

# Food Bully

By Conn Hallinan | August 16, 2003

The decision by the Bush administration to sue the European Union (EU) over its five-year moratorium on genetically modified (GM) foods has all the earmarks of a “shock and awe” campaign targeted at prying open a major potential market. But the suit before the World Trade Organization (WTO) may be aimed less at the EU than at developing nations, which are far more vulnerable to strong-arm tactics.

Take the case of the reluctant Egyptians.

Egypt had originally joined the suit, along with Argentina and Canada, but, in the face of a domestic backlash over the safety of GM food crops, withdrew. However, it filed a separate complaint on an EU ban against its GM drought-resistant cotton, joining, at least in spirit, the U.S. action.

Besides responding to popular sentiment, the Egyptians were also nervous over the confrontational tone of the U.S. suit. “The way (the complaint) was announced was like a war with the EU,” one Egyptian trade official told the *Financial Times*, “We can’t go to war with the EU. It is 40% of our trade.”

Avoiding war with the EU, however, landed them in a shootout with the Americans. Reacting with fury, the U.S. accused the Egyptians of breaking their word and cancelled free trade talks.

According to the *Financial Times*, Egyptian officials were “stunned” by the U.S. reaction, particularly after U.S. Trade Representative Robert Zoellick recently described their country as a “linchpin” for a Middle East free trade agreement and “the heart of the Arab world.”

The White House was banking on Egypt to represent the need for GM crops in “developing countries,” in particular, Africa. GM crops as a solution to the African famine is one of the major arguments the Bush administration has used against the EU ban.

The Bush administration seems to be applying its “for us or against us” anti-terrorism formula to trade policy, particularly if the country is a developing one like Egypt. Similarly, when Croatia and Thailand raised health objections to GM crops, the U.S. threatened trade sanctions and both countries backed down.

The White House has been more circuitous with big countries, like India and Brazil. In the case of Brazil, U.S. corporations—underwritten by taxpayers—bring politi-

cians and scientists to the U.S. and South Africa to study GM crops. And reaction to India’s ban on U.S. GM crops has been muted.

There is much at stake in this fight over biotechnology, and it has nothing to do with alleviating hunger or overcoming famine. The “Big Five” biotech companies—Monsanto, Dupont, Syngenta, Dow Chemical, and Aventis—have invested billions of dollars in research and development. Out of 1085 biotech patents, the Big Five control 937.

The U.S. argues that GM crops represent the new “green revolution” that will allow countries to feed the growing world population. But the U.S. Department of Agriculture’s own Economic Research Service found that crop yields were no higher for GM crops than they are for regular crops, and GM crops can be tricky to grow. They were created for huge, American super-farms, not the small-scale agriculture that characterizes most of the developing world. Plus GM seeds cost more, and few poor farmers have access to cash.

The Bush administration presents its GM-friendly policies as a solution to hunger. During his recent tour of Africa, Bush said, “For the sake of a continent threatened by famine, I urge the European governments to end their opposition to biotechnology.”

But many Africans are suspicious and see the spread of GM crops as creating a kind of “bioserfdom,” with farmers in thrall to huge biotech companies. Amadou Kanoute, research director of African Office of Consumers International, says the spread of GM crops, “will plunge Africa into greater food dependency.”

American agricultural policy has always had a strong self-interest streak in it. According to a policy statement by the U.S. Agency for International Development (USAID), the main vehicle for foreign food aid, “The principal beneficiary of America’s foreign assistance programs has always been the United States.”



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Hunger is a product of access and distribution, not production, as the cases of India and Uganda make clear.

India produces more than 48 million tons of surplus food, yet most is never distributed to the more than 320 million Indians who go to bed hungry each night. In Orissa's Kalahandi Province there is actual starvation, even though the area is rich and fertile and produces 50,000 tons of surplus rice annually.

In Uganda, the problem is transport, not food production. The wet and fertile west of the country produces plenty of surplus, but poor roads and inadequate rail systems make shipping the food to the dry east expensive. Yet few international organizations or lenders will pony up money for improving things like infrastructure.

The administration's charge that EU policies are encouraging famine in Africa has deeply angered Europeans. As EU officials point out, Europe gives Africa seven times as much aid as the U.S. does, and further, that most of that aid is delivered in cash, which bolsters local economies. The U.S., on the other hand, delivers its aid in the form of agricultural surplus, which allows the U.S. to dump its overproduction.

The European Parliament has already decided to phase out the moratorium against GM crops, although it will demand strict labeling. Any product containing more than 0.9% GM products will be flagged, and GM food will have to be segregated from non-GM food in production and harvesting.

The U.S., however, refuses to accept labeling. Zoellick says, while he supports consumer choice, "this information should be non-prejudicial in presentation and feasible for producers to provide," adding that the labeling plan "does not meet this standard."

The "feasible" in Zoellick's statement refers to the expense involved in segregating GM products from non-GM products. But the administration is also nervous that if Europeans get labeling, Americans might demand the same. Three-fourths of the food on U.S. shelves contain GM products, and a recent study by the biotech firm Novartis found that 92% of Americans approve of labeling.

The EU is unlikely to be intimidated by fines imposed by the WTO, and if the Americans manage to block labeling, European consumers will probably just boycott all American food imports. The only real casualties in that trade war will be American farmers.

The prize in this fight is not the EU, which in any case only absorbs some 10% of American agricultural exports. The prize is the developing world, where regulations are lax, profits higher, and resistance may carry a very high price.

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