

# **Public Economic and sectoral Policies to enhance Food & Nutrition security and agriculture in the context of the SDGs and the Post 2015 Agenda**

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Workshop, Food Security in the Post 2015 Development Agenda: What Objectives for what outcomes?

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The South Centre is an intergovernmental organization of developing countries headquartered in Geneva. The Centre works to assist in developing points of view of the South on major policy issues, and to generate ideas and action-oriented proposals for consideration by the collectivity of South governments, institutions of South-South co-operation, inter-governmental organizations of the South, and non-governmental organizations and the community at large.

The Centre also responds to requests for policy advice, and for technical and other support from collective entities of the South such as the Group of 77 and the Non-Aligned Movement.

## Overview

- I. Food crises: aspects, causes and consequences—  
challenges for the MDGs and the SDGs
- II. Issues that need to be addressed by (global) public  
policy at the broad macro economic and social  
policy level as well as at sectoral levels within the  
context of the SDGs
- III. Towards SDG and Post 2015 comprehensive  
approach for dealing with Food & Nutrition  
security and agriculture: Perspective from the  
South Centre

## **I. Food crises: aspects, causes and consequences— challenges for the MDGs and the SDGs**

1980-1995:

The lasting impacts of structural adjustment

The pro- active dis-investment in agriculture in developing countries, including breakdown of incentives and safeguards and the shift to the dominance on industrial agro production.

Active disinvestment in agriculture in developing countries in 1980s-1990s by Structural adjustment programs, trade liberalization and trade expansion policy that de-emphasised agricultural production and especially food production in developing countries.

Tariff liberalization → dumping of highly subsidies food items from OECD countries into many developing countries distorting and destroying local production/. Encouraged focus on industrial farming at expense of subsistence farming.

**Underlying: Climate and extreme weather conflict, gender inequality & women's lack of empowerment**

## 1995-2013 and beyond: WTO trade liberalization

OECD subsidies->Dumping

Challenges to public food stocks and food security programmes as distorting to market

Failure to launch and complete the DDA include (Special Safeguard Mechanism and Special Products, food security initiatives of G-33 plus

Bali 2013 'Food fight' and 'Peace clause' \_2

WTO trade policy block food security policies in developing countries include acquisition of public food stocks and other actions that are often designated as trade distorting even as the OECD countries continue to subsidies and take food policies and practices.

To what extent are international trade rules are impediment to the right to food?

**Underlying: Climate and extreme weather conflict , gender inequality and women's lack of empowerment**

2007\_2008- 2013: Fragility of food system and volatility of food prices, low international stocks

- Financial crisis → search for yields → food speculation
- Energy price crisis → search alternative energy → Food based bio fuels (corn based ethanol etc. including policies....
- US drought (2013)
- International land grab
- Ending of the ‘miracle of trade liberalization based approach to food security?

2007-2008 and beyond factors are complex webs:  
financial speculation, ethanol based policy in US etc.,  
Drought and climatic factors

Continuing volatility of food prices and fragility of agriculture markets are driven by financial speculating

**Underlying: Climate and extreme weather, conflicts and women’s lack of empowerment**

## **II. Issues that need to be address by (global) public policy at the economic policy level as well as sectoral levels in the context of the SDGs.**

*Managing Risk and promote sustainability and resilience in food security and Nutrition*

The major imperative is to address the proximate and structural causes:

**Price Volatility:** drivers: bio fuels expansion, unregulated financial speculation low levels of public food reserves

### **Historical structural factors**

- Food & Agriculture Policy
- Water & Energy Policy
- Lack of Rural development
- Gender inequality & lack of women's Empowerment
- Problematic Land use and lack of Land rights & Land grabbing

## **Framing Food & Nutrition security in the Post 2015 and SDGs Process: Perspective from the South Centre**

South Centre's premise, priorities and concerns:

- The attainment of food and nutrition security and sustainable agriculture, increased food production in developing countries are among the most important issues in the SDGs.
- Important in considering the issue that the international factors linked to enhance partnership are taken into account as well as the means of implementation together with national actions taken by countries.
- The structural factors must be addressed fully:

1. New dynamics in food are driven by public policy in developed countries and so can be responsive to public and policy reform.

Dynamics is also driven by the implementation of national version of said policy complicated by with national dynamics: inequalities, exclusion and marginalization.

2. Distributional factors also play a role in food security.

3. Financial speculators: old players: futures market, hedger (traditional speculators), new players: index speculators and venture capital: –surge in financial speculation. These actors are not interested in actual supply and demand but on the basis of proportional shares in their portfolios

4. Trade reform is essential especial with respect to reform of agriculture. Rules are skewed against the developing countries. Trade distorting subsidies in OECD should be drastically reduced as soon as possible

OECD subsidies; \$252 billion in 2009, 22% of value of gross farm receipts, similar level in 2007 and 2008. Support high in rice (60% of total producer rice receipts). Counting infrastructure and marketing and consumer support total support is \$384 billion in 2009.

Developing countries cannot match that kind of subsidies. But cheaper imports from OECD compete with local production, over whelming it. So farmers lost market share and livelihoods.

In 2005 WTO ministerial agreed on an elimination target year of 2013.

WTO has also agreed in principle for allowing developing countries to take measures for food security.

But no agreement on how to translate these principles into concrete rules and measures.

**So there is need for a goal or target to enable the promotion of food & nutrition security, farmers' livelihood and rural development in the multilateral trade system and free trade agreements.**

6. The public stock holding issue (based on Murphy & Wise presentation at South Centre Jan 21, 2014):

Public stock holding can be quite beneficial to food security

- Stabilize prices over time

- Mitigate short term supply and demand disruptions

- Limit speculation and hoarding

(There are also some cautions: including that excessive exporter stock can depress prices and can contribute to volatility;

It is also not a solution to chronic hunger and it requires technical capacity etc. to administer and implement).

But on the whole it is still desirable: given asymmetries in information on prices, power of a highly concentrated private sectors, high volume of trade and speculation, highly unequal purchasing power in markets.

Good public reserves are cheap public insurance policy in the face of uncertainty, can address market failure and support agriculture, encourage investment and protect market transparency

*The Economist, Sept 9, 2010: ...the world would benefit from a global system of food stocks. These would give importing countries confidence that supplies will always be for sale when prices spike, calming panic buying and reducing pressure to retreat into self-sufficiency”*

*G8 and L’Aquila (2009): feasibility, effectiveness and administrative modalities of a system of stockholding in dealing with humanitarian food emergencies or as a means to limit price volatility need to be further explored”*

Trade in food needs to be managed. Why?

- Supply is concentrated by country and firm
- Supply is variable and (increasingly unpredictable)
- Purchasing power is grossly

What is needed?

- A system of internationally coordinated public food reserves (world stock to use levels are dangerously low) Public food stock
- G-20 hostile to public stockholding and resist international discussion on the topic.
- Developing countries are rebuilding domestic food stock
- West Africa: initiative to create a regional emergency food reserve ongoing  
UN CFS has agreed since 2011 to review public reserve programs
- **Opportunity to explore the potential for food stocks to meet food security objectives**
- **Clarification of AOA rules—the baseline for reference for prices;  
(as recommended by Murphy and Wise 2014)**

7. Meaningful limits on financial speculation on agricultural commodities:

- Dealing with over the counter trade in commodities future

8. Bio fuels: Can we put the genie back into the bottle?

Reform bio-fuels policies (for biofuels made from food crops): some improvement in this area.

9. Regulation of cross-border land investments

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- Large-scale acquisition by Foreign Investors continues (land matrix partnership)
- More water is being grabbed than land (Us national Academy of science)

Campaign stop land grabs. Moratorium on land deals—Oxfam.

Ongoing global efforts to regulate them:

UN Committee on World Food Security (CFS) adopted Voluntary Guidelines on Land tenure (May 2012). Also has principle on Responsible agriculture investment.

Tanzania: will limit how much land foreign investors can acquire.

## 10. Climate change

UNFCCC: adaptation, mitigation, Green climate Fund

### **Wrong way?**

- G-8 New Alliances for Food Security and Nutrition (funded by Monsanto, Yara and other companies): aid with strings—African government must refine policies to improve investment opportunities.

Shift to involvement of private sector over country-led agricultural development

Conditionality that will promote the opening up of Africa's market to foreign investors.

- Weakening support for public sector funding for the G-8s Global agriculture and food security Programme.

Towards enhancing Food & Nutrition security in the Post 2015 Agenda and SDGs.

Potential targets:

*Increase the number of countries with policies of enhancing food security and access to adequate, safe and nutritious food for present and future generations (in line with the Five Rome Principles for Sustainable Global Food Security, adopted on 16 November 2009) including for children under the age of 2, and through national and global strategies (drawn from Rio20, P108)*

*Adoption of national right to food framework laws and/or inclusion of the right to food in national constitutions in x number of countries by 20xx, and effective implementation through national right to food strategies (in line with the Recommendations of the Special Rapporteur on the Right to Food, to the General Assembly (A/68/288, 7 August 2013) and Para 108 of The Future We Want)*

*Ensure the availability of nutritious food and safe drinking water in for individual men and women and in households, hospitals, health care facilities and schools especially and pre-kindergarten, kindergarten,*

*elementary and high school through support of local food production*

## Means of Implementation/Global Partnership for Development

*Provision of international financial resources to assist countries to implement national policies for access to food for all.*

*Elimination of agricultural subsidies and other trade distortions by developed countries (G77 Statement, 22 May 2013)*

*Provision of greater market access in developed countries for developing country agricultural products, through the timely conclusion of the Doha Round of multilateral trade negotiations, which must fully respect its development mandate and take into account the needs and priorities of developing countries. (G77 Statement, 22 May 2013)*

*Progress to be made for regulation of financial speculation on basic food items critical to the nutrition of the world's poor, so as to reduce the volatility of food prices (In line with G77 statement 22 May 2013: "Commodity markets should operate in a properly regulated manner that avoid excessive volatility and*

*speculative activities and serve the real needs of both producers and consumers.”*