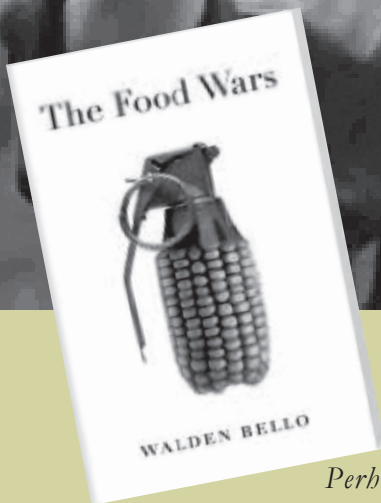


The Orthodox Account of the Food Price Crisis: a Critique

by Walden Bello



This article is taken from the author's upcoming book, *The Food Wars*, published by Verso Books.

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*Perhaps the most influential orthodox view on the causes, dynamics and solution to the food price crisis was provided by Oxford University economist Paul Collier in an article that came out in Foreign Affairs.¹ Collier, author of the controversial *The Bottom Billion*,² asserted that the food price crisis stemmed from the increased demand for food in Asia, brought on by prosperity that was not matched on the supply side owing to three problems: the failure to promote commercial farming especially in Africa, the ban against genetically modified organisms (GMOs) in the European Union (EU), and the diversion of around a third of American grain to the production of ethanol instead of food.*

In the 1980s and 1990s, it was widely acknowledged that the world had enough food to feed some seven or eight billion and that hunger and malnutrition stemmed from unequal income distribution that translated into unequal access to food. By the turn of the millennium, the problem had become one of production. However, Collier's

diagnosis of the supply constraints left much to be desired. The diversion of corn to agro-fuel production was one cause that was certainly incontrovertible, but the other two factors he identified—the European ban on GMOs and the restraints placed on the growth of commercial agriculture—were questionable.

Collier's identifying Europe's GMO ban—now eased, incidentally—as a key constraint on production is disingenuous since the main problem with European agricultural production has, in fact, been overproduction and dumping brought about by heavy subsidisation. He adds though that he is concerned about the ban's impact on Africa's farmers, discouraging them from engaging in

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genetically engineered agriculture owing to fears of their exports being banned from entering Europe. A “new green revolution” based on genetic engineering (GE) is necessary, says Collier, because the productivity of African agriculture is so low, having missed the first green revolution in the 1960s and 1970s.

Collier's attributing African agriculture's problems mainly to the lack of a GE-inspired miracle is idiosyncratic, to say the least. Moreover, his dismissal of concerns about GMO-based agriculture is cavalier, implying an unscientific stance among those critical of a GE transformation of agriculture. He fails to appreciate that the stance of critics of GE is a legacy of the well-known negative ecological and social impacts that accompanied the first, chemical-intensive green revolution. Moreover, he fails to recognise that the fears about GE are not abstract but are concerns that are well-grounded empirically.

Proponents of GMOs have not been able to alleviate worries that transgenic foods have the potential for creating unexpected reactions in humans unless these foods—which have never been seen before and thus not selected for human consumption by eons of evolution—are tested rigorously in accordance with the universally recognised precautionary principle. Neither have they been able to allay worries that non-target populations might be negatively affected by genetic modification aimed at specific pests, as in the case of Bt corn's impact on the monarch butterfly. Nor have they dispelled the very real threat of loss of biodiversity posed by GMOs. The risks are hardly trifling, as noted by one account:

The effects of transgenic crops on biodiversity far extend the concerns already raised by monocropping under the Green Revolution. Not only is diversity decreased through the physical loss of species, but because of its “live” aspect, it has the potential to contaminate, and potentially to dominate, other strains of the same species. While this may be a limited concern with respect to the contamination of another commercial crop, it is significantly more worrisome when it could contaminate and eradicate generations of evolution of diverse and subtly differentiated strains of a single crop, such as the recently discovered transgenic contamination of land acres of indigenous corn in Mexico.³

Collier's advocacy of GE is, in fact, out of line with even orthodox expert opinion at this point. The recently released “International Assessment of Agricultural Knowledge, Science, and Technology for Development (IAASTD)” —sponsored and funded by, among others, United Nations (UN) agencies, the World Bank,





The Brazilian Model.

Vast plantations of sugarcane and other profitable crops were established in the last few decades. Guided by SAPs, much of large-scale agricultural production has resulted to environmental stress and further marginalisation of farmers.

Photo courtesy of War on Want
Source: <http://www.waronwant.org/component/content/article/14487>

and other institutions—failed to endorse GM crops, choosing instead to highlight the lingering doubts and uncertainties regarding their ecological and health impacts.⁴

Collier's promotion of an African green revolution powered by genetic engineering is linked to his third contention: The non-development of commercial agriculture in Africa has been responsible for the failure of supply to keep up with continental demand. Instead, "over the past 40 years, African governments have worked to scale back large commercial agriculture."⁵

For Collier, the solution to Africa's food shortages are commercial agricultural farms employing genetically modified seeds. Further, peasant agriculture is part of the problem. Peasants, he says, are not entrepreneurs nor innovators, being too concerned with their food security. Peasants would rather have jobs than be entrepreneurs, for which only a few people are fit. The most capable of fitting the role of innovative entrepreneurs are commercial farming operators:

Reluctant peasants are right: their mode of production is ill-suited to modern agricultural production, in which scale is helpful. In modern agriculture, technology is fast-evolving, investment is lumpy, the private provision of transportation infrastructure is necessary to counter

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the lack of its public provision, consumer food chains are fast-changing and best met by integrated marketing chains, and regulatory standards are rising toward the holy grail of traceability of produce back to its source.⁶

Collier's account has, at least, the merit of posing starkly a choice between peasant and small farmer-based agriculture and industrial agriculture as the solution to the world's food needs. However, his choice—the "Brazilian model" of industrial agriculture—is not exactly one that would elicit enthusiasm, being a model identified with having placed tremendous stresses on the environment. Moreover, the Brazilian agro-enterprise is part of a larger system of global industrial agriculture, marked by large agribusiness that combines monopolistic trading companies, long-distance transportation of food, and supermarkets, catering largely to the global elite and upper middle class.

This globalised system of production has created severe strains on the environment, effectively marginalised large numbers of people from the market, and contributed to greater poverty and income disparities within countries and globally. The Brazilian model is part of the problem but Collier's awareness of the model's systemic flaws only comes when he notes that some "have criticised the Brazilian model for displacing peoples and destroying the rain forest, which has indeed happened in places where commercialism has gone unregulated."⁷

But what is most astounding in Collier's account is the absence of any reference to externally imposed policies that severely weakened agricultural capacity in a wide swath of developing countries and transitional economies. He notes that part of the problem in Africa has been the breaking down of publicly funded research stations that was part of a "more widespread malfunctioning of the public

sector.” But he fails to point out that this breakdown was due to International Monetary Fund (IMF) and World Bank’s structural adjustment policies (SAPs) that systematically starved agriculture of state support. In October 2008, a report by an independent evaluation team of the World Bank simply confirmed what others had pointed out for two decades:

Bank policies in the 1980s and 1990s that pushed African governments to cut or eliminate fertiliser subsidies, de-control prices and privatise may have improved fiscal discipline but did not accomplish much for food production. It had been expected that higher prices for crops would give farmers an incentive to grow more, while competition among private traders reduced the costs of seeds and fertiliser. But those market forces often failed to work as hoped.⁸

There was a link between the Brazilian model and SAPs. Both were central elements of a capitalist transformation of agriculture that was intended to integrate local food systems via trade liberalisation into a global system that is marked by a division of labour that would allegedly result in greater efficiency and greater prosperity in the aggregate. Collier fails to see that SAPs were the cutting edge of this process since they seek to supplant peasant producers with capitalist entrepreneurs who are producing not just for local but for global markets as one step towards large-scale globally integrated capitalist industrial agriculture.

Death of the Peasantry?

As for his put-down of peasants and small farmers, Collier is not unique. Many analysts share his view, some of them with progressive credentials. In his

acclaimed 1994 book *The Age of Extremes*, Eric Hobsbawm wrote that “the death of the peasantry” was “the most dramatic and far-reaching social change of the second half of this century,” one that cut “us off forever from the world of the past.”⁹

Hobsbawm’s proclamation of their death as a class struck many as premature since as he himself noted, “Admittedly... regions of peasant dominance still represented half the human race at the end of our period.”¹⁰ Yet Hobsbawm’s views have a respectable pedigree. Marx himself compared peasants to a “sack of potatoes” with little real solidarity and even less class consciousness, and thus destined for the ash heap of history.

Yet peasants have refused to die and go gently into that good night to which Collier, Hobsbawm, and Marx have consigned them. Indeed, one year before Hobsbawm’s book was published, Via Campesina was founded in 1993. Over the next decade, this federation of peasants and small farmers would become an influential actor on the agriculture and trade scene globally. The spirit of internationalism and active identification of one’s class interests with the universal interest of society that was once a prominent feature of workers’ movement is now on display in the international peasant movement.

Certainly, de-peasantisation and de-agrarianisation have greatly advanced with globalisation, with local self-subsistence production no longer, in many places, the escape that it usually provided for peasants who are caught up in market relations. Summing up a research on “disappearing” peasantries, Deborah Bryceson writes that under conditions of rapid globalisation and neglected peasant hinterlands, peasants crossing international borders now provide a massive supply of labour for global



capital. Although psychologically, many of these peasants still have the notion of a piece of land as a fallback in times of need, in fact, “as a class, they face proletarianisation by the force of global commodity and labour markets combined with government indifference.”¹¹

Yet the belief that the land is waiting, as a refuge of last resort continues to persist among many peasants-turned-workers, among them those rural migrants in China who are returning en masse to the countryside as factories close owing to the spreading global recession.¹²

Indeed, peasants continue to show an extraordinary persistence to survive as a class. Perhaps nothing underlines this more than the Mexican peasants who continue to plant corn for subsistence despite being priced out of the market by imported corn dumped by the United States. In other areas, small farmers have confounded those who have preached their demise by showing that labour-intensive small farms can be far more productive than big farms. To cite just one well-known study, a World Bank report on agriculture in Argentina, Brazil,

Chile, Colombia and Ecuador showed that small farms were three to 14 times more productive per acre than the large farms.¹³

Perhaps the most significant recent development in the long struggle of the peasants as a class has been their organising internationally to protect their interests from the steamroller of industrial capitalist agriculture. Via Campesina—translated as the “Peasant Way”—has not only been effective in mounting opposition to the World Trade Organisation (WTO). It has also offered an alternative paradigm for agricultural development called “food sovereignty.”

The analysis and appeal of groups like Via Campesina resonate widely because the ability of capital to absorb labour is so limited under the conditions of inequitable globalisation that in recent years, there has been a return to the countryside of significant numbers of both ex-peasants and semi-proletarians, such as the ex-urban dwellers that have driven the land occupations of the Movimento dos Trabalhadores Rurais Sem Terra or Movement of the Landless (MST) in Brazil.

Indeed it is not only in the South but also in the North, one witnesses farmers and others who seek to escape the dependency on capital by reproducing the peasant condition, where one works with nature from a limited resource base to create a condition of autonomy from the forces of capital and the market. The emergence of urban agriculture, the creation of networks linking consumers to farmers within a given region, the rise of new militant movements for land—all these, according to Jan van der Ploeg, indicate a movement of “repeasantisation” that has been created by the negative dynamics of “Empire” and seeks to reverse them.

Under the conditions of the deep crisis of globalisation, which is felt widely as a loss

Unbowing to Neoliberal Trade. Korean farmers marched through the streets of Hong Kong during the WTO Ministerial in December 2005. After every three steps, they bowed – a gesture that moved other activists as well as onlookers.

Source: Lo, Puck. (15 December 2005). “Farmers Procession Sways Hearts and Minds at WTO Protests in Hong Kong.” URL: <http://www.indybay.org/newsitems/2005/12/15/17906361.php>



of autonomy, “the peasant principle, with its focus on the construction of an autonomous and self-governed resource base, clearly specifies the way forward.”¹⁴

Production Paradigms in Conflict

Romanticism, says Collier, is at the root of the increased salience of small-scale agriculture as an alternative to globalised farming in progressive circles. In this, he is joined by some intellectuals of the left like Henry Bernstein, who refers to partisans of the new peasant movements as the “new populists,” implying their similarity to the Narodniks of pre-revolutionary Russia. But however their conditions and vicissitudes are analysed by the intellectuals, some of whom even question the label “peasant” to describe many of them, small food producers are gathering allies, including many of the governments of the South, which torpedoed the Doha Round of the WTO.

Many Southern governments stubbornly hanged on to their advocacy of “Special Safeguard Mechanisms” (SSMs) against agricultural imports and the designation of key commodities as “Special Products” (SPs) exempt from tariff liberalisation to protect local production, much of it by small-scale farmers. This resistance stemmed not only from the pressure exerted by groups like Via Campesina, which was not negligible, but to a growing sentiment in official circles that corporate industrial agriculture could not be allowed to completely restructure the global economy without any accountability.

More broadly, with environmental crises multiplying, the social dysfunctions of urban-industrial life piling up, and industrialised agriculture creating greater food insecurity, the “peasant way” has relevance not only to peasants but to

everyone threatened by the catastrophic consequences of global capital’s vision for organising production, community, and life itself. It is this that lies at the heart of the “romanticisation of the peasant” that exercises Collier so much.

Ultimately, the battle between globalised agriculture and the new peasant movement will hinge on the question of food production carried out under different paradigms—a global market-driven paradigm, on the one hand and a local and market-centered paradigm, on the other. To people like Collier and Bernstein, the latter is no solution, with Bernstein asserting that the “advocacy of the peasant way largely ignores issues of feeding the world’s population, which has grown so greatly almost everywhere in the modern epoch, in significant part because of the revolutions in productivity achieved by the development of capitalism.”¹⁵

Partisans of the peasant way hotly dispute this, claiming that peasants and small farmers continue to be the backbone of global food production, constituting over a third of the world’s population and two thirds of the world’s food producers.¹⁶ Indeed, according to agroecologist Miguel Altieri,

Millions of small farmers in the Global South still produce the majority of staple crops needed to feed the planet’s rural and urban populations. In Latin America, about 17 million peasant production units occupying close to 60.5 million hectares, or 34.5 % of the total cultivated land with average farm sizes of about 1.8 hectares, produce 51 % of the maize, 77 % of the beans, and 61 % of the potatoes for domestic consumption. Africa has approximately 33 million small farms, representing 80 percent of all farms in the region. Despite the fact that Africa now imports huge amounts of cereals, the majority of African farmers (many of them women), who

are small-holders with farms below 2 hectares, produce a significant amount of basic food crops, with virtually no or little use of fertilisers and improved seed. In Asia, the majority of more than 200 million rice farmers - few farm more than 2 hectares of rice and make up the bulk of the rice produced by Asian small farmers.¹⁷

From the perspective of the defenders of peasant agriculture, it is capitalist industrial agriculture, with its wrenching destabilisation and transformation of land, nature, and social relations, that is mainly responsible for today's food crises, and it points to a dead end both socially and ecologically. Food, feeds and agrofuels are interchangeable as investment areas for

capital, with rates of profit determining where investment will be allocated. Satisfying the real needs of the global majority is a secondary consideration—if indeed it enters the calculation at all.

To the critics of capitalist agriculture, it is this devaluation and inversion of real relations into abstract relations of exchange—otherwise known as commodification—that is at the crux of the crisis of the contemporary food system. ■

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Endnotes:

¹ Paul Collier, "The Politics of Hunger: How Illusion and Greed Fan the Food Crisis," *Foreign Affairs*, Vol. 87, No. 6 (Nov-Dec 2008).

² Paul Collier, *The Bottom Billion* (Oxford: Oxford University Press, 2007).

³ Gerardo Otero and Gabriela Pechlaner, "Latin American Agriculture, Food, and Biotechnology: Temperate Dietary Pattern Adoption and Unsustainability," in Gerardo Otero, ed., *Food for the Few: Neoliberal Globalism and Biotechnology Revolution in Latin America* (Austin: University of Texas Press, 2008), p. 50.

⁴ Lim Li Ching, "A New Green Revolution," *Development*, Vol. 51, No. 4 (December 2008), p. 572. The IAASTD is the equivalent in the agricultural sciences of the Intergovernmental Panel on Climate Change on global warming issues.

⁵ Paul Collier, "The Politics of Hunger: How Illusion and Greed Fan the Food Crisis," *Foreign Affairs*, Vol. 87, No. 6 (Nov-Dec 2008), p.73.

⁶ *Ibid.*, p. 71.

⁷ *Ibid.*

⁸ "World Bank Neglects African Farming, Study Says," *New York Times*, Oct. 15, 2007.

⁹ Eric Hobsbawm, *The Age of Extremes: the Short Twentieth Century, 1914-1991* (London: Abacus, 1994), p. 289.

¹⁰ *Ibid.*, p. 291.

¹¹ Deborah Bryceson, "Disappearing Peasantries? Rural Labor Redundancy in the Neo-liberal Era and Beyond," in Bryceson, C. Kay, and J. Mooij, eds., *Disappearing Peasantries* (London: Intermediate Technology Publications, 2000), p. 313.

¹² 101 East, *Al Jazeera*, Dec. 19, 2008.

¹³ Frances Moore Lappe and Joseph Collins, "Why Can't People Feed Themselves?," in Douglas Boucher, ed., *The Paradox of Plenty* (Oakland: Food First, 1999), p. 65

¹⁴ Jan van der Ploeg, *the New Peasantries* (London: Earthscan, 2008) p. 276

¹⁵ Henry Bernstein, "Agrarian Questions from Transition to Globalization," in A. Haroon Akram-Lodhi and Cristobal Kay (New York: Routledge, 2009), p. 255.

¹⁶ Wayne Roberts, cited in Philip McMichael, "Food Sovereignty in Movement: the Challenge to Neo-liberal Globalization," Draft, Cornell University, 2008.

¹⁷ Miguel Altieri, "Small Farms as a Planetary Ecological Asset: Five Key Reasons why We Should Support the Revitalization of Small Farms in the Global South," *Food First*, 2008; <http://www.foodfirst.org/en/node/2115>.