



Food Security: Adapting to Climate Change

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Macroeconomic Impact of Climate
Change: "Opportunities & Challenges"
Bank Indonesia, Bali, August 1-2, 2008

The Climate Changes



- State of the Debate
- Food Security and Poverty
- Adapt to Survive

Climate Change Chronicles: The Debate is Over

- Economic Growth has undoubtedly contributed to the current global warming
- The weak & poor always pay the highest price
- The stakes are high; if we don't act now, the quality of civilization might suffer irreversible damage

Mea Culpa???





Climate Change & Globalization

The Culprit: Increasing Inequity

- **OECD development policies:** Food Sovereignty at All Cost

- **Forced liberalization:** Asymmetric Gains from Trade

- **Depressed agricultural prices:** Low investment, productivity → Distress push

Urbanization of Poverty

- **Bio-fuel Subsidies:** Energy Sovereignty

The Food Security Nexus





Rethinking Food Security

- **Food security:**

Access for all households at all times

The recommended pathway

- **Food sovereignty:**

Production within national borders

The road taken

Why the Food Crisis?

Bad Food Drives the Good Food Out

- Imbalance Fuelled by **Subsidies**
- Asymmetric Agricultural **Productivity**
- Higher **Growth** (Econ, Pop) in DCs
- **Poor Governance** of Commodity Markets
- Escalating Costs of **Energy** - Uncontested Markets
- **Poor Governance** in DCs




Interests at Odds

- **Corporations:** Cheap food → Low Wages
- **IMF-WB:** Sisters for the Status-quo → Divergence
- **OECD:** Food & Energy Sovereignty
- **MDGs:** Aid Giveth Little, Trade Taketh More
- **WTO:** Rules of Convenience → Doha Collapse



Average Producer Support in OECD Countries, 2004, % of Gross Receipts



Rice	75
Sugar	58
Milk	36
Beef & Veal	34
Wheat	33
Corn	31
Oilseeds	27
Pork	21
Overall	30

Source: OECD Agriculture Directorate

Agriculture Adapts

- High Prices a Golden Opportunity
- More Infrastructure, Research, & Empowering
- More Funding for Financing & Risk Management
- Go Organic
- Decentralize Production, Buy Local

Adaptive Capacity?





Institutions, Development, & Civilization

- **Geography, Institutions, & Development for All**
- **Governing to Governance:**
Development or Deterioration?
- **Incentive Structures:**
License to Develop or Destroy the Commons?
- **Profits & The People:**
Predation or Partnerships for the Planet?

Paradigm Shift



Market-Driven

People-Driven

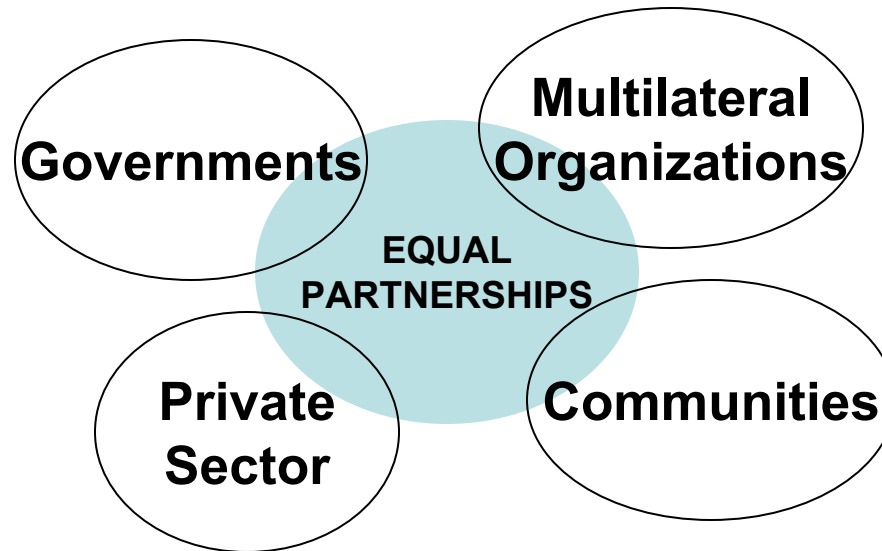
Agribusinesses
Prosper

All Policies, Institutions,
& Technologies
continually driven by
the Needs & Capacities
of the People

Small-holders
Disappear

Global Governance Reform

- Fellow-travelers on the Spaceship Earth:
all in this together now
- Consensus re comprehensive roadmap out of the crisis: Bali, Roma, Hokkaido
- **Dillon: People-driven Development**



Conclusions

- Greed& Complacency → Decline of Civilization

Mills: The greatest asset of public action is its ability to satisfy vaguely felt needs for higher purpose in the lives of men and women

What are We Waiting For?

