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Food Trade, Food Security and the **SDGs**

ALIGNING REALITY WITH THE VISION

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Three points

1. Trade matters to all dimensions of food security:
 - opting out is not an option
2. Negotiations are marred by “disputed narratives & polarized debate” (& low trust and high uncertainty)
3. The SDGs could be transformative

Disputed narratives

- Almost all economists support open markets (but many with important caveats)
- Many civil society organizations distrust trade
- Food sovereignty highlights the political gap
 - who decides the rules
 - who wins and who loses
 - what compensation

i.e. politics and economics are not aligned

Food Security	Arguments For Market Opening	Arguments Against
Supply	more & smoother	Intl markets actually small
Access	cheaper; economic growth; employment	inequality; poor urban-rural linkages
Use/Nutrition	more varied	health issues; uneven distribution
Stability	less volatile; more efficient	still volatile; too many externalities

Is there any consensus?

- Open markets better at generating growth in general but context *really* matters
- Ag development good at poverty-reducing inclusive growth *if* land equally distributed
- Most countries realized ag devt with regulated borders (not fully open)
- Commodity markets have problematic “hourglass” market power structures
- Food security means most countries assume some level of self-sufficiency necessary

What rules do we have?

- Three pillars:
 - Export subsidies
 - Domestic support
 - Tariffs
- Food security as a “non-trade concern”
- Argument over “fair market prices”
- Confusion over trade-distorting support (AMS vs Green Box)

- Excludes:
 - Private standards
 - Effective remedies for dumping
 - Compromise between efficiency and equity

Critique of the AoA

- Hypocrisy (you liberalize; I'll protect)
- Free to spend but not to regulate
- Private oligopolies untouched
- No protection from import surges
- No protection from export bans

“Rigged Rules and Double Standards”

Agriculture & Trade pre-1995

- The commodity problem is about terms of trade
- Ag trade is about foreign currency & employment
- Food markets are local, self-sufficient (& often inadequate)
- Food staples not much traded (except wheat)
- EU and US dump in international markets
- Not comparative advantage but duelling subsidies with oligopolies (ABCD) & monopolies (STEs)
- The EU is the big importer; the US the big exporter (+ Cairns) and both hold significant stocks
- Markets are over-supplied

Agricultural Commodity Markets pre-crisis

- Asia overtakes EU as largest importer
- Cairns Group expands market
- Public stocks eliminated
- Biofuels create significant new demand
- Grain STEs are dissolved; ABCD persist
- Imported food staples more important
- Investment transforms land rights + food distribution (supermarket revolution)

The food price crisis: a new narrative

- Risk assessment changes; international markets volatile, too
- Exporters limit supply; LIFDCs shut out
- Big renewed interest in ag investment; new interest in land and water
- Renewed interest in public food stocks
- More focus on natural resource limits

Negotiating stalemate

- Confusion –and anger– over agenda
- Unresolved commitment to development
- Unresolved issues with SDT
- Pressure from “mega-regionals” & undermining of multilateralism



SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



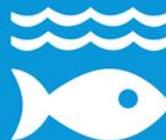
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



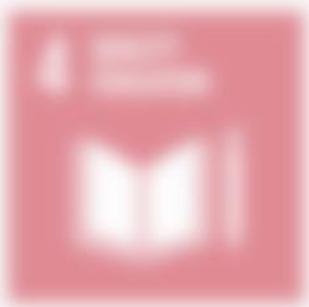
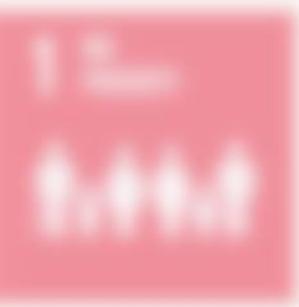
16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



SDG GOALS

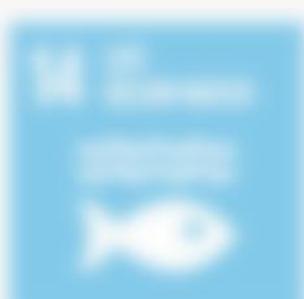
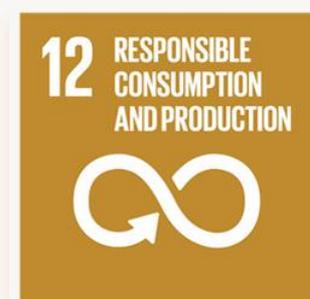
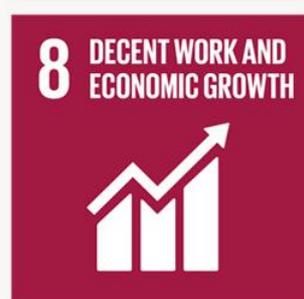


SDG GOALS



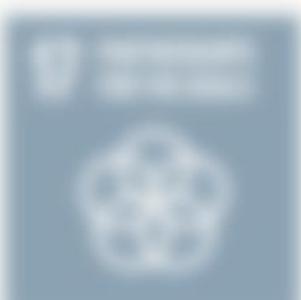
(Supply)

SDG GOALS



(Access)

SDG GOALS



(Use)

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18 LOCAL GOVERNANCE FOR SUSTAINABLE DEVELOPMENT



(Stability)

A transformative agenda

- Have to look at issues from a systems perspective; SDG 2 along will not be enough
- Challenge development assumptions in both North and South
- Acknowledge planetary boundaries and forces equity issues to the fore

What do we want?

- Self-reliance
 - Capacity of self-production
 - Rural employment
 - Capacity to store, distribute and process commodities
 - Markets to sell into, including export markets
 - Ability to afford imports
 - An inclusive, rules-based system

Trade rules matter

- SDGs offer potential to transform if understood as a whole
- How will the WTO engage? – internally and with others
- How will others engage with WTO? Other institutions will not be able to deliver if they cannot touch trade



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