

Food Security And Drawbacks Of Neo-Liberal Food Policies

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Abstract

Being a basic need for people all over the world, access to healthy and adequate food is indispensable for the survival of human kind. Yet there is a considerable inequality with regard to the access to food, as is the case with many other crucial resources. The global food policies purporting to address this inequality are in fact further exacerbating the problem towards becoming a chronic one. This paper will investigate the concept of food security and neoliberal food policies from a critical perspective. To this end, it will first touch upon the definition of human security concept and the relevance of food security within this context. Secondly, the policy proposals of institutions established under the United Nations for food security will be listed. Moreover, the global trade regime laid down by the World Trade Organization, the World Bank, and the International Monetary Fund, and its implications on the food security will be analyzed. Finally, the problems emerging from the global food policies, and the opposition movements that have developed as a reaction to these will be investigated.

Keywords: *Food security, Human security, Neoliberalism, Fair Trade, Food sovereignty.*

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INTRODUCTION: HUMAN SECURITY AND FOOD SECURITY

The concept of human security has been introduced to go beyond the classical understanding of security built upon realist tenets such as national security and military capacity. It aims to establish a new and more inclusive conceptualization of security. In this context, human security was mentioned for the first time under the Human Development Report, prepared by the United Nations Development Program (UNDP) in 1994. It has been defined as a concept encompassing not only the security concerns of the states but also the security problems that could be encountered by ‘ordinary’ people in their daily lives (Liotta, 2002). According to this definition, it is possible to argue that human security accommodates two fundamental aspects, first of which being the provision of security against chronic threats such as hunger, epidemics, or political oppression. The second aspect considers the protection against sudden and harmful interruptions in daily life. The threat categories listed by the UNDP within the scope of human security are those related to the economy, food, health, environment, as well as personal, social, and political threats (McDonald, 2002).

Although the human security concept has been introduced to the international relations literature recently, the international debates and entities with regard to its food security aspect dates back further in the past. The Food and Agriculture Organization (FAO), currently an agency under the United Nations (UN), has been established even before the UN was founded. FAO was followed by the World Food Programme (WFP), and International Fund for Agricultural Development (IFAD) were launched in 1960 and 1977 respectively. The mission of IFAD is the financing of agricultural development projects in developing countries, while that of the WFP is confined to intervening in urgent situations. Among the UN entities working on food issues, the FAO encompasses the broadest range of activities (Alcock, 2009).

THE FOOD SECURITY STRATEGIES OF IFAD AND FAO

The food security roadmaps developed by IFAD and FAO reflect the liberal international relations perspective, which also underlies the foundation of the UN. IFAD has been established upon a decision taken in the UN World Food Conference in 1974. In the conference, it was stressed that the food insecurity and famine was due to structural problems related with poverty, and the concentration of population in rural areas in developing countries, rather than problems regarding food production. IFAD proposes a roadmap based on the use of natural resources by the rural poor as a means of production towards development. In this context, the level of production will be increased by the improvement of agricultural technologies while the necessary capital for the poor to achieve a leap in production will be provided by the development of financial services. The end goal of this roadmap is to bring the local producers to a level where they could compete in the international market (Schanbacher, 2010). FAO defines the food security as the state when “all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life” (Wittman, 2011, p. 91). According to FAO, the food security is a matter of distribution, not of production, and it is linked to the will of national governments to establish policies that would provide their citizens with adequate food supply (Wittman, 2011).

The views of IFAD and FAO parallel the shift in the early 1980s in the discourse on poverty used by the international organizations. In this context, the developmental problems in the poor countries have started to be attributed less to the international system and more to the failures or corruption of the national governments. Based on these new assumptions, it was proposed that the underdeveloped or developing countries could develop if their national economies become integrated to the international

markets. Hence, the national economies would be influenced less by the decisions of the governments than by the self-regulating regime of the free market which eventually achieves ideal conditions (Woods, 1999). Therefore, the FAO's comments on the causality between the starvation problem and the unwillingness of national governments for proposing a solution should be read in this context.

Following a discussion on the theoretical background of IFAD and FAO's approaches on food security, the implication of these on the implementation of policies shall be analyzed. IFAD supports the Microfinance Institutions (MFIs) that generate opportunities to set up local financial institutions, and provide the poor access to loans and financial services. However, it stresses that these are not charity institutions but commercial organizations, and thus it would only continue to support those MFIs which achieve the expected performance. Accordingly, the function that the MFIs should fulfill is to set up a foundation for economic growth that will make the poor in rural areas self-sufficient, through providing financial advice and training by establishing a financial infrastructure in their regions. FAO founded the Special Program for Food Security (SPFS) in 1994 to combat global food problems. Following the World Food Summit held in 1996, the SPFS continued to work with increasing momentum and has begun to develop many different projects in the field of rural development by increasing food production and expanding its field of activity which was limited by small-scale water management. By 2003, the SPFS had become an entity operating in 70 different countries, having expanded its working fields to include post-harvest management, development of small-scale processing centers, access to loans and support, etc. (Rivera, 2003).

THE AGENCIES' FOOD POLICIES:WTO, WORLD BANK AND THE IMF

Since the World Trade Organization (WTO), the World Bank (WB) and the International Monetary Fund (IMF) are the essential organizations operating on the international economic order, it is difficult to argue that these are directly involved in the construction of food security discourse. However, as the policies developed by the UN institutions in this field encourage the integration of Southern economies to the international market, the approaches of these institutions on the global economy also become relevant.

Through its agency in the conclusion of international trade treaties and the resolution of conflicts with regard to these, the WTO certainly has an influence on the global food trade, and hence food security. Especially the inclusion of the services, intellectual property, and agriculture within the ambit of the General Agreement on Trade and Tariffs (GATT), following the Uruguay Round (1986-1994) could be deemed as a milestone within this context (Schanbacher, 2010). Until then, USA had consistently objected to the inclusion of agriculture within the GATT for years. The rationale behind this was the fact that USA was a strong agricultural producer and the leading country in the production of many internationally demanded food products, notably wheat. Hence, it did not want to become dependent on any commercial restrictions in the export of these goods. However, the USA and the EU led the demands for the inclusion of agriculture within the GATT during the Uruguay Round. The reasons underlying this shift are the deterioration in the domestic markets caused by the competition among these actors in the field of food trade, and the general tendency to adopt neoliberal policies since the 1980s (Margulis, 2014). In this context, the food crises in the European countries and in USA, which occurred since the 1970s due to the surpluses of food, have urged these actors to develop strategies to increase food exports to markets in underdeveloped and developing countries (Schanbacher, 2010).

The process of the inclusion of agriculture within the GATT has not been a smooth one, with the WTO's roadmap for the gradual phase out of export subsidies and reduction in trade-distorting domestic support meeting objections from many countries. In this context, the WTO's preferences concerning the grouping of the subsidies, and the fact that industrialized countries have been able to circumvent the organization's principles by defining their subsidies with a different wording have led to a controversy. Yet all these problems and debates have not changed the WTO's articulation underlying the newly formed strategy: Render the economies of developing countries competitive in the international market through the phase out of trade-distorting subsidies. The implication of this on agriculture has been the opening of agriculture market in the developing countries to foreign investments, and introduction of an export-oriented trade policy. In the Ministerial Conference of November 2001, the WTO has underlined its prominent role in the liberalization of global trade and the determination of its rules. It has also declared its intention to work in cooperation with the IMF and WB towards these ends (Schanbacher, 2010). Meanwhile, it is essential to note that many fields of service, including water, food, environment, health, education, research, communications, and transportation have become integrated into the WTO's global trade regime through the General Agreement on Trade in Services (GATS). Thus, the WTO has obtained a wide range of power to act on many fields without considering the concerns of local governments and peoples (Shiva, 2007).

Furthermore, in addition to the measures on trade liberalization, the Doha Round has produced two essential outcomes: The Trade-Related Intellectual Property Rights Agreement (TRIPS) and Trade-Related Investment Measures (TRIMS). The declared intention of the TRIPS is to protect the unique forms of production and innovation in the national level, and establish an international arbitration mechanism to enforce the rights

and resolve conflicts with regard to these. TRIMS is a regime towards maintaining foreseeability in the international market by guaranteeing that governments act transparently in their decisions on trade. Thus, having the rules of trade standardized globally, the international corporations would feel safer in investing in developing countries, whereas the countries attracting investment would achieve rapid development. “Aid for trade”, another formula developed by the WTO, encompasses the provision of help by the developed countries to the developing ones towards harmonization of their trade regimes with the global market and protect themselves from the adverse effects of free trade. Accordingly, the developing countries would be advised on reframing their economic policies. The implication of this on agriculture is that these countries would be steered towards producing internationally demanded goods and export these with high prices, while importing cheaply available food from other countries (Schanbacher, 2010).

The WB, which offered loans to countries in the South within the framework of national development policies popular in the 1970s, has abandoned this approach in the 1980s, adopting a program towards expanding neoliberal economy throughout the globe instead. Having encouraged agriculture and irrigation oriented mega projects as a development method under the “green revolution” discourse countering the “red revolution” of the Soviets, the WB has shifted its policies on the redistribution of resources favoring the poor countries. Under the influence of neoliberal trends throughout the world, the redistributive mindset has been replaced with a different one that is prioritizing the structure of the market and willing to directly intervene in the national policies of developing countries (Goldman, 2007).

WB, has been developing strategies, under the name of Structural Adjustment Program (SAP), for the adaptation of developing countries to international trade. In this framework, the roadmaps offered include increasing agricultural efficiency, prioritizing certain crops according to the demand in markets, and endorsing a capital-intensive mode of production which also involves intensive use of pesticides and fertilizers. The “Reaching the Rural Poor” strategy, announced by the WB in 2001, aims sustainable agricultural growth through the management of natural resources and improvement of agricultural competitiveness (Schanbacher, 2010). To this end, firstly, the traditional crop preferences of the local producers will be reshaped in line with the demand in global market. Secondly, the short-term profits will be raised through increasing the amount of production by the help of agricultural technologies. Finally, the producer will grow consciousness within this process, which will allow one to continue making profits in the long term. WB, working in cooperation with the WTO, IMF and the UN, incentivizes a development paradigm focusing on free trade, privatization, technology, and good governance. Within this context, the integration of small-scale farmers to the international market is targeted (Schanbacher, 2010).

IMF, has an institutional strategy towards the member countries which consists of three fundamental pillars, namely, surveillance, financial assistance, and technical assistance. In this context, firstly, the economic performances of member states are monitored and holistic economic roadmaps are offered to them if deemed necessary. Secondly, conditional loans are provided towards the achievement of these roadmaps. Finally, technical assistance is provided for improving the management of economic activities within the countries. Just like the WTO and WB, the IMF is also in favor of a development oriented growth strategy for eradication of poverty. Therefore, the implication of this overall rationality

on the agriculture advises towards the elimination of local subsidies and barriers to allow the opening of agricultural production to global market (Schanbacher, 2010).

THE PROBLEMS ORIGINATING FROM GLOBAL FOOD POLICIES

The main problem caused by the global food policies is that they create a dependency relationship and monopolization in favor of the developed countries and multinational corporations (MNCs). First of all, the MFIs are claimed to advantage the MNCs rather than local people. For instance, Grameen, an MFI in India, formed a partnership with Monsanto in 1998. This partnership has led to the formation of a market where Monsanto could sell its products to Indian farmers rather than improving the knowledge of rural peasants and providing sustainability in agriculture.

Particularly, when the loans are encompassing the purchase of non-renewable, genetically modified seeds, the local farmers are preferring these products that are more profitable in the short term. As a result, the MNC that produces these seeds is being able to monopolize the national market. To summarize, the MFIs are creating a dependency relationship between the MNCs and local producers, rather than a self-sufficient and sustainable production process (Schanbacher, 2010).

Another aspect of the monopolization process is the concentration of land in the developing countries in the hands of large enterprises. The land is plotted and recorded within the framework of the land reform strategies offered by the WB to national governments. The declared intention behind this is to allow small-scale producers to use loans by overcoming hesitations of banks in providing financing to improperly recorded lands. However, in practice, this leads to the concentration of land in the hands

of rich farmers. Since the big farms export their products rather than selling them in the domestic market, the poor are deprived of both land and food (Schanbacher, 2010). The shift in the land ownership in favor of big producers combined with other factors such as urbanization and environmental degradation, has caused the number of landless peasants to exceed 30 million since the foundation of the WTO, according to the FAO data (Wittman, 2011).

Moreover, the TRIMS and TRIPS regimes laid down by WTO have played a role in the dependency and monopolization process involving the MNCs and poor countries. While WTO's discourse claims that TRIPS regime has been developed so as to provide legal protection for the unique forms of local production, the international arbitration mechanism is said to work usually in favor of the MNCs. The TRIPS regulations are mainly shaped in line with the demands of international agriculture corporations such as Monsanto, allowing the organisms that are in fact part of the natural life to be commodified and patented. Thus, the property rights over the fertile seeds that have been preserved and used by the local peoples for centuries, are transferred to the MNCs, and the further use of the seeds by the local farmers become subject to authorization. Thus, several large corporations are able to monopolize biodiversity and traditional agricultural knowledge. In addition to the intellectual property regime, the privatization advice of the WTO also contributes to this monopolization phenomenon (Schanbacher, 2010).

The global food policies threaten the poor countries not only by dispossessing them of their lands, unique forms of production, and seeds, but also by pushing them to adopt ecologically unsustainable agricultural practices. FAO views the food producers and consumers first and foremost as economic agents. Thus, in FAO's eyes, the individuals are beings whose lives are shaped by economic relations and who act upon their interests

instead of ecological or social interests. The mode of thinking that suggests the increasing production to be dependant on competitiveness and demand for consumption, forces the local producers to produce goods that will compete better in the global market rather than those which will meet their own needs (Schanbacher, 2010). For example, the developing countries were directed to produce wheat and rice by industrial agricultural methods within the framework of green revolution. The seeds that were planted within this context has led to a need for more intense irrigation compared to local wheat and rice species. The intense irrigation has led to the salinization of lands, hence rendering them less fertile. Increased use of water has also caused drought and desertification in some regions. As a result, the farmers who had expected to prosper via industrial agriculture have both become indebted because of the irrigation, seed, chemical fertilizer and pesticide expenses and were deprived of their fertile lands (Shiva, 2007).

What is more, from a gender perspective, the neoliberal hegemony in the field of food parallels the patriarchal hegemonic relations. Accordingly, the classical economist view renders the women's labor that provides the nutrition needs of the household through agriculture invisible. It also shadows women's knowledge and productivity. According to a study conducted by Navdanya on India, the farms managed by women according to biodiversity principles are proven to be more productive than those using industrial methods and chemicals (Shiva, 2014). In the light of this, it is also possible to argue that the assumptions of economic efficiency, profit maximization, and increased development for the poor countries behind the neoliberal agriculture policies are in fact not very accurate. The industrial agriculture does not seem to be profitable even from an orthodox economic perspective, let alone ecological or social concerns.

ALTERNATIVES: FAIR TRADE OR FOOD SOVEREIGNTY?

Criticisms regarding the global food policies have led to a quest for alternatives over time. In this context, various interest groups have started to raise their voices more often, particularly after the food crisis during the 2006-2008 period. In the 2006-2008 period, food prices increased up to 60% while global grain prices doubled. This diminished the foreign exchange reserves of the developing countries by boosting their food import bills. As a result, the poor who devote a significant amount of their expenses to food, faced a very difficult situation. While the exchange rate of the US Dollar decreased, the oil prices went up, which caused an increase in the food prices. Other factors such as bad weather conditions, rising consumption, and land use for biofuels also deepened the crisis (Burnett, 2014).

The Fair Trade and food sovereignty movements are leading the opposition against global food policies. Fair Trade is a movement dating back to 1960s which underlines the trade policies that favor rich countries to the disadvantage of poor countries and peoples, and demands a more equitable trade regime. The early success of the movement was shadowed by the wave of neoliberalism throughout the globe in the 1980s. This also changed the nature of the movement, making it to adapt a strategy to launch an alternative form of trade within the market rather than engaging in negotiations within the political platforms. The current roadmap of the movement is to market the products that are approved based on the criteria determined by the Fairtrade Labelling Organizations International (FLO) and World Fair Trade Organization (WFTO) for people with ethical concerns in the prosperous countries. The movement is said to represent 1-2 million marginal producers (Burnett, 2014).

On the other hand, there are a number of criticisms towards the Fair Trade movement. To begin with, the fact that some global corporations such as Starbucks and Nestlé have managed to receive a Fair Trade Certificate by applying the criteria solely to a limited amount of their products raises concerns. Secondly, and more importantly, the fact that the movement has abandoned its approach to make itself heard in political platforms in favor of a market oriented strategy might result in the reinvention of the current neoliberal paradigm. The responses of the movement considering the food crisis have indeed been market oriented.

Although the movement do voice some political arguments such as demands for improvement in the structural conditions of global trade, and prioritizing small land owners in agricultural aid, its solutions are mostly market friendly. As a response to these criticisms, the movement has claimed that the Fair Trade principles have created an awareness among the consumers, and protected the small scale producers to a certain extent during the crisis. Moreover, it is argued that thanks to the payment system introduced by Fair Trade, there have been improvements in the distribution of profit in favor of the first producer, compared to the conventional system where the large corporations or intermediaries have a disproportionately larger share of revenue (Burnett, 2014).

The food sovereignty concept has been coined by the International Peasant Movement (IPM - *La Via Campesina*). The IPM consists of peasants, small and medium-sized producers from many countries of the world, landless, rural women and young people, indigenous peoples and agricultural workers (Schanbacher, 2010). According to the IPM's definition, food sovereignty is "the right of each nation to maintain and develop its own capacity to produce its basic foods, respecting cultural and productive diversity" and "the right to produce our own food in our own territory"

(Burnett, 2014, p. 365). “The right of people to define their agricultural and food policy” has also been added to this definition in 2000 (Burnett, 2014, p. 365). The IPM demands more political sovereignty over food and agriculture policies, opposing phenomena such as the commodification of food products observed in global agricultural production and the monopolization practices of MNCs, and advocates a self-sufficiency-oriented food policy. To this hand, the movement has organized alternative forums and meetings as a response to the UN summits on food, in order to raise awareness (Burnett, 2014).

The proponents of food sovereignty have resumed to voice their demands strongly during the food crisis of 2007-2008. Members of the movement have argued that companies view and try to use this crisis, which is largely the result of their own practice, as an opportunity to achieve more favorable conditions. The demands and objections of the movement have been influential in the UN’s post-crisis restructuring process of food politics. Thus, the movement is represented in the Committee on World Food Security (CFS) under the FAO. Nevertheless, despite the opposition of the movement, the authority to finance global food policies has been assigned not to the CFS which has a more participatory and democratic structure, but to the Global Agriculture and Food Security Program (GAFSP), upon which developed countries and the World Bank are more influential (Burnett, 2014).

CONCLUSION

When global food policies are examined, the hegemonic and destructive face of neoliberalism emerges as is the case with the policies on many other resources. Neoliberalism promises development and freedom to the poor but economic advice attached to this attractive discourse brings no other consequence than poverty and dependency. Developed states and MNCs are able to shape the global trade regime in line with their interests. Although some organizations within the United Nations are committed to listening to the victims and making a more balanced discourse during crises, the industrialized countries and large corporations are eventually able to maintain their determinative position and power. This situation resembles a good cop/bad cop game among international players who in fact mostly embrace neoliberalism.

Neoliberalism's food policies imposed on the poor do not respect cultural and ecological values, and they are usually not an efficient and meaningful option, even in economic terms. Unless the necessary measures are taken, these policies, which threaten biodiversity, deprive people of land and food, and cause environmental problems, will not only deepen the food crisis that surfaced during the 2006-2008 period, but also create threats and crises concerning many dimensions of human security. The alternatives that seek a common denominator with the dominant system, as in the case of Fair Trade, are not adequate to cope with this negative trend. The reason for this is that such an 'opposition' can easily be transformed and used for reproducing the dynamics of the system, or even used as a public relations strategy by the MNCs. Since it directly addresses the roots of the problem and discloses the inconsistencies of neoliberalism, the IPM and its food sovereignty approach have a true potential for creating awareness and achieving change.

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