Global development and the corporate food regime

The global food system has three principal vectors: (1) the corporate model of industrial and transgenic agriculture, (2) a variety of alternative models concerned with the sustainability of rural cultures, ecology and social equity, and (3) the political-institutional context, expressing the balance of corporate and geo-political forces in the world economy. All three vectors shape the content and direction of the global food system.

Currently, the WTO’s Doha Development Round reflects the influence of the first and third vectors. That is, Doha’s goal of further liberalizing trade includes the corporate agenda of equal domestic treatment of foreign corporations (a global investment treaty) in return for Northern action in ending farm subsidies. But the global North’s bait and switch game of decoupling subsidies from farm prices, removing them to the Green Box (under WTO rules), and retaining the capacity to dump cheap farm goods in the world market, generated a shift in the balance of geo-political forces at Cancun. The emergence of the G-20, led by Brazil, India and China, and energized by activist NGOs, called into question undemocratic Northern-managed WTO proceedings and issues ranging from agricultural trade rules through the General Agreement on Trade in Services (GATS) to Intellectual Property Rights (TRIPs) agreements.

Enter the second vector, expressed by the Via Campesina, which disputes the representation of the Cancun standoff as a North-South conflict. It maintains the real conflict is “between centralized, corporate-driven, export-oriented, industrial agriculture versus decentralized, peasant-and family farm-based sustainable production primarily oriented towards domestic markets” – a conflict invisibilized in global trade negotiations.

Simply put, the global food system involves a central contradiction between the corporate model and a more inclusive small-scale, community-based model. These are not simply alternatives – the latter represent the material and discursive conditions which the corporate world seeks to appropriate, whether it be land rights, seed saving, biodiversity, or staple foods for non-affluent consumers. The third vector, the institutional context, is a key battleground in which these oppositions are resolved through rule-making and political struggles.

At the turn of the twenty-first century, 815 million people (777 million in the global South) remain food insecure, unable to meet their daily requirements. Meanwhile 6 corporations handle 85 percent of the world grain trade, and integrated, centralized control of the food chain (from gene to supermarket) intensifies. In the name of global development, this Northern model is exported as the solution to food insecurity, displacing farmers in South and North. As Canadian farmer and recent member of the international coordinating committee of the Via Campesina, Nettie Wiebe, remarked: “The difficulty for us, as farming people, is that we are rooted in the places where we live and grow our food. The other side, the corporate world, is globally mobile.”

The concept of the ‘food regime’ helps to situate this condition. The British-centered food regime of the 19th century involved a global exchange of tropical crops from the colonies for manufactured goods from the European states, and a transitional relocation of (European) temperate agriculture to the settler colonies, where farm sectors partnered domestic industrial sectors as the foundation of the modern nation-state. The U.S. exemplified the national model, which came to be identified with ‘development’ in the post-WWII era. In that era, the U.S. successfully sponsored an international ‘development project’ as a pre-emptive Cold War policy. The U.S.-centered food regime distributed U.S. food surpluses as concessional ‘aid’ to friendly Third World governments, spurring industrialization at the same time as the imported food undercut local farmers and reconstructed urban diets along Western lines. Also, the introduction of green revolution technologies in the name of national food security and development promoted genetically modified crops with chemical and mechanical inputs, and patterns of agribusiness dependency. This episode of ‘nation-building’ privileged a model supporting rich male farmers,

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1 This concept comes originally from the work of Harriet Friedmann (U Toronto).
macro-nutrient grain crops (‘wage-foods’) at the expense of micro-nutrient leafy crops and rain-fed grains, beans and root crops (‘peasant foods’), urban over rural populations, and the commercial and political elites of client states.

The U.S.-centered food regime helped establish a geo-political alliance with Third World states by reconstructing their agricultural systems and social diets, and laying the foundations of a ‘world agriculture’ integrated by agribusiness. Ironically, the internationalization of U.S. agribusiness intensified competitive dumping of food surpluses in the 1970s, as Europe adopted this model. By the 1980s, the U.S. moved to regulate world agricultural commodity markets via a program of liberalization in the Uruguay Round, culminating in the 1990’s WTO-centered corporate food regime, formalized in the Agreement on Agriculture (AoA).

The corporate food regime pivots on the contradiction between the relations of ‘food security’ and those of ‘food sovereignty.’ These terms are not self-evident, rather they need historical specification. Long a source of legitimacy for political regimes, national food security was central to the ideals of the post-war development project, managed multilaterally by exempting agriculture from the GATT (1947) and through aid programs of concessional food exports and the green revolution. As the development project has yielded to the corporate globalization project, food security has been redefined, and institutionalized, in the WTO as an inter-nationally managed market relation. As such, it threatens self-sufficiency in the global South, where 30-70 percent of the labor force is agricultural, compared with 4 percent in the global North. In fact, under the WTO’s AoA, member states no longer have the right to food self-sufficiency as a national strategy. Here, the economic law of comparative advantage, a corporate global sourcing strategy, trumps the UN’s Declaration of Human Rights (1948), which viewed sovereignty over natural wealth and resources as essential to realizing human rights.

Food sovereignty has emerged in opposition to the subordination of food security to corporate market rule. As such, it has a dual meaning: in privileging the political and economic rights of farmers as a precondition of food security, it reformulates the relationship of states to their citizen-subjects. Within the era of corporate globalization, the food sovereignty movement views states as complicit in constructing a world agriculture, insisting that the precondition for popular food security is to problematize the vision of the development project: that western consumption is a universal desire and peasant cultures are destined to disappear.

In that vision, through the device of national accounts, the development project standardized measures of well-being (GNP) and externalized environmental degradation and social catastrophes. Only monetized transactions were counted as productive, devaluing subsistence, co-operative labor, indigenous culture, seed saving and managing the commons as unproductive and undeveloped. The second half of the 20th century saw a steady dispossession of peasant cultures, recently intensified via neo-liberal reforms.

Neo-liberal reforms are authored by states, as members of the WTO. The redefinition of food security as a market relation was introduced in the Uruguay Round by the U.S., in order to secure a competitive advantage for its agribusiness. The WTO’s AoA retains this geo-political dimension in privileging Northern agribusiness and its surplus production. Competitive dumping undermined the U.S.-centered food regime’s system of stable prices and managed disposal of food surpluses in the 1980s. World agricultural prices fell from a mean of 100 in 1975 to 61 by 1989, a 39 percent decline. Bearing no relation to production costs, world prices signaled the emergence of a new corporate food regime, to be institutionalized through the WTO. In this context, agro-exporting regions (U.S. and E.U.) were compelled, through competitive relation, to synchronize farm policy.

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2 Aileen Kwa (2002) Focus on the Global South, April 15.
3 In the 1990s the global urban population increased 36%, and the recent UN world urban forum predicted slum dwellers could double within the next 25 years to more than 2 billion people – almost a quarter of the world’s population.
4 Farm prices then fell 30% or more between 1995-99, and The Economist notes prices are at the lowest in a century and a half.
The first casualty of the corporate food regime was national food security – the U.S. Agricultural Secretary observed in 1986: “the idea that developing countries should feed themselves is an anachronism…They could better ensure their food security by relying on U.S. agricultural products, which are available in most cases at lower cost.”

In other words, a new, form of global food security is accomplished through the political construction of commodity prices. Through the Uruguay Round negotiations, and subsequently the WTO’s Agreement on Agriculture, the E.U. switched from its original CAP farm price support policies to direct (and decoupled) U.S.-style government subsidies. This introduced the ‘world price’ to European farmers, stimulating rather than eliminating surpluses, and favoring traders over producers.

The ‘world price’ disempowered farmers across the world and empowered agribusiness. Traders and processors purchase commodities through farm contracts at low prices unrelated to production costs. For instance, artificially cheap corn, for processors, underwrites ‘supersizing’ of fast food, and for traders, it is a dumping weapon against Mexican campesinos and small farmers in the Philippines. Dispossession of farmers in the global South provides a cheap agricultural labor force for the global sourcing strategies of agribusinesses to exert further downward pressure on Northern farmers. The result is a global exodus of farmers, and the concentration of corporate agriculture. This is the relevance of Via Campesina critique of Cancun.

WTO Ministerials reveal a North/South political asymmetry. Despite the rhetoric of free trade, the institutionalization of the Northern agenda in the WTO’s AoA, has constructed a geopolitical comparative advantage by de-regulating a highly unequal world market. Northern states have resources to maintain agribusiness power, even with the decimation of their farmers by declining commodity prices. Southern states opened their agricultural markets, via minimum import requirements and reduction of tariffs and producer subsidies, in the hopes of improving their foreign currency income from expanded agro-exports. This policy coincided with the insistence by IMF and the World Bank that agro-exporting was a key part of structural adjustment to resolve indebtedness, transforming farm sectors into segments of ‘world agriculture,’ servicing global firms that manage the world food system as a giant chess board.

By appealing for consistency in trade liberalization, the G-20 complies with is the corporate food regime’s construction of a world agriculture. This involves more than accelerated food swapping across borders. It is rooted in the green revolution principle of ‘appropriation:’ the progressive removal of components of agricultural production from the control of the farmer via corporate intervention in natural processes, starting with bio-engineered seeds, complemented with a range of chemical and mechanical inputs, and symbolized by the explosion of factory farming centered on a world livestock industry sourced by specialized feed grains. Green, and gene, revolution technologies deepen the elimination of biodiversity, seed saving and local knowledges via agro-industrial monocultures, and sanctioned by the WTO’s TRIPs protocol, which would institutionalize private gene patenting. A world agriculture is increasingly reconfigured as an array of inputs for food processors, livestock producers, chemical firms and global retailers. Such ‘food from nowhere’ is premised on the marginalization of 20-30 million small farmers from the impact of trade liberalization.

Based on ‘accumulation through dispossession,’ the corporate food regime not only undermines local farming, but also informal provisioning (wet markets, street vendors and the commons). The fast food industry depends on the expropriation of home-cooking practices, and the global supermarket revolution absorbs independent producers and local markets into new

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6 See, for example, Public Citizen’s 2001 report on NAFTA: www.citizen.org/documents/ACFF2.pdf
9 J. Madeley (2000) Hungry for Trade. This is a conservative estimate.
corporate circuits. Brazil’s livestock industry is now organized by European supermarkets for the global market, and factory farming is transforming food sectors in middle-income countries across the global South. Asia, whose global consumer class outstrips that of North America and Europe combined, leads the livestock revolution. Two thirds of the global expansion of meat consumption is in the south, sourced by Brazilian soybeans. As the Chinese middle class emerges, China has switched from exporting soy to being the world’s largest importer of soy.

The paradox of the corporate food regime is that as it extends affluent consumption patterns, presenting global integration as the condition for development/food security, it immiserates rural populations, including its labor force. ‘Free’ markets exclude and/or starve populations dispossessed through their introduction. That is, the reproduction of affluence through the corporate food regime rests on a foundation of social and ecological crisis.11

Via Campesina’s retort, that food security depends on food sovereignty, claims “food is first and foremost a source of nutrition and only secondarily an item of trade” (2002). It envisions replacing a singular regime where trade is the end, with a multi-layered set of rules and practices where trade is not an end but a means for social and economic justice, and the sustainability of cultures and ecologies. It is a vision of an alternative modernity, asserting the “right of peoples, communities and countries to define their own agricultural, labour, fishing, food and land policies which are ecologically, socially, economically and culturally appropriate to their unique circumstances.” Central to this conception is the notion of self-determination, for communities to redefine for themselves the substance of the food relations appropriate to their social geographies. The idea (similar to that of Zapatismo) is for the state to guarantee rights, but without authoring their content. Parallel to this is fair trade, seeking to restore substantive principles recognizing the social, cultural and environmental relations in food exchanges – where standards rooted in ILO conventions are maintained through democratic organization and the principle of subsidiarity.

From this point of view, trade as such is non-existent, since the market has been institutionalized as a corporate instrument for dumping food surpluses, protecting agribusiness global sourcing strategies, and a vehicle for the inter-penetration of agricultural sectors enabled, lately, by the mobility of financial capital. According to Joao Stedile of the MST, world agriculture is dominated by ten TNCs, such as Monsanto, Bayer, Cargill, Nestle, Syngenta, BASF, Novartis and ADM, controlling commercial agriculture, agrobusiness, agro-toxins and seeds with the goal of ultimate control of the entire food chain.

Via Campesina, therefore, argues that the WTO, a “totally inappropriate institution for democratic decision-making” regarding food sovereignty and social and ecological sustainability, should get out of agriculture. Its critique of the G-20 is that “Increased liberalization and generalized market access will serve only to strengthen the grip of multinational agribusiness cartels, deepening the problems of poverty and social exclusion of millions of people in the world” (2003). Noting that the “massive movement of food around the world is forcing the increased movement of people,” the Via Campesina offers a new paradigm based in community sustainability as the anchor of an alternative, de-centered globalization. Here, food sovereignty depends on access to credit, land and fair prices to be set via rules negotiated in a reformed UN (UNCTAD) and alternative multilateral institutions such as a Convention on Food Sovereignty and Trade in Food and Agriculture, an International Court of Justice, a World Commission on Sustainable Agriculture and Food Sovereignty, etc. Bove asks: “Why should the global market escape the rule of international law or human rights conventions passed by the United Nations?”

The movement towards an alternative modernity, represented by the Via Campesina and associated groupings, raises questions about a food regime managed by increasingly privatized states, in the name of a corporate world agriculture. The food sovereignty movement offers cosmopolitan alternatives based in a participatory politics, informed by a global moral economy, and dedicated to the substantive (sustainable) realization of food security.

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11 This imperial relation stems from the colonial period. See M. Davis (2001) *Late Victorian Holocau stos*. 