



## Michael Ewing-Chow and Melanie Vilarasau Slade (eds): International trade and food security: exploring collective food security in Asia

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Trade, the subject of the present book, is essential to the four key requirements of food security: food availability, access, utilization, and stability of supply. However, trade as a concept has typically had a bad press; it is often caricatured as a game in which one side must win and the other must lose. Traders are seen as exploiters who buy from the poor at the lowest prices possible and then sell later at a considerable mark up. But we are all traders and, if it is such a bad deal, why do we trade? I am a keen vegetable gardener and take pride in eating my own produce. If I had to survive solely on what I grew, however, I would be very hungry. So I trade with my local supermarket, buying what I need to supplement my own production (and a lot else besides) by trading some of what I earn elsewhere for what the supermarket can provide. Trade should be an activity from which all benefit.

In thinking about modern trade, it is instructive to go back to Adam Smith's ground breaking book, 'The Wealth of Nations' published in 1776. The most renowned passage appears to suggest a vision of a society in which each, by doing what serves that individual best, creates a prosperous nation. That is only part of the story Smith aimed to explain. Smith wrote that while indeed the nation, operating in this way, can become more prosperous, it does not become a better society. For a better society, individual action needs to be managed within a set of formal, fair, and transparent rules. It is rule-based trade that Smith is promoting, not a 'free for all' scramble to the bottom.

The General Agreement on Tariffs and Trade (GATT) was established to establish such rules in the wake of the Second

World War, as an important element in the wider process of creating a world in which future conflict could be solved through negotiation not violence. Trade, and disputes around trade, between nations provided a very real threat to future world order. In 1995, GATT became the World Trade Organisation (WTO), with a primary function to ensure that trade flows between nations as smoothly, predictably and freely as possible. The WTO provides the basis for the rule-based international trading system that Adam Smith envisioned.

The International Food Policy Research Institute (IFPRI), in this book and elsewhere, has documented the global improvements in food and nutrition security under the open and inclusive trade regime that has evolved over the 50 years since the establishment of GATT. While trade, as noted at the outset of this Review, is essential to the four key requirements of food security, there are real risks associated with unregulated free trade. These include potential increases in inequality as well as negative impacts on health and the environment. Exporting food can also push up local food prices, hurting local consumers. Such risks need to be clearly recognised and managed if the benefits of trade are to be realised and protected. But overall, food access and availability is improved through trade. Ideally, consumers in importing countries gain access to more food at lower prices while producers in exporting countries are able to sell their surplus at better prices.

This book is a timely and comprehensive analysis of the links between trade and food security, using available data as well as evidence from economic theory and history. It is an edited publication, drawing on expertise from senior staff at the WTO, a wide range of trade academics from both Asia and more widely, and the private sector (although the last possibly a little under represented given the importance of private traders and especially large corporations in the world food trading system). The problems, which the book aims to

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address, are clearly spelled out; the effects on food security of increasing urbanisation, loss of arable land, competition for water resources, and climate change provide a complex and challenging policy environment.

While the recommendations from this book have wide applicability internationally, the focus on Asia is justified by the interplay in Asia of existing national food security policies alongside regional or 'collective' approaches. Rice is the central food crop across the region, some 25% of the population is classified as poor, and several countries face chronic food shortages in most years. The price of rice is very volatile, which provides an environment in which 'our country first' becomes an easy slogan for populist movements. When food prices are rising sharply at home, a ban on food exports seems an entirely rational thing to do. The simplest policy to achieve national food security is seen as national food self-sufficiency. This book evaluates the very real costs involved in following this route.

The book examines trade in food through three main themes. First, it documents the characteristics of the current world trading system. International trade in food, as in so many products, is managed through global value chains in which large and small corporations play a critical role. The actions of a single government in disrupting parts of these chains can be counterproductive and unhelpful to the poor. This is well documented and the case made that opportunities are being missed to improve local food self-sufficiency through rule based regional integration. Second, a very thorough analysis of the challenge of food price volatility is undertaken. Data from the 2008 food price crisis are used to show the costs of uncoordinated food export restrictions both on consumers in food importing countries and on the food exporting countries imposing such bans. The case is made for collective policies to manage the inevitable future crises of this nature and avoid the panic, which drove the 2008 food spike. And third, given that the authors of this book believe that such policies are needed, they explore in some detail how they can be established in law, and what supply side policies need to be developed to encourage the additional food production which will be needed in future years.

This is a comprehensive and compelling analysis of one of the major global challenges of today – and which will only grow more acute the longer it is neglected. The straightforward option of a focus on national food self sufficiency comes at a high cost, especially for the poor and vulnerable. They note that market failure can only be overcome by the collective action of individuals and enterprises, together with effective government intervention. Improvements in the functioning of markets and trade can be an important booster of growth and poverty reduction. At the local level, the volume of trade greatly affects the competitiveness of markets.

The conclusion the authors reach is that only a comprehensive (but entirely achievable) international agreement on rules for agricultural trade will create the policy environment in which food price volatility can be managed. This will need to be accompanied by considerable investment in rural areas. The physical infrastructure of roads, ports, reliable electrical power, and telecoms must be improved. There must be an adequate supply of human resources with basic numeracy, literacy, health and skills. And, at the national level, there need to be clear rules for a functioning market economy. This will serve, not only to provide more stable and affordable food prices for the poor, but to create opportunities for wealth creation and local trade and entrepreneurship to boost local economies.

The current trend towards antiglobalism, in part led by the United States, will seriously impact world trade and exacerbate economic uncertainties. This book shows clearly that the solutions to trade issues transcend national borders, and require global agreement and coordination to create the necessary stability and certainty for trade. The book provides a clear alternative and suggests feasible outcomes based on evidence. However, its audience may be restricted. Trade economics and discussion come with a proliferation of acronyms and abbreviations. To the non-specialist these can become daunting. Sadly, although there is a table of abbreviations and acronyms, it is not comprehensive – a simple editing issue that should not have been allowed. With that caveat, this is a book highly relevant to all concerned with food policy and nutrition.