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CONFERENCE

Thirty-first Session

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Twenty-second McDougall Memorial Lecture

**LECTURE IN HONOUR OF FRANK L. McDOUGALL BY PATRICIO AYLWIN,
FORMER PRESIDENT OF THE REPUBLIC OF CHILE, AT THE OPENING OF THE
31st SESSION OF THE CONFERENCE OF FAO**

WHAT WOULD FRANK McDOUGALL THINK?

(22nd lecture)

Mr Director-General,
Honourable Delegates,
Ladies and Gentlemen,

1. I should like to thank the Director-General, Dr Jacques Diouf, for his kind invitation to deliver the traditional lecture in tribute to Frank McDougall at this Opening Ceremony of the 31st Session of the Conference of the Food and Agriculture Organization of the United Nations. It is for me a great honour, which I welcome as a token of appreciation of the collaboration that exists between my country and FAO.

Frank McDougall, who was active in public health in the former League of Nations, was one of the first to note, more than 70 years ago, the connection that exists between community health, nutrition of individuals, agricultural development and economic policy. And responding to the call of President Roosevelt to achieve a world of "The Four Freedoms", including "freedom from want", which - said the US leader in 1941 - was "attainable in our own time and generation", McDougall explored the possibility of providing the whole human population with a proper diet to maintain good health and calculated that such an undertaking would require a doubling of world food supplies. It also meant that the major powers of the time would not only have to ensure the nutrition of their own populations, but would also have to provide financial and technical

assistance to the less advanced countries to help them develop their agriculture and achieve adequate nutrition for their populations.

It was these proposals that inspired the United Nations Conference on Food and Agriculture held in Hot Springs in May 1943 and whose resolution XXIV on "Achievement of an Economy of Abundance", after affirming - among other verities - that "the first cause of hunger and malnutrition is poverty"; that "the promotion of the full employment of human and material resources, based on sound social and economic policies, is the first condition of a general and progressive increase in production and purchasing power"; and that "tariffs and other barriers to international trade, and abnormal fluctuations in exchange rates, restrict the production, distribution and consumption of foodstuffs and other commodities", recommended a series of measures to the governments and authorities attending the Conference so that they could consolidate "their determination to achieve freedom from want for all people in all lands".

The Conference in Hot Springs led to the creation of a United Nations Interim Commission on Food and Agriculture which in turn drafted the Constitution of FAO, whose first Conference was held between 16 October and 1 November 1945. It is only right and appropriate, at the start of this 31st Conference of FAO, that we should recall with gratitude and admiration the fertile contribution of Frank McDougall to the design, justification and birth of this Organization. And besides paying him homage, it is also appropriate to ask ourselves what McDougall would think today, in the early Third Millennium, if he saw the state of food and agriculture achieved by Humanity 56 years after the foundation of FAO.

2. To answer this, we need to go back five years to November 1996 when, at the invitation of FAO, the Heads of State or Government of almost all nations of the world, or their representatives, met here and solemnly endorsed the "Rome Declaration on World Food Security" and the "World Food Summit Plan of Action" whose proposals they undertook to adopt and to support to a successful conclusion.

Essentially, they affirmed and undertook to ensure the right to food, which was defined as "the right of everyone to have access to safe and nutritious food, consistent with the right to adequate food and the fundamental right of everyone to be free from hunger". They found it "intolerable that more than 800 million people throughout the world, and particularly in developing countries, do not have enough food to meet their basic nutritional needs" and pledged their political will and determination "to eradicate hunger in all countries, with an immediate view to reducing the number of undernourished people to half their present level" - that is to say, 400 million - "no later than 2015". These proposals were embodied in seven specific commitments that set out the objectives to be pursued and the measures to be adopted to achieve this goal.

Now that five of the 20 years the world leaders set themselves have passed: What progress has been made?

According to an FAO publication of this year for the *World Food Summit: five years later* that was scheduled for this period but has now been postponed, information compiled and analysed at the time indicated that the average annual reduction in number of undernourished people in the world during the 1990s was an estimated 8 million, which is well below the 20 million needed to reach the target set for 2015. If we maintain the present rate of 8 million fewer hungry people each year, it will take us one century to rid ourselves of this scourge. What a tragic failure for Humanity therefore, if we fail to turn the situation round very soon.

And the brutal paradox of such a situation, which is ethically unacceptable and politically incomprehensible, is that it should exist when "one of the great achievements of the past century has been the production of enough food, not only for the needs of a global population which has doubled from some 3 billion in 1960 to over 6 billion in 2000, but

also to ensure a better standard of nutrition, with average daily food intake rising from about 2 250 kcal to 2 800 kcal per person in the same period", according to a report of the Committee on World Food Security to be placed before this Conference. Quite understandably, the report qualifies as "unacceptable" a situation in which "hunger should have coexisted on a vast scale with more than adequate aggregate global food supplies".

3. We must not - and cannot - hide our dismay over these results. While some of the more advanced developing countries have marginally reduced their levels of undernutrition, these levels have continued to deteriorate alarmingly in the least developed countries of Africa, Central America, the Caribbean and the Near East; and this despite the growing availability of food at world level, as seen in constantly increasing stocks of staple foods in the developed world and certain developing countries.

It is not therefore a matter solving the problem of hunger by simply increasing agricultural production in developing countries. The issue is more complex and touches upon **lack of income and employment** and consequently enduring high levels of poverty. To paraphrase the Indian scientist M.S. Swaminathan, food security is best expressed in terms of millions of jobs created, than in millions of tonnes of food produced¹.

In spite of the hopes for significant improvement in the economic conditions of the poorest populations that were raised by the macroeconomic adjustment programmes imposed by the multilateral agencies for international credit, World Bank figures show that poverty reduction has barely moved or even regressed.

The total number of people living with less than one US dollar a day only fell from 1.321 billion in 1990 to 1.214 billion in 1998, and this mainly because of the good performance of countries of East Asia and the Pacific that reduced the population with such an income by almost 200 million. All the other regions of the world, with the exception of the Middle East and North Africa, have seen a sharp rise in the number of poor.

Studies conducted by the Economic Commission for Latin America and the Caribbean (ECLAC) indicate that the number of people living in poverty in Latin America and the Caribbean rose in the 1990s from 196 million to 224 million; that situations of "hard-core poverty", ethnic discrimination, residential segregation and violence have remained the same or increased; that most employment has been generated by the informal sector; and that, in many sectors, wages are lower than they were ten years ago. Such a reality is a serious impediment to development in our countries; it represents a serious threat to social peace and is morally outrageous.

At the same time, income distribution has either worsened or remained scandalously unequal. One-fifth of the world's population living in rich countries enjoys an income 74 times greater than that of the poorest fifth. In Latin America, only Bolivia, Mexico, Honduras and Uruguay have seen a slight improvement in income distribution, while in the other countries the situation has remained the same or deteriorated, from the most unequal levels in the world.

These figures and world trends in the 1990s indicate a growing marginalization of the bulk of national populations from the benefits of development, a retrogressive distribution of income, and a growing concentration of economic power in a handful of countries and large corporations. This has led to higher rural-urban migration and migration to the developed countries, as can be seen in their major cities. What we now have is a **globalization of poverty**.

4. We live in a time of great contradictions. The 1990s saw far-reaching technological change in the world, best epitomized by the staggering speed of economic, cultural and communications globalization.

¹ Frontline magazine, February 2001

On the economic level, there has been rapid growth in international trade and even more dynamic growth in direct foreign investment. But far more spectacular has been the increase in movement of financial capital, with more than one billion dollars reportedly circulating on international exchange and financial markets every day.

Greater flow of trade, booming financial situation and strong technological innovation: all factors leading us to expect faster growth in the global economy, more productive jobs and less poverty. We were also told that the gap between rich and poor, whether countries or individuals, was bound to narrow. In the words of the experts there was supposed to be a *convergence of levels of income and wellbeing*.

However, there is irrefutable evidence that social justice and economic equity have deteriorated in many parts of the world in the last twenty years. Africa, Asia and Latin America have stood still or have seen short-lived peaks followed by serious financial troughs. And we now know for sure that these troughs are profoundly retrogressive and long lasting in impact.

The region I come from, Latin America, carried out deep-seated structural reform, mainly in the 1990s. It scrupulously adopted many of the recommendations of the so-called *Washington Consensus*; it did so in earnest, with every confidence in established economic doctrine. It was, I believe, a question of relying totally on the free market to create wealth and wellbeing. Yet, Latin America grew more slowly in the 1990s than it had between 1950 and 1980 (less than 3 percent annually in the last decade against an average of 5.5 percent in the preceding three decades). Moreover, income distribution either worsened or remained scandalously unequal.

So what is going wrong?

As I see it, one central problem is that conventional neoliberalism has a number of failings. It is applied equally to countries with very different levels of development; it is applied equally in periods of economic recession and of financial boom; it is applied equally in differing political, economic and social contexts.

We are told that we have reached the point of culmination, that there is only one absolute way of directing the economy. This extremely ideological perspective with its deification of neoliberalism and supremacy of the market is seriously misguided and causes some of the most serious problems of our time: lack of equality, poor growth, high instability and wide-ranging uncertainty.

It is true that with technological innovation, which is in itself very welcome, the world has shrunk and become more the "global village". But, we also have the paradox of a widening gap between rich and poor countries and between rich and poor people within countries. As I said earlier, we have a globalization of poverty.

5. What has the International Community done to counter this? What I have just depicted tells us that our efforts have not been enough.

The heavy macroeconomic imbalances that emerged in the developing world in the 1970s and 1980s led many countries to implement drastic corrective actions, under the guidance of the multilateral institutions for international credit and financing. But such actions focused more on adjustment through - often extreme - economic solutions, than on adjustment that considered human and social variables and understood that market capacity of response was limited without proper direction from the national and international authorities. This is characterised by the costly financial crises that occurred, as has been carefully and lucidly detailed by the new Nobel Laureates in Economics, especially Joseph Stiglitz who has studied the serious consequences for the developing world.

One area with strong globalization is international trade. How many products that we use in our various countries include goods and services from different parts of the world?

This is not a recent development; since the end of the Second World War international trade has been growing faster than the aggregate Gross Domestic Product of countries.

Between the mid-1940s and the late 1990s, growth in external trade was double the annual rate of growth of world product. This trend was favoured by GATT and subsequently by the Uruguay Round negotiations and WTO, and the expansion of trade was particularly high for manufactured goods. In the 1990s the increase in trade as opposed to production was even more pronounced, with an annual increase in world product of 2.5 percent but an annual increase in world trade of 7 percent. This vitality of trade however does not apply much of what we produce; in fact only one-fifth, that is one out of every 5 dollars that the world produces, crosses national borders.

Also, in the case of the developed world, a very high proportion of this trade occurs between neighbours associated in regional integration. Thus, 63 percent of the European Union's exports are directed to one of the other 14 member countries, and the remaining 37 percent go to the 180+ other nations of the world. In the case of North America (Canada, United States and Mexico) about half of its exports go to the other two members of the North American Free Trade Agreement. This shows that geography still counts for much, a fact still largely lost on the developing countries. It also tells us that globalization can be fairer and more balanced if we develop, strengthen or create our own regional or subregional institutions that can reflect our own realities and intermediate between global and national organizations. This would give us more voice in defending our legitimate interests and would enable us to work together for the reciprocal development of our countries.

One traditional answer to international inequality since the early post-war years is Official Development Assistance provided by the richer countries and the multilateral organizations. Despite continuous undertakings by these countries, assistance to development fell from 0.33% of GDP of the high-income countries in 1992 to 0.24% in 1999, representing a fall of as much as one-quarter as opposed to the promised increase to 0.7%.

The more advanced countries have now recognized the importance of providing trade opportunities rather than resources as cooperation for development, but such opportunities have yet to materialize. Not only do the advanced countries continue to provide greater protection to their agricultural sectors, thus harming the trade possibilities of developing countries where these have genuine competitive advantages, but they also maintain tariffs proportionate to the level of processing of primary commodities, thus preventing countries from advancing to higher levels of development.

The expansion of trade has partly occurred under the guidance of the World Trade Organization (WTO, ex GATT). Gradually, and especially during the Uruguay Round negotiations, a strict "regulatory levelling" has been applied, bringing regulations for developing countries more in line with those for developed countries. Unfortunately, this has meant applying "unvarying" regulations to countries with "enormously varying" production capacities, a case of equal treatment for unequal parties, which again brings us to the neoliberal ideology that is arbitrarily imposed. This makes it hugely difficult for developing countries to generate new production capacities, to diversify their exports and to increase their ability to generate more productive employment. The achievement of equitable development means acquiring comparative advantages and developing competitiveness, with increasingly higher levels of income, emulating for example the successful experience of East Asia from the mid-1970s to the 1990s. What the neoliberal recipe frequently produces is contrived competitiveness based on poverty wages.

The hopes that the World Trade Organization agreements raised for the rural world have been dashed. The agreement negotiated between four walls by the world's leading powers has enabled the developed countries to maintain their high levels of agricultural protection (tariffs, quotas and other restrictions on commodity imports from developing

countries) and to substantially increase support to the domestic agricultural sector of the OECD countries (subsidies have increased by 8 percent since the signing of the Agreement and now total US\$ 363 billion). How can we continue to encourage sustainable increases in agricultural production in developing countries when there is no parallel opening up of markets? What we often see instead is a deterioration of rural poverty, as oversupply of domestic markets impacts negatively on farmer incomes, especially on the incomes of the poorest farmers.

For their part, the developing countries have not paid sufficient attention in their development strategies to food security and to a form of development that integrates and generates employment. Regrettably, the good intentions and global commitments expressed at meetings such as this have so far had no tangible impact on improving the living conditions of the millions of hungry and poor that still exist in the world.

6. What then are we to do?

Experience has shown that unrestrained economic freedom does not ensure justice in relations between unequal subjects, because the strong will impose their own conditions on the weak. What we need therefore is a way to achieve the common good - defined as "the sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfilment more fully and more easily". And the function and purpose of the State is precisely to promote and ensure the common good: common to the whole and to each of its parts; to society and to each of its members.

But this means accepting that freedom of markets is not sacrosanct - as postulated in neoliberal thinking - and that it admits limitations for the common good. Freedom in itself does not guarantee the common good, because if unequal parties are left to compete freely, the stronger will impose conditions that the weaker will have no choice but to accept.

Economic performance, with its mediocre growth, deteriorating fairness and lack of stability, is showing undeniable signs of an ethical and political need to change course. We must step up national efforts to reform our economies, to modernize them by projecting social and economic progress and human rights to all corners and sectors of the developing world. At the same time, there appears to be a clear need to *reform the reforms* that the international economic and financial institutions have been advocating and imposing on nations.

Globalization is not a condition but a *process*; it evolves through human action, and part of that action is public policy. Paradoxically, in this time of globalization, some essential requirements for more integrated and balanced world governance have been weakened. For example, the efforts of rich countries to support developing countries have slackened, when they should have intensified. Flows of speculative capital are not monitored as closely as they should be, given the huge expansion of volatile capital. What is required is more determined, more effective action, free from sectoral vested interests, at national, regional and international level. The central concern is to avoid the recurrence of financial and market crises that spread like wildfire throughout the world.

As the former Managing Director of the International Monetary Fund, Michel Camdessus, often stated - and he was hardly an exponent of socialist principles - "the invisible hand of the market also needs the strong hand of justice guaranteed by the State and the hand of social solidarity". I believe this is absolutely essential if development is to be reconciled with the demands of ethics. We need to seek and find effective ways of achieving development that is not simply a process of economic growth - growth of more goods and wealth than human society as a whole can dispose of - but as a far more profound process of enhancement of quality of life for society as a whole and for each human being.

Freedom is an integral part of human dignity, but we do not live in isolation or as separate universes, we live in collective society, so the only way to ensure the freedom of all is to

regulate its exercise so that the freedom of one can be compatible with the freedom of others - in short, so that justice can prevail. Without regulations, the law of the strongest will be brutally imposed on the weakest, and violence, arbitrary behaviour and chaos will prevail.

The Universal Declaration of Human Rights and its associated documents, which were endorsed by all the nations of the world in solemn documents constituting a Magna Carta for human society, complement the right of each individual to freedom and its guarantees with other related rights, such as the right to work with just and favourable remuneration, the right to a standard of living adequate for the health and wellbeing of the individual and his or her family, including food and clothing, and provision of other basic human needs, including health and education.

In the words of John Paul II, "nor would a type of development that did not respect and promote human rights - personal and social, economic and political, including the rights of nations and peoples - be really worthy of man" (Encyclical Letter *Sollicitudo Rei Socialis*).

If the concept of human rights - inherent in the dignity of persons - is now the cornerstone for building concord between peoples and nations, we cannot leave the economic life of societies to evolve without regard to the consideration and respect that these rights deserve as an ethical imperative that has been formally accepted by all nations.

The search for justice is a function of the State. It requires that each State, within the limits of its sovereignty, and that the body of States, within the international sphere, establish or agree the essential regulations to ensure the common good, which is above the individual interests of each State and above the private interests of individuals and groups, however powerful these may be.

Exercising solidarity is a function of civil society. The market economies of our time tend to enslave individuals to material goods and, for many people, the acquisition of consumer merchandise has become their main concern, spawning aggressive competition, turning companions into rivals and sharpening individualistic behaviour. Social networks are unravelling, although history teaches us that these need to be strengthened if the tyranny of the powerful is to be checked and the common good is to be defended and promoted. The strength of the weak lies in their cohesion and unity, and the natural and effective instrument for this is collective organization.

Mr Director-General, Honourable Delegates, Ladies and Gentlemen,

With all the modesty of a person coming from a small and distant country called Chile, part of the so-called developing world, I felt it was my duty, on this solemn occasion and in response to the generous invitation of Director-General Jacques Diouf, to expound my thoughts to you in all frankness. I am not an expert in economics or agriculture, but simple reasoning leaves me perplexed as to how - at this stage of development of society with its astonishing command over the laws of nature and such wealth and opportunities for the wellbeing of Humanity - how there can still be 1.2 billion people living in extreme poverty, with 800 million habitually suffering hunger and many hundreds of millions without work.

The world is of course aware of this situation. And the United Nations has in recent years promoted a series of top-level international meetings to deal with the challenges that this reality and other equally worrying situations pose for Humanity. Such meetings have included the World Summit for Children of 1990, the Earth Summit of 1992, the World Summit for Social Development of 1995, the World Conference on Women of the same year and the World Food Summit of 1996. In all of these events, which have been attended by virtually all the world's nations, represented by Heads of State or top-ranking dignitaries, the serious problems facing Humanity have been determined and recognized,

solemn commitments have been made and remedial programmes have been approved, and we have all undertaken to put these into effect.

But time passes, and there is still no solution in sight. There have been no substantial changes. Hunger, poverty, discrimination against women, the abandonment of children, pollution of the air and destruction of the ozone layer continue more or less unabated. Commitments and programmes of assistance to development are implemented only in part or are simply taken no further.

In the face of this painful reality, many people - especially those in the most affected groups and their sympathizers - lose confidence in international institutions and in their own national governments, advocate protest actions and reach the point of accepting and even justifying violence. Thus even the criminal terrorist actions that recently shook the world and were rightly met with overwhelming condemnation have elicited some form of explanation.

The challenge is formidable and urgent. It calls for a strong measure of goodwill and generosity on the part of everyone. It requires the international organizations to act with utmost energy and efficiency in studying, proposing and implementing realistic solutions. It demands that the leaders of nations show statesmanlike vision, independence and fortitude in adopting the decisions that are needed for the common good.

In the specific case of food and agriculture, the theme of this Conference, I hope that the considerations that I have expounded will be shared by participants and will help adopt agreements and recommendations that are more effective in successfully overcoming the scourge of hunger and promoting better agricultural development in the world.

I should like to conclude by returning to my original question: what would Frank McDougall think if he saw the present state of food and agriculture in the world?

Although I am not familiar with his technical expertise and his convictions, I cannot help but imagine that he would be hugely disappointed. Like President Roosevelt - whom he advised - he must have thought and hoped that Humanity would be capable of ridding itself of hunger in his generation. He would no doubt suffer on learning that, after all this time, we are still so far from that objective.

But the memory and example of his spirit should encourage us to continue battling undeterred so that his ideal may become reality in the briefest possible time.

That is what Humanity has the right to expect of us.

Thank you.

Rome, 2 November 2001