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Two roads diverged in the food crisis: Global policy takes the one more travelled

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The 2007-8 food price crisis provoked renewed policy debate on a wide range of important matters long sidelined from mainstream consideration—the role and value of smallholder agriculture, the need for public investment in the sector, the importance of public agricultural research, the value for developing countries of growing more of their own food, the dangers posed by climate change in an era of thin global commodity markets, and the potential value of food reserves for both food security and price stability.

Some policies and funding priorities have shifted, but powerful market actors have driven those policies in a familiar direction, toward expanded industrial production of agricultural commodities in financialized markets. If the progressive realization of the right to food is our goal, this "productionist" response—emphasizing increased agricultural production and yields as the solution to hunger—fails to address the challenges posed by the price crisis.

As the poet Robert Frost (1916) observed in "The Road Not Taken," when two roads diverge, a decision must be made. The food price crisis brought the consequences of our past choices into stark relief. The road "more travelled" in food and agricultural policy has brought rapid growth in production of a few staple commodities, but hunger and malnutrition persist, as do environmentally unsustainable production practices.

Seven years after the 2007-08 food price spikes, global and national policy-makers remain reluctant to change course. They are intent on following that well-worn path, ignoring the folk wisdom: "If we don't change direction we are going to get where we're going."

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Shifts in global policy

Sophia Murphy and I assessed the global response to the food price crisis in a 2012 report, *Resolving the Food Crisis* (Wise & Murphy, 2012). We found welcome changes, as many of the issues noted earlier were squarely back on the table for policy-makers. We saw an initial jump in funding for agricultural development and recognition that small-scale farmers are not the problem dragging down the sector with “backward” ideas and techniques; indeed, they must be part of the solution.

We found new recognition that governments play a crucial role in redressing the market failures that plague agriculture. Many developing country governments began to rethink the prevailing orthodoxy that they could import food rather than invest in growing their own. We also found greater awareness of environmental issues, including climate change, in local and national development.

We also saw an encouraging set of new or reformed institutions, such as the Committee on World Food Security (CFS) in Rome, with its inclusive structure and broad responsibility for coordinating the response to the crisis. We even saw innovative forms of donor cooperation, with the Global Agriculture and Food Security Program (GAFSP), a multi-donor trust fund dedicated to supporting country-led agricultural development.

Those changes were welcome, but they have thus far proven inadequate to produce the kinds of structural reforms in global and national policies that are required to take us on a different path toward a different result. They left us squarely on the road more travelled. Policy-makers have largely failed to confront the new realities of the dangerous interdependence of food, fuel, and financial markets in the face of climate change (Wise, 2013). The recent and rapid growth of biofuel markets has put pressure on food and feed markets while diverting land, water and potential food-producing resources. The U.S. corn-based ethanol program alone consumes 35 percent of the U.S. crop, more than 10 percent of global supply, driving up prices.

Recent reforms that scale back consumption mandates for first-generation biofuels, made from food crops, slow but do not stop nor reverse the destructive trends. According to FAO-OECD projections (OECD/FAO, 2014, p. 110), by 2023 12 percent of maize and other coarse grains will go to biofuel production, while 14 percent of global vegetable oils will be used to produce biodiesel. For sugar, 28 percent will go into the production of transportation fuels. These unsustainable practices will only transport us further down the road we’re on, driving up food and feed prices, adding volatility to already thin markets, and diverting land and water from their optimal use in producing more and healthier food.

Meanwhile, initial efforts to better regulate commodities markets have largely been derailed by strong financial industry lobbying (Wise, 2011). Financial speculators remain free to treat food commodities as just another asset class, often buried within commodity index funds dominated by petroleum and other energy products. This further deepens the unhealthy link between food, fuel, and financial markets, adding volatility to food markets.

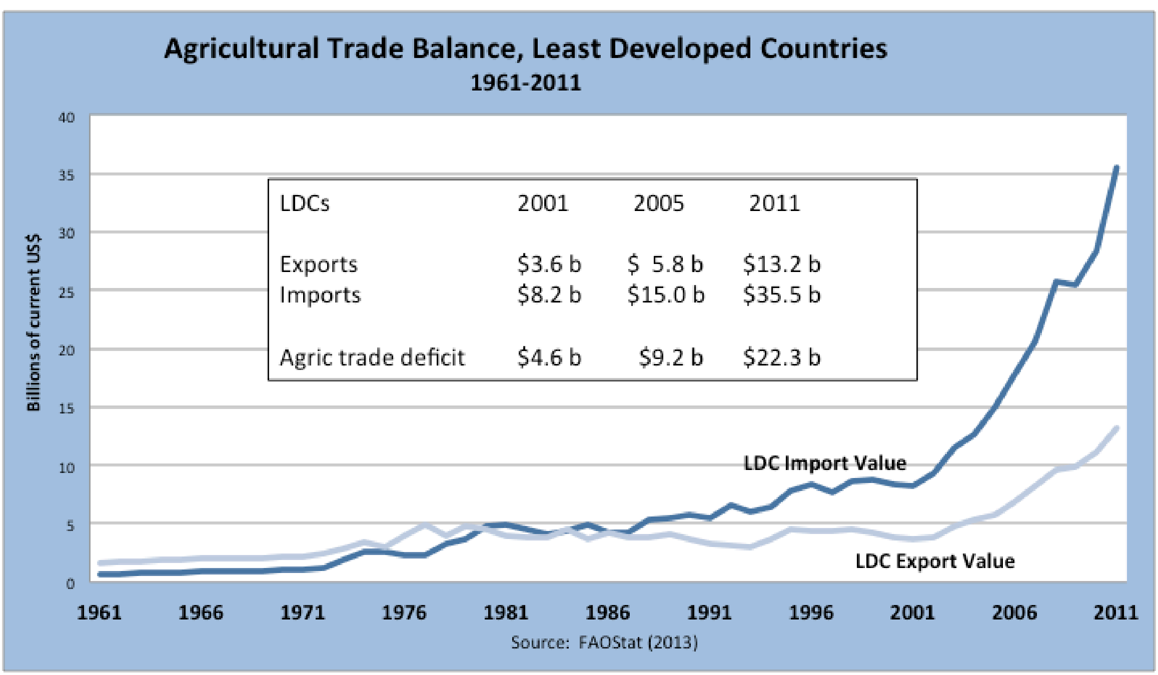
Those markets are fragile in part because most countries had abandoned the practice of maintaining public food reserves to confront emergencies and to dampen price volatility. Such reserves had been widely condemned before the food price crisis as inefficient, market-distorting government interventions. The condemnations persist, but many developing country governments have taken steps to establish food reserves as an important, if expensive, insurance policy against international price volatility.

In a welcome step, we have seen some governments, such as India's, link such stockholding programs to the right to food in ambitious programs that pay poor farmers a guaranteed price slightly higher than market prices for their crops and distribute it to the poor at subsidized prices. If fully implemented, the program could reach more than 60 percent of India's population, many of whom have been left behind in the country's rapid economic growth.

India's National Food Security Program has become a make-or-break issue in the World Trade Organization (Wise, 2014), a reminder of just how deeply committed rich-country policy-makers are to driving the world down that road more travelled. For them, WTO rules, even the archaic norms agreed two decades ago, are the non-negotiable roadmap down that road to trade liberalization. Never mind that study after study, in country after country, has shown that such measures undermine small-scale food producers in favor of imports of industrial commodity crops (e.g. Wise, 2009).

With the adoption (or imposition) of such policies, the agricultural trade balance of the world's Least Developed Countries has soared from a small surplus in the early 1980s to a deficit of US$4.6 billion in 2001, US$9.2 billion in 2005, and a destabilizing US$17.5 billion in 2008 with the onset of the food price spikes. It rose to US$22.3 billion in 2011 after continued price increases (see Figure 1).

Figure 1



At the same time, many of these poor countries are making some of their best lands available to foreign investors and foreign governments in a wave of "land grabs" that only exacerbate these problems. In Africa, land equivalent in size to the country of Kenya has been offered at cut rates with 99-year leases, evicting current residents under the argument that the land is unutilized or underutilized. As the International Land Coalition has documented (Anseeuw et al., 2012), the acquired land is used overwhelmingly for export crops, often for biofuels or "flex crops" that can serve either biofuel or food markets. It is rarely "unoccupied."

The road more travelled

In the last two years, these policy trends have generally become more pronounced, as responses to the food crisis in countries as diverse as Mexico, Malawi, Tanzania, and Zambia have shown. Then-U.N. Special Rapporteur on the Right to Food, Olivier De Schutter (2011), identified the underlying problem when he accepted his second three-year mandate in 2011:

> Too much attention has been paid to addressing the mismatch between supply and demand on the international markets—as if global hunger were the result of physical scarcity at the aggregate level—while comparatively too little attention has been paid both to the imbalances of power in the food systems and to the failure to support the ability of small-scale farmers to feed themselves, their families, and their communities.

Indeed, the drumbeats of alarm about our ability to "feed the world" have only taken us further down the well-travelled road where raising production is the ultimate goal and doing so through the expansion of industrial high-input monoculture farming is the preferred means to get there. And it is along that road where a shrinking number of increasingly powerful corporations dominate global markets and public policy. These trends are particularly striking in Africa, where governments are bending over backwards to make vast tracts of good, irrigable land available to foreign investors to grow whatever they want. What they want, of course, is rarely food and is even more rarely for the domestic market.

Among the more glaring steps backward since the initial responses to the food price crisis in 2007-8 is the G-8 countries' New Alliance for Food Security and Nutrition (Murphy & Wise, 2012). The program, initiated by U.S. President Barack Obama in 2012, relies on public-private partnerships with multinational firms in a limited number of African countries. It replaced the so-called L'Aquila commitments, a three-year pledge by rich governments for public investment in developing country agriculture.

The New Alliance turned that welcome injection of public financing for domestic agriculture into a reduced set of supports conditioned on recipient countries' willingness to reform their laws and policies to create a more friendly business climate for foreign investors.

The rationale is as worn as the grass on that well-travelled road: smallholders are inefficient; foreign investors bring new technology and high productivity. In short: it calls for instant modernization.

Strapped for cash and investment, many countries have signed on, rewriting their laws on the vague promise of increased private investment. From Malawi's Green Belt Initiative to Tanzania's SAGCOT Corridor to Zambia's Farm Block Program, governments are taking some of their best agricultural land and making it available to foreign investors under concessional terms. The land rights of current occupants are regularly violated, and the results thus far have been mediocre. When the investors come, they grow biofuels or flex crops like sugar, often for export. They create few jobs. They displace farmers and communities. Many projects fail, as is the case with biofuels projects in Tanzania (Wise, 2014).

Mostly, though, the investors haven't come. Tanzania, Malawi, and Zambia all seemed to have very few live projects, at least so far. That creates the stunning paradox of hungry, land-poor smallholders in land-rich countries watching as the best lands in the country are ceded to foreign investors. Or watching their former land lie idle after the land-grab project fails.

One recent study from Zambia documented the paradox well, showing that smallholders, 80 percent of whom are poor or food-insecure, are constrained from producing a marketable surplus because their plots have gotten smaller over time with subdivisions among family members (Hichaambwa & Jayne, 2014). Giving them more and better land would indeed allow them to enter the market, earn incomes, invest in their land, raise productivity, and lead the long, slow process of agriculture-based economic development that has worked time and again, most recently in China and Vietnam.

The road less travelled

That slow process of accumulation of wealth in rural areas is now the road less travelled, but it used to be the time-tested path to economic development in agricultural countries, as economist Ha-Joon Chang (2009) showed in a too-little-known study, "Rethinking Public Policy in Agriculture: Lessons from Distant and Recent History." The virtuous cycle of economic development begins in the countryside, with public investment, favorable and stable prices, productivity-enhancing investment by farmers, diversification, and broad-based economic growth. But it still takes what it's always taken: farmer access to decent land, public research and extension, credit, marketing support, measures to stabilize prices at remunerative levels, and import protection where necessary.

Public policy took a detour, and policy-makers have largely ignored the opportunity to chart a different path after the food price crisis. But that road is still open. Policy-makers would do well to consider agriculture and food policies that put small-scale farmers—particularly women—first, promote affordable and sustainable low-input systems, and end the love affair with the productionist notion that growing more commodity crops will feed the hungry. The hungry are, overwhelmingly, small farmers or underemployed workers, and cheap commodities won't get them fed.

This is why policy-makers, standing at that fork in the road following the 2007-8 food price spikes, needed to make a commitment to follow a different path. That was the clear and persuasive recommendation of the multi-agency report, *Agriculture at a Crossroads: International Assessment of Agricultural Knowledge, Science and Technology for Development* (McIntyre, Herren, Wakhungu, & Watson, 2009). Its message: "Business as usual is no longer an option" (McIntyre et al., 2009, p. 3). The international experts understood in early 2008 when the report was initially released, based on research carried out well before the food price spikes, that the world needed to make a decisive break with the prevailing model of high-input agriculture.

Instead, policy-makers have eschewed such decisive action, at best dabbling in new and promising approaches such as GAFSP's multi-donor trust fund, while allowing private sector interests to dominate the policy arena. In fact, such interests are threatening to overwhelm GAFSP. The program's innovative governance mechanisms include civil society representation and a clear set of criteria for "country-led" agricultural development projects. That so-called "public sector window" is the channel for significant international donor support (Global Agriculture & Food Security Program, 2014b), and it has supported sustainable agricultural development projects such as terracing for food production in Rwanda.

But the private sector has its own "window" within GAFSP with few of the criteria that guide the public sector projects toward more sustainable practices based on smallholder agriculture. Private sector projects can garner GAFSP support for public-private partnerships that do nothing to change the direction of agricultural policy (Global Agriculture & Food Security Program, 2014a).

It is as if policy-makers want to avoid making the necessary choices, electing to follow not Robert Frost's advice to risk the road less taken, but rather U.S. baseball legend Yogi Berra's (2002), who famously quipped: "When you come to a fork in the road, take it."

Key research questions remain to guide policy-makers. What evidence exists that public-private partnerships lead to rural development or better food-security outcomes for the poor? What public investment is needed to scale up proven alternative low-input practices, such as push-pull pest control systems? What can we learn from "best practices" in agro-ecological projects in developing countries? Such research can help guide policy-makers, particularly those in developing countries, along that new path.

We can only hope that one day, many years hence, today's leaders will be able to look back on the recent food crisis and echo Robert Frost's (1916) closing words:

"I shall be telling this with a sigh
Somewhere ages and ages hence:
Two roads diverged in a wood, and I—
I took the one less traveled by,
And that has made all the difference."

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