

1. Introduction. Private Sector Protagonism in U.S. Humanitarian Aid: Profits Over Global Public Health

Food aid is an instrument of humanitarian and international policy that is crucial to the plight for a food secure world. Food aid distribution is elemental to the foundation of international solidarity as well as to the furthering of international projects in development cooperation. Perhaps most importantly, it is a vital tool in the fight against poverty because food aid serves as a necessary safety net for many foreign communities which rely on commodity imports to feed their populations. Although it is clearly a necessity to the international community, food aid is not an instrument which responds solely to the demands of the international climate. Because of the complexity of the actors involved in the conception of food aid policy, its administration, and the politics of its distribution, food aid exemplifies how the intricacies of domestic politics shape foreign ones.

This investigation will focus on U.S. food aid. Not because U.S. food aid is the oldest official program of its kind nor because it is the largest donor in both volume of commodities and dollar value terms. Rather U.S. food aid was chosen as the focus of this investigation because its policy illustrates the complex interaction between private sector actors, domestic farm policy, and humanitarian politics in the creation of foreign policy.

With more and more frequency the private sector plays a protagonistic role in cooperation development and foreign assistance. With U.S. food aid, this has been the case since the policy's beginnings. This investigation focuses specifically on the contribution of the private sector to U.S. food aid and the politicized and polemic nature of that involvement.

It is important as we enter into an exploration of U.S. food aid that we define clearly the policy's scope. The image most often conjured up in reference to this type of humanitarian assistance is the emaciated child, a desolate refugee camp, and those life saving rations of American food shipments. This is the image that the United States promotes as the impact of its food aid programs abroad. One need look only as far as the materials for the United States Department of Agriculture and the United States Agency for International Development, the public organizations which oversee food aid, to see this exact image displayed as a type of promotional rhetoric for the role of U.S. food aid in an international context.

Despite the complexity of food aid, these images are representative of a piece of the program's impact abroad. The photographs capture real foreign populations that receive actual American food aid shipments. A mere acceptance of the images as the sole impact of U.S. food aid, however, is insufficient to understand the complexities of the policy. The rhetoric generated via these images simplifies the complicated politics of U.S. food aid and deters a scrutiny of itself. The humanitarian component of the policy has at times circumvented a critical assessment from citizens and policy makers alike.

U.S. food aid is a complex, internally conflicted instrument of international policy that mustn't be reduced to an issue void of politics. In theory, food aid is a fundamental way in which food and agricultural products are made available to a portion of the 925 million people who suffer from hunger worldwide. In practice, that is

only sometimes the case. This is in large part due to the plurality of actors which participate in the formation and execution of the policy. With each group of actors, there also exists a set of interests. Those interests of domestic actors do not always coincide with the interests of those populations that have the greatest need of alimentary assistance.

Among the participants in the creation of food policy is the private sector. Most notably the agribusiness industry, but others as well, have played a protagonistic role in the creation and evolution of U.S. food aid. The involvement of the private sector within this process has implications which this paper will explore and analyze.

Through the distribution of U.S. food aid, agricultural products enter into the international arena. In other words, a portion of U.S. agricultural commodities are distributed through the channel of U.S. food aid. For producers, this means profits. In quantitative terms the percentage of agriculture that is channeled through food aid as compared to the flow in traditional commercial trade is very limited. In fact, food aid flow averages only about two percent of food trade flow globally¹. In a qualitative assessment, however, the commercial interests that are served through a humanitarian distribution of agricultural commodities is largely significant in this investigation.

U.S. food aid has not always had an inherently humanitarian objective, but in its current form it does. Because of the private sector actors which participate in the policy making and administration of food aid, this objective is hindered. U.S. food aid has, instead, afforded commercial interests a protagonism in its national agenda for foreign relations.

The lines that define national and private sector interests have become blurred. Food aid exemplifies the profundity of this distortion. The interests that are served in the U.S. food aid system favor profits over global public health, even in a policy with clear humanitarian objectives. How is this type of blatant distortion of humanitarian initiatives possible? It is rooted in the U.S. political mechanism of lobbies. Powerful industries have powerful lobbies with a margin of influence comparable to that of their profits.

This investigation is divided into three sections which encompass the methodological scope of the project. In the first section we explore the politics which precede Public Law 480, the policy which initiates the modern age of food aid. A historical analysis of the evolution of farm policy during the first half of the twentieth century, affords insight into the formation of the privileged relationship between the U.S. federal government and the domestic agricultural sector. The analysis of this relationship sets the foundation for the corporate protagonism that is at the conception of food aid with PL 480 but also continues in today's modern era of food aid, as is evidenced in the following sections.

In the second chapter, we investigate the current representations of PL 480 food aid tracing its evolution. We then address the series of reforms that have culminated in the six different food aid programs that are currently administered by the United States via two different government agencies, the United States Department of Agriculture (USDA) and the United States Agency for International Development (USAID). An analysis of the logistical functioning of these agencies illuminates the power of corporate lobbies in the process of policy making and how said policies serve the interests of lobbyist voices.

¹ Hoddinott, John M. "Redefining the Role of Food Aid," International Food Policy Research Institute, Washington, D.C 2003.

The last section of the project is comprised of an analysis of two practical case studies of food aid and development assistance in which agribusiness interests have a protagonist role in the creation and implementation of the policy: the Green Revolution of the 1960s and the increase in Title I aid during the 1980s in Latin America. Through these two practical case studies we establish how corporate interests are served through the administration of U.S. food aid despite the disadvantages it can have for the local populations and its industry.

2. The Preceding Politics of Farm Crisis and Relief — Defining the Privileged Relationship between Farmers and the Federal Government

“We have got to look upon American’s food abundance, not as a liability, but as a real asset...Wise statesmanship and leadership can convert these surpluses into a great benefit”. (Hubert H. Humphrey, July 16, 1953)².

On July 10, 1954, President Dwight D. Eisenhower signed into law *The Agricultural Trade Development and Assistance Act of 1954* establishing Public Law 480 (PL 480), the first legislation to formally initiate an overseas food assistance program in the United States. Eisenhower delineated the explicit objectives of PL 480 in his presidential statement upon enacting the legislation. He boasted that its purpose was to “provide a means whereby surplus agricultural commodities in excess of the usual markets of such commodities may be sold³”. The primary objective of PL 480 was to function as a mechanism of surplus disposal, creating profits where otherwise none would exist.

Eisenhower also affirmed that PL 480 would “lay the basis for a permanent expansion of our [U.S.] exports of agricultural products with lasting benefits to ourselves and peoples of other lands⁴”. PL 480 intended to promote exports by opening new commercial markets. This new policy would evidently benefit U.S. commercial interest in the long term and further the national agenda to lead in the expansion of global trade. The benefit afforded to “peoples of other lands” seems more of a strategic afterthought for Eisenhower; a humanitarian means to an end of further economic expansion. This is made apparent in Eisenhower’s emphasis on the commercial benefits of the new policy. In fact, Eisenhower explained that the new program would “assist friendly nations” only after he belabored the mercantile advantages of the new policy. The reality that surpluses could relieve famines and other emergency conditions was secondary to the PL 480’s main objective. First and foremost, the policy intended to promote the domestic agricultural industry. Although the widely publicized presentation of the new policy served to further the image of America as a generous nation ready to help in times of need, an image that was initiated with the Marshall Plan less than a decade prior, altruistic assistance was plainly not the underlying goal of PL 480’s implementation.

President Eisenhower’s speech exhibits the beginnings of an altruistic rhetoric adorning the discourse of food aid that is present throughout its evolution until today. However, what is perhaps most surprising in our modern times about Eisenhower’s statement is not the humanitarian rhetoric but his straightforwardness in

² Ruttan, Vernon W. "The Politics of U.S. Food Aid Policy: A Historical Review." *Why Food Aid?* Baltimore: Johns Hopkins UP, 1993. 3-70.

³ Eisenhower, Dwight D. "Statement by the President Upon Signing the Agricultural Trade Development and Assistance Act of 1954." July 10th, 1954. Speech.

⁴ Eisenhower: July 10, 1954. Speech.