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Twenty-ninth McDougall Memorial Lecture

Lecture in honour of Frank L. McDougall

delivered by

His Excellency Luiz Inácio Lula da Silva

Former President of the Republic of Brazil

Excellency, Chairman of the 39th FAO Conference, Mr Ropati, my dear friend José Graziano da Silva, Director-General of FAO, my dear friend Her Excellency Michelle Bachelet, President of the Republic of Chile, my dear friend His Excellency Ibrahim Boubacar Keïta, President of Mali, His Excellency Commodore Josaia Voreqe Bainimarama, Prime Minister of Fiji, dear friend His Excellency Domingos Simões Pereira, Prime Minister of Guinea-Bissau and dear friend His Excellency Ralph Gonsalves, Prime Minister of Saint Vincent and the Grenadines. Dear friends, Ministers, Heads of State, Delegates to the 39th Conference and dear brothers and sisters, I would like to thank you all for the honour of being invited by FAO to its 39th Conference to deliver a lecture paying homage to Frank McDougall, one of the great inspirers of this Organization, who fought for the cause of food in the world.

In truth this honour belongs to the Brazilian people for the success achieved in overcoming hunger and poverty in my country. This is an opportunity to recall the historical ties between FAO and Brazil which is one of the 44 countries that founded this great Organization at the 1943 Conference. In the 1950s, working side by side with Frank McDougall was one of the most important Brazilian scientists, Josué de Castro. He devoted his life to studying the deeper roots and causes of hunger in Brazil and in the world and he wrote two fundamental books on the issue – *The Geography of Hunger* and *The Geopolitics of Hunger*. Josué de Castro's ideas have helped us to understand that hunger is not a natural phenomenon. It is a social phenomenon caused mainly by uneven economic structures. Josué de Castro alerted us to the fact that “*hunger and war do not obey any natural law, they are human creations*”.

In January of 2012, another Brazilian came along to give his contribution to FAO: Professor José Graziano da Silva was elected Director-General, expressing a broad consensus among countries to discuss hunger much more seriously. To our great joy, our brother José Graziano served his first term honouring the life commitment that brought him here: a permanent fight against hunger and extreme poverty. Along with other multilateral organizations, governments and civil society of many countries, FAO acted boldly to so that the highest number of countries could meet the food security targets of the

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Millennium Development Goals. Seventy-two countries have reached the target of halving the number of people in their population subject to hunger, and 29 countries achieved the more ambitious target of the World Food Summit.

It was with great pride that we received, last year, the news that Brazil was no longer on the map of hunger. This means that we are watching the first generation of Brazilians grow up without having to face the drama of hunger. The Brazilian experience has proven that it is indeed possible to overcome hunger when the fight against extreme poverty is escalated to national policy with resources that are guaranteed in the budget; when social programmes on food, health, education and support for family, small- and medium scale farmers are combined; when permanent strategies are adopted for income distribution, job creation, and wage growth. This is the reason I would like to share with all of you the way in which we achieved this success.

Besides paying homage to the FAO founders, I would also like to pay homage to three of our brothers who dreamt of ending hunger 12 years ago. Yet in these 12 years, those brothers have helped us to end hunger in Brazil.

First I would like to pay homage to my brother José Graziano, our FAO Director-General, who led the design of the Zero Hunger Programme even before we were in the government. And then he became the first Extraordinary Minister for the Fight against Hunger in Brazil. God knows how mercilessly he was criticized by the Brazilian media because he said that the poor needed to receive cash transfers. Another brother who we should also pay homage to is Minister Patrus Ananias, who was the Minister for Social Development and the Fight against Hunger and who is now the Minister for Agrarian Development and is attending this Conference. And my sister Tereza Campello who is currently Brazil's Minister for Social Development and the Fight against Hunger: She is responsible for coordinating the Programme to Fight Hunger, *Bolsa Família*, the family grant programme, and the Brazil without Extreme Poverty Programme set up by President Dilma Rousseff. I would like to pay homage to these three people because today I can come here and give my testimony that it is indeed possible to end hunger in the world. We need to want it.

In 2002, the year when I was elected President of Brazil, 11 million families were surviving on less than one dollar a day in Brazil. More than 50 million people were going hungry; almost one third of the Brazilian population at that time. Children were sentenced from birth to suffer from malnutrition and diseases and if they did manage to survive they were sentenced to the stigma of extreme poverty and social exclusion. Millions of mothers and fathers were permanently afflicted because they had no means of providing their family's daily bread. In reality, the Government only governed for one-third of the population, while the great majority were forgotten as if we did not all live in the same homeland. In my inaugural speech, I said that I would have fulfilled my life's mission if by the end of my term every Brazilian could eat three meals - breakfast, lunch and dinner - every day. We prepared ourselves for this challenge by travelling around the country, holding discussions with scientists and social organizations and studying international and local experiences. Then we developed the Zero Hunger Programme under the coordination of our dear José Graziano.

The Zero Hunger Programme is a coordinated set of public policies involving cash transfer, credit to family farmers, land reform, healthcare, education, school meals, and vocational training, amongst many other government actions. Such a broad strategy could only work with the participation of civil society and that is why we created the National Council for Food and Nutrition Security, made up of various representatives of civil society in Brazil. The Council worked to formulate the programmes and today continues to oversee them, assess the results, and draft new food security strategies.

The best-known part of the Zero Hunger Programme is *Bolsa Família*, a family grant programme that pays a monthly income to the poorest families provided three conditions are met: their children are attending school, the children are having all their vaccinations and pregnant women are undergoing all the medical examinations recommended by the World Health Organization. The *Bolsa Família* or family grant is considered one of the best conditional income transfer programmes in the world and now serves 14 million families or 54 million people. President Dilma Rousseff has improved the strategy, developing a new programme called *Brasil Sem Miséria*, or Brazil Without Extreme Poverty,

supplementing the necessary income to ensure all families served by the programme remain above the poverty line. This may come as a surprise, but we did not spend much money on this.

If Presidents decide to wait for the finance sector of Government, or for the Finance Minister to tell them there is leftover money available, they would never succeed in developing a cash transfer programme, because there would always be some newspaper claiming that the money would be better spent building a road. Someone would always say that it would be better to invest in building a bridge. Someone would always say that another Government priority should come before the poor because there is global tendency to treat the poor as statistical data. They are simply a beautiful number, a statistic to be used during electoral campaigns. But after the election campaign is over, this statistic vanishes from the minds of most people who win elections.

I want to prove that in Brazil we spent only 0.5 percent of the GDP. We spent half a percent of our GDP looking after the 54 million people who were not getting enough calories and proteins to survive in our country; 0.5 percent of the GDP. We achieved the miracle of no longer treating the poor as simply statistical data, a number, a figure; instead we treated the poor as human beings, as men, women and children who had the same right to eat as many calories as the richest man in the country could afford. And this should certainly be possible and everybody can do it, even if it takes a while. If we do not start today, the only thing that we can be sure is that the number of poor in the world will increase. So we have a great responsibility. The Brazilian case demonstrates that lack of priority rather than lack of money is the main factor determining our success.

The major hurdle that we faced when implementing our social protection programme was prejudice by the Brazilian media and by some privileged sectors of society. They claimed that the *Bolsa Família*, the family grant programme, would encourage laziness and idleness; people would not want to work anymore but would just live on the programme; it only amounted to a pittance that the Government doled out to beggars – and that it was a way of biasing people in to vote for Lula in the upcoming elections. An unimaginable amount of negative press coverage was directed against the Zero Hunger Programme. Who would have thought that giving meals to the poor would have caused such indignation outcry amongst those who are able to eat more than three meals a day?

This was absurd and we were iron-willed to make the programme a success. Critics then said that the Government had to announce an exit strategy out of poverty, say how long it would continue to hand over money to the poor and explain the way out of this programme. My response was, how could we talk about exit before the poor had even walked in the door. Very well. Our stubbornness won the day and our practical experience demonstrated that all the criticism was completely unfounded. I know that same thing is now going on in many other countries that are adopting conditional income transfer programmes. This is why I want to highlight some lessons that we in Brazil learned with the income transfer policy represented by the *Bolsa Família*, the family grant programme.

The programme did not lead to laziness as many would claim. Quite the opposite: more than 70 percent of the heads of households enrolled in the programme had a stable job although their income was not enough for them to live on. The *Bolsa Família* does not replace work or jobs. It supplements family income to help people break out of the poverty cycle. The guaranteed basic income also frees citizens politically because they are no longer forced to exchange their vote for a pair of shoes or for a kilo of beans as was very common in Brazil before the *Bolsa Família* Programme. A basic income is a public right that has been gained by people who were always previously overlooked in Brazil. To guarantee this right in a democratic way, we set up a single national registry of families living in a situation of poverty. This single national registry is overseen by the General Attorney's office and is updated constantly.

Mr Chairman if you would permit me to address my colleagues at FAO: if you do not have a proper national register that you can use to locate the person who will receive that benefit, you may think that you are handing over money to the poor but the money may actually stay in the hands of the middleman. This is the reason I continually insist that one of the most extraordinary achievements of the *Bolsa Família* programme has been to set up a single national registry so we have direct information about where recipients live. The payment itself is made without human intervention. It is made through a magnetic card of a state-owned bank without any red tape and middlemen. It is an

ATM card, and the people who withdraw the money do not owe any favours to anyone. They receive their money through these electronic cards and they can do whatever they wish with the money.

Back in the old days in Brazil, food baskets were distributed to the poor: you received a box containing salt, three kilos of beans, and two kilos of rice. We thought that the best thing that we could do to guarantee the independence of those needing support from the Government was to give them the money in cash so that they could buy whatever they wished and in the quantity that they wished. Then we did something different, something that the women of Brazil demanded of me: the magnetic card or the ATM card that we use is issued in the mother's name instead of the father's name for a very simple reason. Almost everybody here is married or we know someone who is married, and we all know that our sisters are better at taking care of the family and they are more committed to doing so. I think that men might be tempted to enjoy drinking a few beers in a pub with that money. Men might think of spending a dollar here and there on beer and this is the reason we prefer to hand over the ATM card to the women because we know that women will buy the daily bread and milk that their children need to survive. The programme is a complete success because 99 percent of the cards in Brazil are given to women to help them take care of their children. As a result, women achieve a new position, a much more relevant and respected position in their families as well as in their local communities.

So my dear friends, transferring income to the poor is ultimately very beneficial to the country as a whole because it increases demand, business, production and job creation. It generates a virtuous cycle of development. One story I always tell is about Guaribas, the first city in Brazil to receive the Zero Hunger Programme. This a very poor city, located in one of the poorest states in Brazil. After the city started to receive the Zero Hunger programme, the first sign of individual entrepreneurship appeared. A woman set up a beauty parlour and for the very first time the poor women in that city had enough money to go there and have their hair done. A lot of people said those women could not do that. I said that yes, most certainly they could do it. They watch privileged ladies going to the beauty parlour every day so why should they not go to a beauty parlour themselves once? An income transfer policy therefore allowed thousands of entrepreneurs to surface in Brazil. This was another way of proving that a very simple income transfer to the poor will allow the growth of a new service industry throughout our country.

Another important thing was the strengthening of agriculture. This was extremely important because agriculture was essential to the food security strategy and Brazil has almost doubled its agricultural output over the last twelve years. The figures that I am going to give you cover large and small-scale farming, but the financing of agriculture in Brazil increased from R\$ 21 billion to R\$ 180 billion, which equates to growth of R\$60 billion.

Even more important than the increase in output and the most important factor contributing to growth in output, was land reform and here I refer to my dear José Graziano: his father was my advisor at the time when Graziano was a full time Professor at University.

Graziano's father, who was a great farmer and committed to humanitarian ideals was the one who started the family dream that led to his son being appointed Director-General of FAO.

In these 12 years since 2003 we made 51 million hectares of land available for the land reform programme in Brazil. That accounts for 51 percent of all the land made available for reform in five hundred years of Brazil's history. We did it in twelve years. We achieved 51 percent of everything that was done in five hundred years.

It was no easy task as you can imagine, but we managed to prove that it is certainly possible to do it and Brazil has approximately four million family farms, which account for 70 percent of the food production reaching the tables of Brazilian workers.

These medium-sized and small-scale family farm holdings are responsible for the food reaching our tables because agroindustry is more geared toward export and the credit supplied to family farmers went up from R\$1 billion in 2003 to R\$10 billion in 2014.

Land, credit, technical assistance, sun and rain were therefore all that the country needed to achieve a qualitative leap forward in generating income transfer to the Brazilian poor. We also adopted a very efficient system for crop insurance as well as a minimum purchase price policy to offer stability and guarantee future prices for small farmers. This is important because if the Government does not offer guarantees for family farmers, they will lose when there is a lot of rain and their crops are destroyed by flooding, and they will lose when there is too much sun, and their crops are destroyed by droughts. When they manage to produce, the marketplace does not guarantee a minimum price for their products and they sometimes need to give it away almost for free.

The Government has therefore agreed to guarantee a minimum purchase price so that small-scale family farmers know that they will never lose out; they will produce and will be able to sell their goods.

We have also passed an act in Congress to set up a school meal programme in Brazil that gives out school meals to 47 million children every day in Brazil's public schools.

Every day 47 million children receive at least one school meal per day until they are 17 years of age, if I am not mistaken. With the primary aim of helping local development, we approved legislation that makes local governments purchase 30 percent of food for school meals locally from family farmers with the aim of disseminating and increasing local agricultural production and developing a local market ensuring that money circulated in these small towns.

This local support for family farmers was an extraordinary achievement. We also invested in environmental education, offering incentives – some financial – for preserving native forests and spring water.

Minister Tereza Campello, who is with us today, is responsible for a revolution that took place during President Dilma Rousseff's Government. Minister Patrus initiated a programme that was ultimately so successful that the Northeast region, the most arid in the country, managed to build more than one million water cisterns to collect rainwater so that people could have drinking water. One million two hundred thousand water cisterns have been built. Now they have invented something called a productive water cistern that is able to collect a little more water so that families can not only have drinking water but also grow produce in their gardens or give water to their animals or livestock. I wish this new programme every success.

We developed another very important programme called Electricity for All. One day, President Dilma, who used to be Minister for Energy, brought me a document showing that two million people in Brazil had no access to electricity in their homes.

I asked her to come up with a programme that would allow us to take electricity to all homes. There were people living five hundred metres away from a hydroelectric power plant who had no access to electricity. Some people had never watched Brazil play football on television. I had already run for and lost three elections for the presidency and some people had never seen me as a candidate on television.

I therefore decided to develop an ambitious government programme called Electricity for All. I know many people here in this room will have experienced living in a house where the only source of light was a kerosene lamp: we used to call it a *candeeiro*.

You had to carry the lamp around. The light it gave off was like candlelight and the women would sew under it even though they could hardly see. People had to live as if they were in the eighteenth century and even today people in many parts of the world have to make do with candlelight.

We developed a programme that levied a small fee on consumers who could afford to pay more as part of the electricity bill. With R\$ 28 billion we took free electricity to people living in remote areas in Brazil.

To give you an idea of what this meant, one 70 year old woman who had never seen an electric light was so scared of the electricity when she turned on the light that she ran out of her house: she was dazzled by so much light.

There is another story that I have told many times in Brazil but it is the first time that I am going to tell it here.

When we put electricity into the home of a woman living in a very poor part of Brazil, she kept endlessly turning the lights on and off, on and off, on and off. When her husband asked her why she was turning the lights on and off, she replied that she was doing it because she had never seen her child asleep before.

Touching stories like this illustrate the impact of social programmes that we must develop in our countries. They offer people who have never had anything in their lives an opportunity to have the bare necessities. The Electricity for All programme created almost 500,000 jobs privileging local businesses since the idea was to create and develop income at local community level.

This miracle meant that the percentage of the population with access to power increased from 78 percent to 97 percent, affecting fifteen million people.

When we started to develop the Electricity for All programme, once again people voiced their prejudices, saying that Lula and the Government only think of the poor, and nothing for those living in big cities.

Interestingly enough, 79 percent of the households that had power put into their homes bought TV sets. Seventy-three percent bought refrigerators. Fifty percent bought other electrical appliances, various kinds of equipment and water pumps.

We actually sold 2.4 million TV sets and 2.2 million refrigerators because of the Electricity for All programme alone. We also installed seven million electricity masts, one and a half million transformers, and one and a half million kilometres of electric cables and wires. To illustrate what this means: one and a half million kilometres of electrical wires or cables would encircle the earth thirty-five times.

No private company, however humanitarian, would ever have done that because it would not have been profitable. It was simply socially fair and ethically necessary and only the Government could have taken this responsibility.

I would like to tell you about another important achievement under the income transfer programmes. You may recall that in early 2008 at the time of the food crisis, people started to voice concerns that the prices of soybeans, other food commodities and oil were very high.

At first the blame was put on China because now it is fashionable to blame China for everything; the Chinese were the ones who were buying everything and that is why everything was so expensive. But then we discovered that China was not responsible. The future markets had much higher oil reserves than China and were buying up the soybean production.

Ultimately, the very financial system that underwent meltdown in 2008 was speculating with the agricultural production on future markets causing a lot of problems to the poorest countries in the world.

I therefore developed a programme called More Food [*Mais Alimentos*] and we decided to finance agricultural machinery to increase the production of family farmers in Brazil. Amazingly enough, this programme sold 58,000 tractors and 28,000 small trucks as well as thousands more small trucks and vans.

I believe the programme sold 14,000 harvesters at very low interest rates under long-term finance schemes, which was the only way for small farmers to gain access to funding. The More Food programme was extended to Africa and Latin America.

I am not sure whether sales have started yet, because it takes a while after the program is launched to go through the bureaucratic formalities. The time lag is sometimes longer than in our term in office. I know because I went to Ghana recently and they have been waiting for funding for three years.

I know this program is being rolled out to other countries, which are being offered the same funding as the small farmers in Brazil. We decided to do this to help countries gain access to this technology.

You can ask the Brazilian ministers present at this General Assembly about it. Our Minister for Foreign Affairs, Mauro Vieira, who is here, is following this programme.

I am very proud of another achievement we introduced to ensure that young people do not have to move out of their areas: we set up 18 new public federal universities in the country, and also 148 campuses over the twelve years. President Dilma Rousseff has also set up 365 vocational training schools with the aim of bringing about a kind of peaceful revolution that is respectful to all.

We have tried to share the benefits of our decisions throughout society as a whole in Brazil. These new universities and vocational training schools mean that thousands of youngsters have had access to higher education for the very first time. They are also helping to develop the interior of the country and ensure that students do not have to live under bad conditions in Brazil's big cities.

As a result of these and other policies, besides increasing food production, we increased the income of small-scale family farmers by 52 percent in little more than ten years. All of this has concurred with the objective of fighting hunger and extreme poverty. In twelve years the actual value of salaries has grown by 74 percent. Family income went up by a third and by two thirds in the poorest families. The supply of credit went up from 24 percent to 57 percent of GDP.

The combined result of all of these policies is well known – and José Graziano da Silva should be very proud of this because he was one of the creators and developers of this policy: we managed to lift 36 million from extreme poverty. Another forty million were raised to the middle class threshold and we created 22 million formal jobs in Brazil.

This is the result of a set of policies focussing on proving that the poor are not part of the problem. When looked at properly, the poor are part of the solution for our countries. If you lend one million to a rich person, that money will go into a bank account. If you lend 10 dollars to a poor person, it will help to feed mouths, the money will circulate and everybody will be able to participate. This is the miracle that made of our policies in Brazil and I am overjoyed to see extraordinary examples in virtually all of Latin America and other regions.

Evo Morales developed a programme called *Embarazada* in Bolivia. This provides pregnant women or single mothers with financial support, and other programmes have been developed. This is a revolution for Bolivia, for people who have never had anything.

I also know that successful experiences are going ahead in Africa and this makes me feel very optimistic about overcoming this problem.

It is very important that FAO should be a kind of sounding board for all these successful experiences so that we can share knowledge gained through best practices with the rest of the world.

During the Olympic Games in we will have another conference on Nutrition for Development, as took place in the 2012 London Olympic Games.

Dear friends, the results achieved by many countries, in cooperation with FAO, within the Millennium Goals are very encouraging. FAO is working with extraordinary numbers, but the numbers are still small, relatively speaking, because we still have 800 million hungry people. We reduced the numbers by 200 million but the truth of the matter is that those who are hungry cannot afford to wait. We have to hurry. Paradoxically, this urgent situation has come about when the world is able to produce much more food than it consumes.

The problem is not lack of food production. The problem is lack of income for people to buy food. The world's rulers must understand that drought and floods are natural phenomena, but hunger is the responsibility of mankind and must be overcome as a matter of urgency.

I was very happy because in 2013 I had the opportunity to participate in an important forum in Addis Ababa with José Graziano and Ms Zuma, Chairperson of the African Union, to sign a commitment to eradicate hunger in Africa by 2025.

I was even happier to find that this commitment was confirmed in 2014 by the African Union Committee of Heads of State and Government. Now that Heads of State and Government have

approved it and if the rich and highly developed world is prepared to support this project, we can really dream of actually ending hunger in Africa as well as in all other countries in the world.

I would like to end, dear friends, by telling you that next September at the UN General Assembly, the UN will enter into a commitment concerning the Sustainable Development Goals. The first step toward achieving full social development is to eradicate hunger and extreme poverty. This great step forward demands the commitment of citizens and governments according to the spirit of the Milan Charter, which we signed yesterday.

Non-governmental organizations certainly have a very important role to play in actions against hunger and poverty – extreme poverty – in the world. But I must again stress that this struggle demands permanent sources of financing; we need a national policy to end hunger.

It is well known that the very poor do not organize themselves in political parties. They do not have trade unions to represent them. They cannot go on marches. They do not have lobbies in congress. They do not hold protest marches. They do not even have access to the media or support from the press. The poor rely on the political vision of the world's leaders and this is why it is extremely important that we should adopt this approach.

The Millennium Goals balance sheet shows hunger, disease and malnutrition remains high among the people of Asia and Africa who live in situations of conflict, be it internal conflicts or wars with other countries. In these regions, the map of hunger and the map of war are superimposed, forming a tragic picture. This reminds us that there can be no peace where there is hunger. Even where violence is not the immediate cause of poverty, wars exacerbate the suffering of the civilian population, especially the most vulnerable.

Hunger and poverty are also the deeper root causes of the increase in people migrating because they have lost hope for a future of their own land. If we wish to build a secure world for all, it is much more effective to attack the root causes of hunger, rather than focus on the perverse results of this tragedy.

We have never been so close to achieving the dream of ending hunger. We have previously unimaginable scientific knowledge that allows us to produce food in abundance. We have the material resource and technology to invest and fight poverty and hunger throughout the world. We have the most powerful moral argument, which is the tragedy of hundreds of millions of famished children and we have practical evidence that it is indeed possible to overcome hunger as we did in Brazil and as has been done in many other countries.

Promoting food security in a healthy and environmentally sustainable way is much more than a dream: it is a humanitarian cause. A cause capable of uniting people, governments, and institutions. This first quarter of the 21st century could indeed be the moment to build a safer world for all: a world free of hunger and poverty. My wish is for all of you, men and women, delegates to this 39th FAO Conference, to take this message to your countries: breaking bread is the first step toward building peace.

Thank you very much. A big hug to all of you.