

Globalization & Sustainable Development Program

April 2013 Newsletter

Decisive Action Needed to Resolve Food Crisis

Timothy A. Wise continues to argue forcefully for more decisive action, by the U.S. government and the international community, to resolve the ongoing crisis of high and volatile food prices. As



he points out in a recent piece, "[The Damaging Links Between Food, Fuel and Finance](#)," neither the structural drivers of the crisis nor its proximate causes have been addressed. Wise teamed with Sophia Murphy, the coauthor of his report, "[Resolving the Food Crisis](#)," to assess progress one year after their report. In a series of commentaries published by [Al Jazeera](#), [IATP](#), and [Triple Crisis](#), they urged government attention to confront the real drivers of high and volatile food prices: biofuel expansion, financial speculation on land and agricultural commodities, inadequate publicly held food reserves, low investment in sustainable smallholder food production, and climate change. They were interviewed on the [Real News Network](#) about their findings.

Their analysis has been widely reported, from the [Financial Advisor](#) to the [Huffington Post](#) to [Third World Economics](#). Wise's [recent report](#) on the high cost of U.S. ethanol expansion to developing country corn importers was introduced as part of a Capital Hill briefing in February on the increasingly controversial Renewable Fuel Standard. (See [article](#).) Wise is developing a more extensive analysis of the food-fuel-finance links and climate change as part of an international collaborative research project he is coordinating on global food security. He is also completing a scoping paper on the evidence underlying concerns about our ability to feed the world in 2050. He continues to engage with the FAO and the Committee on Food Security, participating in efforts to improve methodologies for measuring hunger and contributing comments on important forthcoming papers on biofuels and on investment in smallholder agriculture.



GDAE Research Fellows Frank Ackerman and Elizabeth Stanton contributed as well, with their GDAE Working Paper, "[Climate Impacts on Agriculture: A Challenge to Complacency?](#)" Their analysis was featured by the [New York Times' Green Blog](#).

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Gallagher to Present on China's Increasing Role in Peru, Brazil, China

Kevin P. Gallagher hits the road in June and July to present on-going research on China's increasing economic role in Latin America. Following the February release of an updated [Spanish version](#) of his report, "[The New Bank in Town](#)," Gallagher will present the work at the Brazilian Development Bank in Brasilia June 3 and at the University of the Pacific in Lima, Peru, June 6. In July, he travels to China for high-level meetings on the issue. The work is part of a GDAE-Boston University project to document the environmental impacts of Chinese investments in Latin America. As part of the project, a new Working Group on the issue will be formed to produce case studies and policy recommendations.

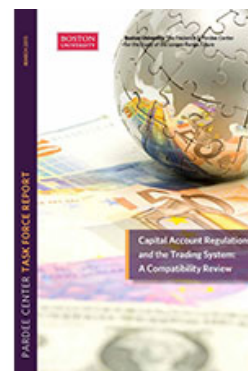


The research has garnered widespread attention, in the United States and in the region. The Spanish version of the report was published by the Center for China and Mexico at Mexico's National Autonomous University. Gallagher and GDAE researcher Estefanía Marchan published an op-ed in Ecuador's [El Universo](#), and on the [Triple Crisis Blog](#), and the issue got press coverage from [AP](#), [Bloomberg](#), [Al Jazeera](#), [Guardian](#), and [Folha de Sao Paulo](#). (See [press coverage](#).)

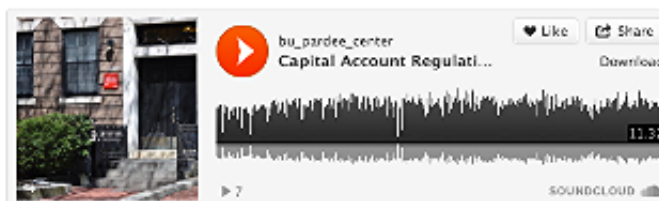
Gallagher is featured in an audio talk show, [The dragon's tango: China's growing engagement in Latin America](#), recorded by *Up Close* at the University of Melbourne, Australia. His earlier Inter-American Dialogue (IAD) Policy Brief, "[Capitalizing on the China Cycle](#)," was widely circulated, and Gallagher participated in an IAD workshop in April on the issue. Gallagher is collaborating with IAD to release an interactive web page on China's investments in Latin America, to promote transparency and make the data more useful for governments, researchers, advocates, and the public. Gallagher will present his work at the May Latin American Studies Association in Washington, including his work with Deborah Brautigam, "Bartering Globalization: China's Commodity Backed Finance in Africa and Latin America."

Debate Intensifies Over Capital Regulations

GDAE Senior Researcher Kevin P. Gallagher joined with colleagues from the [Pardee Center Task Force](#) to release its second report March 4, 2013: "[Capital Account Regulations and the Trading System: A Compatibility Review](#)," which was also released in [Spanish](#). The report couldn't be more timely, as the Ecuadoran government seeks a clarification of WTO restrictions on the use of prudential capital regulations (see [Al Jazeera](#) article) and as Trans-Pacific Partnership (TPP) negotiations continue. As Gallagher pointed out in the [Financial Times](#), [Real News Network](#), and on a [recent podcast](#), current U.S. trade agreements such as the TPP are incompatible with the new economic consensus – which includes the IMF – that developing countries need the policy space to control the flows of hot money into and out of their economies. The report was presented at [Boston University](#), with co-chair Leonardo Stanley, and at the [Vale Center](#) at the Columbia School of Law. Gallagher will present the findings in upcoming workshops in Brazil and China, as well as at the Latin American Studies Association meetings in late May.



The work has created discussion and debate in the media and at high levels of government, including at the IMF. Gallagher participated in discussions at the spring World Bank/IMF meetings. He and Jose Antonio Ocampo coauthored an analysis for



India's [Economic and Political Weekly](#). The findings were covered by the [Council on Foreign Relations](#), reported in China, and circulated by the [Bretton Woods Project](#). Gallagher's new paper, [The Global Governance of Capital Flows: New Opportunities, Enduring Challenges](#), examines South Korea's and South Africa's experience with capital account regulations. (See this Triple Crisis [blog post](#) for a summary.)

New film on Mining in Guatemala



[Gold Fever](#), the new film on Guatemala's controversial Marlin gold mine, premiered April 27 as part of Boston's Independent Film Festival. GDAE's **Timothy A. Wise** joined representatives from the film crew and the Harvard Carr Center for Human rights for a Q&A following the film. The Marlin Mine was the subject of a widely acclaimed GDAE report, "[Searching for Gold in the Highlands of Guatemala](#)," which found that the social and environmental costs of the mine far exceeded its economic benefits to Guatemala and to the community.

Leontief Prize awarded to Hirschman and Stewart

In March, GDAE awarded the 2013 Leontief Prize to two of the world's leading development economists: Frances Stewart and the late Albert O. Hirschman. [Visit our website](#) to learn more about the recipients, read a collection of tributes to Dr. Hirschman, view the lectures by Dr. Stewart and Dr. Jeremy Adelman, Dr. Hirschman's biographer, and watch GDAE Researcher **Brian Roach** interview Dr. Stewart.



Program updates

Kevin P. Gallagher, GDAE Senior Researcher, was a Sheridan Visiting Professor in the Department of Economics and the Political Economy Research Institute at UMASS-Amherst in March, presenting his work on emerging markets and Chinese investments in Latin America. He also presented two papers at the International Studies Association meetings in San Francisco April 2-4 on his work on capital flows and China in Latin America.

Timothy A. Wise, GDAE Policy & Research Director, has presented widely on the food crisis and agricultural development, including the [Cape Ann Forum](#), an Oxfam strategy session on rural development, the [Tufts WSSS conference](#), and the [Tufts New Economics conference](#).

Shaun Paul joined GDAE this year as a GDAE Research Fellow and is focusing on the role of private finance in building ecological, cultural, and social resilience, especially as it relates to agriculture, forestry, and renewable energy. Shaun's research is focused on 'social purpose' companies that typically reduce poverty and contribute to ecological restoration. This includes assessing a new analytical tool for investors to better manage investment risk and identify business opportunities in developing countries and the US.

Kenneth Shadlen, GDAE Senior Research Fellow, wrote "[Guest column on India & drug patents: Can the US force policy change?](#)" in *Apothecurry*, a blog on pharmaceuticals in India.

A [climate change report](#) by GDAE-affiliated researchers **Ramon Bueno**, **Frank Ackerman**, and

Elizabeth Stanton was quoted in an April [JPS News](#) (Italy) article on climate change in Cuba. Further, [Grist](#) reprinted Frank Ackerman's *Triple Crisis* blog post, "[Not-so-smart ALEC: How the lobbying group uses bad data to fight clean energy.](#)"

Recent Publications:

- [The Damaging Links Between Food, Fuel and Finance: A growing threat to food security](#), Timothy A. Wise, *Triple Crisis Blog*, April 8, 2013
- [A year of squandered opportunities to resolve the food crisis](#), Timothy A. Wise and Sophia Murphy, *IATP Commentary*, January 31, 2013
- [Food Crisis Update: Main Drivers of Price Volatility Still Not Addressed](#), Timothy A. Wise and Sophia Murphy, *GDAE Globalization Commentary*, from *Triple Crisis Blog*, February 12, 2013
- [Climate Impacts on Agriculture: A Challenge to Complacency?](#) Frank Ackerman and Elizabeth A. Stanton, *GDAE Working Paper 13-01*, February 2013
- [Capital Account Regulations and the Trading System: A Compatibility Review](#), The Task Force on Regulating Global Capital Flows for Long-Run Development, March 2013
- [IMF's New View on Capital Controls](#), Kevin P. Gallagher and Jose Antonio Ocampo, *Economic & Political Weekly Vol - XLVIII No. 12*, March 23, 2013
- [External factors' crucial role in Brazil's slowdown](#), Kevin P. Gallagher, Letter to the editor of the *Financial Times*, March 27, 2013
- [Post-Crisis Capital Account Regulation in South Korea and South Africa](#), by Brittany A. Baumann and Kevin P. Gallagher, *PERI Working Paper No. 320*, April 2013
- [The Political Economy of Managing Capital Flows in South Korea and South Africa](#), Kevin P. Gallagher, *Triple Crisis Blog*, April 5, 2013
- [Don't Trade Away Financial Stability in Trans-Pacific Partnership Agreement](#), Kevin P. Gallagher, *Financial Times*, March 6, 2013

Coming Soon:

- "Understanding the links between food, fuel, and financial markets," Timothy A. Wise, *RIS Report*
- "Can we feed the world in 2050? An assessment of the evidence," Timothy A. Wise, *GDAE Working Paper*
- "Is there a Chinese Model of Development Finance?" Kevin P. Gallagher, *Inter-American Dialogue Policy Brief*
- A database of Chinese Development Bank projects in Latin America, Kevin P. Gallagher, *Inter-American Dialogue*
- Portuguese translation of "New Banks in Town," Kevin P. Gallagher
- "Bartering Globalization: China's Commodity Backed Finance in Africa and Latin America," Kevin P. Gallagher and Deborah Brautigam

The [Globalization and Sustainable Development Program](#) examines the economic, social and environmental impacts of economic integration in developing countries. The goal of the program is to identify policies and international agreements that promote sustainable development.



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