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Free trade will not fix the food crisis

By Adam Wolfenden

The vulnerability of countries to fluctuating food prices has come as a result of years of aggressive liberalisation of markets coupled with heavily subsidised crops undermining small domestic producers that previously provided food security. Developing countries have turned from having a net food trade surplus of US\$1 billion in the 1970s to a net food trade deficit of US\$11 billion in 2001¹. The dismantling of domestic supports such as marketing boards that can provide a guaranteed price, has only exacerbated the impacts for local producers and consumers.

For some a World Trade Organisation meeting proposed for May 19 was hoped to be a major step towards not only addressing the current global food crisis but concluding the latest round of global trade negotiations. Trade Ministers were meant to be sitting down to finalize the most important parts of the WTO Doha Round that, according to some, would open up markets for food products and counter the recent rising food prices.

Entering into its 7th year of negotiations, the Doha Round is now being repackaged as a solution to the food crisis in a bid to seal a deal, but rightfully developing countries aren't buying it. The Doha Round was dubbed the 'development' round but negotiations have stalled as developing countries wait for an agreement that will live up to its name. Developing countries are refusing to agree to offers in agriculture that allow industrialised countries to protect their own producers whilst undermining food sovereignty in poor countries.

The Director General of the WTO, Pascal Lamy, recently stated that the food crisis is another urgent reason to conclude the latest round of WTO talks. According to Mr Lamy, concluding the Doha round would lead to "less distortion in world markets...leading to more rapid and efficient adjustment by supply to changes in demand"². Australia's Trade Minister Simon Crean has also recently supported this stating that "attempts to self-sufficiency and a retreat into protectionism would only make things worse"³.

The response from many developing countries however is significantly different. "The food crisis really has nothing to do with the Doha Development Agenda," one

¹ Food and Agriculture Organisation, "The State of Agricultural Commodity Markets 2004", available at: <http://www.fao.org/docrep/007/y5419e/y5419e03.htm>.

² "WTO Says Cannot Solve Food Crisis", Reuters, May 7 2008.

³ Crean, S., Speech at Launch of European Australia Business 2008, May 5 2008, see http://www.trademinister.gov.au/speeches/2008/080505_european_aust_business.html.

developing country WTO delegate told the Inter Press Service⁴. For the past seven years developing countries have been calling for more flexibility in the Doha negotiations to allow them to protect products such as rice, wheat, soya, and dairy that are vital for food security. These proposals have been falling on deaf ears. “If we had been heard and taken seriously way back then, maybe we would not have this crisis now,” added another developing country delegate. The reality of today’s missed Doha deadline reflects the global disbelief in the supposed ‘development’ currently on the table, as well as its prospects for addressing the food crisis.

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 regime⁵. 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 Doha negotiating table, which promotes international agri-business corporations.

The food crisis is just the latest impact of the global trading system to hit developing countries. Calls for a Doha deal to be rushed at the expense of its substance will only worsen the food security of countries. This week’s addition to the string of missed deadlines needs to be seen as a wake up call to the WTO and its richer nation members who are pushing a free trade system that isn’t addressing the needs of the global poor.

One developing country delegate summed the difference at the WTO perfectly: “they are talking about shifting supplies around, we are talking about production and how we can increase our own production to meet domestic demand. That is the long-term solution”

⁴ Kwa, A. (2008) “Food Crisis Symptom of Dubious Liberalisation”, <http://ipsnews.net/news.asp?idnews=42325>.

⁵ See www.agassessment.org for a copy of the report.