

## **Free Markets Haven't Delivered on Food and Won't**

With the food, environment, water and global economic crises it's hard to think of an area vital to our lives in which free market theory hasn't failed us. The future of food must be considered afresh, not just a repetition of the same old ideas.

Today in Canberra, Trade Minister Simon Crean and head of the World Trade Organisation (WTO) Pascal Lamy will outline their views on the future of agriculture in Australia and the world. No doubt these two champions of free trade will once again propose "free markets" as a solution to the problems currently facing food supplies and the environment.

Both are badly out of touch.

They only have to look back over the past seven months to see that the world is no longer with them. The collapse of the WTO talks in July last year was over an issue of food security. India and China refused to accept a deal drafted by Mr Lamy and supported by Mr Crean that would condemn millions of farmers in developing countries to higher risk of import surges wiping them out.

At the WTO, developing countries have been demanding the right to be able to protect the food stuffs that are vital to their food security. This has largely been ignored by rich countries and the WTO. Instead they are being asked to accept agricultural safeguard mechanisms that are more watered down than those granted to the heavily subsidising rich countries. What government would agree to that?

Yet today we'll once again hear that what's needed is "more free trade, not less". According to Mr Lamy, concluding the latest WTO round would lead to "less distortion in world markets ... leading to more rapid and efficient adjustment by supply to changes in demand". Trade Minister Simon Crean has also supported this idea stating that "attempts to self-sufficiency and a retreat into protectionism would only make things worse". While trade can play a role in addressing food security, it can only play this role if it doesn't undermine local capacities to produce.

Fifteen years of free market policies have eroded the capacities of developing countries to provide for their own food security. Instead the promises of more and cheaper foods that would come with free trade have forced many local producers out of business and brought increased vulnerability to fluctuating food prices and under-priced imports. The impacts of these broken promises aren't pretty. Last year saw protests and riots in over 30 countries about food prices. Globally, one in six people are undernourished. If we talk about global crises it doesn't get much bigger than this.

While food prices may have fallen from their all time highs during last year, the Food and Agriculture Organisation has insisted that this is a "false sense of security". The economic crisis will impact the planting forecasts for farmers.

The tightening access to credit and high input costs will see a contraction in world food supplies. A reliance on free trade is no good if there are fewer crops to be traded.

The recent report from the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) has backed up the case against further liberalising the current trade regime.

The report is a joint effort by the Food and Agriculture Organisation, business, governments and community organisations and highlights the impacts that liberalisation of agricultural markets has had on small domestic farmers, food security, and the environment. It recommends a move back towards small scale, locally-based approaches to farming, something in stark contrast to what is currently on the WTO negotiating table and being pushed through Australia's trade agreements.

In June last year the UN Special Rapporteur on the Right to Food recommended to WTO countries that they limit "excessive reliance" on international trade for food security and build their "capacity to produce food needed to meet consumption needs". Further, it recommended that countries maintain the necessary flexibilities to insulate domestic markets from the volatile prices of international markets. The recommendations also include a human rights impact assessment prior to the conclusion of trade agreements.

Such suggestions are the polar opposite to the calls coming from both Mr Crean and Mr Lamy. Apparently the right to food can be superseded by the need for "free markets".

It's time to heed the call from around the globe, from peasant farmers to the UN Special Rapporteur, who are calling for a new approach to agriculture. Even Bill Clinton has admitted that free trade policy "blew it" when it comes to food. Gone are the days of seeing food as just another commodity to be traded around the globe to where the money is. We can no longer sit by and pin our hopes on the "free market" to meet people's needs. It hasn't delivered and it won't.

The challenge before Mr Lamy and Mr Crean is to adjust to this new crop of ideas.