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In the first of a series of interviews with LAB affiliates, we asked **Professor Olivier De Schutter**, as he comes to the end of 6 years as the UN Special Rapporteur on the Right to Food, what the key concerns are that undermine the exercise of the right to food, how change has taken place, and where we might next put our research energies.

What does trade liberalization as currently practiced represent to the most vulnerable in developing countries?

The basic idea justifying trade liberalization is that through the expansion of trade and the deepening of the international division of labour, economic growth will be fuelled and countries will be able to finance social protection and create employment at home. That was the view behind the "embedded liberalism" (John G. Ruggie's expression) typical of the Bretton-Woods order that followed the Second World War.

This idealized view presents a number of major weaknesses, however, that are particularly visible in the area of food and agriculture. A major problem is that this view grossly underestimates the tension between the short term and the long term considerations that guide States in the commitments they make to remove barriers to trade. The deepening of the international division of labour, though it may bring about certain immediate benefits, may not work in favour of the long-term development of poor countries, and their ability to promote the full realization of human rights. In the 1950s, working under the leadership of Raúl Prebisch, the United Nations Economic Commission for Latin America already expressed the concern that countries that export raw commodities may have to export increasing volumes in order to import the manufactured products, with a higher added technological value, that they are unable to produce themselves. Thus, *in the long term*, the removal of barriers to trade, which accelerates the specialization of each country into the kind of production in which it has a comparative advantage, will not benefit the least industrialized countries. That, in essence, is what later came to be known as the Prebisch-Singer thesis of deteriorating terms of trade. It leads to the idea that international trade, replicating the patterns of colonialism, may in fact accentuate the dependency of developing countries on the former colonial powers, and make it impossible for these countries to overcome the obstacles to development. These views were recently revived, with some variations, by economists such as Erik Reinert and Ha-Joon Chang, who note that rich countries have become rich thanks to the protection of their nascent industries, and that they now preach free trade to developing nations because, having climbed up the ladder of development, free trade has become in their interest. Globalization, these economists remark, has benefited countries – such as Brazil, China, South Korea or India – that carefully sequenced trade liberalization, and built industrial and services sectors behind trade barriers before opening up to trade.

The point is *not* that raw commodities shall always sell cheap, and higher-added-value products dear: as the boom in commodities over the past ten years has shown, such an evolution of the terms of trade is by no means inevitable. The problem is the risk that specialization entails. For developing countries that did not diversify their economies and whose industrial sector was still too weak at the time when their economies opened up to global trade, it has often meant the relegation to a permanent status of underclass nations. The process was accelerated during the 1980s and 1990s, during which they were forced to pursue macro-economic policies that would reduce the size of the public sector and integrate their economies into global trade, under what came to be known, after John Williamson first used the expression, as the "Washington consensus". The search for an alternative to the "Washington consensus" has now begun, as illustrated most recently by Pascal Lamy's proposal for a "Geneva consensus".

What constitutes 'the right to food'? Is corporate responsibility adequate to contribute to the exercise of the right to food for the undernourished?

Commodity buyers, food processors and retailers play a key role in connecting producers to consumers. However, the vast majority of those who are hungry in the world today are part of the food system: small, independent food producers or waged agricultural workers represent over half of the nearly one billion people who go hungry today. It is therefore essential to consider how the sourcing, pricing, and wage policies of commodity buyers, food processors and retailers impact the right to food.

Food systems are currently undergoing deep transformations. Foreign direct investment in agriculture rose from an average of US\$ 600 million annually in the 1990s, to an average of US\$ 3 billion in 2005–2007, and has continued to expand in the wake of the 2008 food price spikes. This influx of capital is part of a larger transformation of the global supply chain in the agrifood sector. Commodity buyers are larger and more concentrated than ever before. They too are facing new challenges: they must respond to the requirements of their food industry clients for tighter control over suppliers. Meanwhile the processing industry is also rapidly consolidating and increasingly globalized.

These developments open up major opportunities, but they also mean major risks for all those involved. Without state regulation, and without corporate responsibility, it is unlikely that the benefits will accrue to the millions of smallholders living close to or below the poverty line, or that the situation of farmworkers, another highly vulnerable group, will improve.

The current market structure gives buyers considerable bargaining strength over their suppliers, with major implications for the welfare both of producers and consumers. Due to the deeply unequal bargaining positions of food producers and consumers on the one hand, and buyers and retailers on the other hand, the latter can continue to pay relatively low prices for crops even when the prices increase on regional or international markets, and they can continue to charge high prices to consumers even though these market prices fall.

For food producers, the interplay with agribusiness is complex, and has multiple impacts on the realization of the right to food. There are more than 450 million waged agricultural workers globally, representing 40 per cent of the agricultural workforce. Fundamental rights at work are frequently violated in the agricultural sector. Less than 20 per cent of agricultural workers have access to basic

social protection and about 70 per cent of child labour in the world is in agriculture. Bonded labour practices are perpetuated from one generation to the next. Since much of waged employment is in the informal sector, national labour legislation is unable to ensure the right to a minimum wage or to protect women from discrimination.

It is primarily up to States to plug these gaps and to ensure that all farmers are covered by legislation. However, employers have a responsibility to go beyond the baseline. Where laws are insufficiently protective of agricultural workers or where the existing labour legislation is inadequately monitored, employers must bridge the gap through their own good practice. To do so requires not merely an interest in decent working conditions, but an understanding of what constitutes the right to food, and how their activities can contribute to it – or undermine it – on various levels.

For example, the responsibility to *respect* the right to food implies that a company must not contribute to the downward pressure on wages and working conditions, whatever the competitive pressures they face. Agribusiness corporations should use their weight to ensure that wages and working conditions improve as a result of their suppliers joining global value chains. They could make unilateral undertakings to monitor compliance with certain social standards in the supply chain. And they could also conclude international framework agreements with global unions.

Indeed, agribusiness companies often adopt codes of conduct to ensure that their suppliers comply with certain requirements related to freedom of association, to health and safety at work, and to the prohibition of child labour. The problem with unilateral codes of conduct is that their coverage varies greatly. Their value lies in going beyond the regulatory baseline and taking an interest in the many dimensions of the right to food. A code that does not move beyond those minimum requirements is a source of confusion, not progress. Meanwhile, there may also be a tendency to shift the burden of compliance onto the supplier. Instead, it is crucial for the buyer to support compliance by meeting part or all of the investment cost required, by providing technical capacity, and by funding the monitoring procedures. A further risk is that supply contracts are outsourced and codes of conduct no longer apply. It is therefore essential to ensure that the whole supply chain is covered.

The greatest challenge is in fact to ensure that these codes are implemented. If not, they are merely false advertising. Furthermore, it must still be ensured that these do not become a substitute for negotiation and bargaining, nor an excuse not to sign up to international framework agreements, or multi-stakeholder initiatives.

There are also specific things that can be done to improve the situation of smallholder farmers, itself an essential step in realizing the right to food. There is evidence that the shift from supply-driven to buyer-driven chains can lead to an increased exclusion of smallholders. Often it is compliance requirements with supply chain standards which serve to exclude smallholders. It is therefore essential for corporations to reach out to these producers and help them to achieve compliance. Third-party certification schemes have not worked in favour of smallholders. Compliance has often required higher levels of capitalization than many smallholders could afford, and the high costs of monitoring compliance over a large number of units have been an incentive for export companies to switch from smallholders to larger commercial farms. This consequence can only be avoided through the payment of a premium by the wholesalers to reward compliance, at least during the first years of implementation, and through the provision of technical assistance to facilitate compliance with

standards. Currently, a number of certified smallholders are only able to remain within the system thanks to donor support. This is not sustainable.

The agribusiness sector could take proactive steps to change this. As a first step, the sector could carefully assess the impact of private standards on the right to food. This is true for the standards it has adopted in the past and for those it is planning to adopt in the future. Such assessments should be carried out with the participation of smallholders themselves, who are better placed to identify the obstacles they may be facing in seeking to comply. Second, the sector should recognize the limitations of and move beyond the inspection/audit approach. Indeed, this approach does not assist smallholders in overcoming compliance problems, nor does it help buyers understand the obstacles that their suppliers face. Indeed, the participation of smallholders in the elaboration of, and compliance with, standards is crucial.

While corporations must be aware of rights implications across their activities, there are particular considerations to take into account when it comes to the 'contract farming' model. Recent years have seen an upsurge in large-scale land purchases by foreign investors – so-called 'land-grabbing' – but less attention has been paid to the parallel rise in contract farming arrangements, whereby farmers commit their output to processing or marketing firms at predetermined prices. These arrangements can be beneficial for smallholders and for the right to food, but only under certain conditions. Indeed, a fair contract must include a series of provisions: minimum price guarantees, visual demonstration of quality standards, the provision of inputs at or below commercial rates, tailored dispute settlement mechanisms, and the possibility to set aside a portion of land for food crops to meet the needs of the family and the community.

Without these checks and balances, the door is left open for produce to be summarily rejected, for farm debt to spiral, for labour to be sub-contracted without regulatory oversight, and for a region's food security to be undermined by the production of export-oriented cash crops at the expense of all else. These are private contractual arrangements that vary from case to case, and ultimately it is up to governments to scrutinize these details. However, agribusiness can go a long way to ensuring a positive contribution to the right to food by drawing up contracts that empower smallholders and are therefore made to last. Here again, corporations must take a conscious decision not to abuse their strong negotiating power.

Relationships between buyers and producers can no longer be based solely on their relative bargaining strength. Instead, they must be collaborative, and based on other modes of communication than price signals. And they must involve proactive steps from agribusiness that mitigate the risks of power imbalances, empower producers, and help to realize the right to food.

Latin America seems to be leading 'the Crusade against Hunger'. What explains this remarkable progress?

Indeed, Latin America has been leading the movement towards the adoption of framework laws in support of the realization of the right to food. Over the past decade, Food and Nutrition Security (FNS) laws grounded in the right to food have been adopted in rapid succession in Guatemala, Ecuador, Brazil, Venezuela, Colombia, Nicaragua and Honduras. Most recently, Mexico launched the *Crusade against Hunger* -- itself anchored in right to food as inserted into the Constitution in 2011 --, coordinated by the inter-ministerial Commission for the implementation of the crusade against

hunger (composed of 19 ministerial departments/institutions) and establishing a National Council of the crusade against hunger, an inclusive body allowing for a permanent dialogue with the private and social sectors, the academic community, and international actors.

The remarkable progress achieved over the past decade in Latin America is the result of the combined efforts of civil society, social movements, parliamentarians, and national human rights institutions. The UN Food and Agricultural Organization's (FAO) support to the *Iniciativa América Latina y Caribe Sin Hambre* also played a major role, together with the support given to this process by the FAO Right to Food Unit and the Office of the United Nations High Commissioner for Human Rights (OHCHR), including through its country and sub-regional offices in the region. The role played by parliamentarians is particularly noteworthy. Many of them are connected through the *Frente Parlamentario contra el Hambre*, which serves as a network for sharing best practices between national parliaments to encourage the drafting and adoption of legislation that improves the protection of the right to food. A number of parliamentary fronts have also been established at the national level. Those fronts have been strengthened by initiatives taken by regional parliamentary institutions such as Parlasur, Parlatino, Parlandino, Parlacen and FOPREL. In November 2011, the Central American Parliament also created a Sub-regional Front.

LSE's Laboratory for Advanced Research on the Global Economy (LAB) has as its objectives to provide a hub for creative work across disciplines and from theory to practice on issues central to concerns around justice under conditions of globalisation. How might the LAB's mandate help inform your research?

A key area for future research is to assess the impacts on hunger and malnutrition of improved accountability mechanisms and legal, institutional and policy frameworks that support the right to food. The increasing recognition of the importance and usefulness of a legal and policy framework grounded on the right to food reflects a growing understanding that hunger is not simply a problem of supply and demand, but primarily a problem of a lack of access to productive resources such as land and water for small-scale food producers, of limited economic opportunities for the poor, including through employment in the formal sector, of a failure to guarantee living wages to all those who rely on waged employment to buy their food, and of gaps in social protection. Yet, more empirical research is required to strengthen the case for the right to food.

We are not starting from nowhere. The hypothesis that strengthening the protection of the right to food can make a significant difference to rates of undernutrition or malnutrition is already more than a postulation. The remarkable success of Brazil in reducing rates of child malnutrition over the past fifteen years bears witness to the power of strategies such as "Fome Zero" and participatory approaches in accelerating progress. Beyond that example, recent research shows that countries having made significant progress in reducing malnutrition present a number of common characteristics. First, they sought to adopt a multi-sectoral approach to combating hunger and malnutrition. Their strategies combined attention to agriculture, with the mainstreaming of nutrition in health policies, and coordinated policies in the areas of education, gender, water, sanitation and habitat, pro-poor economic development (both by employment and income generation for the poor and by social development), and trade. In almost all cases, the political impetus given at the highest level of government was a key factor: change was achieved after governments defined food and nutritional security as their main priorities, placing them at the top of the political agenda and

adopting strategies specifically aimed at combating hunger and poverty. Third, civil society participation and empowerment was essential, by contributing to the sustainability of policies across time and by improving their acceptance and impact among affected populations. Fourth, multi-phased approaches have been the most effective, as allowed by multi-year national strategies combining both short-term interventions and long-term approaches to nutrition. Fifth, the establishment of institutions monitoring progress has proved essential in ensuring that the political pressure remains present throughout the implementation phase of the strategy, and to ensure that the resources are committed. Sixth, the continuity of financial investment is vital: one-time efforts, over short periods, almost by definition are bound to fail to achieve significant success.

It is these ingredients of success that approaches grounded in the right to food provide. All branches of government -- legislative, executive, and judicial -- have a responsibility to contribute to this implementation: as illustrated by the range of examples above, it is through their collaboration only that the right to food can be adequately protected, for this requires a legislative framework, policies implementing food security strategies, and enforcement through judicial means. Yet even that is not enough. Various veto points may make it difficult for political systems to create the requisite conditions for accountability. The poor are often a constituency that matters less to politicians. They may experience considerable difficulties in having access to judicial redress mechanisms, which is why social audits matter. The role of other actors, national human rights institutions and civil society, is therefore essential. More empirical work on why these changes matter would be very timely and important to convey to policymakers the message that the right to food is more than a symbol: it is a tool, and an indispensable ingredient of any food security strategy.

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Olivier De Schutter, LAB 'views, Laboratory for Advanced Research on the Global Economy Interview 1, Centre for the Study of Human Rights, LSE (February 2014).

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