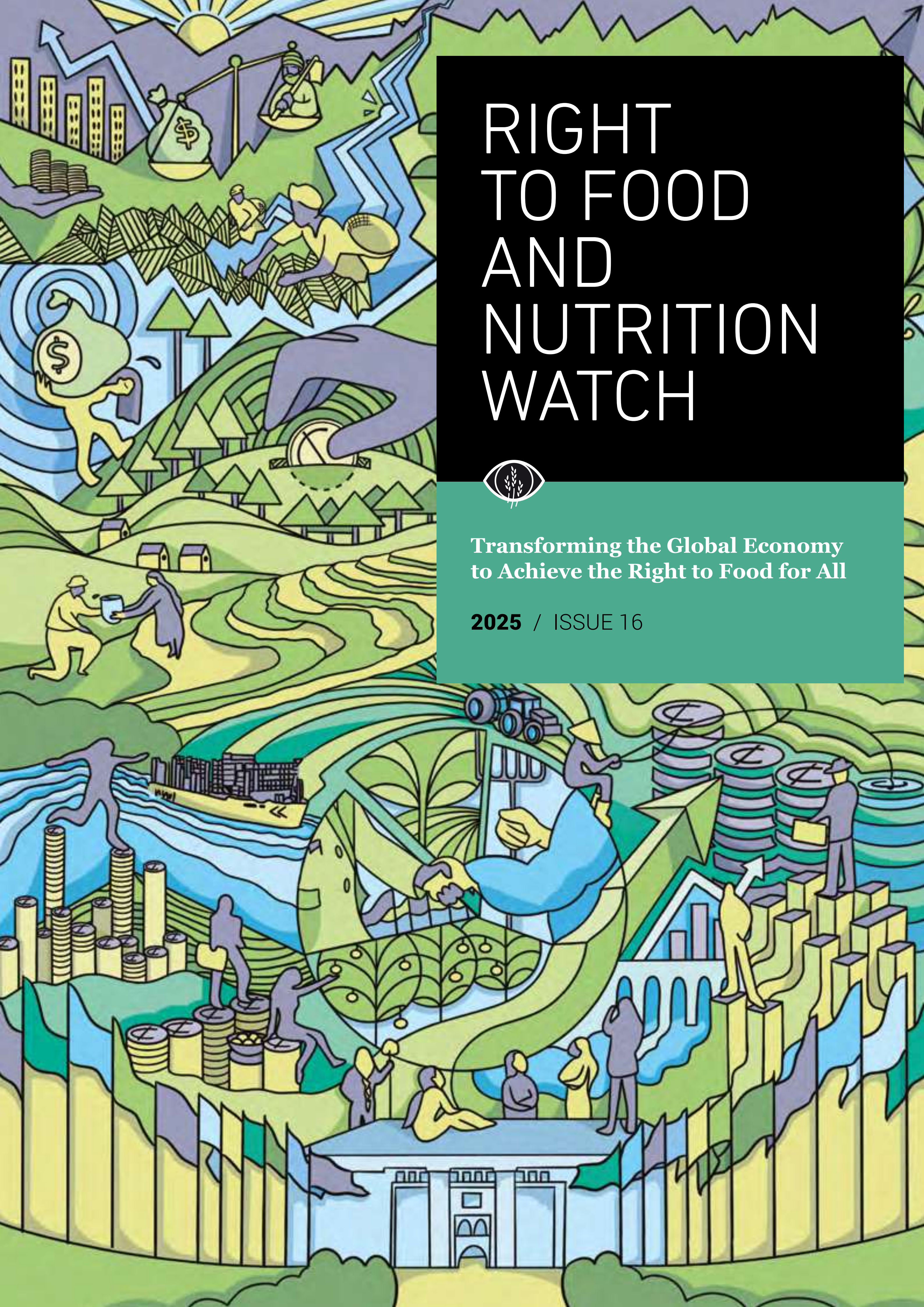

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Switzerland

WUNRN (Women's UN Report Network) *USA*

Zambia Alliance for Agroecology and Biodiversity (ZAAB)
Zambia

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ACRONYMS & ABBREVIATIONS

AGRA	Alliance for Green Revolution in Africa
DFIs	Development Finance Institutions
EU	European Union
FFD	Financing for Development
FAO	Food and Agriculture Organization of the United Nations
FISP	Farmer Input Subsidy Programme
GDP	Gross Domestic Product
ICDS	Integrated Child-care services
IFIs	International Finance Institutions
IMF	International Monetary Fund
IPES-Food	International Panel of Experts on Sustainable Food Systems
ISDS	Investor State Dispute Settlement
ITPGRFA	International Treaty on Plant Genetic Resources for Food and Agriculture
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
NFHS	National Family Health Survey
NFSA	National Food Security Act
OECD	Organization for Economic Cooperation and Development
PDS	Public Distribution System
PMMVY	Pradhan Mantri Matru Vandana Yojana
SAPs	Structural Adjustment Programs
PPP	Public-Private Partnerships
SDG	Sustainable Development Goals
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDROP	United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas
UNFCITC	United Nations Framework Convention on International Tax Cooperation
UPOV	Union for the Protection of New Plant Varieties
WB	World Bank
WFP	World Food Programme
WTO	World Trade Organization
ZAAB	Zambia Alliance for Agroecology and Biodiversity

01

TRANSFORMING THE GLOBAL ECONOMY TO ACHIEVE THE RIGHT TO FOOD FOR ALL: DEMOCRATIZING GLOBAL ECONOMIC GOVERNANCE

Flora Sonkin and Stefano Prato

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PHOTO | Aaditya Arora

"To advance this genuine transformation of the economy and fulfill the right to food for all we must overhaul the structures and incentives of our current economic and financial systems [...]."

INTRODUCTION

There is no life without food. This would lead one to believe that food is exceptional, and that its production, sharing, and consumption would be protected with the same vigor as we protect life.

Unfortunately, the way food systems operate—from what we produce and consume to where, how, and when food is sourced—is increasingly tied to the uneven rules that shape our global economy. Agricultural commodities and industrial food products are at the core of the current international division of labor and are key determinants of the corporate power concentration that characterizes the dominant pattern of globalization. Yet, this complex web of economic agri-food relations has been increasingly disconnected from land, territories, and communities in recent decades.

With the expansion of global value chains, food production and consumption are no longer a matter of what is accessible, culturally adequate, ecologically sound, and sufficiently available in each territory, but rather of what is more lucrative for corporate actors dominating the market. The financialization of food and agriculture—a trend that has intensified since the 2008 global economic crisis with the growing involvement of pension funds, private equity firms, hedge funds, and sovereign wealth funds in agricultural and land investments—has shaped food systems in unprecedented ways, including through dematerialization and digitalization.

In this context, it is impossible to discuss the realization of the right to food without addressing the systemic and macroeconomic dimensions of food and the close interplay between industrial food production, trade regimes, global value chains, and global finance. To tackle the current barriers to achieving the right to food and envision a future where this right is attained for all, local resistance alone is not sufficient and global economic solutions are needed. This is where the United Nations (UN) Financing for Development (FfD) process comes in, as a space to advance on the systemic changes we urgently need to see.

STRUCTURAL BARRIERS TO ACHIEVING THE RIGHT TO FOOD

Agriculture was a central component of colonialism all over the world, not only as a way to ensure the extraction of wealth and resources by European colonizers, but also as part of an imposed system of beliefs and practices that generated profound impacts on Global South countries' development paths. Biodiverse subsistence agriculture models to feed local populations were largely substituted by a system of monoculture plantations to grow cash crops such as sugar, cotton, and tobacco for the European market. Even decades after independence, many formerly colonized countries continued to be trapped in a cycle of indebtedness and low-value-added commodity export production that has hampered their capacity to feed their own populations and maintained their dependence on food imports.

Today, neo-colonial control is exerted through different financial and normative mechanisms. In 2023, developing economies' total external debt servicing reached a record US $1.4 trillion, far outstripping the US $223.7 billion received in development aid in the same year. Lower income countries have been hit hardest, with debt servicing costs tripling and interest payments quadrupling over the past decade. Decades of neoliberal economic policy prescriptions promoted by the International Monetary Fund (IMF) and the World Bank since the 1980s, such as reduction of cross-border capital controls, tax holidays, and corporate tax cuts also further enabled financial resource transfers from the Global South to Global North. By attempting to create a so-called "enabling environment" for multinational business, these policies effectively drained fiscal resources by facilitating tax evasion and avoidance, and illicit financial flows. The agribusiness sector remains a major source of public revenue loss, with tax exemptions often attached to agri-export corridors. Through uneven international trade agreements and intellectual property rules, the patenting of traditional knowledge via biopiracy or genetically modified seeds has effectively criminalized seed saving and exchanging, pushing small-scale farmers to integrate into value chains of transnational agribusiness or lose their livelihoods. Meanwhile, family farmers are pushed out of socially productive lands to make way for speculative foreign investments and land-grabbing.

These economic deregulation and trade liberalization measures to attract foreign investors, coupled with unsustainable and illegitimate debt burdens and the financialization of agriculture, have been driving and allowing for the concentration of corporate power in food systems and agri-food governance. The expanding role of new financial actors and imperatives encouraged food firms to implement mergers and acquisitions to improve financial performance, increase shareholder value, and capture market shares. In turn, high and rapidly increasing levels of concentration in the agri-food sector reinforce industrial food and farming models by influencing policies and subsidies to favor chemical fertilizers, pesticides, and industrial seeds, exacerbating their social and environmental impacts and aggravating existing power imbalances. Despite the resistance of local food systems and small-scale food producers, the industrial food system has become increasingly dematerialized and digitalized. While food systems continue to be redesigned by digital technology and now artificial intelligence as part of the so-called "Agriculture 4.0," the extraction of resources and cheap labor from the Global South and the expansion of profits for companies and their shareholders in the Global North is further entrenched.

In sum, the definition of what, where, and how food is produced remains intimately tied to the colonial roots of our current economic system and the global division of labor in the global economy. It locates Global South countries at the lowest end of global value chains as exporters (on uneven and unfair terms) of primary commodities and minerals and importers of manufactured products (including food).

FOOD AS A DRIVER OF REAL ECONOMY TRANSFORMATION

While decisions that shape agricultural production have been increasingly distanced, de-materialized and disconnected from places where food is produced and the people who produce and consume it, it can be argued that it is precisely through a reconnection and re-rooting of food systems that systemic economic transformation can happen.

By changing the way food systems are designed—shifting from export-oriented, low-value-added commodities to diversified national and regional chains—real economy transformation can contribute to achieving the right to food. This means refocusing on strengthening local production, commercialization, and transformation as the core of national and regional food systems. Investing in infrastructure for territorial markets, special public procurement policies for local food producers, industrial policies that can protect and support local food transformation, and public policies to strengthen healthy and sustainable diets are just a few elements that can shift the direction of food systems. Such a transformation would not only help ensure the realization of the right to food but also to strengthen the livelihood and economic returns of local food producers, increase employment opportunities, promote public health, expand agrobiodiversity, and restore sound ecological foundations for agricultural systems.

This also means recognizing the multidimensional nature of food and reclaiming food systems from corporate profit to reaffirm their importance as a locus for a wide variety of public objectives aiming at tackling inequalities, within and between countries. This includes gender inequality and advancing progress on economic, political, ecological and social objectives. Reinventing food systems not only opens new opportunities for public policies and investments to advance the realization of all human rights and development aspirations, but it is also the driver of structural economic transformation, and the overcoming of colonial legacies entrenched in the global division of power and labor.

DEMOCRATIZING GLOBAL ECONOMIC GOVERNANCE TO FULFILL THE RIGHT TO FOOD

To advance this genuine transformation of the economy and fulfill the right to food for all we must overhaul the structures and incentives of our current economic and financial systems that condemn one in 11 people in the world to hunger. However, in the current scenario, international agreements that define economic, financial, and monetary matters are largely muscled through by rich countries that benefit from maintaining the status quo. Global North countries, and large multinational corporations headquartered there, hold major decision-making power either directly or indirectly through the economic institutions they command, such as the IMF and the World Bank, the Group of 20, the Paris Club, and the Organization for Economic Cooperation and Development (OECD), among others. Unsurprisingly, these international agreements reinforce existing dependencies between the Global North and South.

While countries' capacity to shift their development paths and fulfil the right to food (or structural transformation more broadly) is intrinsically linked to their policy and fiscal space, it is important to acknowledge how the current global economic frameworks and governance mechanisms maintain multiple policy lock-ins that are difficult to break. A notable example is offered by heavily indebted countries, particularly when their external debt is held in foreign currencies (i.e. US Dollar or Euro). In order to pay back this debt, countries need to acquire foreign currencies, leading them to reinforce export-led strategies, often based on producing agricultural commodities, which in turn limits their policy options towards the strengthening of local food systems (for instance, by diverting production from exports to local food transformation). Unfortunately, this leads to vicious cycles, as the lack of expansion of the local economy resulting from these commodity export-led strategies, leads to import dependence (including food imports) and limited domestic resource mobilization from taxation, ultimately pushing these countries to continuously roll-over their external debts and even expand them.

In this context, as long as decisions that shape our economic and financial systems are taken within undemocratic spaces, no real transformation— including of food systems— can happen. Investing more money into systems that are ill-designed and have been maintaining and deepening inequalities within and between countries will not be a sustainable solution. Instead, to expand Global South countries' fiscal and policy space and enable their right to development, the democratization of global economic governance is essential. Following from the example above on highly indebted countries, a democratic global economic governance would recognize the systemic nature of the debt problem in the Global South and its origins within the extractive character of the current pattern of globalization. It would equally recognize that the ultimate solution for over-indebtedness is to create the conditions for structural economic transformation, including food system transformation, though a combination of trade measures, debt cancellation, fiscal regimes and changes in monetary and reserve systems, that provide countries with the opportunity to free themselves from the lock-ins of the current system and expand their policy and fiscal space to embark in their own development trajectories. The FfD process, with its historical roots in the active discontent of developing countries about the systemic shortcomings of the international financial architecture, has the mandate and potential to establish critical governance reforms to move in this direction.

SYSTEMIC REFORMS TO CHANGE THE TRAJECTORY OF GLOBALIZATION

The UN process is far from perfect, but it remains the best and so far the only space to advance the claim for democratizing global economic governance and socio-economic transformation. The UN General Assembly continues to be the only international institution that has full jurisdiction (i.e. can define a global binding agreement) and is democratic (i.e. all countries have a vote), developmental (i.e. it needs to relate closely with human rights and developmental aspirations), and inclusive (i.e. civil society has a right to participate). While the UN is not immune to power asymmetries and political-economic dynamics, it can be used as a multilateral space to advance on establishing new normative frameworks needed to transform global economic, monetary, and financial governance, for instance in the form of new multilateral binding conventions, including by:

— Completing the negotiations for a UN Framework Convention on International Tax Cooperation to comprehensively address tax havens, tax abuse by multinational corporations, and other illicit financial flows. An internationally agreed tax regime can expand the fiscal space of developing countries by allowing them to adequately tax multinational corporations that operate in their national domains and curb illicit financial flows towards fiscal havens.

- Agreeing on a UN Framework Convention on Sovereign Debt that would comprehensively address unsustainable and illegitimate debt, including through extensive debt cancellation. This is possibly the most critical battle in the ongoing FfD negotiations as, in conjunction with the Tax Convention, it can provide for the expansion of fiscal space and the elimination of the above-mentioned policy lock-ins that limit structural transformation.
- Establishing an international public credit rating agency at the UN that could counterbalance the influence and biased methodologies of private credit rating agencies. This, which is currently being negotiated in the FfD process, can provide greater policy space for countries to regulate in the public interest without being downgraded by market-based assessments that increase their borrowing costs on capital markets.
- Agreeing on a UN Convention on International Development Cooperation, including establishing a mechanism for the fulfilment of the trillions in unmet 'aid debt' owed to the Global South through decades.
- Elaborating a UN multilateral agreement for a coordinated and permanent termination of Investor State Dispute Settlement (ISDS) mechanisms that have empowered transnational corporations to sue governments in confidential tribunals on a range of issues including debt, tax, and climate action.
- Establishing a UN intergovernmental process to review and transform the mandates and governance of International Financial Institutions and Multilateral Development Banks, thereby transforming the international public finance architecture.

CONCLUSION

The systemic governance reforms proposed above could pave the way for a more equitable and just global economic order, one where the legacies of colonialism no longer define and constrain development strategies for the Global South. In this trajectory, food and agriculture can become catalysts of a real transformation of the economy that is emancipatory and centered on the realization of the right to food for all.

02

PUBLIC DEBT AND THE RIGHT TO FOOD: A GENDER ISSUE

Juan Pablo Bohoslavsky

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PHOTO | Safari Consoler

Sovereign over-indebtedness is measured using criteria that assess debt sustainability, alongside the economic policies frequently implemented to ensure its repayment. Debt clearly affects women's human rights in all their diversity and in a differentiated manner (Bohoslavsky & Rulli, 2024). Moreover, one of the human rights sacrificed on the altar of debt repayment is the right to adequate food.

INTRODUCTION

The gender-based violence and injustice observed in financial capitalism (Rodríguez Enriquez, 2024) are not only reflected in the effects of debt's contractual terms but also in the fiscal policies that underpin them. This is further exacerbated by the absence of participatory processes that could challenge these policies. Public debt is often promoted, imposed, or justified by powerful domestic groups at the expense of others in society (Roos, 2019). It is these vulnerable groups who are forced to work and produce to repay the debt, even at the cost of sacrificing their rights to save enough for creditors.

Debt serves as a tool of power, where, under the slogan "debt is everyone's," wealth is redistributed regressively within countries in a hidden yet profound and enduring way. The economic policies put in place to ensure debt repayment often have devastating, intergenerational effects on human rights. These policies directly undermine human development indicators in areas such as education, physical and mental health, and nutrition. For example, budget cuts to vaccination programs or adolescent pregnancy prevention highlight the consequences. These harmful effects are even more pronounced in countries where the constitution doesn't require parliamentary, public, or ex ante debate on public debt management. As a result, groups like women, in all their diversity, who are impacted by the accumulation of debt, lack institutional channels for meaningful participation in its management.

CAUSES OF THE DEBT'S IMPACT ON WOMEN'S RIGHTS

There are multiple reasons why debt affects women's rights in a differentiated manner. Sovereign over-indebtedness (debt unsustainability), which many low- and middle-income countries face (UNCTAD, 2024)), leads to a social scenario that is suffocating for debtor populations in general, and women in particular. Essentially, the impact of public debt on gender aspects is significant, especially because debt is managed through orthodox economic policies[1] —often demanded by Bretton Woods institutions (Ortiz & Cummins, 2022). These include: gender bias in both income and expenditure affecting women, demands for economic expansion that include structural reforms such as deregulation and privatization (Bohoslavsky, Cantamutto, Costantino y Rulli, 2023).

Debt service takes up a large portion of public income, restricting the ability to adequately fund essential social needs like care and gender equality. It's important to highlight that the rising debt burden in Southern countries has not led to net benefits for women. Moreover, the tax systems in low- and middle-income countries often rely heavily on indirect taxes (such as consumption taxes), which disproportionately impact low-income households, particularly those headed by women.

As a result, the growing public debt repayment has deepened existing inequalities. Finally, international financial institutions, led by the International Monetary Fund (IMF) and the World Bank (WB), have been proposing and demanding—even during the pandemic—the need to implement structural adjustment programs to address the over-indebtedness situation.[2] This is a clear demonstration of how orthodox economic policies are harmful to women in all their diversity, a fact that has been extensively documented (Bohoslavsky & Rulli, 2024).

In contrast, the human rights-based approach posits the notion of debt sustainability that considers not only a country's repayment capacity but also the level of debt and its service. This means how much it compromises the state's minimal fiscal resources to ensure the realization of human rights, including the prohibition of gender-based discrimination, while also not forgetting the right to development (UNCTAD, 2022) and the right to food.

Thus, the principle of *pacta sunt servanda* ("contracts must be honored") in financial law must be harmonized with international obligations regarding human rights and gender equality (Lienau, 2014). This, in turn, may suggest that debt relief (or cancellation) is necessary to ensure a minimum fiscal space capable of securing the realization of the population's rights.

EFFECTS ON THE RIGHT TO FOOD

Public over-indebtedness and the economic policies often associated with it negatively affect a wide range of human rights, including the right to food. First, policies imposed on debtor countries, alongside trade liberalization

1 These policies include fiscal austerity, more regressive tax schemes, cuts in social protection programs, the erosion of individual and collective rights of workers, privatizations of companies and public services, relaxation of environmental protection standards, and pension reforms that affect the most vulnerable groups.

2 Some of these policies include privatizations of public services, commercialization of healthcare, reductions in public spending on budget items that heavily influence the fulfilment of economic and social rights, labor deregulation, weakening of the social protection system, wage and pension cuts, increased tax regressivity, and loosening of environmental protection standards.

under the rules of the WTO and other similar regimes, have led to the progressive dismantling of food security schemes, especially through the erosion of public financing in that sector.

As a result, both the commercialization and "assetization" (Birch & Muniesa, 2020) of basic foods have increased, leading to fluctuating prices not only due to international quotations but also due to the changing comparative value of different currencies (De Schutter 2019). This negatively affects people's economic access to food.

As explained in the report *Breaking the cycle of unsustainable food systems, hunger*, and debt published in 2023 by the International Panel of Experts on Sustainable Food Systems (IPES-Food, 2023), the unsustainability and inequity of global food systems constitute a contributing factor to the debt crisis. The report states that debtor countries depend on the importation of food and fertilizers, which forces them to rely on intensive crop commercialization to allow farmers to pay off their debts, while preventing them from diversifying crops or investing in the transition to more sustainable production models, such as agroecology.

Furthermore, decades of disinvestment in social services and national agricultural production—reducing essential subsidies—have exacerbated the issues. As food prices rise, farmers are unable to compete with large corporations. At the same time, the worsening climate crisis increases uncertainty, destroys crops, and exacerbates farmers' debt. Ultimately, these processes are worsened by the tendency of highly indebted poor countries to pay higher costs for imported food (Estevão, 2022).

It's important to note that, in reality, there is a vicious cycle—a reciprocal relationship—between the excessive debt in many low- and middle-income countries and the current dynamics of global food systems, which negatively impact the effective realization of the right to food. This relationship also carries a gender bias.

The higher the debt, the more severe the restrictions on reshaping the country's food security, the lower the political capacity to oppose the increasing commercialization of food. Likewise, the greater the need for food imports and related products (such as fertilizers), the lower the fiscal space, and ultimately, the fewer the possibilities to ensure public financing for fulfilling the right to adequate food. Haiti (Wisner, 2022) is a case that clearly illustrates this vicious circle.

As previously explained, due to the effects of public debt management tied to harmful economic policies, budget cuts—particularly those related to social protection and food programs (such as monetary and non-monetary transfers for food procurement)—fall disproportionately on low-income households, a sector that is heavily feminized. Additionally, the cuts and reallocations in family expenditures are often linked to an increased care burden on women, including tasks related to obtaining and preparing food.

On the revenue side, over-indebtedness also impacts women and girls in a differentiated manner. For example, consider the increase in tax on food baskets as a means to increase fiscal collection. It is redundant to stress that this affects low-income households. The rising food prices, resulting from their increasing commercialization, deregulation, and "assetization" (Lavinas et al. 2024), in the hands of few large corporations, worsens the situation for women due to the feminization of poverty and the greater care burden they bear.

THE ROAD TO SEVILLE

Hunger is not caused by a lack of food in the world but by low incomes and limited power for large sectors of populations. A financial instrument through which this inequitable distribution of power (and access to food) is distributed and consolidated is, precisely, debt (Debt Justice, 2013). Therefore, if the institutions and rules governing public debt are not reformed, it will not be possible to effectively address the pressing food challenges in the world, including the gender inequities it produces.

Numerous key elements are missing in the zero draft of the text to be discussed at the 2025 International Conference on Financing for Development in Seville. For example, in the debt sections of the draft (paragraphs 47 to 51), there are no references to the need to democratize the governance of IFIs, meaning the need to update the membership quotas according to their own statutes, so that the weight of votes from countries (especially from the Global South) is proportional to their contribution to the world economy. The draft mentions the need to grant debt relief to heavily indebted countries. However, it does not discuss the crucial commitments required regarding who should be obligated to provide these reductions.

Nor does it mention the rules that will govern the procedures for granting these reductions, nor the necessary volumes to ensure minimum fiscal space for debtor countries, which guarantees their populations the progressive realization of human rights—including affirmative measures that benefit women. In this regard, it is critical to review the criteria for sustainability assessments of debt to specify how and when a debt can be classified as "sustainable," knowing that half of the population in these indebted countries cannot feed themselves adequately.

A key symptom of the *status quo* vision reflected in the zero draft of the Financing for Development Conference is the complete lack of relevance (or even mention) given to "human rights" in relation to debt and the orthodox economic policies often associated with it. Similarly, there is no mention of the structural reforms pushed by the IMF and WB in indebted countries that promote the increasing commercialization of food with known adverse effects on food security.

A narrative that overlooks these policies, which are part of the agenda imposed by IFIs and their consequences, hinders honest, open, and constructive discussions at international forums. These debates should focus on reaching agreements on models that create the fiscal space necessary for states to implement food and gender policies, ensuring women's economic and physical access to adequate food or the means to obtain it.

This will require reaching agreements that acknowledge the care work performed by women, including the implementation of budgetary measures for a fair redistribution and compensation for those affected.

03

TIME FOR PROGRESSIVE, JUST, INCLUSIVE, AND PARTICIPATORY TAX SYSTEMS TO REALIZE THE RIGHT TO FOOD

Nathalie Beghin

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PHOTO |
Nataliya Vaitkevich

"(...) resources [to realize the right to food] exist, but they need to be mobilized through national and international tax measures."

INTRODUCTION

The world—and particularly developing countries—continue to experience the dramatic consequences of multi-systemic crises (economic, social, climate, ecological, energy and health) that have exacerbated poverty, hunger, malnutrition and inequalities. These challenges not only deepen existing disparities but also weaken the ability of nations to finance the progressive realization of human rights, address the climate crisis, and improve living standards for the most vulnerable populations. Furthermore, global governance and financial institutions along with countries that concentrate power among the Global North impose an international tax architecture that disproportionately restricts the ability of developing countries to mobilize tax revenues, limiting their capacity to meet current global challenges.

In this context, the food and nutrition justice movement should support and coordinate with the tax justice movement in implementing fair, inclusive and participatory tax systems at the national and international level. This approach would facilitate the mobilization of new and additional public resources through measures such as combating illicit financial flows, taxing the super rich and the corporations that fail to pay their fair share, and phasing out ineffective tax exemptions. Progressive and inclusive tax systems are also powerful drivers to fight inequalities—as they ensure that those with greater means pay proportionately more—and for promoting greater social cohesion through an equitable distribution of income and wealth.

RISING INEQUALITY

The systematic violation of the right to food is an inadmissible reality. Official data reveals that the proportion of the world population facing hunger has persisted at similar levels over recent years, at around 9% of the global population. According to FAO, this corresponded to approximately 735 million people who were undernourished in 2022. On the other hand, around 2.5 billion adults aged 18 years and older are overweight, including 890 million adults who are living with obesity, a share of 43% worldwide, according to FAO. Since the 1990s, the global prevalence of obesity has increased from 6.6% in 1990 to 15.8% in 2022. Obesity has now reached epidemic proportions and it is estimated that by 2030 more than one billion adults globally will be obese. Once associated with high-income countries, obesity is now also prevalent in low- and middle-income countries, and primarily affects the poorest.

So, while the problems of food and nutrition insecurity are vast, they are also unevenly spread. The most affected are groups with the least social, economic, and political power, whether living in remote rural areas of poor countries or residing in marginalized communities in the big cities of wealthy states. And women and girls are the ones who suffer the most. This uneven distribution of hunger and malnutrition in all its forms is rooted in inequalities, and inequalities are growing.

The last World Inequality Report reveals that the richest 10% of the global population currently takes 52% of global income, whereas the poorest half of the population earns only 8.5% of it. Global wealth inequalities are even more pronounced than income inequalities. The poorest half of the global population barely owns any wealth at all, possessing just 2% of the total. In contrast, the richest 10% of the global population own 76% of all wealth. Those inequalities have been on the rise nearly everywhere since the 1980s, following a series of deregulation and liberalization programs as well as austerity measures which took different forms in different countries. According to Oxfam's latest report, billionaire wealth has risen three times faster in 2024 than in 2023: In 2024, total billionaire wealth increased by US$ 2 trillion, with 204 new billionaires created. This is an average of almost four new billionaires per week.

The growing power in the hands of a few leads to the capture of the public space and the control of decision-making processes. Ultra-rich individuals, their corporations and their organizations are unduly shaping the institutions, policies and norms that govern the planet. They want people to believe, among other issues, that austerity measures are imperative, that there is no public money to tackle our global challenges, and that the solutions lie with the private sector. As Clara Mattei stresses in her book, "The Capital Order – How Economists Invented Austerity and Paved the Way to Fascism", this represents a deliberate strategy to maintain capitalist social relations of production.

Enforced through a narrative of fiscal and monetary policies, austerity has short-term distributive purposes and long-term political objectives. By cutting public spending, increasing regressive indirect taxes, lowering taxes on income and wealth, and orchestrating recessions through deflationary monetary policies—thereby decreasing wages—austerity channels resources away from the working classes and toward the creditor classes. By increasing unemployment, implementing market discipline, and maintaining informality, it neutralizes people's power and strengthens economic control in the hands of central bankers, treasury technocrats, and renters protected from political contestation.

With the support of an epistemic community made up of academics, technocrats, the mainstream media, and corporations' representatives trained in the neoliberal school, this capitalist economy acquires an air of impartiality, of objective truth and effective technical management. Based on self-stated goals of balanced budgets, debt and inflation control, austerity's purposes are to protect the wealthiest and create conditions favorable to capital accumulation.

But this situation can change: public resources exist and can be mobilized to face our main challenges, among them the food and nutrition insecurity.

TAXATION AND THE MOBILIZATION OF NEW PUBLIC RESOURCES

Taxation is an effective tool to raise new public resources and, at the same time, fight inequality and promote democratic stability. Progressive tax systems strengthen social cohesion and trust in public institutions to work for the common good. It is critical to fund the realization of human rights, including the right to food, as these contribute to economic growth. It is urgent to radically tax income and wealth, including the financial wealth of the very rich. At the same time, capital movements must be strictly controlled so that the corporations and the rich cannot evade or elude taxes. It is also important to end ineffective tax incentives that drain huge amounts of resources from public budgets to the private sector, with no evidence of positive economic, social and environmental impacts.

TAXING THE SUPERRICH

Existing studies bring evidence that the superrich do not pay their fair share of taxes. Gabriel Zucman, from the EU Tax Observatory, shows that billionaires have relatively low effective tax rates. Instead of being progressive, contemporary tax systems fail to effectively tax ultra-high-net-worth individuals. For instance, in France, the bottom 50% of the income distribution have effective tax rates close to the macroeconomic tax rate of 52%. Billionaires, by contrast, only pay 27% of their income in taxes, all taxes included. In the Netherlands, the bottom 50% of the income distribution have effective tax rates around 50% while the billionaires pay less than 20%. This is possible because the ultra-rich develop a series of strategies to avoid paying taxes (i.e., avoiding dividends and capital gains realization, using holding companies, placing their wealth in tax havens, tax abuse etc.). Gabriel Zucman calculates that a 2% minimum tax on global centimillionaires would generate around **$300-$390 billion in tax revenue annually**.

Inspired by the example of Spain's wealth tax on the richest households, Tax Justice Network estimates how much revenue each country can individually raise by taxing the wealth of only the richest 0.5% of its households at a progressive, feather-light rate of 1.7% to 3.5%. This exercise shows that countries could mobilize up to **$2.1 trillion a year globally**.

FIGHTING TAX ABUSE

A key reason for growing inequality and the lack of public resources to finance public policies is the multiple and complex systems that multinationals and the super-rich have created to shift profits and lower their effective tax rates. Tax Justice Network's latest report states that countries are losing **$492 billion in tax annually** to global tax abuse (with $348 billion due to corporate tax abuse by multinationals and $145 billion due to offshore tax abuse by wealthy individuals). Countries of the Global South are the most affected by such practices, as these mechanisms not only make the rich richer and more powerful but also shrink the public budget for much-needed public services. As the TJN Report stresses, while higher-income countries lose revenues equivalent to an average 7% of their public health budgets, lower-income countries lose on average 36%, more than a third of their public health budgets, which are already underfunded.

Unchecked tax evasion and avoidance further perpetuate a cycle of inequality and undermine the foundation of sustainable economic development.

PHASING OUT INEFFECTIVE TAX INCENTIVES

Tax incentives or tax expenditures are benefits granted through preferential tax treatment that lower government revenue from the beneficiary taxpayer. According to the latest GTED data, the revenue forgone resulting from tax expenditures averages 3.8% of GDP and 23% of total tax revenue globally. This corresponds to **$3.8 trillion a year**, since the global GDP amounted to US $101 trillions in 2022, according to the World Bank.

Tax expenditure reduces tax revenue collection, and hence can have a significant impact on public coffers. There is very little consistent evidence that tax expenditures effectively stimulate inclusive growth, on the contrary it can trigger unsustainable outcomes such as accelerating climate change, violating the right to adequate food and exacerbating inequality. One glaring example is subsidies for fossil fuels. According to IISD, government support for fossil fuels reached at **least $1.5 trillion** in 2023. Fossil fuels are the biggest contributor to the climate crisis.

Many countries exempt sectors of the economy that are detrimental for people's health and that violate the right to adequate food, such as pesticides and ultra-processed foods. Unfortunately, global data are not available, since it is not in the interest of the private sector or their allies to make public and transparent the extent to which they are financed by the state. By way of illustration, a recent study carried out in Brazil by ACT revealed an alarming statistic: approximately 57,000 premature deaths in the country, in 2019, were attributable to the consumption of ultra-processed products, accounting for 10.5% of all premature deaths in Brazilian adults. Another example from Brazil concerns tax exemptions for pesticides, which in addition to encouraging the massive use of products that harm people and nature, reduce the availability of budgetary resources to finance public policies, as shown in another analysis of the situation in Brazil. Studies like these show the urgency of placing this issue at the center of the public debate.

URGENT NEED FOR PROGRESSIVE TAX SYSTEMS TO GUARANTEE THE RIGHT TO ADEQUATE FOOD

As we see, resources exist, but they need to be mobilized through national and international tax measures. At the national level, it is urgent to fight for progressive and inclusive tax systems since this is a necessary condition to assure the right to food by funding food and nutrition security policies. Heavily taxing products that harm people and biodiversity are also an appropriate strategy (i.e, ultra-processed products, fossil fuels, pesticides). Civil society organizations and movements must also engage with public authorities to decolonize approaches and standards on taxation by adopting criteria and measures that promote equity among groups, communities and regions within countries, thereby compensating for developmental differences and imbalances of power. It is important to incorporate a gender and race/ethnicity approach to tax policies to fight gender and race/ethnicity inequalities.

At the global level, the existing mechanisms and rules of international tax governance are not working for the majority. This is why we believe that the United Nations is the fairest, most inclusive and participatory space to discuss and approve tax measures that directly affect all states. We believe that a United Nations Framework Convention on International Tax Cooperation (UNFCITC), currently being negotiated, would: (i) establish an international framework on tax; (ii) promote fairness towards developing countries; (iii) contribute to the progressive realization of human rights and the achievement of the Sustainable Development Goals (SDG), and bring more ambition to the Paris Agreement commitments; (iv) ensure transparency, while incorporating the interests, concerns and needs of developing countries; and (v) increase government accountability and public participation.

The UNFCITC is being seen as the biggest change in the history of the global tax system and is considered a unique opportunity to prevent the loss of trillions of dollars due to tax abuse and tax expenditure.

FINAL REMARKS

To tackle the global challenge of food and nutrition insecurity, budgetary resources are needed to implement public policies to realize the human right to adequate food. These resources exist but need to be mobilized through fairer, more inclusive and participatory national and international tax policies. To this end, countries need to implement effectively progressive tax systems as well as cooperate internationally to combat the huge drain on resources resulting from practices such as tax evasion and avoidance, inefficient tax incentives and low taxation of high-net-worth individuals and transnational corporations, among other measures.

04

TAXES AND CHARGES ON FISHERIES SHOULD SUPPORT FISHERFOLK'S RIGHT TO FOOD

An interview with Giovanni Occhiali by Jones Thomas Spartegus

Giovanni Occhiali is a research fellow at the International Centre for Tax and Development, working on climate and environmental taxation on fisheries.

Jones Thomas Spartegus is an Editorial Board member of the Right to Food and Nutrition WATCH

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PHOTO | wd toroMC

“If those in the fisheries industry are not paying the required charges and fees, they are foregoing a contribution that would directly support the sustainability of their practices [...]. This makes it more likely that the resource will be overharvested, resulting in fewer fish – and implications for artisanal fisherfolk’s livelihood and their fish consumption, which is an important dietary component for them.”

What are the main challenges in the taxation of the fisheries sector?

Allow me to begin with two brief clarifications. I’ll be using the word “taxes” in its broadest sense in this interview, understood as a compulsory payment by private individuals to government entities. Technically (and often theoretically) speaking, much of what is levied on the fisheries sector consists of charges or fees, rather than taxes. These payments are made in return for a specific service, for example, fisheries management. Secondly, my research has focused on Africa, and in particular, on fisheries taxation as part of a broader program of environmental taxation.

One key challenge in fisheries taxation is determining the right tax rate to achieve the overarching goal of fisheries taxation, which is to contribute to the sustainable management of fisheries resources. Fisheries taxation as much as environmental taxation, in general, is not applied to generate revenues but to change the behaviour of specific actors. Taxation can be either on fishing effort (a general term to measure the value of resources going to fishing activities, amount of fuel, hours spent on the sea, etc.) or the catch itself. Setting the right tax rate requires detailed knowledge of actors, fishing techniques, fish stocks, used gears, target species, and market species, etc., much of which is uncertain. What’s more, collecting all the data is extremely costly Even if determined, it is often politically unfeasible to implement because the government would need to charge so much that fishing actors cannot or will refuse to pay.

So, the revenues generated by industrial fishing are not taxes per se. Can you elaborate a bit on the revenues from industrial fishing?

Industrial fishing fleets generate the bulk of existing revenue from the fisheries sector. In the case of Africa, however, most countries have not gained as much as they could from the agreements they make with foreign nations that send industrial fishing fleets into their waters. In fact, their contributions to state coffers have been relatively low – only one-eighth of what small Pacific Island nations earn from similar agreements. This is because Pacific Island nations negotiated as a "block" rather than individually, and also because many African fishing agreements do not specify catch limits for particular species, and even when they do, African states often lack the surveillance capacity to monitor actual catches. In theory, therefore, they could extract significantly more revenue from fisheries agreements.

The European Union (EU), for example, is one of those parties with which these African countries enter into fishing agreements. Although the EU has strict sustainability clauses for fishing in its own waters, when it enters into fishing agreements with African countries, all the criteria such as sustainability, best practices, fish stock and quotas are overlooked. The structure of these fisheries agreements is quite problematic. It is said that the EU is considered most transparent in its fishing agreements; with other nations, it is harder to verify the exact terms of their agreements.

Now allow me to return to your initial question. Charges from fishing licenses and levies are fiscal contributions but they are not technically taxes. When we look at taxes 'proper', we are examining taxes on profitability. Industrial fishing is quite profitable: fleets register with tax authorities, pay VAT, and pay corporate income taxes. However, they can avoid significant amounts of taxes because of their economic structures, which are often comparable to those of multinational companies – they may have a flag of another country, making avoidance an issue.

Good distinction between taxes proper and taxes profitability. Can you explain taxes "proper" and taxes "profitability" of artisanal fisheries in Africa?
First, one must bear in mind that there is no general definition of exactly who qualifies as artisanal fishers. The category tends to be defined in contrast with the industrial sector, which is characterized by high-capital investments, with boats worth millions of dollars, equipped with significant technology, and capable of staying at sea for months at a time if needed. Conversely, artisanal fisherfolks rely on more traditional fishing techniques, but are themselves very heterogeneous – some use non-motorized dugout canoes, others fiberglass vessels with multiple engines and so on.

Additionally, a crew member and a boat owner may both be classified as artisanal, but their power relations are clearly very different. Similarly, there is likely to be quite some significant variation from country to country, and even within countries. This is because most "taxes" paid by artisanal fisherfolks go to subnational governments – city councils, county or state governments each of which can institute their own level of fees and charges. While research on this topic is limited, it shows that artisanal actors often must obtain licenses from and then pay fees to a plethora of bodies. In Kenya, for example, these include beach management units, county governments, the Kenya Fisheries Service and the Kenya Maritime Authority. They are, however, less likely to be paying taxes "proper" to the central government: many are not formally employed, so no taxes are withheld from their salaries; raw produce, such as fish, is usually exempt from VAT; and the overall level of income, at least of most crew members, is likely to be below the tax threshold.

This is why sector-wide registration campaigns for artisanal fisherfolks do not make much sense: many simply will not have much to pay. It is therefore better to focus on those actors within the sector that are more likely to have some tax potential: boat owners and fish aggregators, which often operate as middlemen between the artisanal sector and more formalized entities such as hotels and restaurants.

How about subsidies? How do subsidies play a role in the promotion of industrial fishing?

Industrial fishing fleets from high-income countries receive disproportionately large subsidies, mostly for activities such as high- sea fishing or fuel cost. For distant water fishing nations these will eventually change when World Trade Organization (WTO) agreements enter into force. Although it is yet to take effect, subsidies to Illegal, Unreported, and Unregulated (IUU) fishing, to fleets fishing in high seas, and to those targeting overfished stocks, will be forbidden. Banning fishing subsidies that contribute to overcapacity – which leads to overfishing –is the objective of ongoing negotiations. China is the world's largest provider of industrial fishing subsidies, followed by high income countries. However, despite the WTO agreement, countries will likely continue to facilitate industrial fishing through bilateral agreements and prioritize their operations over the territories of artisanal fisherfolks.

Giovanni, you said initially that fisheries taxation is about changing the behaviour of specific actors. If fishing actors avoid taxes, how does this avoidance affect the governments' ability to uphold human rights, particularly of fisher peoples?

In my view, mostly in an indirect way. Here, the above distinction between taxes and charge/fees is useful. If those in the fisheries industry are not paying the required charges and fees, they are foregoing a contribution that would directly support the sustainability of their practices – there will be less funds to assess the status of fish stock, to monitor catches of prevailing fishing gears, etc. This makes it more likely that the resource will be overharvested, resulting in fewer fish – and implications for artisanal fisherfolk's livelihood and their fish consumption, which is an important dietary component for them. I think this is the main channel through which this should be analyzed. In theory, these charges should not be used for any other purpose than fisheries management, so their impact on government abilities to do anything should be viewed only through the lens of their impact on fisheries management.

However, in practice this is seldom the case - local governments use this revenue to fund other services they should be providing. But it would be odd to assess how evasion of management fees impacts the provision of services they should not have been directed to in the first place. This issue affects both industrial and artisanal players – the latter likely predominate in sheer numbers of unlicensed fishers, the former in terms of volume of unreported catches. Given the difference in observed fee levels between industrial and artisanal fisherfolks, in terms of avoided or evaded contributions, there is good ground to believe that industrial players prevail. It takes a small number of trawlers to match the catch of many dugout canoes.

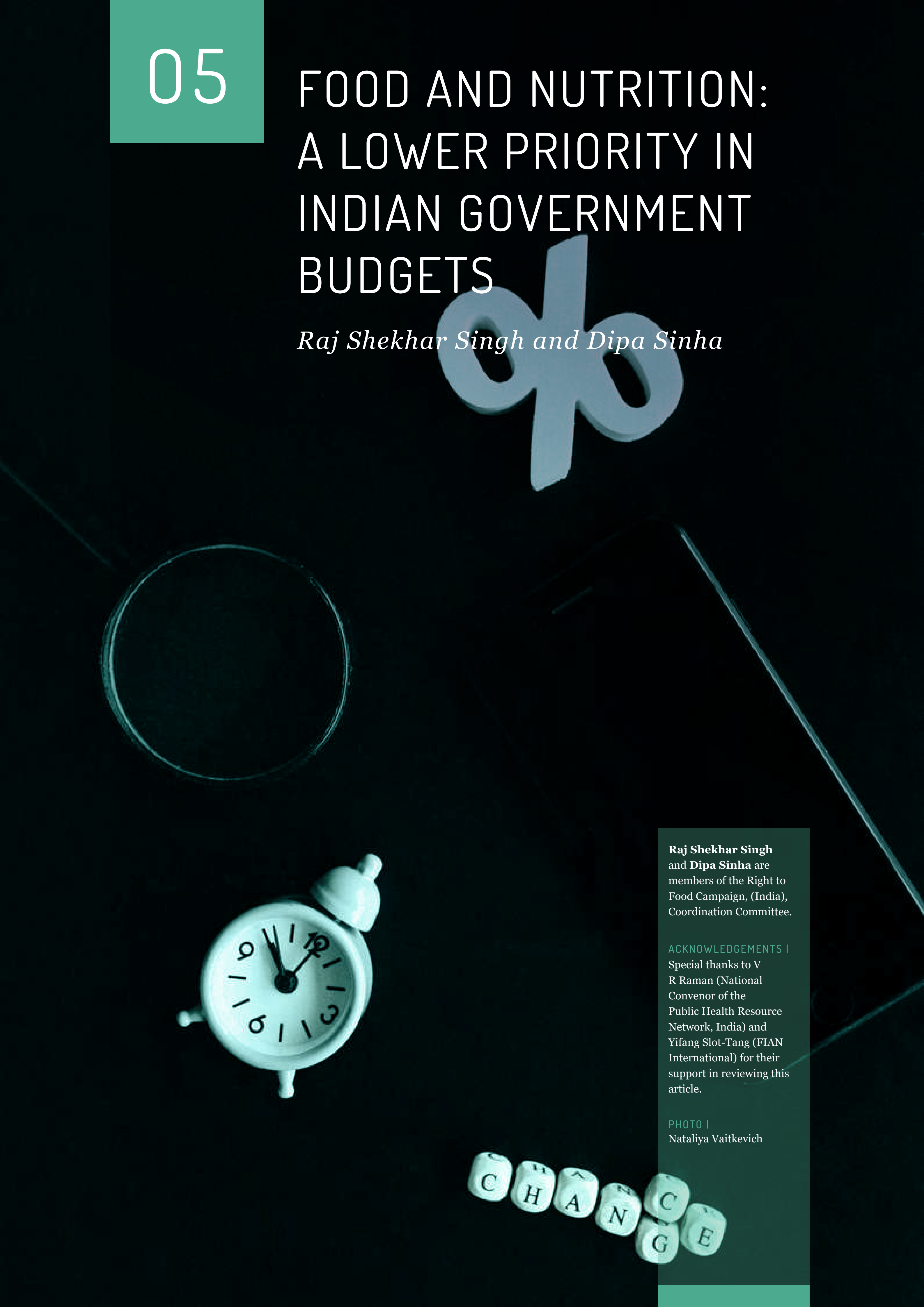
On the other hand, if players in the industry don't pay their general tax contributions – whether taxes on their profit, import duties for their gear, or VAT for fish filleted on the vessels – they are taking funds away from the government purse which could be used for a variety of different uses, including social schemes that can be beneficial to the wellbeing and fulfilment of the human rights of fisher peoples. As mentioned before, it seems highly likely that fisheries are net fiscal receivers across most countries in the world – so, if the sector does not contribute its fair share, governments may be less inclined to allocate public funds to its management. This could have a similar effect to that of not paying sufficient for management fees – poorer management makes the sector less sustainable, reducing its viability and directly affecting fisherfolk livelihoods. One might argue that in this case the effect is broader - taxes are by definition not paid in exchange for a specific service, but to support the general working of the country. Thus, less tax revenue means fewer well-functioning schools, hospitals etcetera – all of which also affects the services accessible to already marginalized fisherfolk. But this is the general case against tax evasion; there isn't much specific to fisheries. Here, both artisanal and industrial actors bear responsibility – though through different channels: artisanal actors likely straight-out evade, industrial actors avoid, as they are often structured in a way akin to a multinational company.

Thank you for sharing your insights, Giovanni.

05

FOOD AND NUTRITION: A LOWER PRIORITY IN INDIAN GOVERNMENT BUDGETS

Raj Shekhar Singh and Dipa Sinha



Raj Shekhar Singh and **Dipa Sinha** are members of the Right to Food Campaign, (India), Coordination Committee.

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PHOTO | Nataliya Vaitkevich

“The declining priority for the social sector spending is witnessed in the form of declining allocations for various food and nutrition schemes in real terms, […]. Millions are excluded from their basic right to education, employment, food, and health and are faced with weakening social infrastructure.”

INTRODUCTION

India is known for its extensive public programmes on food and nutrition. The Public Distribution System (PDS) currently distributes 5 kg of foodgrains per month to over 800 million people free of charge. Its school midday meal scheme (Poshan Abhiyan) and child-care centres (Anganwadis) under the integrated child-care services (ICDS) together reach over 120 million children. There are smaller schemes providing a cash maternity benefit and social security pensions for the aged. These schemes are crucial for the right to food and nutrition and serve as lifelines for marginalized communities. However, India stands out for ranking poorly in various nutrition and food security indices. According to the Global Hunger Index 2024, India ranks 105 out of 124 countries. According to FAO statistics, 194.6 million people are undernourished (2021-23, 13.7%). While large public programmes do exist, most analyses suggest that India remains a laggard when it comes to public spending on health, nutrition, and social security. In this context, budgetary allocations, especially of the Union government, have been moving further away from what is required to achieve nutrition goals.

INCREASE IN CAPITAL EXPENDITURE

During the last few years, especially since 2019, India has also witnessed an economic slowdown exacerbated by the COVID-19-induced lockdowns. Further, global uncertainties, including Russia’s invasion of Ukraine, which led to supply chain chaos, volatile food prices, and a surge in hunger levels globally have also affected India. While there is some recovery in economic growth (with some dampening in the current year), this has been skewed in favour of the wealthy. While profits soared, wage rates in rural areas have mostly been stagnant (almost two-thirds of India’s population still lives in villages). At the same time, informal sector workers, especially migrants in urban areas, are also increasingly vulnerable to job loss, low wages, and food insecurity. The government's main fiscal strategy towards recovery has been to increase capital expenditure focused on big infrastructure projects and also on tax cuts and other incentives to big corporations. As a result, the current situation is one of poor employment prospects and stagnant incomes for the majority of the population. Income inequality in the country is at its highest, with levels now exceeding those of the 1950s.

While the enormous increase in capital expenditure is more recent, the general decline in social sector spending has been witnessed since 2014, with some exceptions during the COVID-19 pandemic years of 2020-22. Capital expenditure as a proportion of total Union government expenditure increased from 20% in 2014–15 to 31% in 2024–25 (Budget Estimates), while social sector spending as a proportion of total expenditure is at its lowest in the last ten years, at 18 %, down from 22% in 2014–15.

During the pandemic, the social sector spending went up to 30% but it has been decreasing since 2021-22. This disproportionately affects the marginalised sections of society, who depend on public schemes to meet some of their basic needs. The declining priority for the social sector spending is witnessed in the form of declining allocations for various food and nutrition schemes in real terms, a shift in the policy orientation of the government towards Public-Private Partnerships (PPP), insurance-based and contributory schemes, and away from direct and free provision of public services. Millions are excluded from their basic right to education, employment, food, and health and are faced with weakening social infrastructure.

FALLING BUDGETS FOR FOOD AND NUTRITION

The pandemic saw a mass exodus of workers from urban areas towards villages due to the extreme lockdowns. This added to the general distress that was already caused by the halt of most economic activities. During this period the two biggest social security programmes in India, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and the PDS played the role of providing crucial safety nets for millions. Although the budgetary allocation for the MGNREGS in 2020-21 increased by more than 46% compared to 2019-20, it was still insufficient to meet the huge demand in rural India. Similarly, the quantity of cereals given through PDS to the ration card holders was doubled (from 5 kgs to 10 kgs) as part of the pandemic relief. For a few months, there was also an attempt to provide other items through the PDS such as pulses and edible oils, mostly by state governments. With most people being unable to afford animal proteins, pulses are the most significant source of protein in Indian diets. The FAO estimates that more than 52% of Indians cannot afford a healthy diet. Items such as pulses, oils, and vegetables and fruits are expensive and also face greater price volatility. In the case of pulses and edible oils, India is dependent on imports and therefore exposed to global price volatility. For vegetables and fruits, seasonality and lack of storage and processing facilities play a big role. Neither during the pandemic nor at other times have there been any significant interventions by the governments (both Union and state) towards addressing these issues related to improving dietary diversity and quality among the population. Rather, their efforts have focussed on areas that have been contradictory to the nutrient-rich dietary diversity approach. One example is the Fortification Programme in India, where the Rice Fortification Programme in food schemes has raised some serious questions on the public health and food security of millions. Nutritious food commodities such as pulses, edible oils, etc. are not included in the PDS by the Government of India even though some states provide them. Moreover, household surveys show that during times of stress, people reduce the consumption of these more nutritious items as they are more expensive.

Overall, except for the two pandemic years, the food subsidy as a proportion of GDP has remained stagnant. Aside from the lack of diversity in the food basket provided through the PDS, as discussed above, one of the issues is related to coverage of the population under the PDS. The National Food Security Act (NFSA) of 2013 entitles 67% of the population in the country to subsidised foodgrains (cereals) through the PDS. The coverage figures are decided based on the decadal census, which was last conducted in 2011. The 2021 census has been indefinitely postponed, leading to an exclusion of a large population from food security coverage. Consequently, many deserving households (or some members of households) are excluded in many states due to identification issues as well as the caps placed on the number of ration cards (based on 2011 census data). The quotas under the NFSA can be immediately expanded based on the population projections for 2025 to include all vulnerable persons, especially migrant workers, homeless, sex workers, trans people, and all vulnerable communities without ration cards. It is estimated that around 130 million people in the country would be included if current population figures are used. Even the Supreme Court of India has directed all states and union territories to immediately undertake the exercise, in the *Problems and Miseries of Migrant Workers Suo Motu writ petition case*.[3] However, none of the state governments have implemented the court's order effectively. One of the major reasons they cite for not expanding the coverage to include the excluded is the lack of budgets and foodgrain support from the central government. The Government of India can initiate this exercise and support the state governments by expanding the budgetary allocations for this scheme.

NEGLECT OF CHILDREN AND WOMEN

Along with the inadequate coverage and diversity in the PDS, the direct nutrition schemes that address the most vulnerable groups of young children,

3 In Re: Problems and Miseries of Migrant Workers (Suo Motu WP(C) 06/2020)

pregnant and lactating women, and adolescent girls have also been suffering budget cuts. The budgetary allocation by the union government for the Integrated Child Development Scheme (ICDS) which provides supplementary nutrition for these target groups of children and women as well as services such as growth monitoring and nutrition counselling has seen a decline by over 30% in real terms in this period. The school's midday meal programme, which provides a hot cooked meal for children in the age group of 6-14 years, has also seen a similar fate of declining real budgets. Considering recent inflation in food items, and the reduced budget allocation in these crucial programmes, this may exacerbate the problem of poor dietary diversity and inadequate food consumption, especially among women and children. Similarly, the maternity entitlement scheme for pregnant and lactating women aims at providing wage compensation by primarily supporting women in ensuring nutrition for themselves and their children. Considering that over 95% of women in the country are not in employment that qualifies for maternity leave, this is currently the only maternity entitlement that is available for most pregnant women in the country. The Pradhan Mantri Matru Vandana Yojana (PMMVY), maternity entitlement scheme by the Central Government of India is however in contravention of the NFSA as it provides only Rs 5000 per woman while the act says "not less than Rs 6000". The scheme also restricts the benefits to only the "first living child" in a family, while the act places no such restrictions. Further, the scheme includes certain conditionalities related to accessing services, effectively shifting the onus onto the woman rather than guaranteeing that services will be available. The number of women who received some PMMVY benefits crashed from 9.6 million in 2019-20 to 7.5 million in 2020-21 and 6.1 million in 2021-22 – a decline of nearly 40% over two years. The poor budgetary allocations have been one of the major reasons for the scheme's poor coverage.

All of these schemes are also important for nutrition outcomes. The National Family Health Survey (NFHS) conducted by the Government of India in its latest NFHS-5 survey revealed that over 67% of children and 57% of women suffer from anaemia, reflecting poor nutritional status among children and women. The recent round of National Family Health Survey data (NFHS-5 conducted between 2019 to 2020 in two phases) shows that improvements in malnutrition have slowed down since 2015 (NFHS-4 conducted in the year 2015-16). Some progress had been made on this front with the universalisation of school meals and supplementary nutrition through the ICDS and the expansion of the PDS in the 2000s (orders passed under the 'Right to Food' case, PUCL vs Union of India CWP 196/2001). This was further strengthened by the NFSA of 2013, which aims to ensure food security for every individual in a life-cycle approach. However, despite all these positive efforts the reduction in the budget for these key schemes is creating barriers in the path towards nutritional security for all.

FINAL REMARKS

The declining budgetary priority for many of the schemes mandated by rights-based legislation should also be seen as part of the larger shift in the orientation of welfare policy in the country. The MGNREGS as well as the PDS, maternity benefits, school meals and Anganwadis[4] under NFSA are legal entitlements that the people of India have secured through hard-won battles. The spirit of these legislations passed by Parliament requires that they be strengthened and given more resources so that the social protection system that ensures nobody goes hungry and malnutrition is eradicated.However, the current political environment in the country is positioning these schemes as doles or charity, thereby shifting attention away from them.

Meanwhile, commercial interests are increasingly intervening in these areas, encouraged by the government through its insurance-based schemes and PPPs. Along with declining budgetary support to direct welfare schemes, the lack of a regulatory mechanism is enhancing the corporate hegemony over the food system in India. The government's shift away from a welfare state model is paving the way for private players to enter these important areas of human development. Lack of transparency in the budgetary and policy-making processes remains a concern. Poor participatory processes in budget-making reduces the ability of stakeholders, such as civil society and people's representatives, to contribute to a just budgetary allocation.

4 Anganwadi Services is one of the flagship programmes of the Government of India providing early childhood care and development of the beneficiaries i.e children in the age group of 0-6 years, pregnant women and lactating mothers through a large network of Anganwadi workers (AWW) and Helpers (AWH).

06

DEVELOPMENT FINANCE IN ZAMBIA: PRIVATIZING SEED, GROWING DEBT, AND INCREASING HUNGER

Frances Davies

Frances Davies, Zambia Alliance for Agroecology and Biodiversity and Seed and Knowledge Initiative (ZAAB) and Seed and Knowledge Initiative (SKI).

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PHOTO | Nicholas Githiri

“The privatization of Zambia’s agriculture and seed system illustrates how misguided development finance can enable the capture of food systems and undermine human rights.”

INTRODUCTION

Despite its abundant natural and resource wealth, Zambia remains among the most malnourished[1] and heavily indebted countries in the world, spending more on debt servicing than on essential public services such as health, education, and the fulfilment of basic human rights. Structural economic injustices—rooted in colonial policies, inequitable trade regimes, and market capture—have entrenched the country in untenable debt, chronic food insecurity, and poverty. This article explores how global financing systems preclude Zambia’s realization of the right to food and nutrition,[2] and undermine national food sovereignty. It calls for systemic transformation towards agroecology, debt restructuring, and people-centered food systems.

DEBT, AUSTERITY, AND THE DENIAL OF THE RIGHT TO FOOD

As of September 2024, Zambia’s external debt exceeded US $ 23.1 billion. Debt servicing now consumes more public resources than investments in health, education, or food security. This debt distress has led to austerity policies that cut essential services, echoing the infamous Structural Adjustment Programs (SAPs) imposed by the International Monetary Fund (IMF) and the World Bank (WB) in the 1980s. These neoliberal policies systematically dismantled public systems for food and agriculture, prioritised export commodities, and redirected funds toward debt repayment, undermining the state’s ability to fulfil its obligation to respect, protect, and fulfil the right to food. According to the World Food Programme (WFP), nearly 48% of Zambia’s population is food insecure, with an estimated 5.8 million people likely to have experienced heightened hunger in 2024 due to drought—compounded by exogenous climate, financial, and artificial food price shocks. The country’s heavy foreign debt burden constrains its fiscal space and food sovereignty. It limits its ability to invest in sustainable local food systems, territorial markets, and people’s skills and public infrastructure required to adapt to rapid climate change.

1 Zambia has one of the highest rates of undernutrition among children under five in Africa. Approximately 14.9% of children under five are underweight, and micronutrient deficiencies are widespread, with 54% of children under five suffering from vitamin A deficiency and 53% experiencing anemia.

2 As of 2023, Zambia's national debt was approximately 127.31% of its Gross Domestic Product (GDP). Please see: statista.com. According to WB data, Zambia's total debt service as a percentage of Gross National Income (GNI) in 2021 was 3.6%. After protracted negotiations, in June 2024, Zambia's external debt stood at approximately US $15.17 billion, reflecting a 4.1% increase from US $14.57 billion in December 2023, although combined public and publicly guaranteed debt was estimated at US $25.3 billion by September 2024. Please see: zambiamonitor.com

The compounding crisis is situated at the intersection of a long history of financialisation, debt, and policy interference. This story is told below through the historical lens of the capture and privatization of the very basis of the food system: seed. Seed ownership and control define the very nature of a food system—who profits and who goes hungry, every day.

SEEDS, SOVEREIGNTY, AND STRUCTURAL CAPTURE

The privatization of Zambia's agriculture and seed system illustrates how misguided development finance can enable the capture of food systems and undermine human rights. Under SAPs, Zambia's national public seed system—developed with farmers' knowledge and government investment—were partially sold to MRI, a private seed company later acquired by Syngenta, a Swiss agrochemical firm now owned by CHEMCHINA since 2017. The remaining public seed company, ZAMSEED, was fully privatized in 2007 and later, in 2018[3] came under majority ownership of Silverlands Seed Company Limited. This company is legally owned by the Silverlands II Fund, a Luxembourg-based fund managed by SilverStreet Capital, a UK private equity firm. Today, ZAMSEED—now majority controlled by private equity—benefits from public funds through Zambia's Farmer Input Subsidy Programme (FISP).

FISPs are a common and contested agricultural policy across African countries and a core strategy of the Green Revolution in Africa for the expansion of industrial agribusiness. In Zambia, FISPs have historically accounted for 60-80% of the country's agricultural budget spending.[4] These funds are primarily allocated to subsidizing commercial inputs for smallholder farmers, including proprietary seeds, synthetic fertilizers, and pesticides, locking farmers into a cycle of increasing input dependency and eroding natural resource base.[5]

In the 2023/24 farming season, ZAMSEED received over ZMW 71 million (approximately US$26 million) from the Zambian Government through Direct Input Supply (DIS) contracts under the Farmer Input Support Programme. This funding was used to supply 1,339 metric tons of seed, mostly hybrid maize and soybean.[6] As a result, a portion of public funds was directed to a company that was once a state-owned asset—developed using taxpayer money and built on privatized farmer knowledge and genetic resources—highlighting how public investments now support a privatized and commercialized seed system.

Not only does this channel public funding to private equity profits, but the high-input commodity production model based on hybrid seeds and synthetic chemicals undermines agro-biodiversity and increases the costs and risks for smallholder farmers facing climate shocks or market volatility. Women are particularly vulnerable.

3 Please see **ZAMSEED website** https://zamseed.co.zm/about-us/ (retrieved on 19.05. 2025); and SilverStreet Capital. (2023). Annual ESG Report 2023 (retrieved on 19.05.2025).

4 *Ibid*

5 In the 2023/2024 farming season, the Zambian government allocated approximately K7.2 billion to FISP (reported to have risen to K8.6 billion in actual spending according to the zambiamonitor.com), targeting 1,024,434 small-scale farmers nationwide. This allocation was divided between two modalities: Direct Input Supply: K5,603,207,794.80, covering 551,187 farmers in Eastern, Northern, Luapula, Copperbelt, Muchinga, and Western Provinces; Electronic Voucher (e-Voucher) System:K1,549,273,497.68, supporting 473,247 farmers in Lusaka, Central, Southern, and North-Western Provinces (an equivalent of approximately US $313 million).

6 ZAAB (Forthcoming). *Agro-Industrial Input Model in Zambia, Stakeholder and Financial Flow Analysis.*

PRIVATE EQUITY AND PROFITING FROM HUNGER

Private equity firms are increasingly present in African agriculture, often supported by international development finance. The key question remains: who ultimately benefits from these investments? SilverStreet Capital claims to double smallholder farmers' incomes by boosting productivity. According to its 2023 ESG report, adopting hybrid seeds raises yields by 60%. However, this shift carries significant opportunity costs. Hybrid seeds often displace indigenous and local crop varieties that are more affordable, accessible, and naturally climate-resilient. These traditional crops can be maintained by farmers themselves and preserved through national genebanks supporting long-term food sovereignty. Despite these concerns, the Silverlands II Fund—which owns ZAMSEED—has attracted substantial investment from major development finance institutions (DFIs) such as BII (UK)[7] and FinnFund (Finland).[8] The fund's operations are also protected by political risk insurance from the World Bank's Multilateral Investment Guarantee Agency (MIGA).[9]

7 (retrieved on 19.05. 2025)

8 (retrieved on 19.05. 2025)

9 (retrieved on 19.05. 2025)

Such a model of foreign direct investment (FDI)-driven agribusiness investment model, specifically through private equity impact funds like SilverStreet Capital's Silverlands II Fund exemplifies how global financing instruments contribute towards reproducing dependency and consolidating external control, contrary to the principles of democracy and food sovereignty. Public financing is being channelled away from public goods into global capital circuits, precluding Zambia's autonomy over its food systems and the right to food.

CIVIL SOCIETY RESISTANCE AND THE CALL FOR AGROECOLOGY

The Zambia Alliance for Agroecology and Biodiversity (ZAAB), representing farmers, faith groups, and civil society, has consistently challenged undue influence in Zambia's agro-food-related agricultural policies, advocating for farmers' rights and broader human rights protections. For ZAAB's members, the long battle over seed and farmers' rights, encapsulates how neocolonial power, exerted through overt economic manipulation, austerity, and conditional loans under the guise of development finance, has entrenched poverty, debt, and resource extraction. Since 2010, ZAAB has actively defended farmers' seed systems and food sovereignty against corporate-driven harmonization efforts and policy capture, particularly led by USAID and Alliance for a Green Revolution in Africa (AGRA) interventions. Rooted in the neoliberal policies of the SAPs era and the financialization of human life and ecologies, these initiatives claim to promote development and food security while serving to expand multinational corporate control and extraction. ZAAB has resisted privatization-driven seed policy harmonization, land acquisition, and undue corporate influence. ZAAB has challenged the foreign-policy-backed reforms that prioritize low-value-add, export-oriented industrial agriculture and corporate control. Current reforms, echoing past SAPs, undermine the UN's legally binding right to food framework, the United Nations (UN) Declaration on the Rights of Peasants and Other People Working in Rural Areas (UNDROP), the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA), and Zambia's food sovereignty.

In 2024, ZAAB again raised concerns about undue foreign influence in Zambia's new agricultural investment plan, particularly the disproportionate involvement of FAO- sponsored AGRA consultant in drafting the new comprehensive, private sector-led framework. This new plan once again prioritizes export commodity value chains and the privatization of land and seed, benefiting and expanding corporate agribusiness market capture. The policy relies on development finance to de-risk private bank loans to sustain subsidies for agricultural inputs in a system that has just placed immoral risk on vulnerable communities at the forefront of the climate crisis (evidenced by the 2023/24 drought, which left an estimated 30 million people facing crisis levels of acute hunger and irrecoverable debt). Once again, this system is now being operationalized and entrenched through development finance from the World Bank, mimicking historical trends and failures. The latest US $300 million loan to Zambia de-risks mega-farm infrastructure expansion for corporate agri-business and imposes alignment of seed laws with the *International Union for the Protection of New Plant Varieties (UPOV) 1991* standard. In a repetition of its historical infringements, it prescribes private seed ownership, market monopolization, and criminalization of peasants rights.

AGROECOLOGY: TOWARD RESILIENCE AND DEBT JUSTICE

Despite overwhelming corporate influence, grassroots movements and national civil society coalitions, such as ZAAB, are building viable alternatives. Agroecology offers a pathway to reclaiming food and financial sovereignty. Grounded in farmer knowledge, women's leadership, and community control over resources, agroecology restores biodiversity, improves climate resilience, and strengthens rural economies. Evidence from local agroecology farmers and organizations like the Seed and Knowledge Initiative, Community Technology Development Trust–Zambia, and Kasisi Agricultural Training Centre, among others, shows that during the 2023–24 El Niño-induced drought, indigenous seeds and diversified cropping systems outperformed hybrid monocultures—demonstrating the effectiveness of agroecology. Farmers' use of their own seed and farm-produced biofertilizers also meant they were not buried in debt—unlike millions of conventional commodity farmers, who required government intervention to cover failed crops and overwhelmed insurance mechanisms.

Agroecology and smallholder farmers have the potential to restore healthy, inclusive and accountable food systems and local economies, whilst building resilience to and mitigating climate change. But they cannot do this alone. Supportive policy is urgently needed to enable this transition. Meanwhile financial actors involved in the food and agricultural sectors may in some cases contribute to easing access to finance to scale production, their involvement must not replace producers or override locally adapted knowledge and technologies. Finance is critical—but it must be directed toward reviving local economies, not serving as a conduit for capital extraction. For this aim, public finance is more suited than private finance. A shared commitment to designing and implementing such a holistic transition among diverse stakeholders is essential. This is where the UN Financing for Development (FfD) agenda becomes vital.

Agroecological transformation requires fiscal space. Zambia's recent policy steps recognizing agroecology are promising—but remain underfunded. Proposals for redirecting development finance and subsidies to agroecology and local territorial markets are gaining traction, linking debt cancellation to investments in sustainable, rights-based food systems. A systematic shift in subsidies—from corporate agribusiness and harmful commodity extraction toward community-led agroecological initiatives—is urgently needed. This aligns with the UN FfD agenda, offering a practical mechanism to transform unjust financial architectures that continue to undermine the right to food.

CONCLUSION: RECLAIMING SOVEREIGNTY AND THE RIGHT TO FOOD

Zambia's entrapment in a cycle of debt, dependency, and food insecurity is not accidental; it is structurally engineered through global financial institutions and unjust development finance. Looking back over the decades of so-called development finance and linked foreign policy interference, shows how investments in privatization and industrial agriculture contribute to strengthening systems of neo-colonialism and corporate control. To break free from the cycle of debt and food insecurity, Zambia must commit to systemic, unwavering support for agroecology. Agroecology offers a transformative alternative rooted in food sovereignty, gender justice, and ecological balance. Zambia must seize the opportunity at the upcoming 2025 UN FfD Conference to demand financial justice, uphold human rights, and scale up agroecological systems that empower communities. The path forward is not just about food; it is about reclaiming power, dignity, and sovereignty.

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