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# GLOBALIZATION OF FAMINE



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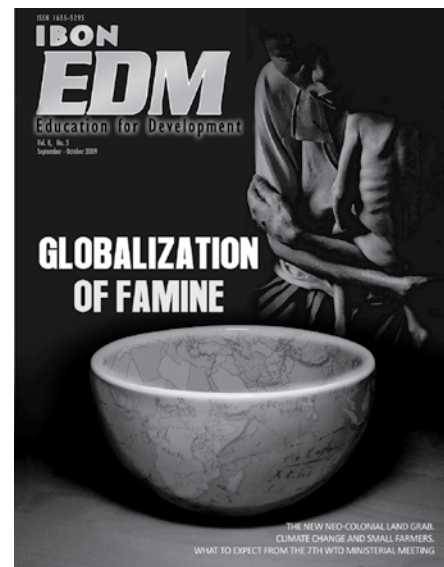
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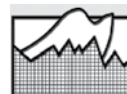
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# The Globalization of Famine

By Paul Quintos and Minerva Lopez

For the first time in history, the number of people in the world experiencing hunger has exceeded one billion this year, up by 115 million since 2007. Every six seconds a child dies because of hunger and related causes. One out of four children—roughly 146 million—in developing countries is underweight.<sup>1</sup>

**I**ronically, the overwhelming majority of the hungry population live in agrarian economies, mainly in the villages of Asia and Africa. And women, who are the world's primary food producers, are much more affected by hunger and poverty than men. The Food and Agriculture Organization (FAO) calculates that three out of four hungry people live in rural areas. Half of them are farming families, surviving off marginal lands prone to adverse climatic conditions like drought or flood. One in five

belongs to landless families dependent on farming and about 10 percent live in communities whose livelihoods depend on herding, fishing or forest resources.<sup>2</sup>

With no access to better livelihoods in the countryside, many migrate to cities in search of alternative employment. Most end up settling for precarious employment with meager incomes living in the burgeoning shanty towns in the cities throughout the developing world where 25 percent of the world's hungry population now live.<sup>3</sup>



Undernourishment leads to illness and death of people. But hunger is also a symptom of deeper maladies in society.

## Manufacturing food insecurity

Centuries of colonialism ravaged the societies and destroyed the self-sufficiency in food of countries throughout Asia, Latin America, the Caribbean and Africa. Agriculture was redirected from producing for the subsistence needs of the local population to cash crops demanded by imperial centers. Feudal landlords and colonial masters squeezed and starved the peasantry who comprised the vast majority of the population in the world.

In the so-called post-colonial period, the Green Revolution of the 1960s to 1980s was supposed to solve the problem of hunger. Research institutions funded by private foundations propagated new methods of farm production based on a package of high-yielding seed varieties (HYVs), chemical fertilizers, pesticides and irrigation which boosted yields per hectare. This was promoted by the US and other major powers as an alternative to land struggles and *Red Revolutions* that promised land reform and development to the masses.

Cereal production did increase dramatically, particularly in Asia and Latin America where the Green Revolution package was widely adopted. In Asia alone, rice production almost tripled and wheat production increased 5.5 times between 1961 and 1999.<sup>4</sup> And yet there were only modest gains in reducing the number of undernourished people in the world, including in Asia where 65 percent of the world's hungry are found.

The output gains resulting from the Green Revolution masked the deeper and longer-term ecological and social crises that it eventually helped create.

The spread of monoculture farms of HYVs based on a very narrow genetic base meant a significant loss of agrobiodiversity and reduced resilience of agro-ecological systems. Irrigation demand led to the massive reduction of water tables; increased chemical use led to greater salinization and soil erosion that reduced land productivity in the long-run.<sup>5</sup>

Smaller farmers often went into debt to be able to avail of the Green Revolution package of HYVs, chemical fertilizers, pesticides and irrigation. So the peasantry was increasingly squeezed not just by landlords, but also usurers as well as transnational corporations who were supplying these new production inputs.

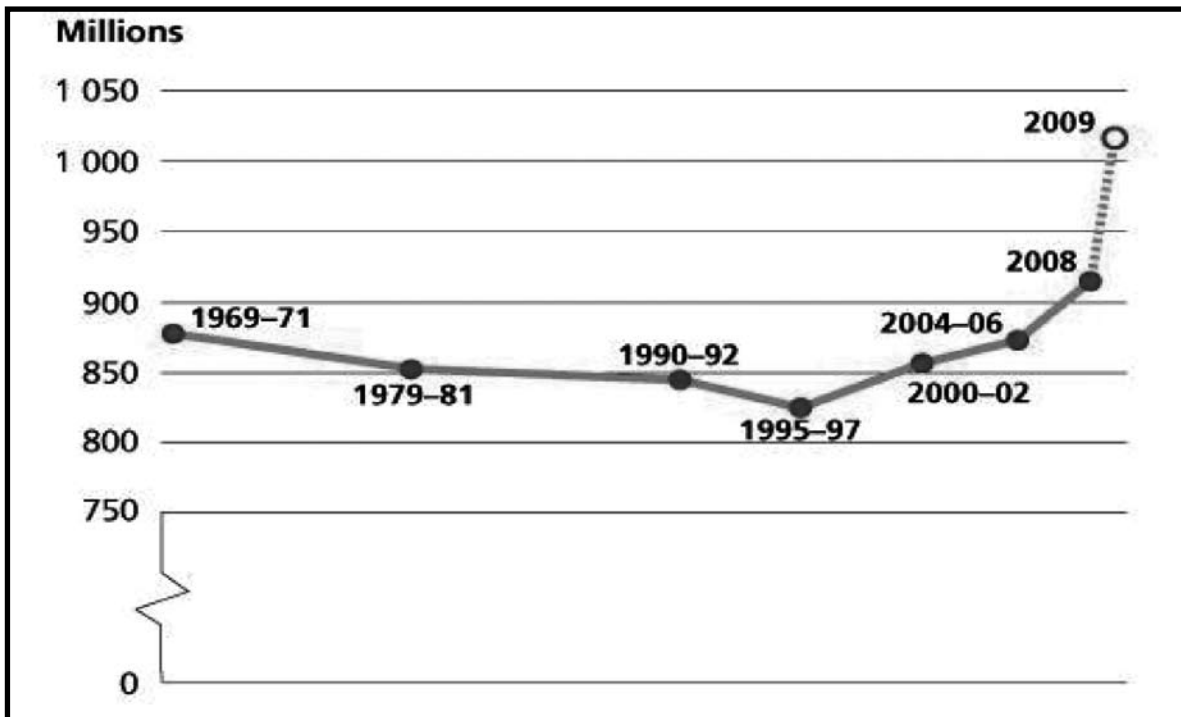
Inclement weather and other shocks resulted in unpayable debts which led many farmers to lose their land. Wealthier landowners took over more land, increasing land concentration and displacing millions of peasants to fragile hillsides and shrinking forests. The increased level of mechanization on larger farms also removed a large source of employment from the rural economy, increasing migration to urban slums.

So the lasting impact of the Green Revolution is not the increase in the world's capacity to feed the hungry. Its real success lies in paving the way for the increased control by international monopoly capital over food production in the world.

This tightening stranglehold of monopoly capital over agriculture and the global food system was deepened, extended and accelerated by neoliberal restructuring of the global economy during the 1980s and 1990s.

Structural adjustment programs (SAPs) imposed by the World Bank (WB) and the International Monetary Fund (IMF) forced

NUMBER OF UNDERNOURISHED IN THE WORLD, 1969-71 TO 2009



Source: Food and Agriculture Organization, <http://faostat.fao.org/DesktopModules/Faostat/webService/query.aspx?lang=E>

indebted third world countries to remove subsidies for staple food production, dismantle commodity price controls on staples like rice and corn, reduce the availability of credit (where it existed) to local farmers and generally starved the countryside of public expenditure support.<sup>6</sup>

Unfair trade rules enforced by the World Trade Organization (WTO) and bilateral trade agreements forced developing countries to reduce tariffs, remove quantitative restrictions and reduce support for domestic production, including agriculture. On the other hand, the advanced industrialized countries continued to subsidize their own agricultural production and dumped their surpluses in the third world.

Poor countries turned to exporting minerals, cash crops and other primary products or low-value added manufactures in order to earn the foreign exchange to pay for rising imports

and mounting debts. The consequence of this neoliberal restructuring has been the weakened capacity of developing countries to produce food for their own populations and the deprivation of hundreds of millions of people of the means to access food.

The case of Haiti is a perfect example. Over 30 years ago Haiti produced nearly all the rice the country needed. But it lost its rice self-sufficiency after procuring a foreign financial loan from the IMF which forced it to liberalize its market, causing the flooding of cheap subsidized rice from the US. By 1987 and 1988, there was so much rice coming into the country, including disguised food aid, that many stopped working the land. But when global food prices spiked in 2008, rice prices soared beyond what the majority of Haitians could afford. This provoked riots that claimed at least five lives and brought down the government in 2008.<sup>7</sup>

## Feeding on hunger

On the other hand, neoliberal restructuring of agriculture has increased monopoly capitalist control over agriculture and the entire food value chain from seeds to supermarkets.

Almost three decades ago, there were thousands of seed companies in the market. Now only 10 companies control two-thirds of the global seed market and seed sales. Only 10 pesticide companies control 89% of agrochemical sales. And one should note that the top six

agrochemical manufacturers are also the seed industry giants.

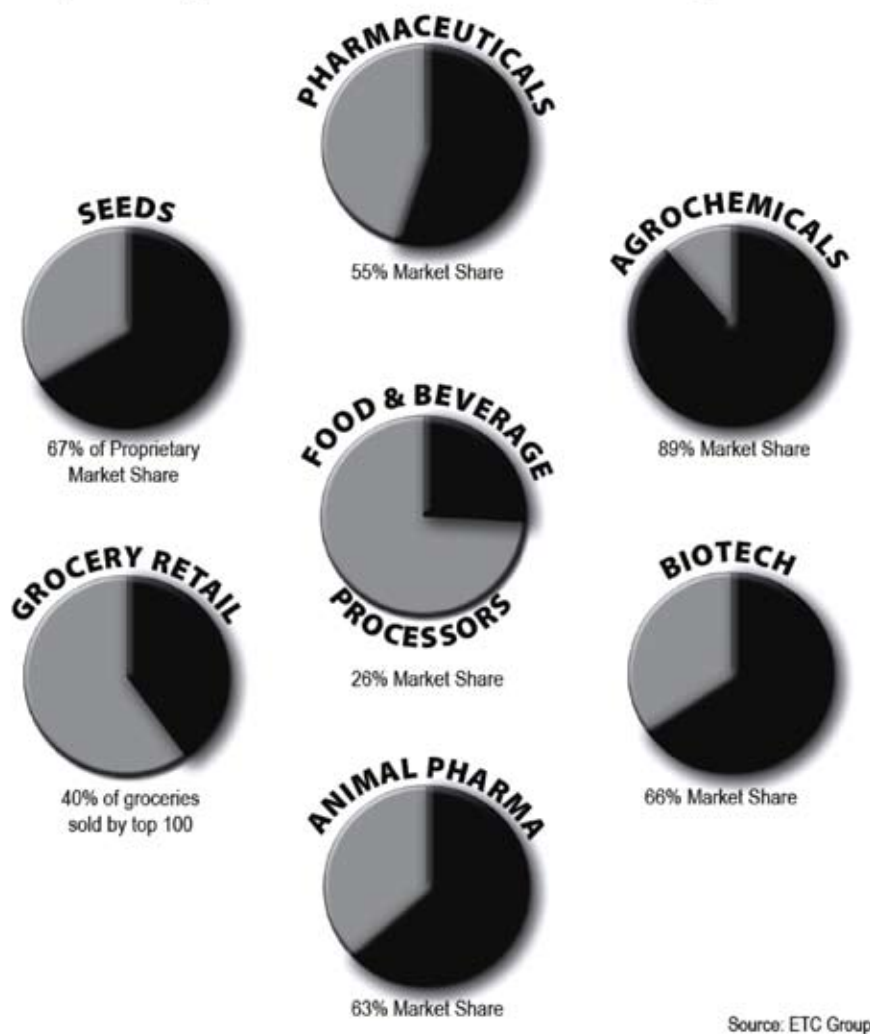
Monsanto, DuPont, Syngenta and Groupe Limagrain dominate 44% of the commercial seed market in the world. Nestlé has a virtual monopoly over the global dairy market since 2004. Dole Foods and Chiquita, two US companies control almost 50% of the banana market.

Food retail trade is also controlled and dominated by a few giant grocery or supermarket

giants. According to the ETC, the combined grocery retail sales of the top 100 global food retailers amount to US\$1.8 trillion in 2007 or 40% of all grocery retail sales worldwide. Supermarket giant Wal-Mart accounts for 10% of the grocery revenues earned by those belonging to the top 100 and it accounts for 25% of the revenues earned by those on the top 10.

While the world is going hungry, these giant agribusiness and biotech companies are reaping millions of dollars in superprofits due to their monopoly control over grains and seeds, fertilizers, pesticides and other farm inputs. Monsanto for one reported in 2008 that its net income for three months up to February 2008 doubled over the same period in 2007 or from US\$543 million to US\$1.12 billion.<sup>8</sup> Cargill's profit, on the other hand,

### Top 10 Corporations Global Market Share by Sector



Source: ETC Group (2008). *Who owns nature? Corporate Power and the Final Frontier in the Commodification of Life. Communique Issue #100. November 2008.*

increased by 86% from US\$553 to US\$1,030 billion over the same period, while the Mosaic Company, one of the world's largest fertilizer companies, increased its earnings from US\$42.2 million to US\$520.8 million.<sup>9</sup>

Monopoly capitalist control of agriculture has created a profoundly flawed global food system that produces too much (unhealthy) food for those who can afford it, while depriving those who are hungry and poor—including those who produce and process the food. It has deepened the decades-old crisis of agriculture and food production in underdeveloped countries rooted in the legacy of feudal land monopoly, the landlessness of farmers, the backwardness of their tools and production, and persistent exploitative relations such as tenancy, usury, overpricing of inputs by TNCs and traders, and underpricing of farmers' produce by traders and middlemen. All these are compounded by neglectful governments that would rather support elite interests than uplift farmers' conditions.<sup>10</sup>

This is the state of the global food system that has engendered the current food crisis which no amount of talk at the highest political levels of global governance (such as the World Food Summit) can even begin to address without changing social relations and fundamentally re-orienting existing institutions and policies.

## Upholding Food Sovereignty

This fundamental re-orientation must begin by upholding food sovereignty as the core principle behind food and agricultural policies at the local, national and international levels.

At the global Civil Society Organizations' parallel forum during the World Food Summit in 2002, farmers and social movements defined Food Sovereignty as:



“...the right of peoples, communities, and countries to define their own agricultural, labor, fishing, food and land policies which are ecologically, socially, economically and culturally appropriate to their unique circumstances. It includes the true right to food and to produce food, which means that all people have the right to safe, nutritious and culturally appropriate food and to food-producing resources and the ability to sustain themselves and their societies.”<sup>11</sup>

People's access to and control over productive resources is the foundation of food sovereignty. Hence genuine agrarian reform is necessary in different countries in order to redistribute land, capital and other productive assets and ensure access to water, seed, energy sources and other inputs to those whose livelihood depend on these resources. This also requires breaking the monopoly control of agribusiness corporations and landlords over these resources as a matter of equity and social justice. The primary beneficiaries of such reforms should be small producers particularly women and other marginalized sectors.

Agricultural production must be weaned away from chemical-intensive, large-scale industrial

monoculture farming towards ecologically sound, sustainable methods of production which rely on local ecosystems and traditional knowledge as well as appropriate farmer-controlled technologies. Public institutions must help develop and encourage the adoption of crops and farming methods that are adaptable to site-specific conditions; improve soil and water conservation; increase small-scale farm diversification; safeguard biodiversity; reduce the use of fossil fuels and other inputs; and improve labor productivity by, among other means, encouraging cooperative and collective effort among small producers. Irrigation, storage facilities, roads, transportation and other support infrastructure must also be assured. Patenting life-forms and genetic resources must be prohibited.

Food production must be primarily geared towards meeting the needs of local communities. Access to food must be premised on the absolute right to food of every person – food that is nutritious, safe, culturally appropriate and affordable. The realization of this right must not be contingent on the purchasing power of consumers. At the same time, the right to decent work and a living wage for all must be ensured by governments.

Food sovereignty has no meaning without democratic participation. This means promoting the voice and participation of peasants, farmers, workers, indigenous people and other marginalized groups in society, especially the women among them, in identifying needs and priorities, formulating policies and evaluating programs and projects that would truly ensure the realization of the peoples' right to food. At the international level,

it means respecting the national independence of countries and their right to craft their own policies while ensuring that major powers do not dominate or control multilateral fora and decision-making bodies.

Only by respecting the right and the power of communities, peoples and nations to determine their food and agricultural policies can the world begin to rid itself of the blight of hunger.

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# Amid Threat to Food Security, Philippine Government Opens More Farm Land for Foreign Agribusiness Firms

By IBON Media



legacy-by-design.com

The recent typhoons highlighted land and crop use conversion as a factor in worsening the effects of disasters on food production and the need to ensure adequate land for food production. However amidst all these, government has reserved more agricultural land for export crops and use of foreign agro-corporations.

**M**ore than 1.5 million hectares of land have been developed for agribusiness since 2005, according to the Philippine Agricultural Development and Commercial Corporation, most of which are

for planting high value commercial crops to be exported to other countries.

Government has also approved 3 million hectares for foreign agro-corporations, which

includes 60,000 hectares to Pacific Bio-Fields Corp. of Japan .

More worrying is the recent announcement of the US Department of Agriculture (USDA) that over 20 agribusiness firms will meet with nearly 200 Philippine companies to form partnerships and joint ventures in fisheries, biofuels, processed goods, meat and poultry, dairy products, etc. The Department of Environment and Natural Resources (DENR) also granted 375,091 hectares of land to be used exclusively for jatropha production, and opened 30 more hectares for public auction.

According to IBON, data from the Department of Agrarian Reform (DAR) on approved converted land area of 46,000 hectares recorded over the span of 27 years is too small and does not include yet the areas lost to massive land grabbing, illegal conversions, and land speculation for industrial, financial and agribusiness ventures in the country.

While the disaster will likely affect food production, IBON said that this would have been mitigated if agricultural lands were maintained and harnessed for food production. The impact of land use and crop conversion on the production of staple crops has been evident in the last decades. Since the 1990s, farm area planted to palay fell by more than 87,000 hectares while that of corn was reduced by almost 300,000 hectares. Such decrease in the farm area spelled the massive displacement of Filipino farmers.

With the worsening economic crisis and as the country becomes more vulnerable to disasters, government should address the threat of food insecurity by ensuring that the country has sufficient land for food production, as well as adequate support for producers, to meet the food needs of Filipinos—rather than allowing the large-scale conversion of agricultural lands.



www.globalenvision.org



# Thai, RP Rice Feud in ASEAN Shows Hazards of Premature Trade Pacts

By Sonny Africa



The maneuvering of the world's biggest rice exporter Thailand to get the Philippines, the world's biggest rice importer, to speed up liberalization of its rice sector during the ASEAN summit meeting this weekend highlights the hazards of entering into free trade deals from a position of weakness. The local economy is under threat not just from First World countries like the United States, Japan and the European Union but also from other Third World countries. Thailand is understandably out to promote its export interests even if this is at the expense of the Philippines.

**I**n the run up to the ASEAN summit meeting this weekend Thailand threatened that it would not ratify the ASEAN Trade in Goods Agreement (ATIGA) unless the Philippines opened up its rice sector further to Thai rice exports. The Philippines is under pressure to concede greater tariff-free import quotas for Thai rice, or maybe even its equivalent in other goods of export interest to Thailand.

Yet Thailand itself has long actively supported and protected its domestic rice industry. State intervention in the rice sector includes fertilizer subsidies, cheap credit brought down to half market rates, loan guarantees, crop intervention prices, and government payments for storage and quality control. Rice imports were for years prohibited unless specifically approved by the Ministry of Commerce. Import controls

included strict licensing arrangements, special requirements for case-to-case approval, local content rules and outright prohibitions.

Such active state support in Thailand has been central to making it the world's biggest rice exporter and one of its most efficient producers. In recent years it has exported up to 10 million tons annually and accounted for over a third of global rice exports. The Philippine National Food Authority (NFA) imported an average of some 350,000 tons of rice annually from Thailand in 2007 and 2008.

Indeed, even as Thailand is pressing the Philippines to liberalize its rice sector it is already drafting strict rules on rice imports, among others, as regional free trade agreements such as under ASEAN are implemented and expanded. Among the non-tariff barriers to rice being proposed are strict quality controls, limiting import custom stations and allocating import licenses.

Pursuit of national self-interest is the nature of all free trade deals and why it is vital that they are entered into only if there is domestic capacity to begin with. The Philippines has to have a minimum level of agricultural and industrial strength to take advantage of opportunities abroad and to hold up against competition from imports.

Yet the country's domestic productive sectors are generally ill-prepared to deal with further foreign competition after having suffered mounting decades of government neglect and the absence of coherent policies for agricultural or industrial development. In particular the neglected rice sector is going to be undermined by Thailand's aggressive moves to open it up further with adverse income and welfare effects for 11.5 million Filipino rice farmers and their family members.

The ASEAN Free Trade Agreement (AFTA) aims to cut tariffs on most farm products to between zero and 5% by 2010, although the Philippines proposed to classify rice as "highly sensitive" to allow import tariffs to stay at 40% until 2015 when it would have to be cut to 35%.

As it is, one out of every ten spoonfuls of rice Filipinos eat is imported from abroad. Food security must be a government priority and the appropriate resources must be allocated. Filipino rice farmers can produce sufficiently for the needs of the nation if only they are given the chance. The state has to provide rice farmers the means to be productive: higher buying prices for their palay, subsidized credit, irrigation, farm inputs and post-harvest facilities. They must also be given the opportunity to become productive and not subjected to destructive waves of competition.

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*Sonny Africa is the Research Head of IBON Foundation*



# The New Neo-Colonial Landgrab

By Ava Danlog



The intensifying food crisis that started with the steeply rising prices of staple food from 2005-2008 had resource-hungry rich countries and private investors scrambling for vast tracts of land in developing countries to secure their food and biofuels supply. This global phenomenon, called “land grab”, is already responsible for 20 million hectares of land in Africa, Asia and Latin America being bought or leased since 2006.

**D**onor governments, IFIs and even inter-governmental agencies present land grabbing as a win-win situation, addressing food security and stimulating agricultural and economic development in the host countries. However, a report by the Oakland Institute shows that land grabbing, contrary to solving food insecurity, in fact puts at risk the billions of hungry peasants and other vulnerable sectors all over the world.

## The great land grab

Washington-based International Food Policy Research Institute (IFPRI)<sup>1</sup> estimates at \$30 billion the 20 million hectares of land being bought and leased for the past four years. This

land area is already equivalent to 25% of Europe’s farmland. According to IFPRI, three main factors drive the land grab phenomenon: 1) rich nations securing their food supply; 2) the growing demand for biofuels; and 3) rise in investments in land and soft commodities.

The main target of land grabbing is sub-Saharan Africa, but Asian countries are also leasing hotspots like Cambodia, Laos, Myanmar, Thailand, Indonesia and the Philippines. These land deals are not necessarily from the North to South. At the forefront are rich countries who are short of arable land and water resources such as Japan, South Korea, China, India and the Middle East countries—Kuwait, Qatar, Saudi Arabia and the United Arab Emirates.

With the onset of factors threatening food security the previous years, rich nations scarce in land and water resources and highly dependent on food imports started looking at growing their food in developing nations to allay fears of food shortages and rapidly increasing food prices. The Gulf States' spending for food imports for example, ballooned from US\$8 billion to US\$20 billion from 2002 to 2007.

Qatar, which only has 1% of its total land area suitable for farming, bought 40,000 hectares in Kenya and recently bought land in Cambodia and Vietnam to grow rice, and in Sudan to grow wheat, corn and oils. The United Arab Emirates purchased 324,000 hectares in Pakistan in June 2009.

China, in an effort to boost its rice production from 100,000 to 500,000 tons in the next five years bought farmlands in Zimbabwe, Mozambique and other Asian countries to secure supply for its growing population. South Korea bought over one million hectares in Mongolia, Argentina, Sudan and Indonesia.

The grab for vast fertile lands is not only fueled by food insecurity. With the ambitious targets set by oil-dependent countries for agrofuels production, investors from the Organization for Economic Cooperation and Development (OECD) group of countries and the private sector, naturally set their sights on producing crops for agrofuels in developing nations owing to the relatively cheap labor, land cost and land availability to some degree.

The investors in these new land deals are not the traditional transnational agribusiness corporations like Dole or Unilever. Today's emerging farm owners (or new landgrabbers), according to a study by GRAIN<sup>2</sup>, are private equity fund managers, specialized farmland fund operators, hedge funds, pension funds, big banks and other finance capitalists—although in many

cases governments and International Financial Institutions (IFIs) are the principal brokers.

Financial investors are infamous for making superprofits by putting money where they can maximize returns in the shortest amount of time. Applying that logic to agricultural production means buying cheap land in poor countries while displacing those who need them the most, planting high-valued commercial crops for export, depleting the soils through intensive farming, pulling out after a number of years and leaving the local communities with “a desert”.<sup>3</sup>

## The role of governments and IFIs

On the other hand, host governments of developing countries agree to these land deals for the following reasons: infrastructure investment; access to research and technology; credit for markets; and ideally, to support the local food system.<sup>4</sup>

IFIs also facilitate these transactions by providing funding and promoting private sector investment in agriculture and by working directly with host governments to encourage an investment-friendly environment for foreign investment.

Key actors such as the International Financial Corporation (IFC), the private sector of the World Bank (WB), plans to boost private sector investments by increasing lending to agribusiness by up to 30% in the next three years.

Private sector investments in agribusiness means incorporation of large tracts of land which entails a myriad of concerns in accessing land, securing property rights, and the time and cost of obtaining permits to develop the land.

The IFC and the Foreign Investment Advisory Service (FIAS) assist private investors in overcoming these obstacles by working directly with governments to encourage a

“business enabling environment”. This involves designing and implementing effective policies and procedures which help foreign companies keep their profit in the country, provide tax incentives, secure property rights more easily, and make serviced land available for new investment. They even encourage changing land laws in order to increase the land area under foreign ownership.<sup>5</sup> These measures discriminate against the smallholder producers, preventing communities to benefit from the capital that is generated.

In addition to IFIs, other actors such as donor governments, research institutions, international governance agencies and the Food and Agriculture Organization (FAO), perpetuate land grabbing as a win-win situation. According to Jacques Diouf of the FAO, “when such deals take into account interest of both parties they help increase agricultural production in developing countries, provide jobs, boost export, and bring in new technologies to improve farm efficiency there”.<sup>6</sup> With the growing popularity of the win-win rhetoric, there is a convergence of factors leading to a strategy that will legitimize large-scale land investments.

## The real deal

The financial structure and donor country support that encourage land grabbing will clearly rake in profits for the investors, but at the expense of the millions of impoverished farmers in developing countries.

The famous British Marxist historian Eric Hobsbawm famously said that of all societal changes of the last half-century, the most dramatic and far-reaching is the death of the peasantry. Forcing small independent farmers to become plantation farmers in industrial and large-scale agriculture is a characteristic

consequence of the expansion of capitalism in the developing world.<sup>7</sup> And history has proven that the entry of large-scale agriculture in areas dominated by small-scale farmers leads to social unrest, social and economic inequities and even political unrest. Land ownership disputes have a long and violent history.

The immediate impact of industrial, plantation-style farms is the displacement of small-scale farmers and rural dwellers. The proponents claim that land grabbing will inject investment and create employment. But the truth of the matter is, farmers will be forced off their lands and will be employed to produce food not for their consumption, but which will be exported back to the country of the investors. So rather than solving food insecurity, it will only lead to more hunger.

Another danger is that these land deals come in direct conflict with existing land reform programs, which should be in place to attain food security. Farmers must be given direct control and be given secure and equitable access to land to produce food. However, land grabbing places pressures on land tenure systems, which affect majority of small-scale producers without formal tenure over their land, as well as indigenous groups. With the food and economic crises, genuine land reforms are even more urgent to stimulate domestic economic activity and create jobs, but these big land deals threaten the effective implementation of such programs.

In the Philippines for example, the proposed Genuine Agrarian Reform Bill (GARB) had the Saudi and European investors worried. Saudi investors were planning to purchase thousands of hectares of lands for planting and raising livestock and poultry. According to media reports, the EU is pressuring the Philippine government to lift its ban on foreign

ownership of land through the WTO provisions. Foreign control and ownership of farmlands will eventually diminish access to local food sources.

Another issue to consider is land degradation. UN statistics show that land degradation affects as much as two-thirds of the world's agricultural land. By 2025, there could be as many as 1.8 billion people suffering from water scarcity and about two-thirds of the total population could be subjected to water stress if current patterns of production and consumption are not altered. These new land deals do not consider the sustainable development of agricultural lands to preserve the environment, and the health and livelihood of the communities.

## Pushing for genuine agrarian reform

It is very ironic to think that governments of developing countries sell and lease their fertile lands to produce food and biofuels for the consumption of richer nations, when in fact, these countries are facing severe food insecurity and landlessness and rely heavily on food imports. Countries being targeted for investments are recipients of food aid from the World Food Programme (WFP) such as Cambodia, Niger, Burma, Ethiopia and Tanzania.

Developing countries targeted by land grabbing are among the world's poorest and are thus not in the best position to refuse investments. Ultimately, host countries will lose control over their own food production and supplies. And contrary to the long list of benefits that communities are supposed to receive from these land deals such as infrastructure development, creation of jobs, and boosting local production and stimulating the economy, peasants and other marginalized sectors such as the women and indigenous peoples lose their land and livelihood, in addition to worsening poverty and food insecurity in general.

In response, peasant organizations push for genuine land reforms towards rural development as the key towards sustainable domestic food production, which will address the food insecurity issue. The Asian Peasant Coalition (APC), for example, a regional network of peasant organizations, is consolidating its ranks to step up its efforts to push for genuine agrarian reform.

Its campaign against land grabbing, the five-month "Asia-wide Peasants' Caravan for Land and Livelihood" kicked off in Sri Lanka in July 2009. Counterpart events happened in other Asian countries and will culminate with a peasant's caravan in India this November 2009.

The APC believes that genuine agrarian reform and people's food sovereignty, or respecting the peoples' right to food and to produce food, are keys to address the food security issue.<sup>8</sup>

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# Climate Change and its Implications for Small Farmers

By Rosario Bella Guzman



The threat of climate change on human society and the biosphere as a whole has emerged as a critical and urgent issue. The impact of climate change on human production systems is already being felt as increasingly erratic weather conditions upset agricultural production patterns.

**T**he global warming experienced by the Earth today is attributed by scientists to the amount of greenhouse gases (GHGs) in the atmosphere, which today far exceeds the normal levels needed to warm the earth. Since the mid-1800s, the average temperature of the Earth has significantly risen and the 1990s was the warmest decade ever recorded.<sup>1</sup>

It is ironic that though climate change is largely caused by the unsustainable production and consumption patterns of industrialized Northern countries, it is the people of the South who suffer the most from its effects. Resources were plundered by global corporations and local elites through a history of colonialism and globalization, worsening the plight of the poor.

People living in poverty are deprived of or separated from productive resources, making it more difficult for them to adapt to extreme and rapid weather changes. Even current global solutions to climate change problems remain inaccessible to the poor as these are market-based solutions and not premised on genuine human development.

## Implications for small farmers and fisherfolk

According to the Intergovernmental Panel on Climate Change (IPCC), climate change is likely to lead to some irreversible impacts. The rural poor, who account for a large percentage



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of the world's poor, stand to be adversely affected because of their high dependence on natural resources for their livelihood and their limited capacity to adapt to a changing climate. Around 60% to 80% of the populations in poor countries engage in small-scale agriculture. The Food and Agriculture Organization (FAO) estimates that over 90% of the 15 million people working in coastal waters are small-scale fishers, apart from the tens of millions of the poor who fish inland rivers, lakes, ponds, and even rice paddies.<sup>2</sup>

In agriculture, adverse changes in biodiversity that translate to imbalances in the food chain, further decrease resources available for the poor both for livelihood and nutrition. There may be increases in disease epidemics for both livestock and crops, and rise of fungal and bacterial diseases for vegetables like tomatoes, potatoes, and beans. The resulting mud and stagnant water due to heavy rains may favor development of foot rot, foot and mouth disease, and liver flukes. Leaching, water run-off and flash floods will most likely render soils less fertile for agriculture. In the highland areas, the intensity and frequency of the rains are most likely to cause landslides.<sup>3</sup>

Temperature increases will cause desertification and bring about shortages in water supply in some areas. In contrast, flooding and inundation will be experienced by countries with many coastal areas such as the South, East and South-East Asia. For farmers and fisher people living in coastal areas, a one-meter rise in sea level would be enough to flood their dwellings, farm areas, and marine resources.

In the face of growing population demands, crop yields are predicted to decrease by up to 20% in large parts of Africa, Asia and Latin America. The geographical boundaries of agro-ecosystems as well as species composition and performance will change markedly. Migratory patterns of fish stocks are changing, undermining marine ecosystems which are a primary source of protein for millions of the poor in coastal communities and small island states.<sup>4</sup>

Even small rises in temperature will increase the risk of hunger in poor countries due to negative impacts on food production and availability. The stability of the food supply is likely to be disrupted by more frequent and severe climate extremes, especially in many regions that are already

### **POSSIBLE ADAPTATION STRATEGIES IN AGRICULTURE**

- Altering inputs, varieties and species for increased resistance to heat shock and drought, flooding and salinization; altering fertilizer rates to maintain grain or fruit quality; altering amounts and timing of irrigation and other water management; altering the timing or location of cropping activities.
- Managing river basins for more efficient delivery of irrigation services and prevent water logging, erosion and nutrient leaching; making wider use of technologies to “harvest” water and conserve soil moisture; use and transport water more effectively.
- Diversifying income through the integration of activities such as livestock raising, fish production in rice paddies, etc.
- Making wider use of integrated pest and pathogen management, developing and using varieties and species resistant to pests and diseases; improving quarantine capabilities and monitoring programs.
- Increasing use of climate forecasting to reduce production risk.
- Matching livestock stocking rates with pasture production, altered pasture rotation, modification of grazing times, alteration of forage and animal species/breeds, integration within livestock/crop systems including the use of adapted forage crops, re-assessing fertilizer applications and the use of supplementary feeds and concentrates.
- Undertaking changes in forest management, including hardwood/softwood species mix, timber growth and harvesting patterns, rotation periods; shifting to species or areas more productive under new climatic conditions, planning landscapes to minimize fire and insect damage, adjusting fire management systems; initiating prescribed burning that reduces forest vulnerability to increased insect outbreaks as a non-chemical insect control; and adjusting harvesting schedules.
- Introducing forest conservation, agro-forestry and forest-based enterprises for diversification of rural incomes.
- Altering catch size and effort and improving the environment where breeding occurs; reducing the level of fishing in order to sustain yields of fish stocks.

### **POSSIBLE MITIGATION MEASURES**

**Reducing methane emissions** via integrated rice and livestock systems traditionally found in West Africa, India, Indonesia and Vietnam, is a mitigation strategy that also results in better irrigation water efficiency. It can also provide new sources of income while improving performance of cultivated agro-ecosystems and enhancing human well-being.

**Reducing N<sub>2</sub>O emissions** can lead to improved groundwater quality and reduced loss of biodiversity.

**Integrating animal manure waste management systems**, including biogas capture and utilization, for reductions of CH<sub>4</sub> and N<sub>2</sub>O could result in greater demand for farmyard manure and create income for the animal husbandry sector where many poor are engaged.

**Restoring land by controlled grazing** can lead to soil carbon sequestration, have positive impacts on livestock productivity, can reduce desertification and also provide social security to the poor during extreme events such as drought (especially in sub-Saharan Africa).

**Practicing agro-forestry** can promote soil carbon sequestration while also improving agroecosystem function and resilience to climate extremes by enriching soil fertility and soil water retention.

*Source: FAO (2008)*

vulnerable. Availability of food may be affected negatively by increases in pests and diseases in crop, livestock and humans, as well as by reduced water availability and water quality.<sup>5</sup>

## Proposed adaptation and mitigation measures for agriculture

Several international treaties have been adopted in the last three decades to mitigate the projected impact of climate change. Of particular concern among world leaders is the impact of climate change on agriculture and the direct implications for world food production and food security especially in Third World countries.

Mitigation and adaptation measures to meet ecological, economic, and socially sustainable goals towards achieving food security and poverty reduction have been identified by the World Food Summit, the Millennium Development Goals (MDGs), and the United Nations Framework Convention on Climate Change (UNFCCC).

Mitigation refers to action to reduce emissions or the causes of climate change. Adaptation refers to efforts to lessen the vulnerabilities of the Earth and the people to the negative effects of climate change.

In agriculture, mitigation strategies involve reduction of non-CO<sub>2</sub> gases through improved crop and livestock management and agro-forestry practices, enhanced soil carbon sequestration in agricultural soils via reduced tillage, and soil biomass restoration. Adaptation strategies include the promotion of organic farming as an alternative to the current agricultural methods applied in most farms across the world.<sup>6</sup>

Short, medium, and long-term policy proposals for adaptation and mitigation were also identified, but the major issue since then has been funding. Financing for possible adaptation and mitigation measures in developing countries remain far from adequate and channeled through donor-controlled mechanisms.

## People's alternative

Prospects for developing countries and their population – the majority of which comprises small farmers and fisherfolk in the rural areas – on adapting to climate change and applying mitigation measures are uncertain. While developed countries led by the EU have been supportive of the Kyoto Protocol and the UNFCCC as well as the market mechanisms introduced to meet GHGs emission targets and provide financial assistance to developing countries, these are primarily driven by incentives to profit from climate change through the carbon market.

There has been no meaningful transfer of technology nor has there been substantial financial assistance to assist developing countries in the implementation of adaptation and mitigation measures. While a number of mitigation measures have been proposed, they are yet to be proven effective.

Developed countries who are parties to the Kyoto Protocol, and the United States which did not ratify it, continue to drag their feet in cutting GHG emissions. There is also a glaring lack of responsibility in assisting poor countries despite the clear and resounding fact that their plunder of the Earth's resources is behind global warming. Indeed, developed countries bear most responsibility for environmental catastrophes and climate change, which deepen poverty and human suffering among the world's poor.



There is an urgent need for small farmers and the poor population of developing countries to organize and assert their sovereignty over their natural resources. Developing countries must unite and demand that developed countries – especially the US – redress the environmental plunder their transnational corporations have wrought by unconditionally fulfilling their obligations as articulated in the UNFCCC.

Every option – financial and technological including research and development – should be provided to developing countries free from any conditionality. Market-based solutions driven by capitalist profit motives will not resolve climate change. The issue requires genuine reforms that entail sustainable practices of natural resources utilization, and adopting appropriate technologies as determined by the actual development needs of the people.

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# Conference Confronting Food Crisis and Climate Change

## Unity Statement

**27-29 September 2009, Penang, Malaysia**

We, 113 participants from 22 countries representing peasants, small farmers, agricultural workers, women, indigenous peoples', fisherfolk organizations, and health, environmental and consumers CSOs met in the Conference on Confronting the Food Crisis and Climate Change from 27-29 September, 2009 in Penang, Malaysia.

**W**e met in the midst of the worst global recession of the century and a global financial crisis. This is the worst in the cycle of crises of monopoly capitalism, now manifesting in the collapse of global financial institutions and speculative international markets. Another consequence of monopoly capitalism is

the global food crisis which is compounded by climate crisis. With the collapse of food self-sufficiency due to globalization, the massive speculation in the global commodities market and the expansion of agrofuel policies have resulted in spiralling food prices and hence, the food crisis.

The climate crisis has been caused by unprecedented unsustainable industrial development, chemical intensive agriculture and overproduction under monopoly capitalism mainly in the developed countries since the last 200 years and intensified in the last 3 decades. Both the food and climate crises are exacerbated by imperialist globalization, a process to ensure the expansion of markets for excess goods and capital to secure super-profits. The over-consumption and unsustainable lifestyles of affluent societies have further contributed to the crises.

In food and agriculture, the globalization process has intensified the expansion of corporate monopoly control over the food chain from production to marketing and the exploitation of rural labor, natural resources and biodiversity. It has further marginalized and impoverished indigenous peoples, women, dalits, small and marginal farmers, and fishers. Corporate monopoly of agriculture through the collusion of landlords, autocratic and corrupt governments and other elites has caused great misery for peasants and other rural people. Governments have reneged on their responsibility to uphold the rights and welfare of the people.

The food and climate crises indicate the failure of the FAO, CGIAR, IFIs and national governments in addressing hunger and perpetuating the paradigm of toxic, unsustainable growth for profit. The call by G8 countries for a new global governance on food and agriculture in response to food crisis is a renewed offensive that will only further entrench corporate control on food and agriculture production. Subsequently, the current initiative for the World Summit on Food Security in Rome in November 2009 drives the same agenda of corporate agriculture. Despite the fact that the World Food Summit in 1996, the corporate model of agriculture was heralded as the solution to end world hunger and it

brought us the food crisis and increased hunger for our people.

Corporate farming systems such as plantations, intensive aquaculture and livestock systems, floriculture, contract farming and now, agrofuel production, perpetuate the over-exploitation and pollution of lands, forests, seeds, waters, marine resources and other natural resources that have been the sources of livelihood for small food producers. Moreover, the resultant loss of biodiversity and the diminishing number of crop varieties grown worldwide are major concerns for small producers who depend on such biodiversity for their survival. The introduction and forced expansion of genetically engineered (GE) crops is increasingly threatening the agrobiodiversity in the fields and, reports of health impacts and environmental contamination by GE crops are cause for grave concern. Hazardous pesticides and chemicals also harm human health and the environment.

Moreover, climate change adversely impacts food production, deepens the food crisis and exacerbates rural poverty, joblessness and misery, as people face crop losses through droughts, floods and climatic disasters. In the meantime, corporations including agrochemical and agribusiness companies are continuing their unsustainable form of production through “carbon trading” schemes. Worse, they have seized the opportunity to amass more profits with the use of public funds in so-called carbon emissions reduction technologies and projects. Adaptation and mitigation technologies are not the final solutions to climate crisis. The final solution is through people-oriented ecological development. This should be the target for adaptation funding through mechanisms that are directly channelled to communities rather than through the World Bank and its corporate-oriented technologies. This will meet the principle of compensation for centuries of ecological debt of the North to the South.

In the face of the greater challenges posed by the food crisis and climate change, the people now have to struggle even more to confront oppressive structures and institutions.

As we, women, face the greatest burden from calamities, war, crises and displacement, we must struggle harder against patriarchy, fundamentalisms and extremisms, and endeavor for full participation and involvement.

As we, peasants, lose our livelihood and land, and are forcibly exiled from our communities, we have to fight much harder against the onslaught of corporate land grabbing and for our rights.

As we, agricultural workers, continue to slave in pesticide-drenched corporate farms and plantations, we need to struggle even more for our rights, jobs, lives and livelihoods.

As we, the fisher people, are further displaced by corporate fishing and intensive industrial aquaculture as well as corporate coastal and offshore development projects, we have to struggle even more to conserve, gain access, manage and control marine and aquatic resources as well as fishing implements.

As we, indigenous peoples, lose our ancestral domains due to land grabbing and corporate exploitation, we have to defend our indigenous knowledge, ancestral history and legends, culture and our very lives.

As we, the working people as consumers, deprived of nutritious, safe, adequate, culturally appropriate food and pushed to unnatural and unsustainable lifestyles, we must strive even more to tackle the negative effects of all crises and, exert our right to food and our responsibilities as conscious, ethical and ecological consumers.

We will be resolute in our struggle to put people and the planet first over profits. We will work together to regenerate and restore nature and society.

We have gathered now to further strengthen and consolidate our movements to advance food sovereignty, gender justice and climate justice. We will work with full dedication and commitment to:

**Fully** resist corporate monopoly control over food and agriculture;

**Advocate** for the establishment of compensatory funds to support communities' capacity to address the impact of climate change;

**Advance** genuine agrarian, fisheries, forestry and pastoral reforms that ensure gender justice and the rights of women to land and productive resources;

**Assert** food self-sufficiency in our societies and stop land use conversions;

**Advance** the rights of indigenous peoples over ancestral land and domains as well as protect and uphold indigenous knowledge and wisdom as basis of ecological agriculture and sustainable development;

**Defend** the rights of marginalized communities, ethnic minorities and Dalits.

**Stop** the killings of and violence against peasants, agricultural workers, fisherfolks and indigenous peoples struggling for their peoples' rights;

**Ensure** market access for the poor and marginalized people, and fair price for their harvests;

**Promote** local knowledge particularly the nurturing values and expand biodiversity-based ecological food production as foundation for food self-sufficiency;



**Promote** and support community-based seed and grain conservation systems;

**Build** stronger links between consumers and small food producers to promote the production and consumption of affordable, local, ecologically produced and safe food, and to work towards ethical consumption and sustainable lifestyles;

**Protect** the rights and well-being of agricultural workers and their communities, and ensure fair wages for them;

**Promote** pro-people, farmer-led research technologies and institutions;

**Resist** imperialist globalization, fundamentalism, feudalism, patriarchy, militarization and, autocratic and corrupt governments, and end racial, caste and all other forms of discrimination; and

**Endorse** the People's Protocol on Climate Change which provides the framework of our demands for climate justice based on the principles of social justice, sovereignty,

respect for the environment, gender justice, and responsibility, and call for an economic system that is sovereign, socially just, democratic and ecologically sustainable.

We claim our right and the right of all excluded and marginalized people, to restore and recover the regenerative ability of nature by reorienting our methods of production, consumption and marketing. We deviate from the present destructive processes of greedy exploitation of humans and nature to ensure the long-term survival of all life forms. We endeavor to heal the earth.

We call for the people's right to food and uphold People's Convention on Food Sovereignty\* as the sustainable framework for food production and distribution, and for national and international trade and investment policies.

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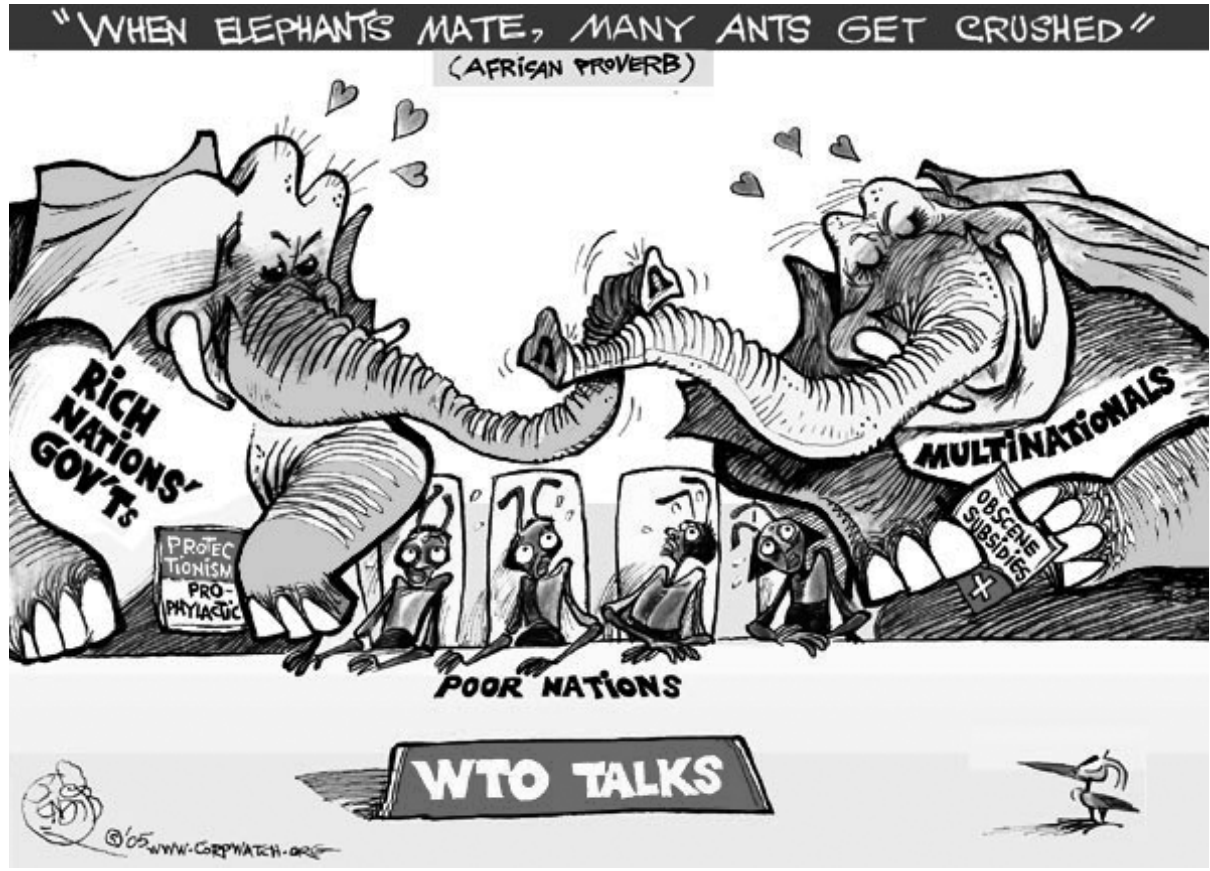


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\* As adopted during the People's Convention on Food Sovereignty held in Dhaka, Bangladesh on 27th November, 2004

# What Can We Expect from the World Trade Organisation's Ministerial Summit?

By Athena Peralta



Four years after its last minister-level gathering in Hong Kong in 2005, the 7<sup>th</sup> Ministerial Conference (MC) of the World Trade Organisation (WTO) is slated to take place in Geneva from 30 November to 02 December 2009. The MC is being held during an unprecedented period of global economic turbulence and ecological challenges. The global financial crisis that originated in rich, industrialised countries in 2008 continues to wreak havoc on many economies including developing economies; and the reality of climate change and its adverse consequences have rapidly moved to the forefront of the most urgent issues confronting the international community today. What then can we expect from this global trade summit?

## Trade and the global financial and economic crisis

The trade summit will be held under the overarching theme of “The WTO, the Multilateral Trading System and the Current Global Economic Environment” in recognition of the financial and economic difficulties that continue to define the times.

There can be no argument that the present global economic environment demands international cooperation, political intervention at the multilateral level, and strong and credible institutions. This year, global trade is predicted to shrink for the first time since 1982 by around nine percent in volume terms;<sup>1</sup> while global production is expected to decline by nearly three percent.<sup>2</sup> Even as major economies are slowly pulling out of the deepest recession in the last 80 years, demand for goods and services worldwide remains at an all-time low and the ranks of the unemployed remain undiminished.

But trade is not merely impacted on by movements in global production and demand. Arguably, it could also serve as an instrument for economic expansion, particularly of the advanced industrialised countries of the North. “Free trade” has long been promoted as the main “engine of growth” by the economic orthodoxy led by the World Bank (WB), International Monetary Fund (IMF) and WTO. Predictably, therefore, these influential multilateral financial and economic institutions continue to advance market liberalisation – the agenda driving the Doha Round of trade talks – as an important leg of the package of solutions to the global economic crisis.

The World Bank’s 2009 Global Monitoring Report stresses that:

“A quick and successful conclusion to the Doha Round of trade negotiations would help to ease protectionist pressures, keep markets open, and strengthen the rules-based multilateral trading system. It would also provide a much-needed boost in confidence to the global economy at a time of high stress and uncertainty... Maintaining and improving developing countries’ access to international markets is therefore a key element of the development agenda.”<sup>3</sup>

At an IMF-sponsored conference in Dar es Salaam in March 2009, the Managing Director of the IMF, Dominique Strauss-Kahn, likewise called for the resumption of the Doha Round of trade talks, which would integrate developing countries, including those in Africa, into the global trading system, spurring global and regional development and facilitate attainment of the Millennium Development Goals.<sup>4</sup> Speaking at a meeting of the Trade Policy Review Body last April 2009, WTO Director-General, Pascal Lamy, stated that the best collective stimulus package is to conclude the Doha Development Agenda.<sup>5</sup>

However, the WB, IMF and WTO are missing the point. Unfettered trade liberalisation represents a chunk of the problem. Even before the current financial and economic slump, many developing economies were in crisis. In the last couple of decades, the lowering of barriers to the entry of imported goods and services had resulted in the phenomenon of de-industrialisation in many developing countries, particularly in Latin America.<sup>6</sup> In the rural sector, millions of farmers in the developing world lost their livelihoods and bases of survival due to the influx of cheap, heavily-subsidised agricultural products.<sup>7</sup> Structural asymmetries between rich, industrialised nations and poor nations in terms of capital, technology and knowhow translated to highly uneven trade outcomes that benefited the former nations at the expense of the latter nations.

Moreover, the liberalisation of financial services, including under the auspices of the WTO's General Agreement on Trade in Services, and speculation in commodities markets have been implicated as factors that helped to trigger the global financial crisis. The developing economies that were battered the most by global financial turmoil were those that had a high degree of trade openness.

It is against this background that a consortium of African civil society organisations (CSOs) is calling for a complete moratorium on the Doha Round of negotiations with the aim of assessing the consistency of the proposals on the table with policy measures necessitated by the global financial crisis.<sup>8</sup> Participants in an African civil society consultation in preparation for the 7<sup>th</sup> MC of the WTO rejected the various texts that have emerged as the basis for further negotiations in the Doha Round, asserting that:

“Developed countries must cut their domestic subsidies, including drastic reductions to their so-called trade-distorting domestic support, and impose severe restraints on the so-called green box subsidies. African and other developing countries must retain robust defensive and protective measures, including tariff policy. In this regard, proposed mechanisms like the Special Product and Special Safeguard Mechanism must be revamped and rehabilitated. At the very least, the African and other developing countries must return to the original forms of the proposals as they submitted them. The cotton subsidies in the advanced industrial countries, in particular the US must be eradicated.”<sup>9</sup>

## Trade and climate change

If the 7<sup>th</sup> MC is not attracting as much attention as previous trade summits, this is in part because of the timing of the gathering. Currently, all

eyes are on the upcoming 15<sup>th</sup> Conference of Parties of the United Nations' Framework Convention on Climate Change, which will be held in Copenhagen just a week after the MC. As the environmental and socio-economic impacts of a warming atmosphere become ever more apparent, climate change and multilateral negotiations around it have increasingly hogged international headlines and have been brought to the centre-stage of international politics. So far, however, little is being said and done on the role of trade in global warming. Where linkages are being made, there is some cause for worry. A recent joint WTO and United Nations Environment Programme (UNEP) report on the intersections between trade and climate change acknowledges that greater openness in trade will most likely generate higher greenhouse gas emissions that cause climate change.<sup>10</sup> But at the same time, the report attempts to take the edge off this finding by asserting that trade liberalisation and addressing climate change can be “mutually supportive”. More specifically, the press release for the report claims that:

“...trade and trade opening can have a positive impact on emissions of greenhouse gases in a variety of ways including accelerating the transfer of clean technology and the opportunity for developing economies to adapt those technologies to local circumstances. Rising incomes, linked with trade opening can also change social dynamics and aspirations with wealthier societies having the opportunity to demand higher environmental standards including ones on greenhouse gas emissions. In addition there is evidence that more open trade together with actions to combat climate change can catalyze global innovation including new products and processes that can stimulate new clean tech businesses.”



In the context of the Doha Round, environmental goods and services are being earmarked for liberalisation. There are two tracks to the overall logic behind this proposal. First, the reduction of tariffs and elimination of non-tariff barriers in environmental products would reduce their price and therefore facilitate their use. Second, the liberalisation of trade in climate-friendly goods would provide incentives and domestic expertise for producers to expand the production and export of these goods.



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However, the negotiations are largely focused on opening up markets of developing economies to rich countries' environmental services and technologies. As we have seen in many industries in developing countries that were subjected to liberalisation, there is a huge danger that domestic producers of environmental services in developing countries could be prevented from establishing themselves in their own markets especially with trade restrictions on government support or subsidies for climate-friendly products and technologies.<sup>11</sup>

The WTO's TRIPS Agreement has been trumped up as an important mechanism to promote innovation in green technologies. Yet previous research on patents and technological innovation, climate-friendly or otherwise, indicates that this is not necessarily or automatically the case, especially for affordable technologies that are needed in the poorer parts of the world.<sup>12</sup> Patents could artificially inflate the cost of clean technology and thus hinder its transfer to developing countries. Furthermore, patents may contribute to the vulnerability of rural communities, who will

be among the hardest hit by climate change, by making it difficult for farmers to practise traditional mitigation and adaptation techniques and by promoting a less biologically diverse agriculture.<sup>13</sup>

Rich, industrialised countries are also discussing the use of trade policy to introduce climate measures, including the imposition of a customs fee on carbon-intensive goods. While such a tax could indeed help to curb greenhouse gas emissions and encourage low-carbon production and distribution, there is a concern that such measures could be abused to erect new trade barriers in rich economies for goods from developing countries that are considered climate-unfriendly.<sup>14</sup>

## Hardly an opportunity to make a difference

In an ideal and alternate reality, the 7<sup>th</sup> MC of the WTO could be a venue to map out trade strategies in response to the financial, economic and ecological situations and to

address some of the structural roots of financial and climate crises that are linked to trade. But in the last decade, the WTO has lost a lot of credibility in failing to sufficiently recognise the asymmetries within the multilateral trading system and in failing to genuinely respond to the development (including ecological) challenges faced by poor nations. Business interests of rich, industrialised nations continue to dominate trade negotiations: hence, the relentless focus on opening up developing country markets to products from the developed world against all costs. It is worrisome that the same interests are also beginning to dictate climate talks. Social movements and civil society networks such as Our World is Not For Sale are rightly urging governments to “change trade, not our climate”.<sup>15</sup>

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# Globalization, Labor Migration and FTAs

By Joselito M. Natividad



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The role of multilaterals as ideal delivery platforms for the neoliberal agenda were torpedoed by popular protests and profound disagreements even among WTO members. From the Seattle Ministerial in November 1999 to the Geneva talks in July 2006, festering resentments against Northern dominance repeatedly led to deadlocks in negotiations, exerting pressure on bilaterals – heretofor considered a secondary delivery platform – to compensate for the more coherent but scuttle-prone multilaterals.

**T**he Asian Development Bank (ADB) admits: "Such disappointing consequences have forced the WTO member countries (US and EU in particular) to choose alternative paths such as FTAs to promote trade. The trend toward FTAs has generated a domino effect in which one FTA triggers the creation of others." (*ADB*, 2009)

With NAFTA already serving as a "successful" model towards bilateralizing globalization, two nodal points in WTO's crisis-ridden history gave further impetus for FTAs and other

bilaterals to assume the lead role in liberalizing international trade:

**Cancún Ministerial** – WTO's second major breakdown triggered a significant shift of pressure and focus towards FTAs. Robert Zoellick, then US Trade Representative, immediately retaliated with his "competitive liberalization" program, whereby the US would pit Southern countries against each other to fight for US market access on a select one-by-one bilateral basis. In no time, Washington announced FTA negotiations with Thailand,

Ecuador, Peru, Colombia and, soon after, five countries in Central America. Japan, China and many other Asia-Pacific governments also started looking much more earnestly into FTAs and jumping into negotiations. It was during this period that many people adopted Columbia University economist Jagdish Bhagwati's phrase "spaghetti bowl effect" to describe the dangers of a complicated web of divergent bilateral trade rules replacing a more coherent multilateral regime that only a global forum like the WTO could maintain.

**Doha Round** – the July 2006 suspension of talks triggered yet another serious shift towards FTAs. While the US did not start new negotiations as a result, the EU was boosted into launching major new FTA talks with 21 countries in Latin America and Asia. By then, however, much had already changed since Cancún. Latin American countries had more or less "buried" the Free Trade Area of the Americas (FTAA) initiative, and some, led by Venezuela, had embarked on a rival Bolivarian Alternative for the Americas (ALBA). Venezuela had bolted from the Andean Community and joined Mercosur in protest against several Andean states' FTAs with Washington. The 77 African, Caribbean and Pacific countries of the ACP group were entering into the last phase of their negotiations with Brussels on economic partnership agreements (EPAs). And China – having secured partial but significant deals with Thailand and with ASEAN as a whole, besides starting to engage the West by initiating comprehensive FTA talks with New Zealand and then Australia – was embarking on a broader multi-tiered FTA strategy.<sup>1</sup>

While it would be imprudent for critics to dismiss the WTO altogether especially in the light of the current global economic crisis (which can become an opportune argument for

multilateralism), the trend towards bilateralism is clearly impelled by this organization's failure to create binding unities among such widely divergent streams of economic and geopolitical interests. This monumental miscarriage is understandable given that the inherent contradictions within the world capitalist system itself precludes long-term, stable compromises, and given that the type of methods WTO is compelled to employ in facilitating the neoliberal agenda – high-profile, multilateral, and with pretensions to "non-discrimination" – tend to encourage the formation of resistance clusters (internal) and movements (external) that can seriously impede efforts to stitch together multilateral trade agreements, such as happened in Cancun and Doha.

The second point is useful in highlighting bilateralism's comparative advantage over the more hegemonic multilaterals. Not being scrutinized as closely as the latter, FTAs, BITs and EPAs have more elbow room for evading internationally-agreed principles of transparency, non-discrimination and accountability *caveats* that can make them vulnerable to global advocacy campaigns. Furthermore, negotiations for an FTA are often cloaked in secrecy and conducted only by heads of state, with public debates occurring only after ongoing deals are exposed inadvertently. This allows bilaterals – especially North-South ones – to easily circumvent national laws that happen to be asynchronous with certain agreements.

Such built-in conveniences have spurred the proliferation of FTAs not only between North-South countries but also among South-South ones. According to the World Bank, by mid-2004 there were a total of 229 FTAs in force worldwide, with 174 countries having signed on to at least one. It does not take into account FTAs signed but not in force, nor those under



negotiation or in the pipeline. On the other hand, the Asian Development Bank (ADB) says that by the end of 2006 there were 192 FTAs – 84 concluded, 57 under negotiation and 51 proposed – in Asia and the Pacific alone. In Latin America, the Organization of American States speaks of 81 FTAs (of all sorts) in force from Canada down to Chile. The numbers of FTAs are relatively easy to track over time, but by themselves the numbers do not indicate the importance of FTAs to economic activity or trade at the national level. It is informative to get an idea of how much of a country's world trade is covered by FTA provisions.

The spread of FTAs may be roughly divided into a North-South or a South-South axis. North-South bilaterals tend to be by-products of existing neocolonial relations and are dominated by the US, Japan, EU, Australia and New Zealand. All are trying to carve out FTAs for themselves in Asia, Africa, Latin America and the Caribbean. The South-South bilaterals axis, on the other hand, is led by such major FTA players in the region as China, India, Korea, Singapore, Thailand and Taiwan. FTAs between Southern countries generally do not impose major policy changes on each other, the big exception being restrictions on labor mobility within the axis as sought by receiving countries such as Singapore, South Korea, Malaysia, China (Hong Kong) and Taiwan.

## FTAs and labor mobility

Bilateral agreements have been increasingly used by labor-receiving countries to liberalize and regulate labor migration. Such accords provide labor-receiving countries a country-specific, tailor-made solution to labor mobility. Through them, host economies can determine the sources of migrant workers based on their political and strategic interests or historic and cultural links.

On the other hand, ambivalence marks labor migration both as state policy and as riders in international trade agreements, a manifestation of social tensions within the host country itself. While both Northern and Southern TNCs vigorously pursue greater labor liberalization at both the multilateral and bilateral levels, industrial unions – rightfully threatened by cheaper and more docile migrant labor – also exert a counterpull of their own through parliamentary lobbying aimed at limiting labor market access to Southern job subcontractors.

At a European Trade Policy enquiry in 2008, Linda Kaucher of the London School of Economics (LSE) argues:

“Corporate sector lobbying to encourage labor liberalization may have several congruent aims. One is to increase the easily available supply of ready-trained workers, while encouraging a competitive wage market with downward pressure on wages and working conditions to increase profit, or ‘competitiveness’. But in addition, labor liberalization enables overseas companies providing outsourcing operations to bring their own imported workforce. Thus it serves to facilitate low cost outsourcing here, allowing corporations to offload employer responsibilities, without the disadvantages associated with offshoring.

Clearly, however there are other perspectives to be considered, related to jobs, effects on labor standards, and the broader social effects of such employment shifts, as well as the implications of increased migration, for instance affecting housing supply and public services.”

While FTAs serve a multitude of objectives that are even more important than facilitating labor mobility, their efficacy as cross-border instruments for regulating labor flows has been

an established fact since NAFTA. Depending on the workforce needs of a signatory entity and how the tensions between corporate and trade union interests play out in the receiving country, an FTA may provide for greater or lesser inflows of migrant labor – often with provisions that do not allow for permanent migration or regularization. Especially during economic downturns, FTAs tend to restrict rather than encourage new entrants into the migrant labor pool.

## ASEAN FTAs and Labor Migration

The Association of Southeast Asian Nations (ASEAN) is a geo-political and economic organization composed of Indonesia, Malaysia, Philippines, Thailand, Singapore, Brunei, Myanmar, Cambodia, Lao PDR and Vietnam. As a cornerstone of US foreign policy in East Asia, it was expressly formed in 1967 to counter “the growing threat of communism”.

After a period of relative irrelevance after the Cold War, ASEAN found new lease in life as an “FTA darling” – a much sought-after partner in plurilateral trade deals. Emerging as a major regional hub linking country-members with the world’s larger economies and whipping up its own “spaghetti bowl” of trade agreements, ASEAN already has FTAs with PRC, Japan, South Korea, India, Australia and New Zealand, and is considering negotiating an FTA with the EU.

ASEAN’s member countries are also active in forging their own FTAs bilaterally inside and outside the sub-region, with Singapore by far the most active with 18 agreements. The country is a founding member of the ASEAN Free

Trade Area (AFTA) and has implemented or concluded agreements with the largest Asian economies—PRC, India, Japan, and Korea—as well as economies outside the region, including the United States (US) and Australia. The US–Singapore FTA, which has been in effect since 2004, was the first such agreement made by the US in Asia and is reputed to be a model agreement in terms of scope.

The scramble for plurilateral or bilateral FTAs in the ASEAN is dictated by its member-countries’ increasing reliance on labor mobility to drive their respective economies. For underdeveloped countries, remittances remain the second largest source of finance after foreign direct investments (FDIs)<sup>2</sup>. An estimated 12

million migrant workers are of ASEAN origin, and their share in ASEAN GDPs averaged 10.9% in 2009, with Lao PDR highest at 34.5%. Of its ten members, the Philippines, Indonesia, Myanmar, Thailand, Vietnam, Laos, and Cambodia export labor while Singapore, Malaysia and Brunei import it. Malaysia and Thailand are both source and destination countries, although Malaysia receives far more migrant workers than it sends. Malaysia is also

the largest labor importer in the sub-region.

Beyond traditional trade policies of tariff and non-tariff barriers, ASEAN-based FTAs often include provisions for services liberalization and labor mobility, acting as legal leverages for securing labor-sending countries’ cooperation in managing irregular migration. For instance, Malaysia and Thailand have sought bilateral



agreements with large sending countries to manage such migration and try to ensure orderly labor flows. Malaysia has signed bilateral agreements with Bangladesh, PRC, Indonesia, Pakistan, Sri Lanka, Thailand, and Viet Nam. In 2003, Thailand entered into agreements with Cambodia, Laos, and Myanmar for government-to-government recruitment of migrant workers. South Korea has also forged bilateral labor agreements with Indonesia, Mongolia, Philippines, Sri Lanka, Thailand, and Viet Nam under its Employment Permit System (EPS), partly motivated by the desire to reduce irregular labor migration. Overall, the preferred policy for migrant workers is the 'guest-worker' rotation system, which does not allow for settlement by migrants.

Affirming the economic role of migrant labor in both sending and receiving countries, ASEAN issued its "Declaration on the Protection and Promotion of the Rights of Migrant Workers" in January 2007 ostensibly aimed at protecting their rights and improve their quality of life. Like all policy declarations on labor migration, however, the policy document reflects the hypocritical attitude of governments and big capital in receiving countries towards migrant workers and their reluctance to make any significant concession. While paying lip-service to promotion of migrant rights and welfare, the Declaration (like the GATS Mode 4) omits any reference to permanent migration or regularization of irregular (undocumented) migrant labor. Further, its impact as a serious policy instrument has yet to be felt given the absence of specific mechanisms for its practical implementation.

In sum, migrant labor is no better off under bilaterals than in multilaterals. The terms on labor mobility defined under WTO's GATS Mode 4 has become a benchmark of sorts for bilaterals to work with, and highlights the limits

of reform in this area within the neoliberal regime. At the end of the day, rejecting FTAs as globalization's post-WTO workaround and digging deeper into the roots of labor migration for long-term solutions become the only real forward movement for both social advocacies.

### Endnotes

- 1 Aziz Choudhry et al, "Today's FTA Frenzy", *Fighting FTAs: The Growing Resistance to Bilateral Free Trade and Investment Agreements*, December 2007, [http://www.bilaterals.org/article.php?id\\_article=15222](http://www.bilaterals.org/article.php?id_article=15222)
- 2 "Sending Money Home: Trends in Migrant Remittances", *Finance and Development*, Vol. 42, No. 5, International Monetary Fund (IMF), December 2005. (<http://www.imf.org/external/pubs/ft/fandd/2005/12/picture.htm>)

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- 6 Tomer, B. 2007. *The WTO/GATS Mode 4, International Labour Migration Regimes and Global Justice*. Amsterdam: Free University

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# Our Recipe for Disaster

By Hilary Spurling

## **Hungry City:**

### **How Food Shapes Our Lives**

By Carolyn Steel

Chatto and Windus

## **The End of Food: The Coming Crisis in the World Food Industry**

By Paul Roberts

Bloombury

*Hungry City* is a sinister real-life sequel to *Animal Farm* with the plot turned upside down by time in ways even George Orwell could not have foreseen. Its key image is the Pig Tower, a 21st-century Dutch invention for producing pork in custom-built city blocks, each 76 floors

high, designed to house pigs in comfortable apartments with lavish bedding and ample rooting space on large, open-air balconies. "The towers would be powered by biogas digesters run on pig manure and connected to a central abattoir to which pigs would be moved by lift."

This perfectly rational project would deliver a lifestyle not essentially different, as Carolyn Steel points out, from the conditions enjoyed by many urban human beings. She calculates that 1,000 huge, mixed "vertical farms" constructed in and around central London could feed the entire city. The savings (zero food miles, on-site waste disposal, no hidden pollution costs) take us back to something like the old sustainable style of farming still practised in England in 1945, when *Animal Farm* came out.

Orwell's quaint old Farmer Jones had no machinery on his farm, nor any means of generating the electricity to work it. 60 years later the industrial production, preservation, packaging and transport of food for the UK uses four barrels of oil per person per year; the US needs nearly twice as much. London consumes the produce of a global hinterland more than 100 times its size, roughly equivalent of the whole of Britain's currently cultivated farmland.

The speed of this transformation and its unprecedented scale and secrecy make it difficult to grasp. For the first time, supply no longer has any clear relation to demand. Output, and the complex international infrastructure that supports it, is controlled by profit. Chronic overconsumption with its attendant ills (obesity, diabetes, heart trouble) keeps pace in one part of the world with starvation in others.

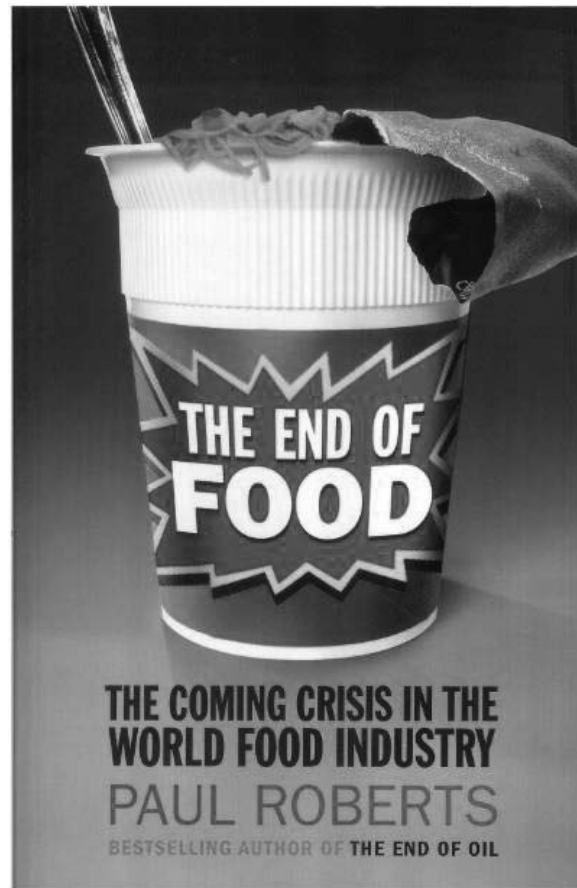




The figures are staggering. Wal-Mart dominates the global grocery trade with profits reckoned by the UN at the start of the century to be “bigger than the gross domestic product of three-quarters of the world’s economies.” Today those profits have doubled. Five companies control 90% of the global grain supply. The world tea market is in the hands of three. Four giant processing companies own 81% of American beef. None of these companies are answerable to anyone but themselves. They are ruthlessly anti-competitive, largely above the law and more than able to impose often ruinous conditions on the countries that supply them.

Commerce permits no deviation from corporately determined norms; 90% of milk in the US now comes from a single breed of cow, and the same proportion of commercial eggs from a single breed of hen. British supermarkets have reduced well over 2,000 varieties of locally grown apple for all practical purposes to 2 (Bramley and Cox). This concentration makes the food chain permanently vulnerable to contamination, disease of terrorism (“I, for the life of me, cannot understand why the terrorists have not attacked our food supply,” said Tommy Thompson as he resigned as US health secretary in 2004, “because it would be so easy to do”). It also means that whole species face imminent extinction.

The corporate world meanwhile diverts attention by its ability to mimic the variety and individuality it is suppressing. Local shops sucked out of British high streets in what Steel calls the “superstore tsunami” of the 90s are being replaced with chains of mini-stores offering fake diversity. Markets that traditionally operated as rowdy public spaces are giving way to controlled and sanitised private shopping malls. Now that our countryside no longer feeds us, it too can be



“prettified and petrified” into a marketable commodity, with leisure, retail and tourist zones.

The process of commercial collectivization has gone largely unregulated and unopposed, if not actively encouraged, by local and central government; partly because it is so lucrative, but partly also because so many of its more worrying operations take place out of sight on other continents, or parts of them, that most people never see. The food nearly all of us eat comes from plastic poly tunnels big enough to be visible from space, cast feedlots each holding tens of thousands of identical cattle, and gigantic uniform plantations of corn or soybean stretching from one horizon to the next. It pillages finite resources, pollutes water supplies, eliminates wild life, generates

corrosive manure lagoons and exhausts and erodes the ground on which it grows.

An architect by training, fascinated by the practicalities of siting, building and supplying cities, Steels says that one of the strangest things about feeding the modern urban world is “the sheer invisibility of the process”. Its paraphernalia litters the landscape but is not at all easy to see. She describes an illicit visit to one of the 70 regional distribution centres or RDCs, a nameless “national food hub” in England. The place was not only anonymous but so inconspicuous as to be virtually indescribable: a collection of huge sheds, “vast boxes clad in crinkly-white tin, so featureless that only the dozens of lorries crowding their loading bays, like piglets at the belly of some monstrous sow, give any idea of their true scale”.



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Places like this embody the secretive side of agribusiness. In China, where the whirlwind transition from ancient to modern lifestyles is a cause for pride rather than concealment, the process takes tangible shape in the swirling white mists of pollution or brick dust rising over every town.

The world's population became for the first time predominantly urban last year. Another 400 million people are expected to urbanise in China in the next quarter-century. In 1962, the average Chinese ate 4 kg of meat a year. That figure is well over 50 kg now, and rising fast.

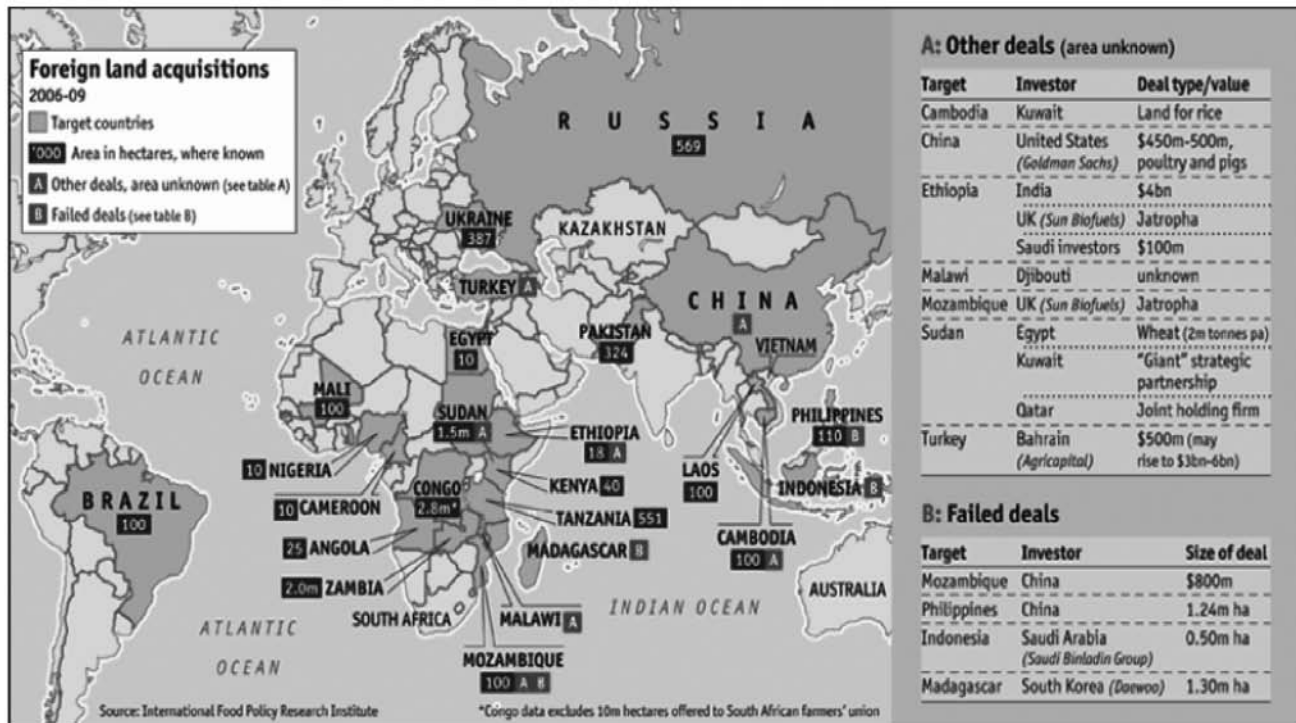
Paul Robert's *The End of Food* documents our eating patterns, the global economy that supports them and the morality behind it in exhaustive and authoritative detail.

These two books reach broadly similar conclusions, and both are Orwellian in their implications. The quantity and quality of food we have come to take for granted in the West can't last much longer.

The dream of plenty realised daily on supermarket shelves piled high with cheap, colourful, convenient and reliable produce turns out to be a nightmare. It denies the nature of food (“seasonal, squashable, bruisable, unpredictable, irregular”, in Steel's words) and it is unsustainable and destructive in the long run. It rests on coercive, conformist and monopolistic policies openly dedicated to the suppression of individuality, autonomy and free choice. “Our competitors are our friends,” said the retired president of one of the major US grain companies. “Our costumers are the enemy.” – *Observer*, May 4, 2008

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## A NEW SCRAMBLE FOR LAND



Source: *The Economist*. May 21, 2009

## GLOBAL HUNGER STATS

- 1.02 billion people do not have enough to eat - more than the populations of USA, Canada and the European Union; (Source: *FAO news release*, 19 June 2009)
- 907 million people in developing countries alone are hungry; (Source: *The State of Food Insecurity in the World*, FAO, 2008)
- Asia and the Pacific region is home to over half the world's population and nearly two thirds of the world's hungry people; (Source: *The State of Food Insecurity in the World*, FAO, 2008)
- 65 percent of the world's hungry live in only seven countries: India, China, the Democratic Republic of Congo, Bangladesh, Indonesia, Pakistan and Ethiopia. (Source: *The State of Food Insecurity in the World*, FAO, 2008)
- 10.9 million children under five die in developing countries each year. Malnutrition and hunger-related diseases cause 60 percent of the deaths; (Source: *The State of the World's Children*, UNICEF, 2007)
- It is estimated that 684,000 child deaths worldwide could be prevented by increasing access to vitamin A and zinc (Source: *WFP Annual Report* 2007)
- Undernutrition contributes to 53 percent of the 9.7 million deaths of children under five each year in developing countries. This means that one child dies every six seconds from malnutrition and related causes. (Source: *Under five deaths by cause*, UNICEF, 2006)
- Iron deficiency is the most prevalent form of malnutrition worldwide, affecting an estimated 2 billion people. (Source: *World Health Organization, WHO Global Database on Anaemia*)
- Iron deficiency is impairing the mental development of 40-60 percent children in developing countries (Source: *Vitamin and Mineral Deficiency, A Global Progress Report*, p2, UNICEF)
- Iodine deficiency is the greatest single cause of mental retardation and brain damage. Worldwide, 1.9 billion people are at risk of iodine deficiency, which can easily be prevented by adding iodine to salt (Source: *UN Standing Committee on Nutrition. World Nutrition Situation 5th report*. 2005)



# 2009 Hunger Map



Category	1	2	3	4	5	Insufficient data
Undernourished	<5%	5-9%	10-19%	20-34%	≥35%	
Description	Extremely low	Very low	Moderately low	Moderately high	Very high	



World Food Programme