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Aid vs. Trade

When it comes to helping farmers in impoverished nations, does Canada's left hand know what its right hand is doing?

By Paul Webster

Dawn looms in the Sierra Madre of western Guatemala. Through heavy mist, I watch hundreds of subsistence farmers file through cornfields up the side of the giant Santa María volcano. The farmers—many of them barefoot, emaciated peasant women carrying babies on their backs—have a long climb ahead of them; their tiny corn plots are terraced far up the mountainside.

Corn is Guatemala's biggest dietary staple. Every kernel that can be wrung from the land—no matter how rocky and remote—counts in this country racked by hunger. The rate of chronic malnutrition here is the fourth highest in the world, and nearly half the country's children under five are hungry. Of course, Guatemala's situation is far from unique. Over 70 countries struggle with food shortages, according to the World Food Programme (WFP), a United Nations agency that provides emergency rations for hundreds of thousands of Guatemalans.

Canadians think their country is doing a lot for food aid, and with good reason: WFP already receives more support from Canada, per capita, than from any other nation. But as I discovered in my recent travels through Guatemala, where the hunger problem is rural and affects mostly peasant farmers and their families, Canada's trade policies may be making things worse.

As the sun rises over the valleys below, I see vast fields of fruits and vegetables—food Guatemalans will never eat. “The valleys contain all the best land, but they are mostly used for export crops, not for growing food for Guatemalans,” says Pablo Sigüenza, a social scientist with IXIM Rural Studies Collective, which investigates rural and agricultural issues in Central America. Rural families, most of whom survive via subsistence farming, suffer from hunger and malnutrition because international agribusiness takes the best soil. What's left over is scant and unsuitable for growing.

Most of the country's rural dwellers, who make up 60 percent of the population, thus struggle to feed their families from their own meagre plots. The peasant farmers' lack of access to arable land, says Sigüenza, is the biggest reason why Guatemala—despite its enviably verdant climate—is constantly appealing for food aid from the very countries it supplies with fruit and vegetables. This troubling paradox is overshadowed by another just as troubling: The trade policies of rich nations such as Canada frequently undercut their aid policies.

Under a newly launched Food Security Strategy, the Canadian International Development Agency (CIDA) now spends more than \$1.5 billion annually fighting hunger. But rather than simply helping deliver emergency food to places like Guatemala, says Bev Oda, Canada's international co-operation minister, Canada is also using this money to help peasant farmers grow more food—not just for their own families but for commercial markets as well.

“We have to increase the productivity of small farmers and enable them to generate income,” Oda says. Sounds sensible enough—until you look at the hunger problem from the perspective of hungry Guatemalan peasants. With the best land in the country used for export crops, local corn and grain growers have little room for expansion. Moreover, says Sigüenza, no amount of foreign aid can undo the damage done to local farmers by the flood of cheap foreign food imports, most notably the American grains now supplied to Guatemalan cities free of tariffs, thanks to a 2006 trade agreement. This cheap foreign food is robbing local growers of any chance of getting a toehold in their own markets. Without access to those markets or arable land, huge numbers of subsistence farmers are locked in a struggle for survival in which they can neither generate income nor grow enough food to feed their own families. And as Canada continues its own long-standing efforts to negotiate a free-trade deal with Guatemala, small-scale Guatemalan farmers fear more harm is on its way.

While sending aid to subsistence farmers around the world may help on some level, Sigüenza argues that Canada could fight hunger far more effectively if it would allow hungry countries to protect those very same farmers from cut-rate Canadian

competition. Giving them a chance to feed their urban compatriots would generate prosperity and help the farmers feed their own families.

In recent years, Canada, along with the United States, Australia and other countries, has fiercely restricted import tariffs designed to safeguard local growers of staple foods such as wheat and corn, even in hungry countries like Guatemala. Meanwhile, Canadian aid officials have been busy writing cheques to help those very same farmers. Organizations such as the International Fund for Agricultural Development (IFAD)—a UN agency slated to receive \$75 million from CIDA between 2010 and 2013—say that, for the poorest countries, “this current situation is doubly hard to accept.”

Developed countries such as Canada built their agricultural might using protectionist measures such as subsidies, tariffs and trade barriers, many of which are still in place to support Canadian farmers. Meanwhile, poor countries such as Guatemala have been forced to abandon such measures—“often at the urging of the developed countries themselves,” according to an IFAD discussion paper.

Last November a coalition of Canadian religious, human-rights and farm groups called for “a more careful and nuanced” effort to harmonize food trade with food security. According to Stuart Clark, senior policy advisor for the Winnipeg-based Canadian Foodgrains Bank, the Canadian government consistently places Canada’s export interests ahead of local food security when it hammers out trade deals in countries with widespread hunger. And that means Canadian trade negotiators can wind up stifling local food production in those places, even as Canadian taxpayers spend billions trying to promote it.

For evidence that Canadian trade stances need reform, one need look no further than Canada’s recently completed free-trade agreement with Colombia. After the deal was disclosed, concerns about human rights and food security were so strong that the government was compelled to commit to annual reviews that will explore whether Canadian trade practices are harming Colombians and causing hunger. “It’s a good idea to look for new export markets,” Clark says, “but we shouldn’t do it at the expense of hungry people.”

Gerry Ritz, Canada’s agriculture minister, readily agrees that the long-term solution to the global hunger crisis lies in agricultural commerce and trade, not aid. “You give a man a fish, and you feed him for a day. You teach him to fish, you feed him forever,” he quips. But Ritz, who has worked strenuously to open up new markets for Canadian producers, doesn’t seem to agree with those who say it’s time Canada made promoting food security a principal aim when negotiating trade deals with hungry nations. “I think they are actually missing the work we do in these free-trade agreements,” he muses. “We’re striving to raise the sustainability of feeding countries’ own populations. We seek to raise everyone up.”

Oda, meanwhile, believes that Canada faces “a dilemma” in trying to balance trade and aid. She argues that food security “should be part of the international dialogues.” But Ritz’s mandate often makes it hard for him and her to work together, Oda says. “He’s got his job, same as I do.”

Maybe it’s time they agreed that feeding starving children should be everyone’s job.