempt to agree on a plan of action for world food security. In the process they will wrestle with a question that has been nagging the world since the 1940's: is food security a human right, or is it a market privilege?

The question implies two very different approaches to policy, and there are equally different proponents lined up behind them. Multilateral institutions including international financial institutions and governments from many industrialized nations, such as the U.S., press for greater trade liberalization. They argue that trade delivers food security in two primary ways: by increasing incomes through increased economic activity generated by exports, and by focussing agricultural resources on those exports with the greatest comparative advantage.

On the other side of the question are hundreds of NGOs, farmers' organizations and consumer groups around the world that have responded with nearly a single voice to such reasoning: food is a basic human right that the global market cannot guarantee. National governments, in close collaboration with civil society, are responsible for making and enforcing policy to provide food security.

Caught in the middle is the Food and Agriculture Organization (FAO) of the United Nations, and its Director General, Jacques Diouf. He courageously called for the Summit to forward the FAO's mission of aiding national governments to provide food security to their citizens--at the very moment that many governments were being pressured to hand over their capacity to protect domestic food security to the global market by multinational corporations and governments acting in their interest. Even if the FAO wanted to support many of the NGO proposals, it would be extremely difficult : under the current multilateral framework, no strategy can emerge from this Summit that is incompatible with the provisions of the Uruguay Round.

Three Generations of Food Summits

The core problem of the 1996 World Food Summit is rooted in the divergent strategies proposed to reorder the global economic system following the Second World War. One approach placed national governments at the center of an internationally coordinated economic system. The other advocated cutting the global market free from government intervention to manage itself. Then, as now, both ideological camps claimed that agriculture and food security would be primary beneficiaries of their economic strategies.

Two meetings within the space of as many years crystallized these approaches and gave birth to the institutions that would attempt to implement them. In 1943, the forty-four Allied governments met in Hot Springs, Virginia, and put the concept of food security as a human right squarely at the center of the debate on food security. Two years later 44 representatives of governments meeting at Bretton Woods, New Hampshire, articulated the framework for a new world order based on free trade. Hot Springs gave rise to the FAO, Bretton Woods to the World Bank and the International Monetary Fund. The trade regime eventually codified as the General Agreement on Tariffs and Trade, also emerged from the meeting at Bretton Woods.

The food conference at Hot Springs was visionary, almost euphoric, in its proposals. Many of them are echoed in contemporary NGO proposals for the 1996 World Food Summit. They dealt with the food system as a whole, not just with agriculture. They affirmed the role of national governments in guaranteeing the basic human right to food to their citizens with the support of an international organization (the FAO). In the Hot Springs proposals, farmers were to be paid fair prices for their products. The capacity to buy food was to be improved with a livable minimum wage. Nursing mothers were to be guaranteed enough to eat. Governments were to be directly involved in marketing, storing, processing and transporting food. And trade was to be managed--through a system of international commodity agreements to mitigate "fluctuations of prices of food and agricultural products."

"In short," asserts Dr. Orin Kirshner, analyst at the U.S.-based Institute for Agriculture and Trade Policy, "Hot Springs participants believed that government intervention to guarantee a basic minimum standard of living to all citizens as well as to build diversified, farmer-oriented, domestic agricultural systems around the world was crucial to the realization of the human right to food."[1]

Parts of this vision would remain central to domestic agriculture policy for decades in countries all over the world. But the goal of international consensus for and coordination of food security would be swept aside by the ascendant ideology of trade liberalization and the consolidation of control of the global market by multinational corporations. Without enforcement mechanisms and financing, the FAO never achieved the stature envisioned by its founders to implement food security.

Twenty years after the meeting at Hot Springs, governments met in the first World Food Summit in Rome. They faced a different kind of crisis in the global food system. The year before, in 1973, President Nixon had embargoed soybean exports to deflate soaring domestic prices in the U.S., throwing importing nations into panic.[2] A blight also destroyed much of the U.S. corn crop, and energy prices were on the rise. The tone from the 1974 Summit was one of fear and resolve. Vowing to eradicate world hunger within a

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[1]See Dr. Orin Kirshner, "Human Rights Lost: A Short History of the Postwar Global Food and Agriculture Policy Regime," in the Global Food Security Section at http://www.iatp.org/iatp on the World Wide Web. For more information on the vision of Bretton Woods founders, see Kirshner, Orin, ed., The Bretton Woods-GATT System: Retrospect and Prospect After Fifty Years. M.E. Sharpe, Armonk, 1996.

[2]For an analysis of the soybean embargo and other policies related to the grain trade, see Gilmore, Richard, A Poor Harvest: The Clash of Policies and Interests in the Grain Trade. Longman, New York. 1982.

decade, participants in the Summit reaffirmed the need for international coordination through the formation of a World Food Council in the U.N., and proposed the creation of grain reserves to supply the world in times of shortage.

These proposals, like those of Hot Springs, were never implemented. Instead, governments responded with unprecedented efforts to boost agricultural production. Europeans, having learned the value of self-sufficiency from the soybean embargo, set out to produce cereals. Farmers in the U.S. borrowed money to plant fence row to fence row.

What ensued was a decade-long trade war in agricultural surpluses that resulted in the loss of millions of family farms around the world and provoked unprecedented export dumping into Third World countries. It is within this context that the Uruguay Round negotiations were initiated in 1985. The final Agreement on Agriculture, set in motion with the Blair House Accords between the U.S. and European Union, was a *de facto* agreement between the U.S. and Europe to share export markets as a way to manage surpluses. When the Uruguay Round was concluded in December, 1994, it signaled the end, not only of a decade of negotiations, but of the Hot Springs/Bretton Woods power struggle that had shaped agriculture and trade policies for the past 50 years. With one mighty heave, the United States and Europe yanked agriculture firmly out of control of national governments and settled it under the overarching authority of the World Trade Organization.

Now the World Food Summit of 1996 is taking place precisely during the greatest shortage in world grain supplies since the 1974 Summit. Despite the constraints imposed by the Uruguay Round, NGOs and some governments refuse to accept trade as the ultimate solution. The texts that emerged from the working groups of the FAO's Committee on Food Security in August, 1996, were tortured by brackets, indicating lack of consensus on passages, even words, especially in relation to trade's role in food security:

> [Trade allows food consumption to exceed food production where output is constrained, helps to reduce consumption fluctuations and relieves part of the burden of stock holding. It has a major bearing on access to food through its positive effects on economic growth, income and employment, [but an important issue is whether this economic growth reaches the poor.] [Another issue relates to minimizing the negative effects of trade on macro and micro levels.] [With appropriate trade policies, sustainability and food security are compatible objectives.] [Trade policies should be compatible with sustainability and food security.][3]

Trade is not an all-purpose solution, and its limitations are increasingly apparent in relation to food security. The FAO admitted in its eighth technical paper that ". . . research to date has had difficulty in rigorously proving that trade liberalization causes

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[3]United Nations, Food and Agriculture Organization, Draft Plan of Action, Inter-Sessional Working Group of the Committee on World Food Security, August 2, 1996, Commitment 5, paragraph 37.

faster economic growth."[4] Despite this lack of proof, food security-oriented legislation and policy is being abrogated in the belief that freer trade will bring food security through food imports. In May, 1996, for example, the Philippine Congress repealed core elements of the Magna Carta of Small Farmers. This included provisions to prevent imports of basic commodities if farmers were producing them in sufficient quantities to satisfy local demand.

Critics of trade-led food security have increasing support for their proposals as the inability of the current trade regime to address the crisis of food shortage becomes apparent. One place to look is at countries that have undergone trade liberalization in ways compatible with GATT provisions, even before the Uruguay Round was formally concluded. One such case is Mexico, following the negotiation of the North American Free Trade Agreement in 1993.

Comparative (Dis)Advantage through Trade Liberalization

"Poor Mexico--So Far from God, So Close to the United States." So goes a popular Mexican expression. Whereas the North American Free Trade Agreement (NAFTA) stopped short of claiming to bring Mexico closer to God, it did offer to make Mexico's proximity to the U.S. more beneficial through liberalized trade. Two of those benefits were access to cheap grain, and to lucrative markets for Mexican vegetables and fruits.

At the time NAFTA was negotiated, Mexico was subsidizing both production of basic grains such as corn and beans (through price supports to farmers, federally subsidized access to fertilizer and water, and federal marketing assistance) and consumption (through a federal distribution system for staple foods and through subsidized prices of tortillas and beans.) Then-President Carlos Salinas de Gortari, trained at Harvard and seasoned in President Miguel de la Madrid's administration, was a true believer in the structural adjustment policies whose adoption is required by the World Bank and the IMF in exchange for loans and access to other international capital markets. Upon entering office, Salinas unilaterally dropped import licensing requirements and tariffs on wheat, sorghum, and rice, maintaining protection only on the most sensitive of Mexican foods, corn and beans. At the same time, he signaled increased support for crops such as fresh vegetables, thus accelerating the shift in Mexico's agricultural priorities toward export crops.

In 1992, Salinas persuaded the Mexican Congress to amend the Mexican Constitution to end the government agricultural land trust known as the *ejido* system that had provided land to millions of peasants beginning in 1917. Even before the GATT had been approved, Salinas began the elimination of support prices and instituted a decoupled payment subsidy program--that is, payments to farmers based on land area with no relationship to volume or type of production. This broke the historic link of federal support to basic staple production, as free trade proponents had been pushing policymakers to do since the mid-1980's.

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[4]United Nations, Food and Agriculture Organization, Food and International Trade, World Food Summit, 1996/TECH/8, section 3.23

All of this was done with one major goal in mind: to shift Mexico's agriculture system from one based on food sovereignty to one centered on comparative advantage. Why spend money to support corn and other basic grain production, the Salinas administration reasoned, when the world's largest producer of "cheap" corn was just across the border? Why not focus Mexico's agricultural resources on tomatoes, cucumbers, strawberries, and peppers for U.S. dinner tables instead of corn and beans for poor Mexican families?

Poor Mexico. So far from God, and now much farther from food security. One year after NAFTA went into effect, the peso fell off a cliff, making imported food twice as expensive. And to make matters worse, global grain shortages became apparent in 1996, driving prices of basic grains like corn and wheat to double what they had been just one year before. Meanwhile, the Mexican government persisted in its belief that comparative advantage in exports, not production for domestic consumption, was the priority. As a result of government refusal to provide incentives such as credit, access to water, and fertilizers, basic grain production has fallen 20%, and hundreds of thousands of farmers have left their farms for cities in Mexico and for the U.S.

The irony is that Mexico produced all of the white corn it needed in 1993 to feed its population of 80 million--a good start toward domestic food security. In 1996, Mexico is projected to require imports of 6 million tons of yellow corn by year-end (40 percent of its domestic demand), much of which will be designated for human consumption, especially in rural areas. To make matters worse for Mexican consumers, yellow corn in Mexico is normally an animal feed. And the imports have gotten much more expensive. Prices are averaging $180 per ton this year, compared with $90 per ton in 1995. By the end of June, 1996, corn imports had totalled $615 million, compared with $365 million spent on imported corn during the entire year of 1994.[5]

The food crisis is hitting home. In late May, in a gritty outer ring settlement of Monterrey, Mexico, over 400 men, women and children stopped a grain train and carried its cargo off to their homes. Shouting "We're hungry!," women hauled off the contraband in buckets and two-year-old children carried it gingerly across the tracks in plastic bags. At the end of the day, 40 tons of corn had disappeared into the community of San Nicolas de la Garza.

This was no isolated event. Within three weeks, hundreds of Mexican citizens robbed two grain trains in Torreon, another northern Mexican city, and further attempts were made on trains in Monterrey. For hungry people in Mexico, trade-led food security policy isn't working.

In late August, 1996, more than 200 non-governmental organizations organized a national Forum on Food Sovereignty in Mexico. Among their demands were calls to renegotiate the North American Free Trade Agreement and the GATT agriculture provisions, as well as to begin negotiations for a Global Food Security Convention.

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[5]"Record Historico en Importación de Maiz," El Financiero, August 30, 1996. For information on current developments in Mexican grain markets and farmers' organizations, see http://www.laneta.apc.org/anec.

Toward an Effective Plan of Action for Global Food Security

The increasingly apparent limitations of a global food system subject to the volatility of the marketplace call for the creation of a new international framework with food security as its highest priority. Both governments and civil society need to have more latitude and more policy instruments available to them to support domestic agriculture and food systems at the local, regional and national levels, without fear of trade sanctions. They also require international support mechanisms that will help them do what no single sector is capable of doing alone.

Some ideas from the earlier food summits may well be useful in today's context--but they must be transformed to fit the new conditions. In the 1940's when the FAO and the Bretton Woods institutions were conceived, it was assumed that governments, through international collaboration, could jointly guide the development of the global economy while maintaining strong state control of domestic policy. In the ensuing 50 years, two new powers have evolved around state power: the power of multinational capital exercised by global corporations, and the growing participation of civil society through a multitude of farmer, consumer, labor, human rights, environmental, and neighborhood organizations in the creation and implementation of domestic and international policy.

Given the diversity of these actors, new approaches to food security must build on the strengths each sector brings to the problem. Some things, like the protection of biodiversity *in situ*, the production of food for self-sufficiency and for local markets, the protection of watersheds, and the management of local reserves are best done at the local level by farmers in sustainable relationships with consumers and the environment. Others, such as developing plans for food security that will shape incentives for production and environmental protection and determine the parameters of trade policy in relationship to food security, are best done at the national level. Still others, such as the development and management of a network of global reserves, support for trade to fill the demand countries are unable to fulfill themselves, and coordination with other international agreements and conventions, are best done at the international level. In every case, it is important for there to be strong participation by civil society.

Many of these policies are simply inconsistent with the skewed logic of trade liberalization. If citizens and governments want to take steps to end world hunger, they will have to jump over the limited options presented by the Uruguay Round. They must either change the GATT or create a new global framework based on the logic of food security. Some excellent options to explore have been developed by NGOs and by participants in the earlier food summits. Crafted together in a broad plan of action, they could represent viable and important alternatives to the limited set of options under which the FAO is currently laboring.

The primary goal of an internationally coordinated approach to food security is to increase stability in the food supply by reducing volatility in agricultural markets and by making food production and distribution sytems sustainable over the long term. This is especially critical for the staple foods, mostly grains and legumes, that are the primary

building blocks for basic nutrition throughout the world. Such an approach requires that food security be planned and implemented primarily at the local and national levels. Trade would complement food security strategies, rather than dominate them.

A new global plan of action for food security could include some of the best thinking each generation has had to offer. From Hot Springs, a reaffirmation of the human right to food, the important role the state plays in balancing the needs of farmers and consumers in creating a healthy food system, and the use of international commodity agreements to reduce volatility in agricultural markets. From the 1974 summit, the need for greater international collaboration and the proposal to establish a system of reserves. From the diverse proposals by NGOs for the 1996 World Food Summit, a framework for the contributions of civil society toward the provision of food security and an emphasis on staple food production and distribution.

These are but a few of the many excellent ideas that have emerged from each generation that has wrestled with the issue of world hunger. The participants in the World Food Summit who will leave Rome at the end of the month carry with them the possibility to improve global food security. If they can discover, hidden in the piles of paper in their briefcases, a sliver of political will and the willingness to risk, the next decade could be one of extraordinary opportunity and welcome debate. There is no one path to universal food security. May we support the diversity of good ideas, wherever they are found, and continue the search.