

Food and Trade: Dialogue

By Anuradha Mittal and Gawain Kripke | February 23, 2007

Here are the responses from Anuradha Mittal and Gawain Kripke to each other's essays.

Response by Gawain Kripke

There is more that unites than divides Anuradha Mittal's point of view and my own. Really, the biggest differences may be more in the semantics than in the facts or even the policy prescriptions.

However, for the sake of debate, I'll quibble with a few points.

Mittal speaks of the need to dispel the myth that free trade helps farmers and the poor. This may be a myth, but I think the pool of believers is drying up rather quickly. Even the bogeymen at the World Bank are recognizing that the reality of trade and trade liberalization is much more nuanced than simple formulations. Most people acknowledge that economic growth is a driver for poverty reduction and that trade can play an important role in contributing to growth and development. The usual examples cited are the booming East Asian economies, spurred by successful trade strategies, and the attendant reduction of poverty.

At the same time, growth in trade is not sufficient to assure poverty reduction. A host of complementary conditions and policies is needed to assure that the benefits of trade and economic growth are shared widely.

So, while I agree that free trade doesn't necessarily help farmers and the poor, the opposite assertion, that free trade necessarily hurts farmers and the poor, is too simplistic as well.

The idea of small farmers prioritizing subsistence production for the domestic market and for the sub-regional or regional markets is a bit problematic, because they are failing to produce sufficient food. The least developed countries have grown increasingly dependent on food imports—sometimes in the form of food aid—over the last decade, with agricultural productivity declining in many poor countries. Small, poor farmers may seek to produce for their families and communities and domestic markets. But they need to produce more, above all, to keep up with population growth.

This gets us into a running debate about the best way to approach increasing agricultural productivity. I won't try to resolve that debate here—indeed, I'm not sure I could. But it's important to recognize that the trade component of increasing the agricultural productivity of poor countries is only a part—maybe a small part—of the scenario. It's possible, for example, that retaining tariffs of food imports could help increase domestic prices for food staples and induce higher productivity. Be we can't expect anything good to flow from high tariff protection if farmers don't have access



to the tools to improve their livelihood: including credit, fertilizers, seeds, tools, and tractors. Without increased resources for farmers to achieve higher productivity, the tariff protection may only make life more miserable for net food consumers, which often include farmers themselves.

This leads us into the ideological waters of “food sovereignty.” Mittal speaks of the right to food, which certainly must be upheld. The sovereign right over food policy is more problematic and may, in fact, contradict a right to food if food policies are disastrous.

More practically, I have a problem with the protectionism that can be hidden under the banner of “food sovereignty.” In rich countries, the concept can be used to justify the same subsidies, protectionism, and distortions that Mittal criticizes. I’ve seen it done.

An individual’s right to food is not the same as national food self-sufficiency. Countries can sustainably be food-deficit producers, if they have other engines of economic vigor. That’s what trade affords. A country like Singapore can feed itself, and uphold the right to food, by trading for it. Some countries are food exporters, some importers.

Of course there are risks in being too dependent on imports—particularly for poor countries that are vulnerable to climatic shocks, economic downturns, and currency crises. But “food sovereignty” is too vague and permissive a standard to hold rich countries accountable to their obligation to offer poor people and farmers in other countries the chance to make a livelihood from agriculture and exports.

Response by Anuradha Mittal

There is no doubt that agriculture is the engine for development and poverty reduction given that small-scale and subsistence farmers constitute 75% of the world’s poor. However, the argument that trade offers opportunities for agricultural development in developing countries, or that the WTO’s restrictions on trade-distorting subsidies help limit the damage that rich countries do to developing country farmers, is at best wishful thinking.

Even the UN Food and Agriculture Organization (FAO) acknowledges that “the Doha Round of international trade negotiations collapsed mainly because of a fight for advantage in agricultural markets by large and powerful countries, corporations and lobbies... The Doha Round’s focus was largely irrelevant to the least developed countries, who have seen almost no gains from past WTO agricultural trade agreements.”

Free trade in agricultural commodities and the fight against poverty and hunger are two opposing paradigms that work against each other. Not surprisingly then, despite trade liberalization in agriculture—also called market access—being hailed as the silver-bullet solution to pull the poorest out of poverty, real-life experience shows that the most marginalized in poor countries bear the economic, social, and ecological costs of export-dominated agricultural policies.

The export-oriented development model, based on increased exploitation of natural resources for exports of meat, flowers, vegetables, and marine products from poor to rich countries, diverts scarce land and water resources in poor countries from production of crops for local consumption to production

of luxury products for rich consumers in rich countries. While this siphons off food from hungry mouths, small farmers, indigenous farmers, and fisherfolk lose control and access over commons while agribusiness corporations gain control, destroy natural resources and local ecosystems through unsustainable use to maximize their profits, and in the process displace farmers and fisherfolk, destroy livelihoods, and create further poverty and hunger among the poor.

A good example of that is India. The World Food Program's country page lists India as home to 50% of the world's hungry population. But Indian food exports are accelerating. India's Commerce Ministry figures, comparing the nine months through December 2005 with the corresponding period a year earlier, show that agriculture-related exports grew 16% to \$4.9 billion. Processed-food exports—frozen-vegetable packets, ground lamb meat, bags of rice—grew 18%; fruits and vegetables increased 10%; meats, 47%; poultry, 64%; and spirits and beverages, 75%. The country is projected to double its share of global food and agricultural exports from 1.5% to 3% in the next decade, with the value of exports soaring to \$30 billion by 2015 from \$8 billion in 2003, while an estimated 380 million Indians live on less than a dollar a day.

The truth is that the so-called economic benefits available to poor countries through access to rich country markets never trickle down to the poor in poor countries and further entrench social and economic inequities. Claims of economic benefits to poor countries through trade in agriculture are nothing more than false promises. "Most developing countries and regions do not benefit from agricultural liberalization in terms of overall real

income, and the effects are highly differentiated. Argentina, Brazil, and some ASEAN countries, notably Thailand, are the main winners," writes Sandra Polanski in *Winners and Losers: Impact of the Doha Round on Developing Countries*. "The losers include many of the world's LDCs, including Bangladesh and the countries of East Africa and the rest of Sub-Saharan Africa."

Export-oriented economies alienate the poor from food-producing resources, destroy livelihoods and ecosystems, and disrupt local economies. This creates endemic poverty at the societal level. Only a small number of displaced people get jobs in the export sector, called *maquiladoras* or sweatshops. Ensuring small farmers access to and control over natural resources (land, water, seeds) and guaranteeing their access to local markets is the most secure and sustainable way to challenge poverty and ensure food security for all. For far too long our agriculture, family farmers, and countryside have been neglected—particularly by the international donor countries and international financial institutions that have rendered national governments in poor countries unable to regulate their agricultural economies.

Because of its multi-functional role—and its importance to our culture, environment, biodiversity, and livelihoods—it is essential that agriculture be seen beyond trade agreements such as the WTO. Agriculture should be about our human rights with the focus on communities and not commodities. Agriculture needs to be in human rights treaties that ensure the right to food and freedom from hunger and not trade agreements that are merely about freedom to trade.

Anuradha Mittal, the executive director of the Oakland Institute, is an internationally renowned expert on trade, agriculture, development, and human rights issues.

Gawain Kripke is senior policy adviser on international trade issues with Oxfam America. Kripke has authored numerous opinion pieces and briefing papers on trade and development issues, has testified before Congress, and appears frequently on radio and television programs, including Marketplace, CNN, National Public Radio, and BBC World News.

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