Food Aid to the Developing World: The Subversive Effects of Modern-Day Neo-Colonialism

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Cover Page Footnote
Shreya is a third-year student at the Seattle University School of Law, and will graduate in May 2019. She has served as the Managing Editor of the Seattle Journal of Environmental Law and is deeply passionate about issues involving social justice and the environment. She would like to thank her family, friends, and fellow SJEL members for their support throughout her law school journey.

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Food Aid to the Developing World: The Subversive Effects of Modern-Day Neo-Colonialism

Shreya Ahluwalia†

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I. INTRODUCTION

As a global leader in innovation, economic growth, and social progress, the world looks to the United States (U.S.) to set an exemplary standard. The U.S., as the world’s largest superpower, has both the capacity and desire to pave the way for a variety of programs which benefit not only its local citizens, but citizens abroad. For example, it is a well-known fact that the U.S. is the world’s largest donor of food aid. At first glance, this seems quite endearing - the world’s political heavyweight coming to the rescue of millions in impoverished, developing countries by providing humanitarian aid to alleviate the disparaging effects of acute poverty, starvation, and thirst. It seems difficult to find faults with such relief programs when, in theory, they seem to stem from the political underpinnings of morality, justice, and compassion. What could be a loftier goal to satisfy both the global image and deep-rooted conscience of the American people, than to spring to the aid of world’s most indigent and helpless?
The proverb, “Give a man a fish, you feed him for day. Teach a man to fish, you feed him for a lifetime” provides a broad ideological framework to answer this question. Although millions have been fed by the seeming generosity of food aid provided by the U.S., this generosity has also led to the creation of a system of dependency. U.S. food aid ruins economic opportunities for local farmers by overflowing their markets with free or heavily-subsidized food, thereby creating a system of foreign dependency on American food aid. Instead of helping these nations become self-sufficient, food aid produced in the U.S. floods the markets of these poor nations, thereby displacing the crops produced by local farmers. In countries where the agricultural sector comprises the pile-driving force of the job market, the consumption of food aid, rather than locally produced crops, results in massive economic turmoil, hurting not only individual farmers but the country’s economy at large.

This revelation into the underlying harms surrounding foreign food aid raises several questions. Why continue to give food aid to poor nations when the effects have often resulted in creating
economic dependency on the U.S. and disparaging the local economy of these countries? Is the U.S. truly motivated by its humanitarian desire to help the world’s most impoverished and destitute, or are there more disingenuous motives which underlie the foreign aid choices our nation has made? Should we continue to give deference to these facially neutral foreign policy decisions that have short-term, often life-saving benefits, but also result in the implicit political, economic, and social disenfranchisement of developing nations? In this paper, I seek to take a nuanced approach to resolving these questions and work through the theoretical framework of environmental racism.

II. THESIS

In this article, I propose that American foreign policy regarding food aid and fair trade contributes to the systemic disenfranchisement of developing countries and functions under the umbrella of environmentally racist neocolonialist ideals. Environmental racism will be the broad and overarching theoretical framework I will use to conceptualize the issue of foreign aid in the critical context of its specific impact on the poor and down-trodden
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populations in developing countries. It is not merely incidental that the impact of these foreign policy decisions regarding food aid most negatively affect countries populated primarily by poor people of color who have historically been subjected to foreign control by the world’s hegemons.

The goals of U.S. foreign policy should center around environmental justice and social consciousness rather than inadvertently furthering the status quo. I advocate for the replacement of the current system with a framework of food justice and food sovereignty that encompasses “sustainable agriculture, food (security), and environmental justice.” By engaging in practices that are both environmentally sustainable and economically feasible, the U.S. can spearhead a new movement of American foreign food aid that uplifts poor nations out of foreign aid dependency, and thereby reduces subsequent federal budgetary needs for food aid in the future. Additionally, “an environmental justice analysis makes visible the ways in which the Global North

benefits from unsustainable economic activity while imposing the environmental consequences on the Global South and on the planet’s most vulnerable human beings, including women, racial and ethnic minorities, indigenous peoples, and the poor.”  

By recognizing the impacts of environmental racism, we can work towards a system that “denounces the social and economic factors that prevent low-income communities of color from purchasing or producing healthy, nutritious, environmentally sustainable, and culturally appropriated food.”

To help our understanding of both how and why the current food aid system functions in a larger systematic context that furthers the oppression of developing nations, we can look to the birdcage metaphor spear-headed by Iris Marion Young, a ground-breaking American political theorist,

If one thinks about racism by examining only one wire of the cage, or one form of disadvantage, it is difficult to understand how and why the bird is trapped. Only a large number of wires arranged in a

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4 *Id.* at 5.
specific way, and connected to one another, serve to enclose the bird and ensure it cannot escape.⁵

In addition, we must keep in mind that “any given wire of the cage may or may not be specifically developed for the purpose of entrapping the bird, yet it still operates (together with the other wires) to restrict its freedom.”⁶ Consequently, although the plight of these developing nations is vastly complex and multi-dimensional, and stems from a breadth of socio-political factors that are beyond the scope of the article, I argue that it is the unique intersection of U.S. foreign policy, food subsides, humanitarian food aid, and the lack of effective fair-trade regulations that work in unison to foster an incendiary system of foreign dependency. These various factors, although un-coordinated and often implemented without mal-intent, comprise the “wires” of a structuralized system of dependency, exploitation, and oppression in the Global South. In other words, environmental racism, like institutionalized racism, can function without insidious intent; instead, its effects can create a pattern of

⁶ Id.
disparate impact that are often ignored by powerful officials, legislators, and politicians.

III. ROADMAP

Before diving into the complexities of foreign food aid and its subversive effects, I will first explore the background of America’s history of providing food aid to nations abroad. I will also conceptualize the theoretical framework of environmental racism and how American foreign policy regarding food aid is a product of neocolonialism that negatively impacts developing nations under the guise of aiding them.

Next, I will discuss particular cases in the Global South that illustrate the effects of U.S. foreign policy regarding food aid and then will subsequently delve into issues surrounding the lack of fair-trade practices in the international food market. Finally, I will propose a comprehensive set of solutions to replace the existing system of foreign food aid which the U.S. has enacted. Methods of combating the disparities and dependency that existing food aid policy has resulted in include: adopting a framework of food sovereignty, proposing alternative solutions to blanket food aid such
as providing particularized aid only in the wake of natural disasters
and famine, providing health-aid, promoting micro-financing, and
purchasing the products of food aid from recipient nations rather
than flooding their local markets with produce cultivated in
America.

IV. SETTING UP THE ISSUE OF FOOD AID

The combination of historical colonialism intertwined with
modern food aid practices and the lack of fair trade in the
international market weave together a deeply entrenched system of
dependency and economic poverty. While recognizing that a host of
other complex factors have contributed to the development of the
Global South, and hoping to avoid an entirely reductionist approach
to this multi-faceted issue, I simply seek to contend that food aid is
one of the many factors that work to further neocolonialism rather
than its sole driving force or even its primary instrumentality. The
theory I am proposing is rooted in a two-step process. First,
developing countries were negatively impacted by the lasting effects
of colonialism which placed them at a disadvantage in the global
market. Second, this marginalization was then worsened by forms of aid, such as food aid, which created a system of dependency for foreign nations while benefiting American farmers and aiding American economic security. These factors coupled with polices which promote, perpetuate, and facilitate the direct inequality in foreign trading practices work together to spin a web of overarching marginalization and disadvantage.

V. THE CONCEPT OF ENVIRONMENTAL RACISM

To further conceptualize the issues surrounding food aid, the concept of environmental racism provides an important ideological framework. Environmental racism can be defined as “any policy, practice, or directive that differentially affects or disadvantages (whether intended or unintended) individual groups, or communities based on color.” While traditionally this broad framework has been used to describe the disproportionate impact of pollution and climate change on minority communities, I argue that this concept can also

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Food Aid to the Developing World: The Subversive Effects of Modern-Day Neo-Colonialism refer to the effects of neocolonialism and foreign policy that result in the power imbalance between developed and developing nations through mechanisms such as strategic food aid. Both the negative impact of pollution and food aid are rooted in the same underlying concept, which recognizes that “environmental racism is reinforced by government, legal, economic, political, and military institutions.” Food aid is not solely a foreign policy issue; it directly impacts the environment through its effects on crop production, crop distribution, and farming practices both domestically and internationally. Consequently, an environmental racism framework that recognizes the intersection between neocolonialism, foreign policy, and the environment in creating the disparities between the Global North and South is important.

VI. INTRODUCTION TO FOOD AID POLICY IN THE UNITED STATES THROUGHOUT HISTORY

Providing food aid to poor nations is deeply rooted in American history and stems back as far as 1812 when President

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8 Id. At 161.
James Madison provided aid to Venezuelan earthquake victims.\textsuperscript{9} Later, President Herbert Hoover created the American Relief Administration (ARA) to aid the Russian famine that occurred in the early 1920s.\textsuperscript{10} The massive famine that was plaguing the nation of Russia was killing approximately 100,000 people in a single week - some estimates suggest that upwards of 5 million died.\textsuperscript{11} In the face of such vast devastation, the U.S. decided to send corn and wheat valued at $20 million to Russia.\textsuperscript{12} Another era of aid was spearheaded by President Harry Truman’s inception of the Marshall Plan, which provided immense aid to Western Europe.\textsuperscript{13} Between 1948 to 1952, the Marshall Plan doled out more than $13 billion to seventeen


\textsuperscript{11} Id.

\textsuperscript{12} Id.

\textsuperscript{13} Nicholas Mills, The Marshall Plan was Trumpism in Reverse, THE DAILY BEAST (2018)(explaining that Food For Peace was a program in the U.S. that provided food aid to several developing nations), http://perma.cc/Q5RX-KW34.
countries to help them recover from the damage wrought by World War II.14

VII. THE MODERN ERA OF FOOD AID

Next, President Dwight D. Eisenhower ushered the U.S. into a more modern era of food aid in the 1950s by his initiation of the Food for Peace program.15 In his now-famous speech from 1953, Eisenhower addressed the issue of world hunger along with his passionate desire to combat it. He stated, “[e]very gun that is made, every warship launched, every rocket fired, signifies in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed” and that “we pay for a single fighter plane with a half million bushels of wheat.”16 Following the insurmountable havoc wrought by two world wars and other ongoing conflicts on the world stage, President Eisenhower

14 Id.


demanded a new era of compassion, peace, and unity intertwined in a common desire to do good, and to help others.

However, Eisenhower’s push to combat hunger had as much political and strategic underpinning as it did a moral consciousness to help those in need. The lack of basic human necessities, such as food, lead to massive waves of instability, chaos, and conflict. “For those starving there is little time to ponder the advantages of liberty, for they are never free from the pain of hunger.”\(^{17}\) Therefore, Eisenhower sought to bridge this gap by acknowledging that “food can be a powerful instrument for all the free world in building durable peace.”\(^{18}\) Eisenhower perpetuated the sentiment that was vigorously encouraged by his successor, President John F. Kennedy, who mirrored Eisenhower’s statements in his own proclamations: “Food is strength, and food is peace, and food is freedom, and food is a helping hand to people around the world whose good will and friendship we want.”\(^{19}\)

\(^{17}\) Id.

\(^{18}\) Id.

American interpretations of such statements may be obscured by a fundamental deference to the values of patriotism, freedom, democracy, and, indirectly, an indignant sense of superiority, which all underlie the very fabric of American society. What could possibly be wrong with promoting the tenants of freedom, peace, and democracy on the global stage? Would it not benefit developing nations to free themselves from the unrelenting and ruthless clenches of starvation with the help of food aid from wealthier nations?

A. Neo-Colonialism and the Cold War

In short, my answer in this paper is no, not necessarily. It is the very values underlying such sentiments that have ushered the U.S. into a modern era of neoliberal colonialism. At first, it may be difficult to see the analogy between neocolonialism and the direct and brutal conquering of nations that took place under the era of formal colonialism. Yet, the far more subversive post-colonial ideologies which emerged through neocolonialism rest upon the same problematic values: the sense that powerful nations have the
authority to command, exploit, and develop nations in the image of the more powerful nation’s ideals.

Neocolonialism can be defined as “the policy of a strong nation in seeking political and economic hegemony over an independent nation…without necessarily reducing the subordinate nation or area to the legal status of a colony,” but instead, exerting power through “the domination of [the weaker nation’s] economy.” As this ideology is the same theoretical framework which pushed the U.S. to take part in the Cold War and wage a series of misguided, unnecessary, and disastrous proxy wars in the name of promoting democracy over communism. This Cold War policy was also intertwined with food aid policy: in the 1960s and 1970s, “the United States sought to alleviate chronic malnutrition in the Global South and forestall communist revolutions by exporting not just food, but… [an] industrial agricultural model, including new high-yielding seeds, fossil fuel-based pesticides and fertilizers, machinery, irrigation, and mono-cropping” in a movement known

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2019] *Food Aid to the Developing World: The Subversive Effects of Modern-Day Neo-Colonialism* as the Green Revolution. While this Revolution was responsible for the mass-production of a variety of crops in the Global South, this agricultural model imposed onto Southern nations “displaced ecologically sustainable agricultural practices and fostered dependence on agricultural inputs manufactured by Northern transnational corporations.”

The North’s advocacy for the use of industrial agriculture also created a “variety of negative environmental consequences that currently threaten food production, including a dramatic world-wide decline in crop genetic diversity, dependence on fossil-fuel based inputs, massive soil erosion, depletion of aquifers, and rising greenhouse gas emissions.” Unfortunately, three-quarters of the planet’s food crop diversity was lost in this movement as farmers stalled production of “local crops in favor of genetically-uniform, high-yielding varieties of wheat, rice, maize, and potato introduced

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23 *Id.* at 14.
by the Green Revolution.” 24 The loss of genetic diversity that resulted from this movement lead to the creation of a disparate impact on countries in the Global South by increasing “the vulnerability of global food systems to pests, drought, floods, and other external shocks, including those associated with climate change.”25 Consequently, the Green Revolution illustrates how U.S. food aid policy worked in conjunction with a variety of its other foreign policy schemes, resulting in a negative impact on the environment in the Global South.

Food aid, therefore, can be viewed as another instrument of neocolonial ideology which places the U.S. at the forefront of a crusade to push its own political agenda of promoting democracy under the guise of aiding developing nations. The effects of food aid create a system of dependency, which in the long-term, harms developing nations by keeping them in a state of economic disparity. While I will not engage in an in-depth analysis of colonialism, post-colonialism, neocolonialism, and their lasting effects on the global

24 Id.
25 Id.
power-balance in modern society, the theory of neocolonialism will serve as a critical ideological lens through which we will perceive the negative effects of food aid.

B. The Food For Peace Program

Additionally, another poignant example of the damaging effects of U.S. foreign food aid policy is the “Food for Peace” program, otherwise formally referred to as P.L. 480, which has been described as “one of the most harmful programs of aid to developing countries.”\(^ {26} \) Although this program was instituted with the foreign policy objective of fostering economic stability in food-deficient countries, the overwhelming impact of this legislation was the widespread “depress[ion] (of) local food production, making it harder for poor countries to feed themselves in the long run.”\(^ {27} \)

While seemingly instituted for the benefit of locals in these disenfranchised nations, a closer examination of the beneficiaries of this program reveals that Food for Peace is “mainly an aid program


\(^ {27} \) Id.
for U.S. farmers” 28 because the American government purchased crop surpluses from U.S. farmers and used these crops for its food aid initiatives.29 Shipping America’s crop surplus to these countries causes the local prices of these crops to plummet, thereby disenfranchising local farmers.30 While it is undeniable that one of the motivations that underlie the distribution of food aid globally is “humanitarian concern,” the U.S. federal government continues to rely on “food giveaways domestically and overseas to keep prices high for American Farmers and to dispose of the crop surpluses generated by government agricultural programs.”31 Following the dissipation of the Marshall Plan that emerged in the early 1950s, food surpluses in America needed a new avenue of distribution.32

28 Id.
29 Id.
30 Id.
31 Id. In the U.S., the government has the discretion to set subsidies and other accommodations for farmers to keep their wages from being depressed by local demand and supply fluctuations. When a crop surplus exists, the government often engages in price control by buying the surplus from farmers, and then using that surplus for its foreign food aid supply. This practice benefits local farmers and the U.S. government, but is detrimental to the recipients of this food aid, whose markets are now flooded by cheap U.S. agricultural products.
32 Id.
Subsequently, the Food for Peace program was introduced to alleviate the burden of domestic crop surpluses that were the result of “federal government commodity price guarantees” that insulated American farmers from economic hardships and price fluctuations in the food market.\textsuperscript{33}

The Food for Peace program is divided into titles: Title I: Economic Assistance and Food Security, Title II: Emergency and Private Assistance Programs, Title III: Food for Development; and Title IV: General Authorities and Requirements.\textsuperscript{34} Title I provides food to underdeveloped nations at “concessional prices” that are approximately “65% below the market price” while Title II donates food to these nations to incentivize “local development projects and to fight malnourishment.”\textsuperscript{35} However, there are countless examples in which aid from the Food for Peace program has surreptitiously destroyed local food markets in these developing nations. One such example was the “massive U.S. wheat dumping in India,” which

\textsuperscript{33} Id.

\textsuperscript{34} Food For Peace Act, USAID (2014), https://perma.cc/XRQ4-Y4AY.

\textsuperscript{35} Geran, supra note 26.
took place in the 1950s and 1960s, that entirely disrupted the Indian agricultural market.\footnote{\textit{Id.} “Wheat dumping” refers to the mass export of excess wheat from the United States to India.} Similar results occurred in Guatemala after the 1976 earthquake. The disaster prompted the U.S. to send 27,000 metric tons of wheat to Guatemala, which resulted in the complete and utter depression of food prices in local grain markets and made it “much harder for villages to recover.”\footnote{\textit{Id.}} The Guatemalan government even went as far as to “bar the import of any more basic grains” in an attempt to rectify this economic depression.\footnote{\textit{Id.}}

\textbf{C. A Brief Case Study of Haiti}

One of the most infamous examples of the negative impacts of food aid, occurred when the U.S. sent food aid to Haiti. The goods were sold illegally in the food market “next to Haitian farmer’s own crops thus driving down prices;” this dis-incentivized local farmers from “bring[ing] their crops to the market” due to their vast competitive disadvantage with the U.S. wheat prices.\footnote{\textit{Id.}} During Bill
Clinton’s presidency, he conceded the crucial role he played in the de-stabilization of Haiti’s local food market and stated, “I have to live everyday with the consequences of the lost capacity to produce a rice crop in Haiti to feed those people because of what I did… it may have been good for some of my farmers in Arkansas, but it has not worked.”

This quote is highly demonstrative of both the administration’s awareness and complacency regarding the issues with its foreign food aid policy, and its unwillingness to rectify its policy decisions to remedy their negative impact on vulnerable populations. In the case of Haiti, the primary culprit was heavily subsidized American-grown rice. The rice was sold for lower prices in Haiti and caused the country to go from self-sufficiency in its rice production in 1980 to “importing 80% of its rice.” President Bill Clinton recognized the important connection between this depleted


41 Id.
sense of self-sufficiency and his home state of Arkansas because this “state produces 48% of all the rice in the United States.”

D. A Brief Case Study of Ethiopia

An examination Ethiopia illustrates another example of how food aid disincetivizes the farming practices in local regions receiving this aid and, overtime, leads to the “deterioration of the infrastructure of production.” Ethiopia receives “more food aid than almost any other country in the world.” However, it is also important to note that the “food aid deliveries to Ethiopia are primarily driven by fluctuations in the U.S. price of wheat.” Rather than being driven by purely sympathetic motives, this correlation exemplifies that “food aid is primarily driven by domestic political considerations in donor countries and not by a concern for poverty alleviation in Ethiopia.” While such facially neutral policies of food aid may suggest a genuine concern for the plight of the world’s

42 Id.


44 Id.

45 Id. at 1154.

46 Id.
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most impoverished societies, correlations such as these illustrate the true motivations of hegemons like the U.S. in making decisions to provide aid.

Between 1984 and 2003, food aid was equal to approximately 68.4% of domestic wheat production in Ethiopia. Additionally, after receiving food aid, the subsequent conditions illustrate that food aid “has had a significant destabilizing effect on the availability of wheat in Ethiopia.” Governments of nations with secured food aid have less of an incentive to independently invest in their own local agricultural markets; in other words, the creation of a safety net cultivates corruption. Consequently, it is apparent that while food aid may be an effective short-term solution to alleviating hunger, it is not the best option in the long term.

Trends reveal that implementation of food aid in developing countries has transformed these nations that were “once net food

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47 Id. at 1153.
48 Id. at 1154.
49 See generally, Id.
50 See generally, Getaw Tadesse & Gerald Shively, Food Aid, Food Prices, and Producers Disincentive in Ethiopia, 91 AM. J. OF AGRIC. ECON. 941 (2009).
exporters…now [into] net food importers,” while nations that once specialized in vast production of abundantly available staple crops are now so dependent on foreign food aid that it has dramatically quelled their domestic production.\(^{51}\) “Dependency syndrome” has resulted from the depressed local prices of crops that are imported as food aid; “coupled with recurrent production failures…beneficiaries…become reliant on food aid” which reduces the motivation of these developing nations to become self-sufficient.\(^{52}\) These actions ultimately lead to potential failure to engage in practices that would alleviate dependency, such as “saving during surplus periods.”\(^{53}\) Instead, producers adopt counter-productive crop production farming practices like “allocate[ing] future resources to production.”\(^{54}\)

It has also been shown that incentives for domestic food production in developing nations are severely reduced by food aid,


\(^{52}\) Getaw Tadesse & Gerald Shively, *Food Aid, Food Prices, and Producers Disincentive in Ethiopia*, 91 AM. J. OF AGRIC. ECON. 941, 944 (2009).

\(^{53}\) *Id.* at 943.

\(^{54}\) *Id.*
and that the removal of aid would actually increase “household welfare in the long run by stimulating domestic production.” In other words, food aid “undermines incentives for domestic food production;” therefore, removing this incentive would increase local production in these developing countries. In the short run it may be possible to provide food aid in the extreme cases of famine, drought, and crop failure. However, in the long run, promoting self-sufficiency is far more effective. Since it has conclusively been shown that food aid importation leads to local price drops and harms local producers, a possible solution is for the local community to demand that the continuation of local production must be a condition upon which food aid is given. Another possible solution may be for the U.S. to set thresholds for food aid, for example, to only be provided in scenarios of drastic shortfalls in local production rather than continuous food aid.

55 Id. at 942.
56 Id.
57 See generally, Tadesse & Shively, supra note 52.
58 Id.
E. Tied Aid

These former cases are just a few examples that illustrate how U.S. food aid is actually “tied” to domestic interests and has often been “criticized as an implicit form of export subsidy that governments use to circumvent export subsidy restrictions.” Tied aid has been defined as “any aid that requires the procurement of goods and/or services from the donor country.” Often, aid will not just be given freely; instead, it will require the recipient country to abide by certain terms such as providing the poor nation with “concessional loans contingent on buying food from the donor.” Tied aid can also come in the form of wealthier nations purchasing their own “domestic agricultural production for donation” and thereby floods the recipient market with goods that indirectly benefit farmers in the donor nation.

The relations between the Global North and South have often been described under a framework of “procedural injustice”

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60 Id. at 1216.
61 Id.
62 Id.
Food Aid to the Developing World: The Subversive Effects of Modern-Day Neo-Colonialism because of the adoption of policies by organizations such as the International Monetary Fund (IMF) and the World Trade Organization (WTO). The North politically dominates these institutions which have “increased economic inequality” within developing countries, “accelerated natural resource exploitation,” and have also mandated “one size fits all” structural adjustment programs which require nations in the Global South to adopt “neoliberal economic reforms” in exchange for loan repayment assistance. Lowering tariffs, getting rid of non-tariff import barriers, and cutting assistance to the agricultural sector in these countries was simultaneously combined with flooding the markets of the Global South with cheap imports and free food aid from the North, thereby depressing economic growth, wages, and production in these areas.

63 Gonzalez, supra note 3, at 7.
65 Id. at 16-17.
Additionally, in America, 99% of the food aid which is ushered aggressively abroad is the product of domestic agriculture.\textsuperscript{66} The U.S. Department of Farm Service Agency (FSA) is responsible for “food aid procurement” and its regulations allow “only a small number of pre-qualified, U.S.-based agribusinesses to bid for government food aid contracts.”\textsuperscript{67} Furthermore, this food aid is also “tied” in the sense that its transportation is heavily rooted in the benefit of American companies. Approximately 75% of the food aid that is shipped to impoverished developing countries by the U.S. is “transported in U.S. vessels” and the costs associated with this transportation have inflated 76% higher than “that of foreign competitors.”\textsuperscript{68} Therefore, shockingly, an extraordinary 40% of the U.S. foreign food aid budget is spent “on freight, storage, and administration,” which benefits a concentrated group of domestic transportation companies that absorb these profits.\textsuperscript{69}

\begin{itemize}
\item \textsuperscript{66} Kneteman, \textit{supra} note 59.
\item \textsuperscript{67} \textit{Id.} at 1217.
\item \textsuperscript{68} \textit{Id.}
\item \textsuperscript{69} \textit{Id.}
\end{itemize}

VIII. Fair Trade

A. Food Trends

While the U.S.’s foreign food aid policy is illustrative of the direct impact that U.S. policies have had on developing nations, there has also been indirect harm to several nations due to domestic food demand in America. The rise of popular food trends can increase domestic demand for certain products in the U.S., resulting in harm to farmers and their agricultural practices abroad. It is important to recognize that increased food demand not only affects price variations in the international food market of these goods, but also has an impact on local farming practices in developing nations that cause detrimental effects on the environment. Increasing food demand leads to the over-exploitation of fertile land used for crop production thereby contributing to climate change.70

On a large scale, increasing food demand is a multi-faceted issue caused by multiple factors. On a smaller scale, domestic demand for certain “trendy” foods, like quinoa, contribute to the

70 Karina Ruiz et. al., Quinoa Biodiversity and Sustainability for Food Security Under Climate Change, 34 AGRON. FOR SUST. DEV. 349 (2013).
rapid exploitation of land in regions like Bolivia that are attempting to keep up with rapid shifts in demand from the West.71 Between 2006 and 2013, the price of quinoa tripled after its newfound exposure in both American and European markets.72 There have been many negative effects resulting from this peak in consumption on foreign farming practices, including adverse nutritional impacts on farmers of these “trendy” crops and a downturn in the environmental health of the agricultural land on which these crops are grown. While some claim benefits from such trends as the “global price rise for quinoa” being “a good thing for people in Peru” and having “no bad effects on nutrition,” it is conceded that other potential harms have resulted from this increased consumption.73 For example, despite around 3,000 different varieties of quinoa existing, “export demand has focused on very few” of these different varieties, thereby “prompting farmers to


72 Id.

73 Id.
abandon many of those varieties.” This is problematic because it discourages the promotion of biodiversity.

Maintaining quinoa biodiversity is an important goal in the long run when it comes to combating the ever-increasing effects of global climate change. According to Adam Drucker, a senior economist at Biodiversity International in Rome, a survey found that more than half the Bolivian farmers say their soil is “worse than it was before the boom.” Worsening soil conditions and an increase in environmental degradation can be traced to two sources. First, “high prices brought into cultivation land that used to be allowed to rest as fallow, resulting in erosion and loss of nutrients.” In other words, in order to keep up with the increasing demand, farmers in these regions forwent their traditional farming practice of allowing certain lands to recover after crop harvesting, a practice which maintains land fertility and prevents soil degradation, to instead

74 Id.
75 Id.
76 Id.
77 Id.
inecessantly utilizing this land to grow more crops.\textsuperscript{78} Secondly, the survey conducted also found that “farmers who are growing more quinoa, and getting more for it, have reduced their llama herds, so less manure is available as fertilizer and to protect the soil.”\textsuperscript{79} This illustrates one of the many indirect and unexpected effects that increased demand for goods can lead to. It would have been difficult, if not impossible, to predict this chain of events as a result of increasing demand for quinoa.

Another issue is the inevitable price fluctuations that take place and could have an adverse effect on the local growers of these quinoa crops; while increased demand can lead to higher prices, which thereby benefit farmers with increased profits, prices can just as easily drop as competitors dilute the market. It is no secret that “[h]igh prices attract competitors,” and this effect can be illustrated by the patterns of quinoa growth in regions like Peru, Puno, Bolivia, India, China, and Nepal and even the U.S. and Canada.\textsuperscript{80} For example, farmers in the Arequipa region on the coast of Peru “are

\textsuperscript{78} Id.
\textsuperscript{79} Id.
\textsuperscript{80} Id.
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using intensive methods and fertilizers,” thereby acquiring “double the yields of farmers in Puno.”

Such competition’s effect of decreasing prices is evident in the price fluctuations that have taken place in recent years; “[t]he cost of quinoa started to fall in February 2014 and sank as fast as it had risen. By late 2015[,] the cost of quinoa was back where it was in 2012, before the price increases accelerated dramatically.”

These price fluctuations demonstrate the fickleness of the international food market and that the burden of this volatility is being placed on the poorest, most vulnerable market participants. As health food bloggers, Instagram stars, and network television personalities drown the American public with information on the latest food fads, consumers take little time to understand that what may be a temporary food trend obsession in their household for a season has a very grave and direct effect on farmers abroad whose very livelihoods depend on this consumption. In essence, food trends originating from wealthy nations illustrate how the

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81 Id.
82 Id.
perpetuation of inequality between the Global North and South is institutionalized, despite the lack of awareness, agency, or mal-intent behind the creation for this demand. The negative consequences from this demand, therefore, simply function as one of the small pegs in a much larger structural system of oppression once it is coupled with other more direct, intentional, and subversive policies.

B. Lack of Fair Trade

Furthermore, it is important that in our analysis of the world food market’s power imbalance, we explore the massive disparities in food trade. Unfair food trading practices and problematic foreign food aid policies have worked in unison to create a cycle of economic dependency in impoverished nations. Although these vastly different issues are unrelated in a causal sense, they can be viewed as two of the primary factors that work together to inhibit the independence of many developing nations. The effects of trade inequality are generally known in the perpetuation and facilitation of sweatshops, child labor, and even indentured servitude. In the context of food production, we are well aware corporations hand over abysmal wages to farmers in developing nations who engage
in the physically strenuous labor of cultivating valuable crops, like coffee beans, and subsequently process those crops to turn a major profit in the Western market. So why should the resource-rich nations of the Global South be stuck with the short end of the stick while massive corporations in the Western world reap the profit? By possessing these highly sought after commodities, should these poorer nations not have stronger bargaining power?

Unfortunately, this is not the case; with the rise of globalization in the past several decades, the North has widely embraced the allure of free trading practices, which have further perpetuated the subjugation of the Global South. While many believed that free trade would in fact promote “economic development and [alleviate] poverty,” the result has been quite the opposite.83 For example, the worldwide sales of coffee is $55 billion, making it the “second-most-traded commodity after petroleum.”84 Despite the availability of this natural resource being

84 Id.
rooted in “nearly 50 developing countries,” the trading of coffee is “dominated by a handful of multinational corporations that purchase coffee beans” from producers in these poor nations. The power imbalance works to disenfranchise local farmers while continuing to build enormous profits for these exploitative corporations. For example, an immense drop in coffee prices in 2001 due to overproduction generated “enormous profits for multinational corporations and [increased] poverty and misery in developing countries.”

If we look closer at specific countries like Guatemala, the “seventh-largest coffee producer” in the world, we see that “coffee revenues dropped by half in the course of two years” due to this price drop “and rural unemployment climbed to 40 percent.” In Colombia, this price drop had the unintended consequence of pushing “unemployed coffee farmers” to work in “coca farms and cocaine laboratories, thereby undercutting U.S.-funded drug

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85 *Id.*


87 *Id.*
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world market “of key exports makes it difficult to purchase imported food.”

C. Failed Fair-Trade Initiatives

To address the unfairness of current trading practices that harm developing nations, it appears that companies, whether as a marketing scheme to target conscious consumers or out of a somewhat genuine sense of morality, have sought to obtain fair trade certification—a stamp of moral approval on their trading practices. Companies that obtain this fair trade certification use it as a form of branding in order to charge higher prices; however, most of the profits that are generated by the increase in prices actually benefit domestic retailers rather than farmers in developing countries, unlike what the branding for these practices imply. Furthermore, it has been shown that the startup fees charged in order to obtain this fair trade certification are primarily only possible for countries like Costa Rica, which are already relatively developed. On the other

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91 Id.
93 Id.
hand, countries like Ethiopia lack the financial capital to “join fair trade markets,” and this difference exemplifies a pattern of fair trade that “singles out a few developing countries for short-term success while leaving the poorest countries by the wayside.” 94 Notably, less than ten percent of fair-trade coffee comes from the poorest coffee-producing nations: Ethiopia, Kenya, and Tanzania. 95

The goals that fair-trade certification sought to achieve, such as increasing wages for workers and providing them with greater benefits, are more akin to fable than reality. The fair-trade certification scheme asks producers to “pay additional fees and adhere to regulations in order to sell coffee at a guaranteed minimum price, or price floor.” 96 However, the issue with instituting this type of method as a basis to increase wages is that price differentials are bound to change. 97 Consequently, when market prices adjust, they

94 Id.

95 Bruce Wydick, 10 Reasons Fair-Trade Coffee Doesn’t Work, HUFFINGTON POST (Jan. 28, 2016), https://perma.cc/6BMA-FA2D.

96 Arnold, supra note 92.

end up “being just as high as the fair trade price floor, so employers essentially incurred costs to be labeled ‘fair trade’ for no additional profit.”[^98] Ultimately, the natural adjustment of the market will quell any possible long-term benefits that such certification could have regardless of how it is implemented. Even if companies can sell their coffee for increased profits for the short term, inevitably, as more companies enter the market with their own certification, “coffee prices return to an equilibrium.”[^99]

Furthermore, research has shown that fair-trade coffee is actually “one of the least effective means for reducing poverty in developing countries” and that although benefits exist for obtaining fair-trade certification, these benefits are heavily diminished by the high cost that growers are forced to pay for the certification process itself.[^100] Also, farmers must comply with certain conditions that restrict the type of fertilizers they may use, and this restriction leads to diminished yields that once again offset the financial benefits of

[^98]: Id.
[^99]: Id.
fair trade certification. Moreover, I wish to emphasize the basic principles of economics which suggest that production needs to be discouraged rather than encouraged to help raise coffee prices; higher production rates lead to over-saturation in the market, thereby reducing prices and harming local producers. Overall, the current fair-trade certification system does little to address the underlying issues of poverty and exploitation in developing nations, and a different solution must be implemented.

IX. SOLUTIONS

Before delving into the comprehensive range of solutions I plan to address, I want to make clear that I do not support the complete abolition of foreign food aid. To accomplish the moral aspects of our foreign policy objectives, such as combating world hunger, reducing poverty, and preventing the spread of easily curable diseases, we should work towards slowly mitigating food

\[101\] Id.
\[102\] Id.
aid and replacing it with other more sustainable and beneficial remedies.

A. Other Forms of Aid

I suggest that rather than funneling our humanitarian relief funds into the short-term solution of food aid, this money would be better channeled into providing other forms of aid such as health aid like “offering vaccinations, or developing cheap and effective drugs to treat malaria, for example.”\textsuperscript{103} Unlike food aid, which perpetuates a cycle of dependency and the local depression of food prices in under-developed nations, health aid can be extremely beneficial in developing countries.\textsuperscript{104}

One of the easiest solutions to rectifying the issues surrounding food aid is to merely adjust the underlying rhetoric of this aid process, which explicitly relies on neocolonialist notions of American superiority as saviors in the international realm. We must keep in mind that the idea “that developed countries ought to swoop


\textsuperscript{104} Id.
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in and save everyone else is condescending and suspiciously similar to the ideas of colonialism. The rhetoric of colonialism, too, ‘was all about helping people, about bringing civilization and enlightenment to people whose humanity was far from fully recognized.’”

Therefore, the mere recognition that the ideals pushing forward our current aid are rooted in the problematic ideals of neocolonialism is an essential step in transforming our foreign food aid policy to one that truly seeks to benefit developing nations; one that arises from a sense of morality rather than superiority.

Furthermore, if money were channeled into facilitating increased specialization and productivity in these nations and decreasing economic dependency on foreign food aid, not only would the local economies in these areas flourish, but the U.S. would benefit from a reduced responsibility to provide foreign aid in the future. When examining other nations such as China and several countries in Africa, we realize that many of the positive strides taken by these nations to reduce poverty, such as “the huge adoption in cellphones in the past decade [in Africa,]…are totally

105 Id.
homegrown.” Nations like China “have received very little aid as a proportion of gross domestic product,” and these circumstances have been one of the many factors that has contributed to the country’s self-sufficiency.\textsuperscript{107}

\textbf{B. Microfinancing}

Another alternative to providing food aid is to instead set up microfinancing funds. “Microfinance is the practice of extending a small loan or other form of credit, savings, checking, or insurance products to individuals who do not have access to this type of capital” and allows the individuals receiving these funds to become “financially independent” and attain overall “better living conditions” for both themselves and their families.\textsuperscript{108} Once these loans are used to fund new businesses, education, healthcare, access to clean water, sanitation, etc., the net output of benefits stemming from these loans can far exceed that which was invested, resulting in a flurry of net profit that is sustainable in the long run and

\textsuperscript{106} Id.

\textsuperscript{107} Id.

\textsuperscript{108} 12 Benefits of Microfinance in Developing Countries, VITTANA, https://perma.cc/V5NF-P2GL.
promotes self-sufficiency. Since poverty is unfortunately a “cycle that perpetuates itself,” where conditions such as lack of money, food, clean water, sanitation, etc. all work in unison to depress the possibility of those “suffering from malnutrition” to work, breaking this cycle demands a solution which addresses the multitude of these factors in a manner that puts the control into local individuals rather than foreign nations, which simply dump crop surpluses into their markets as aid.\textsuperscript{109} While there are certainly scenarios such as natural disasters that require immediate short-term aid to be provided for humanitarian purposes, I simply argue that food aid that extends beyond this limited purpose causes more harm than good in the long-term and should therefore be avoided.

C. Adopting a Food Sovereignty Framework

To transcend the neocolonialist ideals that have fueled our past and current foreign food aid programs, we must adopt a new framework of food sovereignty that recognizes the autonomy of the individuals in developing countries and focuses on solutions that directly involve the input of local citizens. In other words, rather

\textsuperscript{109} Id.
than imposing policies that act on these individuals as passive agents, we must begin by recognizing that they are active agents who should be at the center of the policies meant to benefit them. Food sovereignty can be defined as “the right of peoples to define their own food and agriculture; to protect and regulate domestic agricultural production and trade in order to achieve sustainable development objectives; to determine the extent to which they want to be self-reliant; [and] to restrict the dumping of products in their markets.”

The U.S. government can work with non-governmental organizations (NGOs), farmers’ organizations, and the leaders of local social movements to support this goal of promoting food sovereignty and basing foreign aid policy decisions on not only the needs but also the wants of local individuals. We must “protect the policy space for peoples and countries to define their [own] agricultural and food policies” to achieve food sovereignty and to also preserve the human dignity of the recipients of this aid.

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110 MICHAEL WINDHUHR & JENNIE JONSÉN, FOOD SOVEREIGNTY TOWARDS DEMOCRACY IN LOCALIZED FOOD SYSTEMS 1 (2005) (quoting the People’s Food Sovereignty Network).

111 Id. at 11.
Therefore, rather than depressing local markets in underdeveloped nations with U.S. surplus crops, it would be far more beneficial to support the local food producers by purchasing food aid from these countries themselves. It has been suggested that to remedy such local depressive market effects, the food procurement requirements should be modified. For example, if a majority of the food aid purchased by the government is required to be American-made, “even if the prices are cheaper in Somalia, most of the food aid has to come from U.S. farmers” thereby perpetuating a cycle of dependency and disenfranchisement of donor nations.\textsuperscript{112} Melissa Roberts, in the Penn Political Review, wrote:

The simplest solution to the problem of famines in Africa is to change American food aid policies. If the US government were to switch to a program of cash aid instead of in-kind food aid, drought-stricken African countries could buy food from neighboring countries not experiencing famine. Such a policy would invigorate African agriculture and actually save the US government money.\textsuperscript{113}

\textsuperscript{112} Murphy, \textit{supra} note 40.

This thoughtful solution illustrates one of the many approaches that must be integrated into a comprehensive reform of the American food aid foreign policy structure.

X. CONCLUSION

All in all, I contend that we must begin to adopt a new system of foreign policy solutions rather than focusing resources on food aid. Food aid provided to developing countries has the undesirable and unintended consequence of stunting the economic growth and productivity of these nations. Therefore, they continue to rely on foreign aid through a perverse cycle of foreign aid dependency that prevents economic mobility and stability. By adopting alternative measures such as other forms of aid, like health aid, disaster-relief aid, and microfinancing, and reforming the neocolonialist ideals on which our current foreign policy is based, we have a much better chance of combating the grave issue of world hunger and malnutrition. By viewing these issues through a critical lens encompassing the concepts of neocolonialism and environmental racism, we are better able to understand the perverse, underlying notions of systemic policies that have a detrimental impact on poor minority communities in developing countries. It is our
responsibility as a nation, moving forward, to remedy these wrongs and channel both our financial and political capital into comprehensive policies that promote self-sufficiency rather than create dependency.