

REVIEW ESSAY

The Global Food Crisis and  
International Agricultural Policy:  
Which Way Forward?



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**T**he present era will go down in history as a period of extreme food price volatility. Food prices rose on average more than 80 percent in the three years prior to spring 2008, with some basic grains, such as rice, seeing much higher spikes. These food price rises had significant impacts on global food security. Already, before the food price rises, some 850 million people were food insecure, and an additional 100 million people are estimated to have been added to that number as a direct result of rising food prices. Political instability also ensued, with protests—in some cases marked by violence—taking place in a number of developing countries. Food commodity prices declined almost as rapidly as the financial crisis set in during late 2008 and

early 2009, but these price drops have been equally problematic for the world's farmers, bringing uncertainty and compromising access to credit. It is increasingly evident that the world's current global food system has serious flaws. The world is at a critical juncture, and there is a profound need to forge a new path that not only ensures food security for all, but also supports rural livelihoods in an ecologically, socially, and economically sustainable manner.

For most casual observers the food crisis appeared to come out of nowhere; for those who have been studying international agricultural development, it has long been evident that the global food system is fragile and prone to crisis (though the rapid and sharp price spikes were not foreseen). Indeed, two major reports highlighting the need for reform to current agricultural policies and practices were released in the past two years: the World Bank's *World Development Report 2008: Agriculture for Development* (released in October 2007) and the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) report, *Agriculture at a Crossroads* (summaries released in April 2008 and full report published in 2009). Both reports make the case for a new direction for global agriculture and its role in development.

To what extent were the findings of these reports reflected in multilateral policy responses to the recent food crisis? This article seeks to answer this question by providing highlights of the World Bank and IAASTD reports, including where they agree and disagree, and comparing their findings with four multilateral food crisis policy statements. In many ways, the findings of these reports resonate with what has been identified in these statements as the principal causes of the recent food price rises: stagnating productivity due to both a lack of investment in the sector and the effects of climate change, the biofuel boom, international trade policies, and agricultural commodity speculation. And their findings do appear to have influenced the policy recommendations expressed in the major multilateral responses. Where the two reports were in agreement, the policy statements were largely in agreement too. But where the two reports disagreed in their analysis, the policy statements were at odds. This signals that, at least on some issues, much remains to be resolved in terms of the way ahead.

### **Putting the Documents in Context**

*Agriculture for Development* is the World Bank's thirtieth annual World Development Report, but only the second in this series to focus specifically on agriculture. The report was written by a team of approximately twenty World Bank economists with advice and input from an additional forty individuals with expertise on the topic. Its aim is to provide both governments and the international community with advice on how to design "agriculture-for-development"