Rice, politics and power: the political economy of food insecurity in East Asia

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A thesis submitted for the degree of Doctor of Philosophy
The University of Queensland, 2016
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Abstract

This thesis has three main objectives: (1) to provide a critical political economy study of the complex interplay between rice, politics and power in East Asia; (2) to make a contribution to understanding the evolution of the regional and global food system through an historically-contextualised exploration of the political economy of rice in the East Asian region; and (3) to make a contribution towards an alternative analytical framework for the political economy of food insecurity in the region.

This study focuses on the agricultural commodity of rice as a prism through which to examine and explore the complex and multidimensional nature of food insecurity in the region, with rice providing a lens through which to explore social relations and relations of power that underpin the political economy of food and agriculture. This study has identified a gap in literature in relation to a contemporary analysis of the political economy of rice, with a second gap appearing in relation to the evolution of the global food system from an East Asian perspective. This thesis aims to make a contribution towards addressing these gaps in literature.

With these objectives in mind, this thesis responds to the following research questions and sub-questions: (1) What are the socio-political and economic characteristics of the commodity complex of rice in the East Asian region? What role does the political economy of rice play in regional food insecurity? (2) What does the political economy of rice in the East Asian region reveal about the characteristics of the contemporary global food system? To what extent do the socio-political and economic characteristics of the commodity complex of rice in the East Asian region contradict or reaffirm a ‘neoliberal corporate food regime’? (3) What does the political economy of rice in the East Asian region reveal about the Global Food Crisis of 2007–08? (4) What are the regional governance structures and institutions for the commodity complex of rice? How effective are these regional structures and institutions of governance, such as regional rice reserves, in addressing food insecurity?

To investigate these questions, this thesis adopts an interdisciplinary theoretical framework. This approach draws on the strengths of a variety of social and political science disciplines, including critical approaches to international political economy (IPE), rural sociology and agrarian political economy. The objective of this
collaborative interdisciplinary approach is to provide a more holistic exposition of the socio-political and economic dimensions of the commodity complex of rice and food insecurity in East Asia.

The thesis argues four main points. Firstly, due to the cultural, socio-political, and economic importance of rice in East Asia, few governments in the region have allowed the domestic rice sector to be influenced wholly by global market supply and demand forces. Rather, governments in the region routinely intervene in rice markets in an attempt to reconcile the paradoxical objectives of providing low rice prices for consumers and remunerative incentives to support the lives and livelihoods of farmers. Secondly, state-centric approaches to food security after the Global Food Crisis of 2007–08 have spatially and temporally reproduced food insecurities, moving these insecurities around geographically within the region. Thirdly, much of the critical agri-food literature to date has focused on the neoliberal characteristics of the corporate food regime. However, this literature has often overlooked the nuances in varieties of capitalism in East Asia, largely ignoring the rise of state capitalism and the emergence of neomercantilism. Finally, the East Asian rice complex is characterised by state-led capitalism and neomercantilism. The concept of a global ‘neoliberal/corporate food regime’ does not properly account for the agri-food sector in the East Asian region, nor does it capture the unique historical and cultural context of the region. Many states in the East Asian region, including China and Thailand, employ neomercantilist strategies in the rice sector.

The thesis makes four contributions to knowledge. Firstly, by adopting an interdisciplinary theoretical framework, this research makes a contribution to a broad range of agri-food literature in the fields of critical IPE, rural sociology and agrarian political economy. Secondly, it brings new conceptual knowledge and empirical information from case studies about China and Thailand into existing literature on the regional and global agri-food system, and the political economy of rice in East Asia. Thirdly, case studies about the Global Food Crisis of 2007–08 and the role of regional rice reserves in the East Asian region bring new conceptual knowledge and empirical information into existing literature on these topics. Finally, the thesis provides new analysis in relation to food regime literature, and makes a contribution to understanding the commodity complex of rice in the agri-food system of East Asia.
Declaration by author

This thesis is composed of my original work, and contains no material previously published or written by another person except where due reference has been made in the text. I have clearly stated the contribution by others to jointly-authored works that I have included in my thesis.

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Publications during candidature

**Refereed journal articles**

**Conference papers**


**Submissions**

MacMahon, Amy, Smith, Kiah, Muller, Jane, Belesky, Paul, Lawrence, Geoffrey and Brady, Michelle. 2013. Submission to the Senate Committee on Recent Trends in the Preparedness for Extreme Weather Events. Submission no. 35.
**Publications included in this thesis**


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<td>Paul Belesky (Candidate)</td>
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**Contributions by others to the thesis**

No contributions by others.

**Statement of parts of the thesis submitted to qualify for the award of another degree**

None.
Acknowledgements

This thesis was financially supported by an Australian Postgraduate Award, a University of Queensland Advantage Top-up Scholarship and the Queensland Government’s Smart Futures PhD Scholarship. I appreciatively acknowledge the facilities, academic support and travel funding provided by the School of Political Science and International Studies and the School of Social Science.

I wish to express my deeply felt gratitude and appreciation to my thesis supervisors, Emeritus Professor Geoffrey Lawrence and Dr Melissa Curley, for their invaluable insights, substantive guidance and ongoing encouragement with this project. One could not have asked for better teachers and mentors.

In part, this thesis was inspired by the life-long dedication to critical agri-food studies and academic work of Emeritus Professor David Burch, and the substantive conversations and discussions I had with him while he was based at The University of Queensland.

I also wish to thank my wife, Jacqueline Belesky, for her endless encouragement and steadfast support to continue my postgraduate studies, despite the many sacrifices along the way. It would not have been possible to see this project through to completion without her by my side.

I am grateful to my mother, Anne Belesky, who never had the opportunity to finish high school or attend university. Her passion for reading and her love of learning is an inspiration.

Mr Paul Belesky
The University of Queensland
2016
Keywords
Food security, food regime, food systems, international political economy, international relations, politics of food, rice, agri-food theory, East Asia.

Australian and New Zealand Standard research classifications (ANZSRC)
ANZSRC code: 160607 International Relations, 70%
ANZSRC code: 160606 Government and Politics of Asia and the Pacific, 30%

Fields of research (FoR) classification
FoR code: 1606 Political Science (International Political Economy), 80%
FoR code: 1608 Sociology (Rural Sociology) 20%
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List of abbreviations

ADB  Asian Development Bank
AFSIS  ASEAN Food Security Information System
AMIS  Agricultural Market Information System
ASEAN  Association of Southeast Asian Nations (member states include Brunei Darussalam, Cambodia, Indonesia, Lao People’s Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)
ASEAN+3  The ten ASEAN member states plus the People’s Republic of China, the Republic of Korea and Japan
APTEERR  The Association of Southeast Asian Nations Plus Three Emergency Rice Reserve
BRICS  Brazil, Russia, India, China and South Africa
CAP  Common Agricultural Policy
CCP  Chinese Communist Party
CFS  Committee on World Food Security
OTC CIF  Over-the-counter commodity index fund
COFCO  China National Cereals, Oils and Foodstuffs Corporation
DP  Democratic Party
EU  European Union
FAO  Food and Agricultural Organization
FDI  Foreign Direct Investment
FTA  Free Trade Agreement
GATT  General Agreement on Tariffs and Trade
GDP  Gross Domestic Product
GRiSP  Global Rice Science Partnership
G20  Group of 20
<table>
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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<tr>
<td>IFPRI</td>
<td>International Food Policy Research Institute</td>
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<td>IGO</td>
<td>International government organisation</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IPE</td>
<td>International political economy</td>
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<td>IR</td>
<td>International relations</td>
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<td>IRRI</td>
<td>International Rice Research Institute</td>
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<tr>
<td>MLR</td>
<td>Ministry of Land and Resources</td>
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<td>NGO</td>
<td>Non-government organisation</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>OFDI</td>
<td>Outward Foreign Direct Investment</td>
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<tr>
<td>OPEC</td>
<td>Organisation of Petroleum Exporting Countries</td>
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<td>OREC</td>
<td>Organisation of Rice Exporting Countries</td>
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<tr>
<td>PRC</td>
<td>The People’s Republic of China</td>
</tr>
<tr>
<td>PRSP</td>
<td>Poverty reduction strategy papers</td>
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<tr>
<td>SAPs</td>
<td>Structural adjustment programs</td>
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<tr>
<td>SOE</td>
<td>State-owned enterprise</td>
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<td>SWF</td>
<td>Sovereign wealth funds</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>US</td>
<td>United States of America</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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1 Introduction

This opening chapter begins by outlining the research objectives for this PhD research project and central research questions. This chapter provides an overview of literature, followed by an outline of the gaps in literature that have been identified and the proposed contribution to knowledge. The chapter concludes with a summary of the main arguments presented in this thesis. It provides an outline of the organisation of the thesis and chapter summations. This thesis focuses on the agricultural commodity of rice as a prism through which to examine and explore the complex and multidimensional nature of food insecurity in the region, with rice providing a lens through which to explore social relations and relations of power that underpin the political economy of food and agriculture. This study has identified a gap in literature in relation to a contemporary analysis of the political economy of rice, with a second gap appearing in relation to the evolution of the global food system from an East Asian perspective. This thesis aims to make a contribution towards addressing these gaps in literature.

1.0 Research objectives

This thesis has three main objectives: (1) to provide a critical political economy study of the complex interplay between rice, politics and power in East Asia; (2) to make a contribution to understanding the evolution of the regional and global food system through an historically-contextualised exploration of the political economy of rice in the East Asian region; and (3) to make a contribution towards an alternative analytical framework for the political economy of food insecurity in the region.

1.1 Research foci

With these objectives in mind, this thesis responds to the following research questions and sub-questions:

1. What are the socio-political and economic characteristics of the commodity complex of rice in the East Asian region? What role does the political economy of rice play in regional food insecurity?

2. What does the political economy of rice in the East Asian region reveal about the characteristics of the contemporary global food system? To what extent do the socio-
political and economic characteristics of the commodity complex of rice in the East Asian region contradict or reaffirm a ‘neoliberal corporate food regime’?

3. What does the political economy of rice in the East Asian region reveal about the Global Food Crisis of 2007–08?

4. What are the regional governance structures and institutions for the commodity complex of rice? How effective are these regional structures and institutions of governance, such as regional rice reserves, in addressing food insecurity?

1.2 Summary of main arguments
The thesis argues four main points. Firstly, due to the cultural, socio-political, and economic importance of rice in East Asia, few governments in the region have allowed the domestic rice sector to be influenced wholly by global market supply and demand forces. Rather, governments in the region routinely intervene in rice markets in an attempt to reconcile the paradoxical objectives of providing low rice prices for consumers and remunerative incentives to support the lives and livelihoods of farmers. Secondly, state-centric approaches to food security after the Global Food Crisis of 2007–08 have spatially and temporally reproduced food insecurities, moving these insecurities around geographically within the region. Thirdly, much of the critical agri-food literature to date has focused on the neoliberal characteristics of the contemporary corporate food regime. However, this literature has often overlooked the nuances in varieties of capitalism in East Asia, and largely ignoring the rise of state capitalism and the emergence of neomercantilism. Finally, the East Asian rice complex is characterised by state-led capitalism and neomercantilism. The concept of a global neoliberal food regime does not properly account for the agri-food sector in the East Asian region, nor does it capture the unique historical and cultural context of the region. Many states in the East Asian region, including China and Thailand, employ neomercantilist strategies in the rice sector.

1.3 Overview of literature
1.3.1 The politics of rice and power in East Asia: towards an understanding of the East Asian food system
Food insecurity is a significant challenge for a globalising East Asian region, with local food systems becoming increasingly integrated into globalised markets and global commodity value chains. This broader reconfiguration of the East Asian food system is occurring in the context of a demographic shift, with rapid population growth in urban populations and changing food consumption patterns (Dawe et al. 2014). According to Dawe et al. (2014: v):

The role of rice in East and Southeast Asia is shifting along with broader societal changes including changing economic structures, demography (including rapid urbanization), rising incomes and major changes in food consumption patterns. Nevertheless, the political economy of rice remains exceedingly complex within the region. Governments continue to employ an array of instruments to realize or balance among differing objectives and address the interests and pressures of different stakeholders. Rice remains closely tied to food security imperatives, but increasingly also to improving the incomes of rice producers, realizing commercial trade objectives, and, more recently, lowering the environmental footprint of agriculture in major rice-growing areas.

Over half the world’s human population is now living in cities, and it is predicted that by the mid twenty-first century, 70 per cent of Asia’s population will live in urban centres and cities (Dawe et al. 2014; Teng, Jackson and Escaler 2011). This profound urban shift has significant implications for individuals, households, rural communities and urban consumers in relation to the availability and affordability of, and access to, culturally appropriate, safe and nutritious food in the region (Timmer 2010). This shift also has substantial consequences for the lives and livelihoods of peasant farmers and rural families. As an essential staple food, rice is intrinsically linked to notions of ‘food security’ in East Asia and is often the focus of state-led food security imperatives and initiatives. Due to the cultural, socio-political, and economic importance of rice in East Asia, few governments in the region have allowed the domestic rice sector to be influenced wholly by global market supply and demand forces. Rather, governments in the region routinely intervene in rice markets in an attempt to reconcile the objectives of providing low rice prices for consumers and remunerative incentives to support the lives and livelihoods of farmers (Bazoobandi 2014; David and Huang 1996).

The politics of food insecurity in an increasingly urbanised and globalised East Asian region lies in the increasing trend towards the disembedding of local peasant-based, culturally-delineated production and consumption patterns, with correlative social ties and connections to households, families and local communities (Bazoobandi
Often it is the most vulnerable in society — rural landless labourers, small-scale producers, peasant farmers and the urban poor — who suffer most from food insecurity, hunger and malnutrition, particularly during times of food prices volatility and instability in the global food system. Paradoxically, small-scale producers and peasant farmers still produce a majority of the world’s food and a majority of rice in East Asia (Falvey 2010). Pant (2014: 121) provides an articulate elucidation of this emergent challenge:

Asia’s incremental engagement with globalising processes is the key driver of its growth and transformation. The structural shift in economy in favour of the manufacturing and service sector is having a bearing on its agricultural sector and food security. Though the share of agriculture in domestic production is shrinking, it retains a strategic salience because a majority of people continue to rely on it for their livelihood. Further, with the growing population and surging number of middle class, the food economy has been under pressure both qualitatively and quantitatively. The strategy to meet the emerging food gap by integrating local food production into the global value chain is changing the dynamics of the Asian food regime by transforming agriculture from peasant based production to industrial agriculture.

On one hand, the politics of food insecurity in East Asia are epitomised by the complex interplay of power dynamics between the cultural political economy of local, national and regional food systems and the neoliberal market logics and globalising processes of the contemporary global corporate food system (Pant 2014). As Young (2012:10) confirms, ‘the current food system has evolved in response to specific historical, political, and economic circumstances; it is not a natural system, but a socially constructed one which reflects patterns of power and privilege’. This insightful reflection on the agri-food system finds resonance in Pritchard and Burch’s (2003: 1) assertion that, ‘agri-food globalization is a contested historical process, featuring a complex interplay of developments at varying scales and in different geographical territories’. Agri-food globalisation is indeed a highly contested historical process shaped by patterns of power and privilege in the global political economy, and as such, it is far from an inevitable process (Pant 2014; Pritchard and Burch 2003; Young 2012).

1.3.2 The paradoxes of food insecurity in the global food system
An exploration of global hunger and undernourishment and its historical context is critical for comprehending the causes and consequences of contemporary food insecurity. In comprehending hunger in the midst of plenty, it is critical to ‘delve deeply into the global paradox’ of ‘the stuffed and the starved’ in order to ‘analytically frame
core issues and root causes before positing solutions’ (Holt-Gimenez 2010: xxiii; Patel 2009a). De Schutter (2009: 1), the UN Special Rapporteur on the Right to Food, describes the paradox of hunger in the midst of plenty:

We need to address the question of global hunger not as one of production only, but also as one of marginalization, deepening inequalities, and social injustice. We live in a world in which we produce more food than ever before, and in which the hungry have never been as many.

It is estimated that 12.5 per cent of the global population, or one in eight people, are undernourished (FAO 2012). In the Asia–Pacific region alone, it is estimated that 578 million people are undernourished (FAO 2011). At the same time, it is estimated that up to 1.3 billion tonnes of food — close to a third of all food produced globally — is wasted, and over a billion people suffer from obesity and overconsumption (FAO 2012). This paradox is apparent in Sen’s (1986: 1) description that ‘starvation is the characteristic of some people not having enough to eat. It is not the characteristic of there not being enough food to eat’. In his seminal analysis of the social, political and economic transformation during the Industrial Revolution, Polanyi (1944: 80, 85) situates this paradox historically and provides a vivid elucidation of the contradiction of hunger in the midst of plenty, arguing:

Pauperism, political economy, and the discovery of society were closely intertwined. Pauperism fixed attention on the incomprehensible fact that poverty seemed to go with plenty. Yet this was only the first of the baffling paradoxes with which industrial society was to confront modern man. He had entered his new abode through a door of economics, and this adventitious circumstance invested the age with its materialist aura… no wonder the contemporaries were appalled at the seeming contradiction of an almost miraculous increase in production accompanied by near starvation of the masses.

Despite the apparent abundance produced by the industrialised food system, this paradox remains as evident today as it was then (Patel 2009a). Sahlins (1974: 174) eloquently addresses this inherent contradiction:

This is the era of hunger unprecedented. Now, in the time of the greatest technical power, is starvation an institution. Reverse another venerable formula: the amount of hunger increases relatively and absolutely with the evolution of culture.

Young’s (2012) work provides a systemic analysis of the social, political and economic dimensions of food. Young considers food and agriculture as a lens through which to explore social relations and explain the developmental project, mapping the geography of global inequality and the inherent contradictions and paradoxes of
orthodox approaches to development. Young’s systemic analysis provides a comprehensive critique of ahistorical, apolitical economistic accounts of the Global Food Crisis that are focused on symptoms, not the underlying structural, relational and ideational causes. According to Young (2012: 1), ‘the current food system has evolved in response to specific historical, political, and economic circumstances; it is not a natural system but a socially constructed one which reflects patterns of power and privilege’.

Young (2012) reviews the symptoms of the contemporary Global Food Crisis, and makes the critical analytical demarcation between proximate and structural causes. This paper adds the following caveat to this demarcation: including the term relational alongside structural. Placing the causes of the Global Food Crisis within an historical context, Young provides a panorama of the politics of food in the past and present. The causes of the Global Food Crisis are immensely complex and interconnected; therefore, this type of delineation does have its limitations. Nonetheless, it does highlight that many of the causes of the Global Food Crisis have a long historical trajectory that map closely to the contours of power and privilege that have shaped the system. Young’s work adds further support to the argument that the global food system, due to its nature, has been in a state of perpetual crisis.

Young’s analysis demonstrates that enduring inequalities are often reproduced through the substantive social relations and relations of power that constitute the contemporary global food system. It is those who experience enduring inequalities that are most vulnerable to food insecurity, particularly during times of food price volatility and instability in the global food system. Small-scale producers, subsistence and peasant farmers who produce a majority of the world’s food are nevertheless vulnerable to food insecurity, hunger and malnutrition (Bello 2009).

1.3.3 Contesting food insecurity in the global food system
Food security is a fundamentally contested concept — it has been widely debated and much confused and, since its inception, has ‘evolved, developed, multiplied and diversified’ (Maxwell 1996: 155). Smith et al. (1992) and her colleagues have mapped close to two hundred different definitions of the term. Orthodox definitions of food security decontest the concept through hegemonic discourses underpinned by ideas and
assumptions that marginalise alternative conceptions and constitute a type of common sense amongst policy makers and analysts.

The dynamics of food insecurity are complex and multi-faceted. Understanding the dynamics of food insecurity requires an analytical framework capable of comprehending the complexities of the social, political, economic, environmental and ethical dimensions of this issue. While the concept of food security is highly contested, it broadly relates to the physical availability and access to food, as well as to its affordability and utilisation (FAO 2011). According to Nutzenadel and Trentmann (2008: 1–2):

Most existentially, food is about survival… it is ingested and digested, its nutrients being broken up and absorbed by our bodies, our organs and tissues. Food becomes part of us. It should, therefore, not be surprising that food is an important source of personal identity and public anxieties.

A critical exploration of the broader politics of food is crucial to understanding the ideas and assumptions that underpin the orthodox conception of food security (Caballero et al. 2006). Food security has become a dominant discourse and policy framework in national, regional and global governance. It is critical, when discussing food security, to critically reflect on the questions of how food is being secured and for whom (Burke and McDonald 2007; Shepherd 2013). While these questions are not the primary focus of this paper, they remain an important consideration in relation to an analysis of food insecurity. According to Hoffstaedter and Roche (2012: 152):

It is important to note that much of security, and in turn insecurity, is largely subjectively defined: ‘what to some may represent security might to others mean insecurity’ (Horst 2006: 48-49). Therefore, when we talk about security, this is intricately connected with notions of insecurity.

A commonly used definition from the FAO (2009a, 2009b: 8) describes food security as a ‘situation that exists when all people at all times have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life’. Food insecurity exists ‘when people do not have adequate physical, social or economic access to food as defined above’ (FAO 2009a, 2009b: 8). As indicated earlier, within this orthodox definition is an implicit assumption of maximising food production and enhancing food access opportunities, without particular attention to how, where and by whom food is produced. This common
definition is also uncritical of current patterns of food consumption and distribution. Some scholars have critiqued this orthodox approach, arguing that it is not a food systems approach, production is assumed not specified, the environment is downplayed and power is ignored (Holt-Giménez et al. 2009; McMichael 2009a, 2009b, 2010a, 2010b; Patel 2009a, 2009b). The alternative concepts of food sovereignty and food democracy that contest control and the relations of power in the food system have emerged out of this systemic critique. These philosophies call for more localised and democratic food systems that provide more support for the livelihoods of small-scale rural producers and peasant farmers, and employ sustainable agro-ecological methods (Holt-Giménez and Patel 2009; Patel 2009b; Rosset 2006; Shiva 1992, 2000, 2009).

1.3.4 Food sovereignty
In contrast to the high-tech commercial/industrialised agriculture that is heavily dependent on petro-chemicals and fertilisers, food sovereignty movements call for a more localised, culturally-grounded, environmentally-sustainable and economically-equitable approach to farming (Altieri 2009). It is important to remember that peasants and small-scale rural producers make up almost half of the world’s population, and provide at least 70 per cent of the world’s food (Rosset 2006). The term food sovereignty was devised to recognise the political and economic power dimensions inherent in food and agricultural debates. Food sovereignty has been broadly defined as a right of nations and peoples to control their own food systems, including their own markets, production modes, food cultures and environments. As a movement, it has emerged as a critical alternative to the dominant neoliberal model of industrial agriculture and trade liberalisation (Holt-Giménez and Patel 2009; Patel 2009b; Rosset 2006). From this critical perspective, the Global Food Crisis of 2008 is a crucial contemporary conjuncture in the long historical trajectory of an ongoing crisis of the ‘neoliberal corporate food regime’ (McMichael and Buttell 1990; McMichael 2000b; 2006; 2008; 2009a; 2009b).

1.3.5 Reconceptualising food security
The University of Warwick’s innovative and interdisciplinary food security research hub has broadened the orthodox definition of food security, redefining food security and adopting a multi-dimensional perspective. The definition incorporates the following key points:
1. That all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.

2. That people, local communities and nation states can build resilience in the face of significant environmental and social disruptions.

3. That people can have confidence in an assured supply of sufficient and appropriate food, at affordable prices, now and for future generations (University of Warwick 2015).

While this definition still acknowledges the central role of the state, it encompasses a more holistic notion about building localised, community-based, sustainable food systems and broadens the discourse to encompass resilience in facing the challenges of global environmental change. While this definition broadens the analytical scope of food security, it has limited depth in relation to the socio-political, economic and normative dimensions of food insecurity, including enduring and emerging social inequalities and injustices that can affect the affordability of culturally appropriate food and access to sufficient, safe and nutritious food (Bakker and Gill 2003; Pottier 1999). This definition could be further deepened through a more substantive engagement with the politics of food and the unequal relations of power in the agri-food system (Young 2012). These critical issues are addressed directly with the concept of food sovereignty discussed in the previous section. Nonetheless, this definition does broaden and deepen the concept of food security by adopting a holistic and multi-dimensional perspective on the concept.

1.3.6 The nature-focused and society-focused approaches to the food problem

Fundamentally, these contestations raise critical questions about the nature and purpose of the food system. This section provides an analysis of both nature-focused and society-focused approaches to the food problem as identified by Sen (1983). The philosophical and ideological tensions in this question are deep and have a long history, and there are ongoing debates between (neo)Malthusians, or those who ascribe to the

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1 These two categories are useful for the purpose of this paper; however, they can be misleading and overly simplistic. Many scholars do incorporate both socio-political and ecological issues in their analysis (Lawrence et al. 2010; Magdoff and Tokar 2010; McMichael 2013; Rosset 2006; Shiva 2009; Weis 2007).
ideas and assumptions of the nature-focused perspective of Thomas Robert Malthus, and contemporary economists like Sen (1983), who argue from a society-focused perspective that there is no ahistorical or apolitical food problem. For Sen (1981, 1983 1986, 1992), food security is fundamentally about the issues of access and entitlement, rather than simply being focused on food production, availability and population growth.

1.3.7 Nature-focused approaches

Rapid industrialisation and the growth in urban populations in East Asia have contributed to the decline, and a growing scarcity, of agricultural land (Sombilla and Hossain 2000, Sombilla et al. 2002). As mentioned, according to Teng, Jackson and Escaler (2011: 1), ‘Over half the world’s human population is now living in cities; in Asia, at least 70 per cent will live in cities by 2050’. This crucial demographic shift highlights the ‘importance of the nexus between growing food and sustaining the environment to support farming’ (Teng, Jackson and Escalor 2011: 1). Economic growth and industrialisation in the region have facilitated competing demands for this valuable productive resource, with a diversion of arable land to meet the demands of rapid urbanisation and subsequent demands for housing, factories and roads (Sombilla and Hossain 2000: 42). Arable land per capita has been diminishing in recent decades in many East Asian countries (Sombilla and Hossain 2000).²

Some scholars have predicted that soil and water deterioration will continue to be a crucial challenge in relation to food insecurity in the East Asian region in future years (Mukherjee 2008, 2009). The environmental factors of soil and water degradation and declining arable land will directly impact upon rice and grain production in upcoming years, and will strongly influence the harvest and supply of rice and grain over the next decade.³ Some scholars contend that the nature-focused approaches — while

² For example, in China alone, arable land per capita declined from 0.14 in 1965 to 0.008 in 1995 (Sombilla and Hossain 2000: 42). In 2006, China officially ‘set a “red line” to guarantee that its arable land never shrinks to less than 1.8 billion mu (120 million hectares) to ensure food security’ (Huang et al. 2002: 8). The rice area harvested in China declined from 37 million hectares in 1976 to about 31 million hectares in 1997 (Sombilla and Hossain 2000: 42). China harvested 30 million hectares of rice in 2011. In Java, Indonesia, nearly ‘50,000 ha of land is taken out of rice cultivation every year’ (Sombilla and Hossain 2000: 42).

³ The Asia Society and International Rice Research Institute (IRRI) in the Philippines have warned that the world needs to produce 8–10 million tonnes more rice every year to ensure a reliable supply of the grain and keep the price affordable (IRRI 2010). The
foregrounding some important environmental issues — often overlook and marginalise the critical social, political, economic and normative issues that are at the core of the food problem (Sen 1986).

1.3.8 Society-focused approaches

Enduring inequalities are often reproduced through the substantive social relations and relations of power that constitute the contemporary global food system. It is those experiencing enduring inequalities who are most vulnerable to food insecurity, particularly during times of food price volatility and instability in the global food system (Sen 1992; Sen and Dreze 2001).

In his analysis of the social anthropology of food security, Pottier (1999: vi) proposes that ‘the social dynamics of food security, as lived and perceived by those who suffer insecurity, must be reclaimed if the policy debate on food security is to emerge out of its impasse’. One of the prevalent critiques of orthodox discourses and official debates that frame the concepts of food security and insecurity is that they are often disengaged from the lived experience and everyday realities that food-insecure people face (Pottier 1999). For Pottier (1999), food is a profoundly social object around which social relations and cultural phenomena are produced and reproduced. While there is growing awareness among policy makers and officials responsible for food security planning that the issue of food insecurity is multi-faceted, the normative and discursive frames employed by the orthodox approach ‘have little affinity to the complex social worlds food-insecure people inhabit’ (Pottier 1999: vi). Nor do these approaches comprehend the constellation of complex social relations and cultural contexts within which and through which food insecurity is produced and reproduced (Pottier 1999: vi). According to Pottier (1999: vi):

Official debate, as the 1996 World Food Summit in Rome reminded us, now assumes a uniform language for problem identification and solving; a language which speaks of the ‘enabling policy environments’ and ‘poverty alleviation’, but shies away from discussion of the power imbalances that underpin and perpetuate existing forms of social inequality and injustice.

The world will have to produce 25 per cent more rice over the next 25 years, with Asia needing an estimated 67 per cent more rice than at present (Trethewie 2012).
Pottier’s (1999) seminal study examines the lived experiences and varied situated perspectives of food insecure people across the globe, with intent to provide an elucidation of the social and political relations that underpin and reproduce enduring forms of inequality, injustice and food insecurity.

Pottier’s analysis finds support in Young’s (2012) work on the relationship between food and development. Young (2012) provides a systemic analysis of the social, political and economic dimensions of food. Young employs this analysis of food and agriculture as a lens through which to explore social relations and explore the developmental project, mapping the geography of global inequality and the inherent contradictions and paradoxes of orthodox approaches to development. At the core of Young’s (2012: 2) analysis is the contention that ‘the food system has become one of the most significant ‘globally embedded networks of production and consumption’.

The arguments outlined find resonance in the earlier research of Nutzenadel and Trentmann (2008) on food and globalisation. These scholars assert that from a historical perspective, the socio-political organisation of food — the modes of production, distribution and consumption — have long been socially and politically constituted and contested (McMichael 2012b; Nutzenadel and Trentmann 2008). According to McMichael (cited in Bakker and Gill 2003: 169):

> In the past half century, food security has functioned as an enabling concept in the development arsenal. Its changing meaning reflects the transformation of the development ideology, from a public project of deploying foreign aid to support the ideal of the ‘development state’, to a private project of marketing of the state and deepening the commodification of food.

Reporting the ideas and assumptions that underpin orthodox economic approaches to the concept of food security, McMichael (cited in Bakker and Gill 2003: 169) argues ‘food security, like development, is a universal ideal. But like development, food security is ultimately a political relationship’. McMichael contends that the concept of food security is fundamentally constituted in and through social and political relations, which include relations of power.

### 1.4 Rice, politics and power: the political economy of food insecurity in the East

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4 McMichael (2012b: 60) contends that the ‘privileging of exchange-value over use-value (‘ecological capital’ including farming knowledge) subordinates agriculture to a financial calculus at the expense of socio-ecological sustainability’.
Asian region

There is increasing awareness that food insecurity is one of the most critical and complex issues facing the East Asian region, and indeed the world (Ingram et al. 2010; Lang and Heasman 2004; McDonald 2010; Pandey et al. 2010). Rice is the staple food for three and a half billion people globally, most of whom live in Asia (Dawe et al. 2014). Mangahas (1974) adeptly charts the historically nuanced and culturally complex contours of the profound interplay between rice, politics and power in East Asia. According to Mangahas (1974: 295):

> In many parts of Asia, rice has always been known as a political commodity. Knowledge of its political setting, structure, and conflicts is necessary for an understanding of the rice economy and government policies toward it. One needs a model in which the relationships, variables, and parameters are political as well as economic. A number of important developments in the rice economy — changes in prices, production, consumption, farmers’ incomes, and so on — may be traced to changes in the political components of the model.

In order to grasp the multifaceted relationship between rice, politics and power, it is crucial to comprehend the importance of rice production, consumption and trade in East Asia. Approximately 90 per cent of the world’s rice is produced and consumed in Asia. This is influenced by a complex array of factors, including historical and cultural heritage, the favourable climatic conditions of Monsoonal Asia and the relatively low costs of production (Trethewie 2012). Each year, close to 700 million tonnes of paddy rice result in 450 million tonnes of milled rice being produced, with over 90 per cent of the production concentrated in Asia. China and India account for almost two-thirds of this production, with Thailand, Vietnam, Indonesia, Pakistan and Myanmar making up the balance. International trade in rice is only around 30 million tonnes, with Africa and Asia making up over 85 per cent of the internationally traded rice volume (Dawe 2010). This equates to merely 7 per cent of all rice produced being traded across borders.

As rice is a ‘thinly’ traded agriculture commodity, it is vulnerable to price volatility (Timmer 2013). The concept of a ‘thinly’ traded commodity refers to the fact that only a small amount of all annual global rice production is traded across borders on global markets (Dawe et al. 2014; Timmer 2013). The vast majority of domestic rice production in East Asia is consumed domestically (Dawe et al. 2014). As the global rice trade represents such a small percentage of overall global rice production and consumption, it is considered vulnerable to price fluctuations and volatility, as evident
during the rice price surge of 2007–08. This important event is discussed in detail later in Chapter 6. Rice accounts for half the food expenditure and one-fifth of total household expenditure for the rural landless and urban poor in Asia (IRRI 2010). According to David and Huang (1996: 463) from the China National Rice Research Institute:

Rice continues to be the most important food staple in Asia, contributing 40–80 per cent of total calorie intake. Rice is also the major source of livelihood of small farmers and agricultural laborers in this region, where at least two-thirds of arable land is planted to rice. At least half of that rice area is rain-fed and vulnerable to drought and floods. Even in irrigated areas, higher cropping intensity has increased pest problems, contributing further to the production instability that characterizes the rice economy of monsoon Asia.

Rice is an essential staple for sustenance and survival — it was also one of the first commodities to be traded on the international market. In Asia, rice has been traded across borders for millennia (Barker et al. 1985; Falvey 2000; Latham 1998). It has long been a profoundly political commodity — around which social relations, cultural phenomena and relations of power are formed and transformed (Cai 2010; Mangahas 1974; Ponciano and Marissa 2008; Tadem 1986). David and Huang (1996: 463) contend:

Because of the economic and political importance of rice in Asia, no government has left its domestic rice sector freely influenced by market demand and supply forces. Invariably, the central food policy question confronting Asian governments is how to reconcile the conflicting objectives of providing low rice prices to consumers and remunerative incentives to farmers. Maintaining stable domestic rice prices to both consumers and producers is a separate and equally important concern. Moreover, given the political importance of rice and the instability of the world rice market, most Asian countries aim for rice self-sufficiency rather than rely on international trade to pursue their food security goals. Among rice exporters, on the other hand, raising government revenues from rice exports is another policy objective.

A prolonged surge in prices of staple foods, such as rice, will directly impact on the domestic economies of countries that are net importers of food in the East Asian Region. As mentioned, food insecurity caused by price volatility has the most dramatic impact on the most vulnerable segments of society within these food import dependent countries. For this reason, governments routinely intervene in domestic rice markets to ensure socio-political stability and economic objectives. The interventions take many forms: subsidies and taxes on inputs and output, government control on international
trade, and direct participation in marketing through procurement and distribution of grains. As Trethewie (2012: 2) conveys:

The regional rice market is seen merely as a platform for offsetting supply and demand imbalances in order to achieve domestic rice price stability. Governments play a heavy-handed role in the rice economy in comparison to other agricultural commodities, particularly through tariffs, subsidies and farmer assistance programmes. Many government interventions were established decades ago when the sector was more vulnerable, and... these policies have carried through to today. Government bodies are involved in the trade and distribution of rice, in importing countries and exporting countries alike. Private traders are, however, playing an increasingly prominent role.

This study aims to make an empirical and conceptual contribution to understanding these state-led interventions in the rice sector. Specifically, the state-led interventions in China’s agri-food system will be discussed in detail in Chapter 4 and a detailed case study of the rice subsidy scheme in Thailand will be examined in Chapter 5. Chapter 6 provides a case study of state interventions in the regional and global rice market during the global food crises of 2007–08. However, it is important discuss the gaps in literature before outlining the purpose of this thesis and the proposed contribution to knowledge.

1.5 Gaps in literature
There is a gap in literature in relation to a contemporary analysis of the political economy of rice in the regional and global food system. It has also been identified that there is a gap in literature in relation to the evolution of the global food system from an East Asian perspective. This study aims to make a contribution to understanding the evolution of the regional and global food system through an exploration of the political economy of rice in the East Asian region. This study seeks to move beyond the market logic of neoclassical and orthodox economic analysis, which renders rice as merely another commercial or purely economic commodity. In contrast, this study aims to take an innovative interdisciplinary critical IPE approach.

This approach draws on the strengths of a variety of social and political science disciplines, including IPE, rural sociology and agrarian political economy, and other critical agri-food literature and scholarship. Arguably, both critical IPE and agrarian political economy are two such disciplines that have theoretical foundations in classical political economy, and both disciplines have much to offer in relation to understanding the political economy of the global food system. The cross fertilisation of these
disciplines has much to offer conceptually and empirically. IPE scholarship and literature has much to contribute to critical agri-food studies, with its rich conceptual and empirical work in understanding the global political economy. Ironically, critical agri-food studies and scholarship are often marginalised within the discipline of IPE. This is despite the constitutive role that these relations have played historically in the construction of the inter-state system and their substantive significance in contemporary global political economy. There are a few excellent scholarly expectations to this account: these scholars will be discussed in more detail in Chapter 3.

The current (re)configuration of the global food system and its socio-political and economic dimensions has substantive significance for comprehending the broader configuration and transformation of the contemporary global political economy. Hence, critical agri-food scholarship including rural sociology, social anthropology, human and economic geography and agrarian political economy — to name but a few social science disciplines — have much to contribute towards a critical IPE perspective of the global food system and the political economy of food and agriculture. The objective of employing this interdisciplinary critical IPE approach is to provide a more holistic exposition of the socio-political and economic dimensions of the commodity complex of rice and food insecurity in East Asia.5

Holslag (2006) and Taylor (2014) have produced comprehensive studies on China’s state-led neomercantilist strategy in the oil and energy markets; however, despite the global agri-food and energy markets becoming increasingly integrated, there has been no study to date exploring China’s state-led capitalism and neomercantilist strategy in the agri-food sector. Holslag (2006) has provided a detailed study of China’s new mercantilism in relation to energy resources in Central Africa. Farnsworth (2011) has investigated China’s emerging role in the resource sector in the America’s depicting it as ‘a new type of mercantilism’. In a recent paper about resources policy, Humphreys (2013) outlined the ‘politics shaping world metal supply’ and described the

5 It is important to note here the comprehensive work of Dawe (2010) on the 2008 rice price spike; however, this study employed an orthodox economic and neoclassical approach to rice as a commodity, utilising economic modelling. Also, from a holistic perspective, there are deep ecological dimensions to understanding the production of rice in East Asia. This study does touch on some of these ecological dimensions; however, it is beyond the scope of this thesis to engage with substantive ecological issues and debates in relation to rice production — refer to the substantive work on political ecology of food and agro-ecology of Altieri (2009) and Shiva (1992, 2000, 2009).
contemporary politics in this strategic resource sector as ‘new mercantilism’. These scholars are not alone in their analysis. Rodrick (2013) and Uzunidis (2011) have written extensively on what they describe as ‘new mercantilism’ and how it is transforming the contemporary global political economy. From a food regime perspective, McMichael (2013a) has recently investigated ‘land grabbing as security mercantilism in International Relations’. This pioneering study has created space for further research about new forms of mercantilism in the agri-food system and the complex relationship between new forms of mercantilism and state-led capitalism. To date, with the exception of a few scholars such as Potter and Tilzey (2005) and McMichael (2013a), there have been very few studies of ‘state capitalism’ and ‘new mercantilism’ in the contemporary global food system. This study aims to make a contribution towards addressing these gaps in the literature through a study of the commodity complex of rice in East Asia.

1.6 Proposed contribution to knowledge

The thesis makes four main contributions to knowledge. Firstly, by adopting an interdisciplinary theoretical framework — that will be outlined in detail in the next chapter — this research makes a contribution to a broad range of agri-food literature in the fields of critical IPE, rural sociology and agrarian political economy. Secondly, it brings new conceptual knowledge and empirical information from case studies in Chapter 4 and Chapter 5 about the political economy of rice in East Asia. In addition, the case studies will make a contribution to comprehending the political economy of the agri-food sectors in China and Thailand and bring a nuanced ‘regional perspective’ into existing literature about the global agri-food system. Thirdly, case studies in Chapters 6 and 7 about the role of rice in the Global Food Crisis of 2007–08 and the role of regional rice reserves in the East Asian region aim to bring new conceptual knowledge and empirical information into existing literature on these topics. Finally, the thesis provides new analysis in relation to food regime literature, and makes a historically contextualised contribution to understanding the commodity complex of rice in the agri-food system of East Asia.

This study aims to make a contribution to conceptual knowledge in relation to understanding the relationship between food and concepts of power (Mintz 1995). It
seeks to comprehend the contemporary politics of food through mapping the critical interconnections between rice, politics and power in East Asia. As Mintz (1985: 214) argues, ‘in understanding the relationship between the commodity and the person, we unearth anew the history of ourselves’. This single commodity — rice — provides a substantive focal point through which to explore social relations and relations of power in the East Asian region. While some scholars employ cultural and social anthropological methods to specifically study rice using these methods, this study is not primarily focused on rice in this way. Rather, it focuses on rice as a crucial socio-political and economic commodity in the region. Overall, this study aims to make a contribution towards a deeper understanding of the role of the commodity complex of rice in the regional and global agri-food system and global political economy.

1.7 Organisation and chapter synopses

In order to outline and substantiate these main arguments, the thesis is divided into eight chapters:

This opening chapter has explained the impetus for commencing this PhD research project. This chapter has outlined the gaps in literature and discussed the proposed contributions to knowledge for the study. It has provided an overview of the research problem, research objectives and central research questions. Finally, this chapter has concluded with a summary of the main arguments presented in this thesis.

Chapter 2 outlines the methodological considerations in this study and discusses the qualitative methodology and data collection methods employed in this thesis. It explains — and substantiates with reference to relevant literature — the interdisciplinary theoretical framework employed in this thesis. It defines East Asia as a geographical region and discusses the merits of a regional approach to food system analysis and the commodity complex of rice. It then proceeds to discuss the significance of the East Asian region in the global political economy and explains the importance of the cultural political economy of rice in East Asia. The final section of the chapter maps the rice import–export complex in East Asia.

Chapter 3 examines state-led intervention in agri-food markets, and the development of neomercantilism and its role in the evolving global food regime. The first section provides an overview of food regime literature. This is followed by an exploration of
the historical legacies of the first and second food regime. The subsequent section discusses the debates in relation to an emerging third food regime. Following this discussion is an analysis of the incipient importance of South–South relations and trade in an increasingly multipolar global food system. The final sections of this chapter explore the conceptual linkages between the rise of state capitalism and the advent of neomercantilism and its implications for the global food regime. The implications of the proliferation of state-owned enterprises (SOEs) and sovereign wealth funds (SWFs) and their role in securing global supply chains for food, feed and fuel through the acquisition of foreign land and natural resources are examined. The chapter concludes by outlining the paradox of state-led capitalism and neomercantilism in the global food system.

Chapter 4 provides an analysis of the rice commodity complex and agri-food sector in China. This chapter opens with a discussion of the historical and cultural origins and importance of rice in China. The following section provides an analysis of contemporary food insecurity in China. After many years of pursuing a policy of national self-sufficiency in rice, China has recently become a major importer of grains and vegetable oils. In the context of increasing ecological degradation, some scholars contend that China is increasingly food insecure. Comprehending these emergent food insecurities is crucial to an understanding of state-led capitalism with Chinese characteristics and nascent neomercantilist strategies in the agri-food sector — including rice. The succeeding sections examine the role of China’s largest state-owned food company, COFCO, and its emergent role in the global food system. COFCO plays a central role in the entire rice commodity chain in China, including production, processing, distribution, and exports and imports. In the final sections, an analysis is provided of the dynamics of COFCO’s evolving role in securing global supply chains of food, feed and fuel in the global agri-food system.

Chapter 5 explores the historical legacies of rice, politics and power in Thailand. The second section of the chapter provides a historically contextualised analysis from a world-historical perspective of Thailand’s agri-food system in the first and second food regime. It also discusses the implications for Thailand of a nascent third food regime. The subsequent sections outline the political economy of rice and food insecurity in Thailand, as well as the impact of the Global Food Crisis of 2007–08. The succeeding
section provides an analysis of the key stakeholders and structural power in the Thai rice industry. The final major section includes a case study of the rice pledging subsidy scheme in Thailand, advancing the argument that this is an insightful example of state-led capitalism in the rice sector with unique Thai socio-cultural characteristics.

Chapter 6 focuses on a case study of global food prices during 2007–08. This price spike has been identified as a seminal event in the ongoing crises in the global food system. Scholars and researchers have often referred to this event as the Global Food Crisis of 2007–08. A number of scholars have identified the 2008 food price crisis as a ‘critical conjuncture’ in the long historical trajectory of the global food system, and one that requires further research. This chapter will focus on this significant event in order to gain a deeper understanding of the implications for food insecurity in the East Asian region. This event has contemporary significance, as many underlying systemic issues that produced the surge in food prices between 2007 and 2008 continue to exist today — contributing to ongoing food price volatility and global food insecurity. These socio-political and economic issues will be discussed in more detail throughout this chapter. This chapter outlines the broader historical context of a food system that has long been in crisis.

Chapter 7 proposes that many underlying systemic issues that produced the surge in global food prices in 2007–08 — discussed in the previous chapter — continue to exist today. This chapter presents the argument that these complex and interconnected transnational issues are difficult to address solely on a national basis, instead requiring broader regional cooperation. This chapter opens with a regional perspective of food insecurity in East Asia. The following section provides an analysis of regional food reserves and the broader debates around food reserves as a ‘public good’. The subsequent section discusses regional cooperation and policy responses following the Global Food Crises of 2007–08. The latter half of chapter provides a case study analysis of the Association of Southeast Asian Nations Plus Three Emergency Rice Reserve (APTERR) as an example of regional cooperation in relation to the commodity complex of rice and regional food insecurity. It is posited that while regional food reserves do have some limitations, they can benefit countries facing food emergencies and are an effective way of promoting regional cooperation and mutual assistance among
countries, amidst the challenges posed by increasing instability and price volatility in the contemporary global food system.

Chapter 8 provides concluding observations, reflections and a summary of the thesis. It opens by summarising how the central research questions were addressed and discussing the main arguments advanced in the thesis. The second part of the chapter reviews the original conceptual and empirical contributions to knowledge of the thesis, and discusses possible wider implications for knowledge. The third part of this final chapter reflects on the theoretical framework, methodology and research process of the thesis. The last section of this thesis suggests some future areas of research.
2 Theoretical and methodological considerations

2.0 Introduction
To investigate the research problem and research questions outlined in Chapter 1, this thesis has adopted an interdisciplinary theoretical framework. This chapter opens by outlining the interdisciplinary theoretical framework employed in this thesis. This is followed by a discussion of the methodological considerations in this study. This chapter defines East Asia as a geographical region and discusses the merits of a regional approach to food system analysis and the commodity complex of rice. It then proceeds to discuss the significance of the East Asian region in the global political economy and explains the importance of the cultural political economy of rice in East Asia. The final section of the chapter maps the rice import–export complex in East Asia.

2.1 Theoretical framework and methodological considerations: exploring the intersection of critical international political economy (IPE) and agri-food studies

2.1.1 An interdisciplinary approach to critical IPE and agri-food studies
This study has adopted a historically-contextualised, interdisciplinary critical approach to IPE. This approach draws on the strengths of a variety of social and political science disciplines, including critical approaches to IPE, rural sociology and agrarian political economy. The objective of this collaborative interdisciplinary approach is to provide a more holistic exposition of the socio-political and economic dimensions of the commodity complex of rice and food insecurity in East Asia.

The theoretical framework for this paper is akin to the framework outlined by Borras Jr., McMichael and Scoones (2011a, 2011b). Borras Jr. et al. (2011a: 1) argue that ‘an engaged agrarian political economy combined with global political economy provides an important framework for analysis and critique’. Borras Jr. et al. (2011a: 1) affirms that, ‘agrarian political economy asks four key questions: ‘Who owns what? Who does what? Who gets what? And what do they do with the surplus wealth?’’ This approach provides an analytical framework for an analysis and critique of ‘the conditions, dynamics, contradictions, impacts and possibilities’ of the global food system. A historically-contextualised rural sociology and agrarian political economy combined with critical approaches to global political economy provides an analytical framework — a starting point from which to analyse these critical questions.
This study has interpreted critical IPE in the tradition of Robert Cox (1981, 1987): particularly his rejection of the belief that there is a value-free theory. One of Cox’s (1981: 128) oft cited ideas has much resonance — ‘theory is always for some one, and for some purpose’. The term critical in IPE in this context refers to a kind of analysis that sees existing social orders and their structural inequalities as products of history, with the role of critical analysis is both to interpret and to help change existing social orders (Philips and Weaver 2011; Shields et al. 2011; Van Apeldoorn et al. 2011). Cox and Schechter (2002: 79) point out that ‘the real achievement of IPE was not to bring in economics, but to open up a critical investigation into change in historical structures’. By accentuating the reflective and transformative aspect of knowledge, a critical approach to IPE ‘appraises the defining boundary between the social relations involved in the economic and political spheres as an object of contestation’ (Gaze 2004: 602). According to O’Brien and Williams (2011: 32) critical approaches to IPE, ‘stand back from the existing order and asks how that order came about and under what conditions to can be changed to a different form of order’ In other words, ‘critical theorists seek to contribute to a better social order, embracing emancipatory strategies’ (O’Brien and Williams 2011: 32). Critical IPE scholars such as Worth (2011: 118) argue that to be critical means to have ‘progressive commitment towards emancipation and the belief that the present social system can be transformed in order to address its injustices’. Other scholars support this argument, including Abbott and Worth (2002), and Shields et al. (2011).

This study has also adopted an interdisciplinary critical IPE in the tradition of Higgot and Payne (2000). In outlining their interdisciplinary critical approach to IPE, Higgot and Payne (2000: ix) argue that in order to address the substantive analytical challenge of comprehending ‘complex transnational phenomena’ what is required is a readiness to engage in interdisciplinary methodological approaches to social science.

This study has adopted an inter-disciplinary methodological approach to social science. It draws on the strengths a variety of disciplines and theoretical approaches, including agrarian political economy and critical approaches to IPE. This type of interdisciplinary approach also finds support in Beeson’s (2007) analytical framework. Reflecting on the artificial and abstractive separation of politics and economics, Beeson (2007: 58) argues that disciplinary borders and demarcations ‘often make it difficult to
make sense of complexity and long-run historical change’. Drawing on the work of Cox (1981, 1987), Tilly (1984) and Strange (1986, 1988, 1991), and akin with Beeson (2007: 58), this thesis has adopted a critical inter-disciplinary approach to political economy that is able ‘to account for the ever more interconnected and transnational nature of economic and political activities in the contemporary era’. This study has also drawn on the recent critical IPE scholarship in relation to debates on capitalist diversity and ‘new directions in comparative capitalisms research’ to conceptualise ‘state capitalism’ and its historical and contemporary role in the global food system (Ebenau et al. 2015; Nolke 2015).

While economics, political science, international relations and sociology have become separate intellectual streams, much of the origins of these disciplinary tributaries can be traced back to a common source in classical political economy (Blyth 2002; Palan 2000; Watson 2005). Higgot and Payne (2000: ix) contend that ‘most social science started out as political economy until the marginalist revolution in economics in the second half of the nineteenth century’. Due to this spurious schism, economics emerged as a distinct discipline ‘disembodied from other social sciences’ and, subsequently, political science and sociology also matured as separate disciplines (Higgot and Payne 2000: ix). The concept of globalisation has challenged, in the most fundamental ways, the analytical boundaries that divide these traditional disciplines (Higgot and Payne 2000: ix). According to Higgot and Payne 2000: ix:

One incontrovertible feature of the intense debate that globalisation has generated is that it has posed an enormous intellectual challenge for traditional social sciences. It has not only shattered the distinction between domestic and international (on which IR as a twentieth-century social science discipline had similarly been built), but has also posed serious and continuing questions about both the capacity and utility of analyses that focus exclusively, or even predominantly, on discretely economic or political or social explanations of complex transnational phenomena.

Higgot and Payne (2000: ix) argue that in order to address this substantive analytical challenge, what is required ‘is a readiness to tear down these intellectual barriers and bring together approaches, methods and disciplines which for too long have been set apart’. These scholars assert that since ‘no one set of disciplinary lenses’ has the ability alone to comprehend this ‘new world’ and adequately explain complex transnational phenomena, we must be ready and willing to go ‘trespassing’ (Higgot and Payne 2000: ix). Fundamentally, Higgot and Payne (2000) provide a clarion call for inter-
disciplinary and multi-disciplinary methodological approaches to social science. These pioneering scholars transgress the boundaries of their own disciplines to engage in interdisciplinary research that facilitates intellectual cross-fertilisation across a wide range of social sciences. Through this process, they deepen and widen their own paradigms (Higgot and Payne 2000: ix). The interdisciplinary critical IPE approach and methodology adopted in this study is similar to what can be termed, ‘New Political Economy’ as reflected in the journal by the same name and the editorial stance taken in the first edition in 1995. This is summed up by Gamble et al.’s (1996: 5–6) notion of ‘rejecting a single theoretical approach, and instead promoting a framework or toolkit which embraces non-exclusionary pluralistic approaches’:

The methodology of the new political economy rejects the old dichotomy between agency and structure, and states and markets, which fragmented classical political economy into separate disciplines. It seeks instead to build on those approaches in social sciences that have tried to develop an integrated analysis.

The methodology of new political economy was explicitly employed by Breslin (2007) in his comprehensive study of *China and the Global Political Economy*. Breslin (2007: 30) argues that the ‘basic principles of new political economy provide methodological and ontological tools for studying China’ and the East Asian region ‘in an era of globalisation’. Breslin (2007: 30) describes this methodology as a ‘more holistic approach to IPE’. According to Breslin (2007: 17), ‘for many scholars, the pathway to a framework of understanding contemporary IPE began with a study of classical political economy; however, there are many pathways’. What unites scholars who adopt the holistic new political economy framework is a rejection of ‘purely economistic interpretations that ignore power and politics’ and ‘apolitical and ahistorical tendencies within rational choice theory’ (Breslin 2007: 17). Critical IPE scholars share a common understanding of the denunciation of the ‘parsimonious explanatory power of statist and realist international relations’.

The theoretical framework and methodology outlined above has been adopted in this study to provide an elucidation of the political economy of rice and agri-food systems in the East Asian region. This interdisciplinary theoretical approach provides an analytical framework and the conceptual tools necessary for a critical exploration of the politics of
rice and the contours of power and privilege that have shaped the regional and global food system.\(^6\) Hence, this framework is capable of more adequately comprehending the long historical trajectory of the complex interplay between rice, politics and power in East Asia in an era of globalisation. The critical IPE framework adopted in this study is interdisciplinary, as outlined in the next section.

### 2.1.2 From Mintz to McMichael: a historically contextualised and culturally attuned ‘critical’ approach to IPE and agri-food studies

In his seminal work entitled *Sweetness and Power: The Place of Sugar in Modern History*, Sydney Wilfred Mintz (1985: 214) made the profound observation that in comprehending the complex interplay between the ‘commodity and the person’ — and the broader connections between the commodity and structures and relations of power in the capitalist world-system — it is possible to gain a deeper appreciation and understanding of history. Mintz’s (1985) influential study of sugar and the Caribbean made a significant interdisciplinary contribution to the cultural anthropology of food, agrarian political economy and historical sociology. Mintz (1977, 1985, 1998) employed a historical materialist approach to socio-cultural anthropology to explicate the complex relationship between the ‘commodity and the person’ within a particular historical context. Drawing on Wallerstein’s (1974) thesis, he situated the commodity complex of sugar within the broader historical processes of colonialism and the expansion of the capitalist world-system (Mintz 1977). According to Mintz (1997: 254):

> By using materials treating one of the key areas in the growth of world capitalism, the Caribbean region, and by trying to examine the question of labor exaction there, I hope to be able to substantiate the theoretical significance of Wallerstein’s work, while suggesting some of its persisting (but, I suspect, by no means wholly inescapable) limitations.

Mintz’s (1985) work provides a profound study of power and the way it has operated historically and dialectically in shaping world history and human experience. Delineating the complex linkages between the local lived experiences and the broader global historical processes, he mapped the socio-political and economic relations and constellations of power during the colonial period through the prism of a single commodity — sugar. In many ways, Mintz was an intellectual pioneer of an interdisciplinary approach to the cultural political economy of food commodities (Mintz

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\(^6\) I refer here to conceptions of both structural and relational power (Nash 2010; Strange 1988).
and Du Bois 2002). His work — while grounded locally in fieldwork among peasants and sugar-cane workers in Puerto Rico, Haiti and Jamaica and ethnographic studies of slavery, colonialism and global capitalism — adopted a world systems approach and world-historical perspective to situate the role of sugar in the global food system and the global political economy (Mintz 1977, 1985). Mintz (1977: 254–5) contends:

> It must be stressed that the integration of varied forms of labor-extraction within any component region addresses the way that region, as a totality, fits within the so-called world-system. There was give-and-take between the demands and initiatives originating with the metropolitan centers of the world-system, and the ensemble of labor forms typical of the local zones with which they were enmeshed... The postulation of a world-system forces us frequently to lift our eyes from the particulars of local history, which I would consider salutary. But equally salutary is the constant revisiting of events ‘on the ground,’ so that the architecture of the world-system can be laid bare. Accordingly the balance of this critique is devoted to observations about the Caribbean sector of the periphery, and to the problems entailed in treating it in undifferentiated fashion.

Adopting a world-systems method of analysis allowed Mintz (1985) to elucidate the complex interplay between the local lived experiences of slaves and peasant sugar-cane workers in the Caribbean with the colonial power and the expansion of global capitalism. That said, Mintz (1977, 1985, 1998) was careful to differentiate the Caribbean as a culturally and historically specific sector of the periphery.

As Mintz (1985) demonstrated in his study of sugar, each commodity in the global food system has a unique historical and cultural context, and a distinctive set of social, political and economic dynamics. Mintz (1995: 1) employed a method of analysis capable of capturing the relationship between food and concepts of power in the world economy. Mintz’s (1985) work explored the complex interplay between sugar, politics and power in the global food system and the global political economy.

This study has focused primarily on the commodity complex of rice. It is broadly inspired by the pioneering work of Mintz (1985) and his interdisciplinary critical approach to the global food system and global political economy. This study has sought to illuminate the complex interplay and interconnections between rice, politics and power in the East Asian region and more broadly in the global political economy. Rice is a crucial commodity and core staple food that is fundamental to understanding the social, political and economic dynamics of the East Asian food system. A comprehension of the political economy of rice is vital to understanding the causes and
consequences of food insecurity in the East Asian region. The political economy of rice provides substantive insights into the nature of the East Asian food system and the emergent ‘third food regime’. To date, there has been no comprehensive study of the political economy of rice in the East Asian region that has adopted an interdisciplinary critical approach to the global political economy. The approach employed in this study draws on aspects of the interdisciplinary approach employed by Philip McMichael (1990, 1992, 2000c, 2005a) to food regime analysis.

Akin with Mintz (1985), McMichael (1995) reveals, from a world-historical perspective, the central role played by food and agriculture in the formation and transformation of the global political economy. Critical agri-food scholars such as Araghi (2003), Borras Jr. et al. (2011a, 2011b), Friedmann (2005), Lawrence and Burch (2009) and McMichael (2013a) conceptualise agriculture and food as integral parts of global capital accumulation, with structural problems of the current agri-food system are inseparable from the capitalist system. McMichael (1995: 1) asserts, ‘the emergence of a world economy depends on the reorganization of agriculture and food systems to provision the work force and the industries associated with the division of labour’.

McMichael’s pioneering work (1990, 1995, 2000a, 2005a, 2005b, 2009a, 2009b, 2010a, 2010b, 2013a) on food regime analysis employs incorporated comparison and a world-historical perspective. This is an approach that refines rudiments of dependency and world systems theory, making comparison ‘the substance of the inquiry rather than the framework’ (McMichael 1990: 386). This is a sophisticated approach to the study of the global food system and global social change (Weber 2007). McMichael applies incorporated comparison and a world-historical perspective to comprehend and investigate ‘social and political relations’ and ‘social struggles’ not captured by the more formal method of comparison (Weber 2007). According to McMichael (2000c: 671):

Incorporated comparison makes three particular claims. First, comparison is not a formal, ‘external’ procedure in which cases are juxtaposed as separate vehicles of common or contrasting patterns of variation. Rather, comparison is ‘internal’ to historical inquiry, where process-instances are comparable because they are historically connected and mutually conditioning. Second, incorporated comparison does not proceed with an a priori conception of the composition and context of the units compared, rather they form in relation to one another and in relation to the whole formed through their inter-relationship. In other words, the whole is not a given, it is self-forming. This is what I understand we
mean by historical ‘specificity.’ Third, comparison can be conducted across space and time, separately or together. Cross-space comparison specifies a single conjuncture as combining particular spatially-located parts of a global configuration (such as an international food order, a debt regime, or the commodity complex of oil, or wheat, or micro-circuitry). On the other hand, cross-time comparison specifies an era as composed of temporally differentiated instances or versions of a world-historical process (such as state-building, or revolutions).

This method of analysis is capable of analytically capturing and comprehending not only the crucial structural aspects of the global political economy and the global food system, but also social and political relations and relations of power that constitute and underpin these structures. McMichael (2000a) has applied this approach to the East Asian region in his analysis of the ‘food import complex’ in East Asia from a world-historical perspective. This study has employed some aspects of McMichael’s (1995, 2000c, 2013a) method and has applied this approach to the East Asian region and the regional food system to gain a deeper understanding of the political economy of rice (the commodity complex of rice) and the critical intersections of rice, politics and power in the region.

Cross-time comparison, as outlined by McMichael (2000c: 671), identifies an era as ‘composed of temporally differentiated instances or versions of a world-historical process’ — hence, an era could be a particular food regime such as the colonial food regime or the second food regime under US hegemony. McMichael (2000c) emphasises the importance of comprehending these eras with the broader world-historical process. Arguably, this method of analysis is particularly useful for studying a ‘commodity complex’ such as the commodity complex of rice as ‘cross-space comparison specifies a single conjuncture as combining particular spatially-located parts of a global configuration’ — in this case, the global configuration is an emergent third food regime (McMichael 2000c: 671). Thus, McMichael’s (2000c) method of analysis is employed in this study as a useful means of comprehending the commodity complex of rice in the East Asian region. It is also a useful method for understanding what this commodity complex reveals about the characteristics of an emergent third food regime.

It is important to note that by focusing on the global and regional political economy of rice and food insecurity, this study has not been able to capture the nuances of the local lived experience in the same way as it is captured by social anthropologists such as Hanks (1972), Mintz (1985), Durrenberger (1996), or Shepherd and McWilliams (2011).
or rural sociologists like Borras Jr. et al. (2011a), Fairbairn (2011) or McMichael (2013b). It is beyond the scope of the thesis to address the sophisticated interplay from the local to the regional level across such a wide variety of countries with such divergent rice economies. That said, this study has drawn on the substantive fieldwork of social anthropologists and rural sociologists by employing qualitative research methods: document analysis, qualitative academic research (desktop study) and secondary data collection.

2.1.3 Commodity chain analysis
There have been a number of important and comprehensive agri-food studies employing commodity systems, commodity chains, and filière analysis to examine key commodities in the global food system. These include the study by Friedland, Barton and Thomas (1981) on the lettuce industry, the study by Dixon (2002) on the poultry sector and the wide-ranging study by Pritchard and Burch (2003) on the international restructuring of the processing tomato industry. As outlined in the theoretical framework, this study has adopted a critical IPE approach and food regime analysis, rather than specifically a commodity chain analysis; however, it is inspired by the intellectual rigour and contribution of these agri-food studies to understanding the role of key commodities in the global food system. Much inspiration has been drawn from these seminal studies on the role of commodities in the agri-food system and some aspects of this analysis are used in this study to comprehend the commodity complex of rice in East Asia.

2.1.4 Qualitative methodology
Qualitative methodologies have been employed throughout the study to provide a deeper understanding of the socio-political and economic characteristics of the commodity complex of rice in the East Asian region, and the role of rice in relation to food insecurity. Qualitative research places emphasis on meaning and interpretation (Crotty 1998; Neuman 2006; Wengraff 2001). That is, it attempts to comprehend social relations and the meanings people give to their lived experiences (Neuman 2006; Wengraff 2001). This study has employed the following qualitative research methods: document analysis, qualitative academic research (desktop study) and secondary data collection. Secondary data and information have been collected mainly through
published scholarly sources, such as books, reports, articles, policy papers and national and international journals.

This study has used different types of primary and secondary sources. The following paragraphs discuss different types of secondary sources that have been used in the thesis, methods of obtaining them, as well as primary sources that have been used. The study has drawn on a wide range of secondary sources that are related to the study of the global political economy and the agri-food system. The interdisciplinary literature surveyed for the thesis comes from various disciplines across a range of social and political sciences, including international relations (IR), IPE, non-traditional security (NTS) studies, rural and historical sociology, social anthropology and agrarian political economy. The thesis has also drawn some of its empirical data from scientific studies conducted by major international institutions, such as the FAO and the Asian Development Bank (ADB) amongst many others. Primary and secondary sources were obtained through different channels, including academic books; journal articles; dissertations; reports based on academic conferences; and publications by non-government organisations (NGOs), international government organisations (IGOs) and government agencies and departments.

The value of employing qualitative methodology in political and social science, IPE and agri-food research has been discussed extensively in the literature (Crotty 1998; Mahoney 2007; Neuman 2006; Ragin 2000; Wengraff 2001). Many agri-food and IPE scholars have argued that qualitative methods are essential for addressing particular research problems and existing conditions of knowledge (Araghi 2003; Arrighi 2010; Borras Jr. et al. 2011a, 2011b; Higgot and Payne 2000; McMichael 2000c). Ragin (2000: 4) notes that qualitative methods often compel researchers to ‘reconceptualise cases, and reconsider causes and outcomes’. Qualitative methods can assist in facilitating theoretical insights and innovation (Ragin 2000). As Collier, Brady and Seawright (2004: 238) argue, research design should involve an ‘interactive process between theory and evidence’. Collier, Brady and Seawright (2004: 238) advocate the production of interpretable findings resulting from ‘a particularly revealing comparative design’ and ‘a rich knowledge of cases and context’, which can plausibly be defended. In an interpretive context, the qualitative assessment of case studies and contextualised comparisons constitute appropriate responses to the existing conditions of knowledge.
about the subject to be studied (Collier, Brady and Seawright 2004; Mahoney 2007; Ragin 2000) - in this case, the commodity complex of rice in the East Asian region.

2.2 A regional approach to food system analysis and the commodity complex of rice

‘Regional’, is an important spatial level to comprehend and analyse the broader dynamics of governance and food insecurity in relation to rice (Ingram et al. 2010). It is important to note that regions — such as Asia, Asia-Pacific or East Asia — are socially constructed as ways to organise the world — spatially and temporally — according to certain perspectives and perceptions. East Asia can be a somewhat misleading label as ‘concealed beneath this rubric are very different ideas about the ways economic and political activity ought to be organised, and quite distinctive variations in political practices and economic structures as a consequence’ (Beeson 2007: 58). Yahuda (2011: 5) notes that the region might best be conceived as still in a process of transformation and ‘whose identity has yet to be clearly defined’. This study takes this regional diversity into account by adopting an interdisciplinary critical approach to global political economy that remains perceptive to the contestation of cultural meanings in politics (Nash 2010). This interdisciplinary approach provides an analytical framework that is capable of comprehending the quite distinctive variations in political practices and economic structures in the region (Beeson 2007).

2.3 Defining East Asia

In his study of the historical origins of the East Asian region, Holcombe (2001:3) argued, ‘we need to take East Asia more seriously’. Holcombe (2001:3) contends that while the concept of Asia is vague and difficult to define, there is a ‘reasonably coherent’ understanding and definition of East Asia. The concept of East Asia may even be ‘older the nation-states it subsumes and in some ways it is more fundamental’ (Holcombe 2001:3). This argument finds support in Kang’s (2010) comprehensive historical study on the tribute system in early modern East Asia in his book, East Asia before the West. According to Holcombe (2001: 3):

The East Asian civilization may even be said to represent the single most important major alternative historical evolutionary track to Western civilization on the face of this planet, with a continuing history of success that can rival that of what we call the West... For centuries, the Chinese empire — the largest individual state in East Asia — was also the single most economically developed state on Earth... As recently as 1800, China was still
probably the richest (wealthiest) country in the world. This traditional material wealth was paralleled by cultural sophistication.

For the purpose of this study, East Asia has been defined as a diverse geographical and cultural area encompassing the subregions of Southeast Asia (the ten members of ASEAN) and North-East Asia (China, Japan, South Korea, North Korea and Taiwan) (Atanassova-Cornelis and van der Putten 2014; Holcombe 2001; Miyagi 2012). This conception of East Asia was strongly advocated by Mahathir Mohamad, the Prime Minister of Malaysia from 1981 to 2003 (Miyagi 2012). In 1990, he proposed the formation of an East Asian Economic Community (Miyagi 2012). This laid the foundations for regional cooperation and the formation of ASEAN Plus Three (ASEAN+3). The ASEAN+3 consists of the ten ASEAN member states — Brunei Darussalam, Cambodia, Indonesia, Lao People’s Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam — plus the People’s Republic of China, the Republic of Korea and Japan. This thesis has a case study on China (as the world’s largest rice producer) in the Northeast Asian sub-region and on Thailand (as the world’s largest rice exporter) in the Southeast Asian sub-region. The study also has a case study on regional cooperation, food insecurity and rice reserves in East Asia.

2.4 The significance of East Asia in the global political economy
Some scholars have argued that a transition is occurring away from the primacy of US hegemony towards a more multipolar global political economy (Arrighi 2010; Jacques 2012). Arrighi (2010: 379), an historical sociologist, argues that ‘there has been a consolidation of the re-centering of the global economy on East Asia, and within East Asia on China’. Arrighi (2010: 380) is careful not to suggest that any state in East Asia, including China, is poised to replace the United States as a hegemonic power in the short-term. However, Arrighi (2010: 380) argues that collective economic power of the East Asian states, ‘as the “workshop” and “cashbox” of the world economy’ is compelling the ‘traditional centers’ of economic power in ‘Western Europe and North America to restructure and reorganise their own industries, their own industries and their own ways of life’. Arrighi (2010: 380, 385) concludes:

An East-Asian-centered world market society appears today a far more likely outcome of the present transformations of the global political economy than it did fifteen years ago... If China or East Asia were to become hegemonic in the future, it would be a very different type of hegemony than the Western type of the past five hundred years.
This transition to a multipolar global political economy and a potential re-centering of the world economy on East Asia has significant implications for the global food system and the emergent third food regime.

2.5 The cultural political economy of rice in East Asia

The global political economy of food and rice is inexorably cultural (Best and Paterson 2010). The term agri-culture has, entwined in its very name, the concept of culture. Culture is interwoven into the diverse rituals, traditions, meanings, patterns, and practices of rice cultivation, production, circulation and consumption. From the soil where it is sown, to the markets where it is bartered, transported and exchanged to the serving bowl or plate where is finally consumed, the social, political and economic relations that coalesce around this commodity known as rice are profoundly cultural in all their various dimensions.

There are ‘many important meanings of rice: as a potent social, political, cultural and historical object’ in addition to being the staple food grain in the region (Smith 2008: 126). Rice is the most widely consumed and ecologically adaptable cereal on earth. However, rice is not just a crop and a staple food that provides calories to sustain life. Scholars such as Hanks (1972), Smith (2008) and Shepherd and McWilliams (2011) have suggested — based on their own fieldwork and empirical research — that rice can be interpreted as an allegory for culture, society, polity, ecology and a sense of identity in some parts of Asia. It is outside the scope of this thesis to attempt to validate this particular argument or to undertake further research to explore the validity of this particular argument.

While this study has focused primarily on rice as a key commodity in the regional and global political economy of food and agriculture, it has also recognised the importance of the social and political struggles around the commodification and de-commodification of rice. This is not to contend that the cultural dimensions of rice are not important. Culture is critically important; however, this dimension is not the principle focus of this study.

This study has primarily focused on the socio-political and economic organisation of a single agricultural commodity — rice — to examine and explore the complex and multidimensional nature of food insecurity in the region and the relationship between
rice, politics and power. That said, it would abstractive and reductionist to suggest that it is possible to study the political economy of rice in the region by adopting an a-cultural analysis. Rather, this study has adopted an interdisciplinary approach to global political economy — including aspects of political sociology — that remains perceptive to the contestation of cultural meanings in politics (Nash 2010).

Nash (2010: 77) contends that there ‘there has been a well-documented cultural turn in social theory’. Nash (2010: 77) outlines that this ‘cultural turn’ takes two forms: the epistemological case ‘in which culture is seen as universally constitutive of social relations and identities’; and the historical case ‘in which culture is seen as playing an unprecedented role in constituting social relations and identities in contemporary society’. According to Nash (2010: 77), ‘as a consequence of the “social turn”, all social life must be seen as potentially political where politics is the contestation of relations of power’. Therefore, due to the complexity of social relations, contemporary political sociology is concerned with ‘the play of power and politics across societies, which includes, but is not restricted to, relations between the state and society’ (Nash 2010: 2). In other words, the critical approach to global political economy employed in this study is akin to McMichael’s (2010a, 2010b, 2012a, 2012b, 2013a, 2013b) critical approach, which takes into account not only the crucial structural aspects of the global political economy, but also social and political relations and relations of power that constitute and underpin these structures.

2.6 The rice import–export complex of East Asia
Global rice exports are highly concentrated, with the top five exporters (Thailand, India, Vietnam, Pakistan, and the United States, in that order) controlling 87 per cent of global net trade. The Asia–Pacific region is home to the world’s six major rice producing countries — China, India, Indonesia, Bangladesh, Vietnam and Thailand — which together, account for more than 75 per cent of global output (Dawe et al. 2014). The strategic significance of rice is accentuated by the fact that price rises and volatility have been a catalyst for political tensions in the region, as seen in the reactions to tariffs on rice, and in the responses to a proposal for a Southeast Asian rice cartel (the Organisation of Rice Exporting Countries, or OREC) that excludes the region’s importing countries (George 1998; Timmer 1975; Trethewie 2012).
The rice complex of Southeast Asia is constituted by a constellation of state and non-state actors. The axis of the rice complex of Southeast Asia concerns the alignment of major rice exporting states and key rice importing states, along with the large corporate grain traders that form a critical links in the commodity chain of the regional rice trade (Dawe 2010). Thailand, Vietnam and Cambodia are all major exporters of rice, while Singapore, Indonesia, Malaysia and the Philippines are all significant importers of rice (Timmer 2013). The strategic significance of rice is accentuated by the fact that price rises and volatility have been a catalyst for political tensions in the region, as seen in the reactions to tariffs on rice, and in the responses to a proposal for a Southeast Asian rice cartel (OREC) that excludes the region’s importing countries (Timmer 1975; George 1998; Trethewie 2012). Dawe et al. (2014: 1) — utilising FAO data for 2012 — estimate that:

East and Southeast Asia accounted for about 60 percent of the world’s paddy rice production (with China alone accounting for around 28 percent). In the region, rice is also an important traded commodity, with the region featuring several of the world’s leading rice exporters (such as Vietnam and Thailand) and importers (such as China, the Philippines and Indonesia). Overall, the region accounts for at least 44 percent of total world rice exports and at least 19 percent of total imports.

One key rice trader in the rice complex of Southeast Asia is Capital Rice Co. Ltd. (an affiliate of the STC Group, a Thai conglomerate of trading and manufacturing companies in the field of agro-industry). The company was established in 1977 and accounts for about a fifth of Thailand’s rice exports. Capital Rice exports jasmine rice, white rice and parboiled rice, along with other rice varieties, to Asia, Africa, America, Europe and the Middle East (FAO 2003). Another key rice trader is Phoenix Commodities, which has offices in Vietnam, Thailand and Indonesia (Phoenix 2015). Phoenix ranks amongst the top five rice traders in the global rice trade, ‘trading close to 800,000 metric tons of rice annually’ (Phoenix 2015: 1). American Rice Inc. (United States) accounts for about 5 per cent of the world rice market (FAO 2003). The Rice Corporation, TRC (United States) is a major rice trading company, with worldwide operations and rice mills in Europe, Latin America and the United States (FAO 2003). TRC markets around one-fifth of US rice, it is a significant player in Southeast Asia through its joint venture with Vinafood I, one of Vietnam’s major rice exporters. Novel, a privately held firm based in Switzerland, is one of the world’s largest rice traders (FAO 2003).
Louis Dreyfus is the only one of the four big commodity traders to have any substantial stake in the global rice trade. The company sources paddy, brown, and milled rice from all over the world. Louis Dreyfus plays a significant role in the rice market of Southeast Asia as one of largest purchasers of Thailand’s export rice, taking around 700,000 tonnes a year (Murphy et al. 2012). Another major exporter is the Singapore-based Olam International, which is among the top three suppliers of rice, cotton, cocoa, and coffee to world markets. In the latter part of 2010, Olam International and Louis Dreyfus entered into negotiations which, had they succeeded, would have created the largest rice exporting company in the world. However, the merger talks collapsed in February 2011 (Murphy et al. 2012). Olam, a trading firm headquartered in Singapore (and which is part of an Indian conglomerate), is a large rice trader, and is one of the principal suppliers of rice to African countries (FAO 2003). It is beyond the scope of this study to analyse the activities of each of these companies; however, a case study in Chapter 4 examines in detail the activities of COFCO — China’s largest state-owned agri-food company. Also, Chapter 5 briefly discusses Capital Rice Co. Ltd, a company that accounts for about a fifth of Thailand’s rice exports.

2.7 Conclusion

This chapter has outlined the methodological considerations in this study and discussed the qualitative methodology and data collection methods employed in this thesis. It has outlined the interdisciplinary theoretical framework adopted in this thesis. This chapter has defined East Asia as a geographical region and discussed the merits of a regional approach to food system analysis and the commodity complex of rice. It has also discussed the significance of the East Asian region in the global political economy and explained the importance of the cultural political economy of rice in East Asia. The final section of the chapter has mapped aspects of the rice import–export complex in East Asia. The next chapter (Chapter 3) will discuss food regime theory and the significance of adopting a world-historical perspective in relation to comprehending the global food system.
3. Food regime analysis: a world-historical perspective on the global food system

3.0 Introduction

As mentioned in the opening chapter, the agri-food sector is often overlooked within the disciplines of IR and IPE. This is despite the constitutive role that agri-food relations have played historically in the construction of the inter-state system and their substantive significance in contemporary global political economy (McMichael 2013a). The current restructuring of the global food regime and its socio-political and economic coordinates has significance for comprehending the broader configuration and transformation of the contemporary global political economy. This chapter examines the development of neomercantilism and its role in the evolving global food regime, and evaluates the question, ‘To what extent does this emergent paradigm contradict or reaffirm a neoliberal food regime?’

The first section provides an overview of food regime literature. This is followed by an exploration of the historical legacies of the first and second food regime. The subsequent section discusses the debates in relation to an emerging third food regime. Following this discussion is an analysis of the incipient importance of South–South relations and trade in an increasingly multipolar global food system. The final sections of this chapter explore the conceptual linkages between the rise of state capitalism and the advent of neomercantilism and its implications for the global food regime. The implications of the proliferation of SOEs and SWFs and their roles in securing global supply chains for food, feed and fuel through the acquisition of foreign land and natural resources are examined. The chapter concludes by contending that the paradox of state-led capitalism and neomercantilism in the global food system is that it both challenges and confirms the neoliberal corporate food regime.

3.1 Overview of food regime literature

There is a burgeoning amount of academic literature exploring the analytical frontiers of the evolving global food regime. The food regime concept draws on aspects of

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7 Refer to the comprehensive work on food regimes by Araghi (2003); Burch (2009); Campbell and Dixon (2009); Friedmann (1984; 1993); Friedmann and McMichael (1989); Lawrence and McMichael (2000; 2009a; 2009b); McMichael and Buttel (1990); Pritchard (2009); and Weis (2007).
dependency theory and world systems analysis, as well as being influenced by post-colonial and post-structural critiques. It ‘situated the global ordering of international food production, circulation, and consumption relations within specific institutional arrangements corresponding to a hegemonic organizing principle in the state system’ (McMichael 2013a: 48). The food regime concept seeks to explicate the dynamics of the global food system by revealing the structures and processes of global food production, distribution and consumption (Burch and Lawrence 2009). It is a conceptual and methodological tool for spatially and temporally mapping relations of power in the global food system (Campbell and Dixon 2009). It has been utilised as a methodological tool to examine the world order and global trade in agro-foods (McMichael 2013b). In the past, global food regimes have been correlated with British, US, and corporate hegemony (McMichael 2013a). The recent corporate food regime was ‘institutionalized via WTO rules and protocols, privileging agro-exporters from the US and Europe in global food markets, served by states’ (McMichael 2013a: 48).

Arguably, the current organisation of the global food system is in transition. One critical aspect of the evolving global food system that has often been overlooked in academic literature is the emergence of neomercantilism and the rise of state capitalism. Much of the food regime literature has focused upon hegemonic power relations between the Global North and the Global South, and the neoliberal characteristics of the ‘corporate food regime’. However, this literature has often overlooked the nuances in varieties of capitalism and has largely ignored the rise of state capitalism and the emerging importance of South–South relations in the global political economy and the

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8 It is important to note that there is a body of work from actor-network theorists that critiques agrarian political economy and food regime analysis, claiming it has tendencies to obscure agency and prioritise structural accounts, and a failure to adequately assess and account for the ontological ‘baggage’ of imported conceptual frameworks and periodisation (Busch and Juska 1997; Goodman and Watts 1994). While this study acknowledges these critiques of more ‘structural’ approaches to agrarian political economy, this study adopts an interdisciplinary ‘critical’ IPE approach, which is sensitive to the nuances of post-structuralism and the cultural turn in social sciences. Critical approaches to IPE do not conform to the narrow notion of political economy outlined in the critiques above. The theoretical and methodological approach outlined in Chapter 2 is capable of comprehending a variety of actors, including states and non-state actors, as well as relations of power in the agri-food system. It is crucial to note that food regime analysis as adopted by McMichael (2013a) and Borras Jr et al. (2011a) draws on aspects of dependency theory and world systems analysis, as well as being influenced by, and sensitive to, post-colonial and post-structural critiques — overcoming many of the criticisms outlined by actor-network theorists.
global food system (Arrighi 2007; Ravenhill 2014). These important aspects of an emerging ‘third food regime’ will be discussed in the later section. Firstly, it is important to outline a historical overview of the first and second food regimes.

3.2 Historical legacies of the first and second food regime

According to writers such as Friedmann (2005), Friedmann and McMichael (1989), and McMichael (2013a), two distinct food regimes have been identified, with a third regime emerging. The first food regime — the British-centred colonial food regime — was based on the exploitation of foreign lands and peoples by European colonists. Cheap food was imported by the conquering nations under the mantle of mercantilism. This fed a burgeoning working class, allowing the wages of workers to be held down, and providing profits to industrialists for subsequent investment at home and abroad. The first regime lasted from the 1870s to 1914 and was eventually replaced with a second US-focused ‘Intensive Food Regime’ (McMichael 2013a). It was based on a capital- and energy-intensive form of hi-tech farming and the creation and dominance of durable (manufactured) foods. It saw the entrenchment of corporate agribusiness. According to Lawrence (2015: 203):

The (first) regime began to falter between the Great Depression and the Second World War. A second ‘intensive’ food regime emerged in its place. Reliant upon the manufacture of durable foods and large-scale industrial farming, this regime came into crisis in the 1970s as global hunger increased, WTO negotiations waned and the environmental performance of ‘high-tech’ farming was roundly condemned. The third, current, food regime remains indeterminate.

While the first regime collapsed from the over-exploitation of the colonies, combined with the Great Depression and the Second World War, the second regime — that had lasted roughly from the 1940s to the early 1970s — faltered as a result of the food price inflation crisis and the ambitions of transnational capital for increased opportunities for global trade (Burch and Lawrence 2009; McMichael 2013a).

3.3 Towards an understanding of an emergent third food regime?

Recently, academic studies and literatures have begun to address the financialisation of the global agri-food, feed, and fuel system (Burch and Lawrence 2009; Clapp 2012; Fairbairn 2011; Russi 2013). A number of writers have argued that a third food regime — variously termed the corporate food regime (McMichael 2013a), the financialised
food regime (Burch and Lawrence 2009), the corporate–environmental food regime (Friedmann 2005) and the neoliberal food regime (Pechlaner and Otero 2010; Wolf et al. 2014a, 2014b) — is currently emerging. Its features are said to include: corporate dominance of food supply chains, premised on global sourcing; environmental sensibilities built into systems of private food governance; a more neoliberalised marketplace; the financialisation of food and farming industries; global enclosure and subsequent peasant dispossession; and, the rise of protest movements such as La Via Campesina fighting for food sovereignty over free markets (Friedmann 2005; Burch and Lawrence 2009; McMichael 2013a).

In contrast to some of the arguments outlined above, Pritchard (2009: 297) contends that ‘the WTO is more appropriately theorized as a carryover from the politics of the crisis of the second food regime, rather than representing any putative successor.’ Pritchard (2009) draws on a broadly conceived world-historical framework to point out that the impasse of the WTO’s Doha Round problematises the neoliberal characteristics of an emergent third food regime. Pritchard (2009: 297) argues the collapse of the Doha Round ‘should put an end to speculation of a WTO-led transformation of global food politics towards unfettered market rule; the supposed basis for a neoliberalised third food regime’. This is an important perspective to keep in mind in relation to discussing the second food regime and any potential emergent third food regime. Half a decade on from this astute analysis, are the contours of a potential third food regime emerging?

It is critical to situate this contemporary juncture in the global food system within the context of a transition towards a multipolar international order and a multipolar global food system. This transition is characterised by the rise of Brazil, Russia, India, China and South Africa (BRICS),9 the presence of neomercantilism, and the rise of state-led capitalism with the subsequent proliferation of SOEs and SWFs. This broader reconfiguration of the global political economy has led to a restructuring of the global

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9 The transformation of the investment portfolio acronym created by Goldman Sachs’ Jim O’Neill in 2001 into an international coalition among Brazil, Russia, India, China and South Africa took shape in 2009, when respective heads of government met for the first time in Yekaterinburg, Russia. For a comprehensive analysis of the emergent role of the BRICS in global governance and the contemporary global political economy, refer to the work of Ban and Blyth (2013); Laidi (2012); Lane (2008), Wade (2011); Wansleben (2013).
food system and its socio-political and economic coordinates. This study contends that
the Global Food Crisis of 2007–08 signalled a transition to a multipolar food system.

This broader reconfiguration of the global political economy represents a shift away
from the primacy of neoliberal capitalism that was historically promoted under US
hegemony and the auspices of the Washington Consensus and the post-Washington
Consensus and towards a variety of ‘models’ of state-led capitalism and
neomercantilism — as exemplified in various forms by China, Brazil and Russia and, to
a lesser extent, India and South Africa (Aldo and Lazzarini 2015; Bremmer 2008, 2009;
Lane 2008; Lin 2013; Lyons 2008; Nolke 2015). It is contended that the emergence of
neomercantilism in the global food system has a long historical trajectory. This is,
arguably, grounded in the competing philosophical traditions, ideas and assumptions of
the dynamic interrelationship between the state and the market (state–market nexus).

The emergence of neomercantilism has also been facilitated by the failure of
neoliberal policies to provide genuine food security, as well as a lack of trust in the
market to provide essential public goods (Bello 2009; Madgoff and Tokar 2010). This
market failure in the global food system was evident in the 2007–08 Global Food Crisis
and the price spikes of 2010–11, and continues to be evident in relation to ongoing food
price volatility (Clapp 2012; Clapp and Cohen 2009; McMichael 2013b).

3.4 South–South relations and multipolarity in the evolving global food regime
As suggested earlier, it is argued that the global political economy is currently in a
transition from a unipolar system under declining US hegemony to a multipolar order
shaped by the rise of the BRICS (Ban and Blyth 2013; Jacques 2009; Laidi 2012;
Larionova 2012; Wansleben 2013). This evolving multipolar international order has
systemic implications for the global food regime. While the first and second food
regimes were primarily dominated by North–South relations, the new regime is
increasingly characterised by trade flows in food and agriculture between South–South
countries (De Castro et al. 2013; Ervine and Fridell 2015; Modi 2011; Martin 2008).

The emergence of new nodes of power in the constellation of agri-food import and
export complexes is facilitating a reconfiguration of the global food system. These new
nodes of power are more diffuse and can no longer be situated in the historic North–
South divide (Ervine and Fridell 2015; Modi 2011). An exemplar of this reconfiguration
is the emergence of new agricultural powerhouses such as Brazil and Argentina in South America and the growing significance of agricultural trade between Brazil and China. In South Asia, India has emerged as a major rice exporter, while China is increasingly becoming one of the world’s largest importers of rice (Timmer 2013). The import and export powerhouses of China, India and Brazil are increasingly reshaping the contours of global agri-food relations.

This contention is supported by McMichael’s (2012a: 48) proposition that there is currently a ‘redistribution of power across an increasingly multi-centric global food system, with rising agro-export powers in middle-income countries (as expressed in the formation of the Group of Twenty [G20])’. According to McMichael (2013a: 48), ‘Northern states are losing their centrality in organizing and dominating the food/fuel regime’ — this transition is typified by the G20 challenge to the World Trade Organization (WTO) mandate and multilateralism, and by some emerging economies and middle-income countries defying the WTO rules by directly securing access to offshore agricultural supply chains for domestic consumption. Dauvergne and Neville’s (2009) study supported the idea of an emergent polycentric/multipolar food regime. This argument is reiterated in Borras Jr. et al.’s (2011a: 25–26) description of an emerging ‘polycentric food–energy regime — in contrast to previous food regimes anchored by empires on either side of the North Atlantic’. With the rise of the BRICS, multiple hubs or centres of power have emerged in the integrated food–energy complex — this diffusion of power is reshaping the geography of the global food system, recasting agri-food relations and ushering in a new era in the geopolitics of food (Borras Jr. et al. 2011a, 2011b; Larionova 2012; Wansleben 2013).

China has been one of the strongest proponents of the South–South approach to development cooperation. In 2008, it established a US$30 million Food and Agriculture Organization (FAO) trust fund to support technical field missions with Chinese agricultural experts in developing countries (Dawe et al. 2014). So far, 30,000 Chinese experts have shared their knowledge and experience in over 100 countries. In October 2014, China announced a US$50 million donation to support the FAO’s program of ‘South–South cooperation’ to improve food security and promote sustainable agricultural development over the next five years (Dawe et al. 2014). South–South
cooperation is the mutual sharing and exchange of development solutions between and among countries in poor southern-hemisphere countries.

In just under a decade (2000–09) the global trade in food has doubled from US$548 billion to US$1,169 billion (De Castro 2013), with South–South agri-food flows representing one quarter of the value of world trade in agricultural commodities (De Castro 2013). This reconfiguration is underpinning changing growth rates in consumption: there is growing demand for agricultural products in Asia and Africa, as well as an emergence of new agricultural powerhouses such as Brazil and Argentina in Latin America, for which agricultural products comprise more than half the total value of all national exports (De Castro 2013). Brazil, for example, increased its net foodstuff trade surplus balance by 460 per cent over a recent decade and forecasts a further increase of 50 per cent in the coming decade (De Castro 2013). China has emerged as one of Brazil’s largest export markets in agricultural commodities, particularly in soy.

3.5 The emergence of state-led capitalism and neomercantilism in the global food system

If it can be accepted that the emergent neoliberal corporate food regime is in a period of transition, it is important to identify ways of capturing and incorporating the analytical contours of the emergence of state capitalism and neomercantilism and how such models are reshaping the dynamics of the global food system. This transition is typified by the proliferation of SOEs and SWFs that are intensifying competition for natural resources across the globe. The rise of state capitalism and the proliferation of SOEs and SWFs exemplify contemporary forms of neomercantilism that challenge the embedded liberalism of the WTO, International Monetary Fund and World Bank. This critical transition occurring in the food regime is part of the broader shift from US hegemony and momentum towards a multipolar order with the re-emergence of the BRICs (Arrighi 2007, 2010; Laidi 2012; Larionova 2012). Ironically, this shift has been facilitated by the process of neoliberal globalisation (Fine 1994; Higgott and Payne 2000). van Apeldoorn (2011: 220) asserts:

The rise of what is arguably a ‘statist’ capitalism in the erstwhile periphery (China in particular) implies not just a challenge to ‘Western’ liberal capitalism, but also to our established understandings of current world order.
Some scholars have contended that the WTO-centered neoliberal corporate food regime is in crisis (Lawrence et al. 2010; Patel 2009; Rosset 2006). Arguably, this crisis is discernible in a new form of mercantilism that is apparent in the acquisition of offshore land for supplies of food, feed, and fuel (Borras Jr. et al. 2011a, 2011b; McMichael 2013a). McMichael (2013a: 48) situates the contemporary politics of land grabbing as ‘an expression of the changing geopolitical coordinates of the food regime in the context of a combination of food, energy, financial, and climate crises’ and asserts that there is a fundamental realignment in international relations around ‘resource grabbing’ as states evoking national food security attempt to secure and guarantee their access to global supply chains of food, feed and fuel through the acquisition of agricultural infrastructure, natural resources and foreign land (McMichael 2012a: 47; White et al. 2012).

This realignment in international relations is being facilitated by institutional arrangements and ‘governance mechanisms to justify and enable a new phase of land investments’ (McMichael 2013a: 48). McMichael characterises this shift in international relations as a new type of ‘security mercantilism’ that paradoxically both ‘affirms and contradicts a neoliberal order’ (McMichael 2013a, 47). He posits that security mercantilism is a crucial concept that typifies an emergent paradigm for the evolving third food regime and often manifests in a non-trade based form of food — foreign land acquisition across the globe (McMichael 2013a, 2013b). McMichael’s critical analysis of this new type of mercantilism in the global agri-food, feed, fuel and finance system has made a substantive contribution to understanding this theoretical paradigm, paving the way for further research.

It is important to note that the argument advanced in this thesis differs from McMichael’s (2013a) analysis in a number of ways. There are some limitations with the concept of security mercantilism, as mercantilism has historically had deep security dimensions with strong links to perceived national security agendas. Hence, this paper uses the term neomercantilism to connote a new type of mercantilism in the contemporary political economy, acknowledging this paradigm is conceptually linked to economic nationalism and national security. Also, McMichael (2013a) does not engage with the concept of state-led capitalism. Arguably, engaging with the burgeoning IPE literature on state capitalism contributes much to understanding the conceptualisation of
new types of mercantilism in the agri-food system, particularly in relation to the political economy of the East Asian region. That said, McMichael’s (2013a, 2013b) essential work on security mercantilism in the global agri-food system adds further support to the arguments advanced in this thesis in relation to neomercantilism in the agri-food system.

3.6 New mercantilism in the global food system: the politics of food scarcity

The notion of increasing competition over diminishing natural resources and foreign land acquisition facilitating change in the geopolitical coordinates of the food system finds resonance in the recent work of Brown (2012), Kugelman (2013) and De Castro et al. (2013). These scholars highlight that over the last decade, world grain reserves have diminished by a third and world food prices have doubled. Brown (2012) and De Castro et al. (2013) consider that the world is essentially in a transition from an era of food abundance to one of scarcity, and that as food supplies tighten, states will no longer trust or rely on global markets for national food security, but rather increasingly act in their own perceived national interests to ensure food security through the acquisition of foreign land and by securing access to offshore food supplies. Brown (2012: 3) outlines the thesis that a ‘new geopolitics of food scarcity’ is emerging, where ‘food is the new oil’ and ‘land is the new gold’. Brown contends that the Global Food Crisis of 2007–08 and record food price spikes in 2010–11 ushered in a global land rush and new era in the geopolitics of food.

While Brown’s (2012) thesis does have inherent limitations — particularly in relation to its (neo)Malthusian analysis and assumptions — it does point to a global food system in transition and one increasingly shaped by states pursuing perceived national security interests. This shift is occurring in the milieu of states attempting to ensure domestic food security and socio-political stability in an era of climate change and amidst an ongoing food, fuel and financial crisis (Barrett 2013). The work of Brown (2012) and De Castro et al. (2013) also illuminates the (neo)Malthusian logic around increasing land and food scarcity that underpins aspects of the neomercantilist approach to food security. Perceived increasing scarcity of food and land in an era of environmental change is shaping national food security agendas and motivating a new form of mercantilism manifest in the acquisition of offshore land for supplies of food,
feed, and fuel (Kugelman 2013; McKeon 2013). The urgency to acquire offshore agriculture land and secure national food supplies, after the 2007–08 Global Food Crisis, provides an insight into the ‘spirit of the age of scarcity’ (De Castro et al. 2013).

In his recent work on the ‘new politics of food’, McMahon (2013) provides a critique of the (neo)Malthusian logic of scarcity that abounds in neoclassical economics. McMahon claims this logic of scarcity is leading to land grabs with a new scramble to invest in farmland abroad. He situates this trend as part of the new geopolitics of food in the twenty first century with established companies and new competitors vying to secure global supply chains of food, feed and fuel. This analysis is supported by Borras Jr. et al.’s (2011a, 2011b) pioneering study of the agri-food, feed, fuel and finance complex. The scholars have mapped the changing dynamics of this complex, identifying the increasing integration of food, feed, energy and finance markets which has resulted in agri-food commodities becoming more fungible, with the acquisition or investment of capital in farmland (cultivated/arable land) being quickly converted into food/feed/(bio)fuel, depending on market prices/signals (price of crude oil and so on) and government policies. Brown (2012), Borras Jr. et al. (2011a, 2011b), De Castro et al. (2013) and McMahon (2013) reveal the panorama of the new politics of food and land, and how it is transforming the global food system. Their findings and research lend support to the argument this thesis posits that the emergence of neomercantilism is one of the defining features in the evolving global food regime.

Perceptions of future food scarcity are leading state actors to secure national food supplies and production sources independently to the global marketplace. Some scholars contend that the BRICS and other emerging economies have embraced various varieties of state-led capitalism that hold little credence to the neoliberal doctrine or trust that free trade and global food markets alone can provide national food security (Aldo and Lazzarini 2015; Ervine and Fridell 2015; Nolke 2015). Some states in East Asia — such as China and Thailand — are employing state-led capitalism in the agri-food sector and, in some cases, implementing new forms of mercantilism that are intrinsically linked to state-centric perceptions of national food security. This argument is outlined in detail in Chapter 4 and Chapter 5. Chapter 6 highlights that these state-centric approaches to food security often spatially and temporally reproduce food insecurities, moving them geographically across the globe. Incongruously, attempts by states to achieve national
food security through neomercantilist means often come at the cost of increasing food insecurity in other countries. The latter approach often reproduces food insecurity by spatially and temporally shifting the loci of insecurity globally. This has been demonstrated through cases of foreign acquisition of agricultural land that have resulted in the dispossession of peasant or small-scale subsistence farmers from the land (Hall 2011; McMichael 2012a, 2012b; Zoomers 2010). This process reproduces food insecurity and a loss of livelihood for those who are most vulnerable (Hofman and Ho 2012).

3.7 Towards an understanding of state-led capitalism and neomercantilism

Due to the cultural diversity and the historical differences in the political economy of various states that are perceived as state capitalist, there is no universal or precise definition of state-led capitalism (Kyung-Sup et al. 2012). However, broadly conceived, it ‘denotes a political economy in which the state directs and controls key productive forces in an economy, yet employs capitalist practices’ (McNally 2013: 3). The notion of state capitalism broadly refers to the commanding and strategic role of the state in fostering economic growth, directing industrial policies and guiding the emerging market economy (Li 2012). In other words, the ‘visible hand’ of the state exerts significantly more control than the supposedly ‘invisible hand’ of the economy (Wooldridge 2012).

This control of the economy is primarily exercised in a way that is consistent with the political goals and objectives of the government. Bremmer (2010: 5) characterises ‘state capitalism’ as ‘a system in which the state functions as the leading economic actor and uses markets primarily for political gain’. While Bremmer’s (2010) definition provides a useful starting point, it sets up a false dichotomy: contrasting his notion of state capitalism as a fundamental challenge to an idealised form of neoliberal capitalism, in which the states do not intervene in free markets or in the running of corporations or allocation of credit.  

As discussed in Chapter 3, the US Farm Bill is an

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10 I refer here to Polanyi’s (1944) argument outlined earlier that laissez-faire is in fact a ‘utopia’ and has never really existed. Polanyi’s (1944, 1947) seminal work highlighted that the ‘free market’ mechanism was nothing if not planned, and required from its inception an ‘enormous amount of continuous state intervention’ in the market mechanism to ensure its stability and continuity. Contemporary scholars such as Chang (2008) have made similar arguments. This Polanyian argument finds support in Ervine and
example of a state-led subsidy scheme that problematises many of the idealised assumptions underlying Bremmer’s (2010) notion of free markets and neoliberal capitalism juxtaposed against the threat of state-led capitalism. It is important to reflect on the rich empirical research and IPE analysis of Stopford and Strange (1991), in which they studied over 50 multinational corporations and more than 100 investment projects in Kenya, Malaysia and Brazil. Stopford and Strange’s (1991) seminal study clearly accentuated the complexity of the mutual interdependence between state and firms in the global political economy. This theme of mutual interdependence between states and transnational corporations is examined in Nolke’s (2015) recent study of state capitalism in emerging markets. Moving beyond the reductionist and dichotomous view put forward by analysts such as Bremmer (2010), critical IPE scholars such as Nolke (2015) and Aldo and Lazzarini (2015) have completed comprehensive and insightful studies on the nature and form of contemporary state capitalism. According to Nolke (2015: 1) the ‘emergence of a third wave of state capitalism that is different from the previous two in the 19th and 20th centuries’. Nolke (2015:1) argues that contemporary varieties of state capitalism are not based purely on protectionist tariffs or ‘one central command’, but ‘rather on a variety of formal and informal cooperative relationships between various public authorities and individual companies’.

In their recent analysis, Aldo and Lazzarini (2014) build on the notion of a complex mutual relationship between states and transnational corporations in the global political economy. Aldo and Lazzarini (2014: 2) provide a more nuanced conceptualisation, defining state capitalism as ‘the widespread influence of the government in the economy’. According to Aldo and Lazzarini (2014: 2), this influence can take many forms, including ‘either by owning majority or minority equity positions in companies or by providing subsidized credit and/or other privileges to private companies.’ Aldo and Lazzarini (2014) map out a spectrum of state intervention that includes not only a model where the state owns and manages SOEs — but also more nuanced models in which the state is a majority investor or a minority investor.

Fridell’s (2015) recent analysis of the myth of ‘free trade’ and alternative approaches to ‘trade, politics and power’.
The state uses a variety of tools to implement control. State capitalism is typified by: the proliferation of national oil corporations; SOEs across a diverse range of industries including food and agriculture; national champions — private companies with state links; and SWFs, which are often repositories of funds generated through resource and mineral exports (Xu 2009, 2012; Xu and Bahgat 2010). While there are some similarities between the forms of state-led capitalism in China, India, Russia and Brazil, there are also some important cultural, political economic and historical distinctions between the Chinese and Brazilian models and the Russian and the Indian variations of state-backed capitalism (Aldo and Lazzarini 2014; Chu 2010).

It is important to make the distinction between the varieties of state capitalism in East Asia and the broader global political economy (Kyung-Sup et al. 2012). Casanova and Kassum (2014), in their recent work about the political economy of Brazil, describe how Brazil is developing its own model of growth and development that they refer to as the Brazilian model with some features of state capitalism and innovative forms of welfare. Kroger (2012) depicts the Brazilian model as neomercantilist capitalism. State-led capitalism in China has been referred to in the literature as red capitalism, authoritarian capitalism, and state monopoly capitalism. Amin (2013) prefers the term Chinese state capitalism, and makes the distinction between the varieties of state-led capitalism. Chinese state-led capitalism is conceived in this study as akin to the concept sino-capitalism or capitalism with unique Chinese cultural characteristics (Amin 2013; Cai 2012; McNally 2012; Xing and Shaw 2013). One of the features of the Chinese model includes employing neomercantilist strategies in important sectors such as the agri-food and energy sectors (Taylor 2014).

State capitalism is intrinsically linked to the notion of economic nationalism and neomercantilism — that has long been premised on notions of wealth-as-power — and considers a favourable balance of trade as essential to national economic strength. It not surprising, then, to find that neomercantilism has distinct national security dimensions. This tradition in political economy draws on the significant work of scholars such as Thomas Mun, Alexander Hamilton and Fredrick List in providing a substantive critique and alternative perspective to economic liberalism. Graz (2004) identifies a type of ‘transnational mercantilism’ emerging in the contemporary global trading order. Adopting a critical IPE approach, Graz (2004: 611) argues:
‘Mercantilist’ thinking allows us to reconceptualise the politics of trade by reference to three major claims: the articulation between the economic and political spheres, the intimate connection between domestic and international realms, and the embeddedness of trade policy within broader political economy concerns. The concrete manifestations of these categories and their relations are not given but socially and historically produced.

A historically contextualised understanding of mercantilism — past and present — has much to offer agri-food scholars in seeking to comprehend the socio-political and economic contours of the contemporary global food system. The mercantilist tradition in political economy highlights the dynamic interplay between socio-political and economic spheres, and the interconnections between domestic and international realms and the political economy of trade policy (Graz 2004). The contemporary revival of the mercantilist tradition in political economy can be traced to the work of eminent scholars such as Joan Robinson (1978) on ‘the new mercantilism’. In order to discuss the concept of neomercantilism it is important to define what is meant by the term mercantilism.

3.7.1 Mercantilism: historical context

For 250 years from 1500, mercantilism informed almost all theories of political economy and economic policy. It was inextricably linked to historical milieu of commercial society emerging in Europe, colonialism and the earliest experiences of industrialisation (Levi-faur 1997; Magnusson 1993, 1994, 1995). Thomas Mun’s (1664) *England’s Treasure by Forraign Trade* made an important contribution to early mercantilist thought. Mun (1664) attributed England’s ascendancy and success in international trade relations to a ‘strong state’ capable of structuring the country’s commercial activities so as to produce continual trade surpluses. Imports were discouraged by the use of tariffs, quotas and subsidies (Levi-faur 1997). According to Perrotta (2014: 94), ‘Mun is unanimously considered as the main representative of mercantilist doctrine, both by the critics and by the advocates of that approach’. In 1622, Mun was appointed to the committee of the East India Company and later he was appointed the director of the company. As with many mercantilists, the protection of his own company’s interests was interwoven with his analysis for the benefit of the nation (Perrotta 1991, 2014). The East India Company played an important role in the first ‘colonial’ food regime. Mun (1664) did not specifically use the term mercantilism in his work — the first reference to the term mercantilism appeared in print in 1763 in
Marquis de Mirabeau’s *Philosophie Rurale* as *systeme mercantile* (cited in Magnusson 1994).

The concept of mercantilism delineates a system of political and philosophical thought and economic policy as well as an epoch in the development of economic doctrines during the sixteenth, seventeenth and eighteenth centuries before the publication of Adam Smith’s (1776) seminal critique of mercantilism in *The Wealth of Nations*. Smith associated the term mercantilism with the body of economic ideas that placed prominence on gaining national wealth and prestige through international trade. The mercantile doctrine prescribed that favourable balance of trade — when more money is received than is paid out — was considered the only satisfactory condition of commerce (Magnusson 1993, 1994, 1995). The establishment and maintenance of such a favourable balance was considered not only the responsibility of individual merchants and private enterprises, but also the central obligation of the government (Hont 2005; Perrotta 1991). This economic policy regime was typified by direct state intervention in markets in order to protect domestic merchants and manufacturers. At the core of this economic doctrine was the ‘positive balance of trade theory’ — essentially, a doctrine that demarcated that a country must export more than it imported and have a net trade surplus that would lead to an in-flow of gold bullion and increase national wealth.

The German historical school depicted mercantilism as state building in a broad sense — advocating the active role of the state in economic modernisation and growth (Magnusson 1994). In the nineteenth century, influential thinkers associated with the German historical school contributed to the development of the concept of economic nationalism and mercantilist thought. One influential thinker who has been associated with this school of thought was Friedrich List (1841). List (1841) insisted that he was not a classical mercantilist and was careful to differentiate himself and his work from classical mercantilist scholars like Mun (1664). Nonetheless, many contemporary IPE scholars consider List’s (1841) *National System of Political Economy* to be a pivotal text in the tradition of economic nationalism (O’Brien and Williams 2011; Ravenhill 2014). List promoted various forms of national protectionism as a system to secure state autonomy in the global political economy. Strategic protectionism was employed to develop and defend the national economy. It involved utilising the state apparatus to place tariffs or quotas on imports, nurture strategic domestic industries, support
industrialisation and raise the productivity of labour to close the productivity gap and enable exports to be more internationally competitive (Magnusson 1994). The aim of List’s scheme was to address the historical legacy of uneven development, rather than allow emerging and developing economies to be subsumed, exploited and subordinated in the international system.

List’s (1841) work has implications for comprehending the colonial food regime (the first food regime) under British hegemony. Britain maintained a mercantilist agricultural policy in the form of the Corn Laws until these protectionist laws were repealed in 1846 (Polanyi 1944). List argued that institutionalised free trade was only pursued by Britain in the middle of the nineteenth century once it was able to dominate world markets in tradeable goods and commodities. This was largely due to Britain’s colonial expansion and exploitation of the working class, rapid industrialisation and advanced level of economic development that had provided it with productivity advantages and enabled it to dominate international trade. It was only after acquiring a dominate position in the international system and international trade that Britain became an advocate of free market ‘liberal’ capitalism (Chang 2008; Ervine and Fridell 2015). The strategic rationale of Listian protectionism was to create a structural transformation towards a more even playing field in the global political economy so that no one state, or several powerful states, could consistently dominate international markets and trade as a consequence of structural or competitive advantages obtained early (protected) development (Ravenhill 2014). While List (1841) did not consider himself a classical mercantilist, his work has been influential in the emergence and evolution of the neo-Listian ‘development state’ in East Asia and the Chinese model of state-led capitalism that is discussed in detail in next chapter (Breslin 2007: 22). Chinese scholars like Han Deqiang (2000) have argued that China ‘needs a new political economy that rejects free market liberalism, and follows the strong state model championed by List’ and modelled on German and Japanese models of industrialisation (cited in Breslin 2007: 22).

List was exiled from native country Germany and spent time in the US. While exiled in the US, List was influenced by the work of Alexander Hamilton and others. List’s (1841) work was influential for many industrial planners during German and Japanese industrialisation (Breslin 2007). List’s work became synonymous with infant
industry protectionism, which was implemented by newly industrialising economies in the twentieth century. The Listian (1841) scheme of national political economy has significant implications for understanding the transition from the first to the second food regime under the hegemony of the United States. Following the mercantilist principles of Alexander Hamilton, the United States was largely protectionist for the first centuries of its economic development. In the 1930s, after the Great Depression and the First World War, the United States increased protectionism, instituting the Smoot-Hawley Tariff (Chang 2008). It was only after the Second World War when the United States emerged as the preeminent economic power and global hegemon that it became the principal architect of a new liberal world economic order. This was instituted through the Bretton Woods agreement in 1944, with the establishment of the General Agreement on Tariffs and Trade (GATT) and the International Monetary Fund (IMF). GATT laid the groundwork for the eventual emergence of the WTO and to the supposed emergence of a WTO-led neoliberal/corporate food regime (McMichael 2013a).

The legacy of Listian protectionism was evident in the second food regime and arguably endures in an emergent third food regime, with contemporary forms of mercantilism evident in the European Union’s Common Agricultural Policy (CAP) and the Farm Bill in the United States — legislation that contains significant subsidies to support the agri-food sector. Potter and Tilzey (2005) argue that there is a long tradition of neomercantilism within the CAP, dating from the institution of community preference and export subsidies as central instruments of policy during the early years of the CAP, and the 1970s, respectively. Advocates of neomercantilism in agricultural policy regard the function of the state as being to safeguard and underwrite the productive capacity and export potential of farmers (Potter and Tilzey 2005).

3.7.1 New mercantilism: contemporary context
Historically, mercantilism has played a constitutive role in the evolution of the various food regimes. Therefore, it is not unexpected to find that new forms of mercantilism continue to play a substantive role in the reconfiguration and transformation of the current global food system. While contemporary or new mercantilism differs considerably from its classical antecedent, there are some striking commonalities — these include the determination by states to pursue export-led economic growth and to
intervene in markets to attain political objectives and maximise national wealth (Robinson 1966; Stern and Wennerlind 2014).

Neomercantilism offers an alternative paradigm that challenges the philosophical underpinnings of neoliberalism (Robinson 1966). Neomercantilism can be conceptualised as the contemporary pursuit of current account surplus and export-led economic growth (a persistent excess of exports over imports) with states utilising and manipulating markets to facilitate national wealth and power (Robinson 1966; Stern and Wennerlind 2014). Neoliberalism depicts ‘free markets’ and free trade as a ‘positive sum game’ with increasing prosperity for all, and it is underpinned by methodological individualism (Ervine and Fridell 2015). In stark contrast, neomercantilism is a state-centric paradigm that is sceptical and wary of so-called free markets. It portrays market relations as potentially negative and exploitative: a ‘zero sum game’ in which some states and firms lose access to markets, wealth and power while others gain (O’Brien and Williams 2011).

Neomercantilism can be conceptualised as a new form of economic nationalism — states seek to protect national interests and security and pursue political objectives through controlling the ‘commanding heights’, the largest and most strategic sectors of the global political economy, with the goal of trying to shape the mechanisms of national and global markets and secure global supply chains for strategic commodities, vital raw materials and natural resources including food, feed and fuel (Cho 2000; Rodrik 2013; Xu and Bahgat 2010). States craft economic policies to maximise national wealth and use their governmental apparatus to try to overcome, or at least limit, market outcomes that could constrain the development of national champions — key corporations and firms deemed central to the state’s power—and utilise SOEs and SWFs to gain privileged access to essential raw materials and markets (Cho 2000; Xu 2009; 2012; Xu and Bahgat 2010).

3.8 The paradox of state-led capitalism and neomercantilism in the neoliberal corporate food regime
The paradox of the emergence of state-led capitalism and neomercantilism in the global food system is that it both challenges and confirms the neoliberal corporate food regime. Arguably, this apparent contradiction is consistent with the internal
contradictions of neoliberalism (Brohman 1995; Chang 2008; Harvey 2005; McNally 1998; Polanyi 1944). Polanyi (1944: 146) describes the inherent contradictions in economic liberalism in relation to the so-called ‘free market’, explaining that ironically ‘the road to the free market was opened by and kept open by an enormous increase in continuous centrally organized and controlled interventionism’. Polanyi (1944) argues that *laissez-faire* is in fact a ‘utopia’ and has never really existed. According to Polanyi (1944), the free market mechanism was nothing if not planned, and required from its inception an enormous amount of continuous state intervention in the market to ensure its stability and continuity.

This Polanyian argument finds support in Ervine and Fridell’s (2015) recent analysis of the myth of free trade and alternative approaches to trade, politics and power. Chang (2008) also articulates this paradox as a form of ‘organized hypocrisy’ in his seminal work on the myth of free trade, arguing that while states in the Global North — in particular the United States and European Union (EU) — have often advocated ‘free trade’ in food and agriculture and neoliberal policies through the WTO they have rarely practised such a doctrine. Rather, at a national level they have often practised a not-so-subtle form of protectionism and neomercantilism with large subsidies for the national agri-food sector and agri-food corporations in the form of the US Farm Bill and the EU CAP. As Pritchard (2009: 302) indicates:

> Seen through the world-historical prism of food regimes analysis, the period from the inception of the Uruguay Round in 1986 until the Seattle meeting of 1999 represents a global politics of food in which elite northern interests strategized to create and use the WTO as a tool to preserve their own subsidy regimes, while at the same time enforcing liberalization on the rest of the world.

The US Farm Bill system subsidised ‘large-scale producers and downstream processors, rather than serving the interests of farm families’ (Pritchard 2009: 300). From the perspective of countries in the Global South, this protectionist system of subsidies in the US agri-food sector undermined the lives and livelihoods of domestic farmers and food producers and increased food insecurity. Food producers and farmers in the Global South were forced to compete with subsidised cheap imports in domestic

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11 The French term *laissez-faire* literally means ‘let do’, or broadly translated, means ‘let [them] act’. The term also generally implies ‘leave it alone’. It is a doctrine that extols ‘free trade’ and essentially opposes all forms of regulation of the market mechanism, including any restrictions on labour, land or money. The doctrine of *laissez-faire* is intrinsically intertwined with the classical notions of economic liberalism (Blyth 2002; Polanyi 1944; 1947).
markets and subsidised exports in global markets, which restricted their capacity to compete on global export markets (Pritchard 2009; Rosset 2006). From a critical IPE perspective, it is important to reflect on Strange’s (1986, 1988, 1991) insightful maxim: ‘In whose interests or ‘who benefits”? In other words, who are the principal beneficiaries of the US Farm Bill subsidy system? Rosset (2006) points out that domestic farmers in the US are not the principal beneficiaries of the subsidy scheme; in fact, farmer incomes in the US have been declining due to low commodity prices. According to Rosset (2006: xv):

The US touts the benefits and professes the obligations of ‘free trade’, while at the same time scheming to continue subsidy programs to keep the US farm economy functioning in the face of disastrously low commodity prices for farmers…US farmers take the rap as being ‘subsidised’, while it is actually the corporations buying cheap commodities that reap the benefits of the US subsidy scheme and of further trade liberalisation.

This critical analysis of the US subsidy scheme known at the US Farm Bill has important implications for the analysis presented in Chapter 5 of the state-led rice pledging subsidy scheme in Thailand. Akin to the US subsidy scheme, the Thai rice pledging scheme claimed to benefit rice producers and farmers; however, the main beneficiaries were the large rice exporting companies and rice millers — many of whom had links to the ruling political party and business elites in Bangkok. Paradoxically, instead of supporting livelihoods and reducing inequality for small-scale and peasant rice farmers as proposed, the scheme has routinely reproduced enduring social inequalities, and increased the hardships faced by rural rice farmers. Ironically, the scheme exacerbated food insecurity by stockpiling mountains of rice, much of which was destined to simply rot in government warehouses. The rice pledging subsidy scheme will be discussed in detail in Chapter 5.

Both the US and Thai state-backed subsidy schemes provide interesting examples of varieties of state-led capitalism in agri-food sectors, and neomercantilist agricultural policies in both the Global North and the Global South. In both cases, the main beneficiaries of the state-led subsidy scheme have been large agri-food corporations, rather than small-scale farmers. The same large corporate actors that benefit from state-led capitalism in domestic markets are also the major beneficiaries of agricultural liberalisation in international markets. Returning to the opening argument presented at the beginning of this section, these examples of state-backed agri-food subsidy schemes
appear to lend support to the proposition that state-led capitalism and neomercantilism in the agri-food sector both contradict and reaffirm a neoliberal corporate food regime.

While there is some substantive academic literature on neomercantilist agricultural policies in the Global North, there is little literature to date that examines state capitalism and neomercantilism in China’s agri-food sector and the role of Chinese SOEs in restructuring the regional and global food system (OECD 2015). State-led capitalism and neomercantilism are having a profound transformative effort on the global food system, with SOEs and SWFs becoming increasing significant and powerful actors in the global agri-food, feed, fuel and finance complex. Since the Global Financial Crisis of 2008, SOEs have become important sources of international investment in emerging economies. Emerging markets in the Middle East and East Asia, as well as resource-rich industrialised countries such as Norway, have become increasingly active international investors (Bazoobandi 2014). In 2007, when annual flows of foreign direct investment by multinational enterprises reached a record US$2 trillion, state-owned enterprises accounted for only 3–4 per cent of international mergers and acquisitions (OECD 2015). By 2009, state-owned enterprises accounted for 20 per cent of international mergers and acquisitions (OECD 2015).

Much of the critical agri-food literature to date has focused on the neoliberal characteristics of the corporate food regime. However, this literature has often overlooked the nuances in varieties of capitalism in East Asia, largely ignoring the rise of state capitalism and neomercantilism. There are some important and notable exceptions, such as the classic study by Prasartset (1979) of state capitalism in Thailand’s development process from 1932–1959, and the seminal study by Burch et al. (1994) that investigated the relationship between the state and agribusiness and examined the role of the Thai state in promoting a ‘contract farming system’ and export-oriented agriculture. There is also the pioneering study of Japan’s dairy sector restructuring by Pritchard and Curtis (2004). Pritchard and Curtis (2004: 177) argue the East Asian agri-food regime departs strongly from neoliberal ideals with the ‘highly visible hand of the state’ intervening in agri-food markets to achieve domestic goals of food security. Pritchard and Curtis (2004: 177) contend:

Asian agro-food markets depart strongly from neoliberal ideals. Traditionally, East Asian agro-food regimes have been dominated by extensive state institutional activity.
Governments have implemented highly protectionist policies for the stated domestic goals of addressing food self-sufficiency and security, the need to protect the social and economic position of small farms, and the maintenance of rural cultures for reasons of national identity. And whereas these policies have been challenged in recent years through the imperatives of WTO compliance and the implementation of structural adjustment programs following the 1997 Asian economic crisis, much of their broad character and thrust remains intact.

The concept of a global neoliberal/corporate food regime does not properly account for the agri-food sector in the East Asian region, nor does it capture the unique historical and cultural context of the region. Many states in the East Asian region, including China and Thailand, employ state-led capitalist and neomercantilist strategies in the rice sector. This argument will be outlined in more detail in Chapters 4 and 5 in case studies of the political economy of rice and food insecurity in China and Thailand. Chapter 4 outlines state capitalism with Chinese characteristics in the agri-food sector. It provides a detailed study of COFCO, China’s largest SOE in the agri-food sector. Chapter 5 discusses Thai state capitalism in the agri-food sector with a detailed study of the state-led rice pledging subsidy scheme. One case study focuses on Northeast Asia (China) and the other on Southeast Asia (Thailand). Together, these case studies provide insights into the political economy of rice and, more broadly, the political economy of the East Asian food system. These case studies reveal some of the contours of the ‘visible hand of the state’ intervening in national, regional and global agri-food markets to achieve the domestic socio-political and economic goals of national food security agendas.

3.9 Conclusion
This chapter has examined the presence of neomercantilism in an evolving global food regime. It is argued that the analytical contours of this emergent third food regime cannot be adequately understood without recognising the incipient importance of state capitalism and neomercantilism and how this paradigm shift is reshaping the dynamics of the global food system. This transition is typified by the proliferation of SOEs and SWFs that are intensifying the competition for natural resources across the globe. The concept of neomercantilism provides important insights into understanding the so-called changing contours of a third food regime.
It is also crucial to comprehend the constitutive role that mercantilism has played in the evolution of the first and second food regimes. This chapter has examined the emergence of neomercantilism and its role in the reconfiguration contemporary global food system. It is posited that neomercantilism both contradicts and reaffirms the neoliberal characteristics of the third food regime.\textsuperscript{12} An analysis of contemporary conjecture in the global food regime has been situated within the context of a transition to polycentric/multipolar global food, feed, fuel and finance complex. This transition is characterised by the rise of the BRICS, and the advent of state capitalism and neomercantilism with the subsequent proliferation of SOEs and SWFs.

In Chapter 4, a case study of China will investigate the dynamics of the proliferation of SOEs and SWFs and their emergent role in securing global supply chains of food, feed and fuel through the acquisition foreign land and natural resources. Chapter 4 will analyse how China’s largest state-owned food company, COFCO, is reshaping the global food system.

\textsuperscript{12} As mentioned earlier in section 3.5, this contention is supported by McMichael’s (2013a: 48) arguments in his seminal article; however, it differs in the way that neomercantilism is conceptualised and its relationship to state-led capitalism which is not discussed in detail in McMichael (2013a) article.
4 The political economy of rice and food insecurity in China

4.0 Introduction
This chapter opens with a discussion of the historical and cultural origins and importance of rice in China. The following section provides an analysis of the contemporary food insecurity in China. After many years of pursuing a policy of national self-sufficiency in rice, China has recently become a major importer of grains and vegetable oils. In the context of increasing ecological degradation, some scholars contend that China is increasingly food insecure. Comprehending these emergent food insecurities is crucial to an understanding of state-led capitalism with Chinese characteristics and nascent neomercantilist strategies in the agri-food sector — including rice. While the Chinese Communist Party’s (CCP) is pursuing varied degrees of economic liberalisation in some agri-food sectors, it is implementing new forms of mercantilism in some strategic commodity sectors, including rice, due to the perceived linkages between rice, socio-political stability and national food security. The succeeding sections examine the role of China’s largest state-owned food company, COFCO, and its emergent role in the global food system. COFCO plays a central role in the entire rice commodity chain in China — including, production, processing, distribution, and exports and imports. In the final sections of the chapter, the dynamics of COFCO’s evolving role in securing global supply chains of food, feed and fuel will be analysed.

The argument advanced in this chapter is that recent acquisitions by China’s largest state-owned agri-food companies and grain traders need to be comprehended — not just in the context of profit maximising — but also in the milieu of the CCP’s domestic food security considerations. Arguably, the Chinese Government is utilising its influence in its largest state-owned agri-food company and grain trader, COFCO, to ensure national food security by directly securing global grain and food supplies. In doing so, China is pragmatically reducing its reliance on imports of grain from international grain traders and is reconfiguring the relations of power in both the grain trade and the broader global food system. The implications of this restructuring of the contemporary global food system for the nascent third food regime will be discussed in the final section.
4.1 The historical context: rice domestication in China

There is much scholarly debate about the historical origins of rice domestication, yet the prominence of rice as a staple food and cultural symbol in the development of the Chinese civilisation is well recognised in scholarly literature (Fuller 2011; Guedes 2011). The earliest forms of rice cultivation can be charted from two directions: one from domestication in India and the other from domestication in China — ‘with selection for domestication traits in early Yangtze japonica and a non-domestication feedback system inferred for proto-indica’ (Guedes 2011; Fuller 2011: 78). The prolonged development of domestication methods ‘finished around 6,500–6,000 years ago in China and about two millennia later in India, when hybridization with Chinese rice took place’ (Fuller 2011: 78). Afterwards, farming populations growing domesticated rice developed and enlarged by migration and integration of pre-existing populations (Fuller 2011). Archaeologists such as Fuller (2011) have studied the origins of the domestication of rice and posit that rice was central Chinese civilization and many of the civilizations of East Asia. According to Fuller (2011: 78, 89):

Rice is central to the civilizations of monsoon Asia in two senses. For many Anglo-American archaeologists and anthropologists, ‘civilization’ refers to hierarchical, complex societies of states and rice has been part of agricultural production of most of these from the Ganges to the Mekong to China’s central plains…Other anthropologists, such as those from the French Maussian tradition, use civilization in the sense of a larger regional shared core of cultural ideas, within which many states and smaller societies may be grouped…There can be no doubt that the civilizations of Asia have histories in which rice has been a key component, both as staple foodstuff and as salient cultural symbol.

Akin with Fuller (2011), scholars such as Guedes (2011: 104) asserts that ‘Southwest China played a pivotal role in the spread of agriculture across East and Southeast Asia’. The domestication of rice and millet had ‘important consequences for spurring population growth, facilitating expansion into new territories and the development of social complexity’ (Guedes 2011: 104). For many centuries, rice has played a significant role as a staple food, and cultural symbol, and has long historical links to politics and power in China.

4.2 Contemporary food insecurity in China

The Chinese interpretation or equivalent of ‘food security’ is liangshi anquan — in relation to official policy, this word is generally referred to as ‘grain security’ (Zhang 2011a: 78). Hence, rice and grain security epitomises food security in China. China is
the world’s largest consumer of soy, rice, and wheat. China consumes 25 per cent of the world’s soybeans, 20 per cent of the world’s corn and 16 per cent of the world’s wheat (Morton 2012). China has recently become a major importer of grains and vegetable oils. After many years of pursuing a policy of national self-sufficiency in rice, it became a net importer of rice in 2011 (Timmer 2013). China is also the leading importer in the world of palm oil, and has been importing rice from Vietnam and Thailand (Timmer 2013). Some scholars take a longer-term perspective, arguing that China is increasingly food insecure. As Zhang (2011a: 79) affirms, ‘the importance of grain to the Chinese can never be overemphasised. Self-sufficiency of grain supply is vital for China’s liangshi anquan’. National indicators that measure the key sources of agricultural production — land, water, and labour — suggest that the task of sustaining self-sufficiency in the future will be enormously challenging. The Chinese are consuming less grains and vegetables and more meats, seafood, eggs, fruits and diary (Zhang 2011a). A momentous challenge facing the CCP and the Chinese people is finding sustainable methods of feeding 22 per cent of the global population on less than 9 per cent of the world’s cultivated land (Morton 2012).

CCP modelling has predicted that a minimum of 120 million hectares of agricultural land is required to protect national food security and feed the population. For planning purposes, the Chinese Government has instituted a red line policy, outlining that 1.8 million mu (120 million hectares) of arable land represents a critical red line, below which producing enough food to meet the demands of a rising population will arguably not be possible (Zhang 2011a, 2011b; Morton 2012). This is a major concern for the CCP. According to some scholars, China’s arable land is in a rapid state of decline. Between 1996 and 2007, the total area of arable land declined almost 7 per cent from 1.951 million mu (130 million hectares) to 1.826 million mu (121.7 million hectares) (Zhang 2011b; Morton 2012). Taking into account population growth of roughly 7.3 per cent during the same time, arable land per capita declined by approximately 14 per cent. As a consequence of natural disasters, urbanisation, severe ecological degradation and environmental pollution, around two-thirds of available land in China is now classified as either barren or with low agricultural potential (Morton 2012).

To feed its 1.3 billion population, China is already facing a great challenge of land scarcity. China suffers from serious land degradation, with more than 40 per cent of its
land area increasingly affected by soil degradation, salinisation and desertification (Chen 2007). Increasing concern over land scarcity expressed in terms of soil availability for agricultural production has worsened due to rapid population growth and accelerated urbanisation and industrialisation over the past two decades (Chen 2007). A rapidly urbanising China faces intensified resource scarcity and environmental degradation. The process of urbanisation is dependent on a steady supply of natural resources, including fresh water, fuel, land, food and all the raw materials (Chen 2007).

Concerns over impacts of acid deposition on soil quality have emerged since the 1980s. Due to both lower buffering capacity and higher precipitation acidity, soils distributed in south and Southeast China are much more subject to acidification and associated damage. According to a report released by the Ministry of Land and Resources (MLR), the total cultivated land area in China shrank by 2.01 per cent in 2003 over the previous year to 123.4 million (Chen 2007). Now only 12.8 per cent of total national terrestrial surface is available for agricultural production. It is estimated that between 1996 and 2006, China lost 6.5 per cent of its total arable area. This loss in good arable land is expected to continue, with total crop land expected to decline from 135 million hectares in 2003 to 129 million in 2020 (Chen 2007).

Water scarcity made worse by the effects of climate change further constrains China’s capacity to increase agricultural productivity. The Chinese Government predicts that water scarcity in the north will worsen in the future as the effects of climate change become more pronounced (Zhang 2011a, 2011b). According to the Ministry of Water Resources, in 2010, drought led to grain losses of around 16.8 billion kilograms (equivalent to 3 per cent of total annual grain output) (Morton 2012). China is the world’s largest consumer of grains and expectations are that it will need to import more to make up for predicted losses associated with climate change.

In essence, China’s foreign farmland acquisition strategy is motivated by the Government attempting to maximise its options for the country’s long-term food supply. In fact, food is starting to rank highly, alongside energy and minerals, in China’s overall outward investment strategy (Zhang 2011b; Ping 2008).
4.3 State capitalism, neomercantilism and the role of SOEs in reshaping the global food system

In recent decades, China has adopted various market-orientated economic reforms. This began in 1978, with Deng Xiaoping initiating what are now referred to as the Deng Reforms, which supported his vision of a modernised China (Chan et al. 2007; Cia 2012; Huang 2008). During the leadership of then-premier Zhu Rongji in the 1990s, China began reforming its SOEs. ‘Grasp the large, release the small’ was the rally-call, and thousands of the weaker SOEs were either privatised and listed on the stock exchange, or eliminated, with millions of workers losing their jobs (He 2014: 3; Hou 2013).13 The opening of China to foreign trade and investment, with 2001 entry into the WTO, was significant, with China agreeing to undertake various reforms to enhance transparency and comply with international standards (Huang 2008). Private enterprise has been allowed, and Chinese firms are now listed on foreign stock exchanges (Coy 2012). Despite these reforms, there is still significant government intervention in the economy. The Chinese Government does not purport to be capitalist, instead officially referring to the state as a ‘socialist market economy’. However, many scholars refer to China’s political economy as an exemplar of state-led capitalism with unique Chinese cultural characteristics (Bremmer 2010; Chan et al. 2007; Chu 2010; Hou 2013; Huang 2012; Lin 2013; Szamosszegi 2011; Wooldridge 2012; Yi-Chong 2012; Xing and Shaw 2013). Drawing on Huang’s (2008) influential work, Cai (2012: 216) contends:

In the 1980s, China moved toward a form of entrepreneurial capitalism marked by rural policy bias, financial liberalization, and security of proprietors. In the 1990s, China switched to state-led capitalism marked by substantial urban bias, massive infrastructural investment, and preference for large state-owned enterprises (SOEs) and foreign direct investment (FDI) over indigenous capitalists.

In China, SOEs have near monopolies in some sectors considered critical to economic stability and growth, such as the energy, telecommunications, transportation, and financial sectors. The selective protection of industries has facilitated the growth of China’s national champions (Cho 2000; Wooldrige 2012). China has the second highest

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13 It is important to note that land in China has been - to some extent - ‘commoditised’; however, it has not been necessarily ‘privatised’. The nature of land tenures in China is a complex issue that has important social, political, economic and ecological implications that are outside the scope of this thesis. For comprehensive coverage of this issue, refer to Breslin 2007; Chu 2010; Hou 2013; Xing and Shaw 2013.
number of companies on the Fortune 500 companies’ list, with 59 of the listed 61 being SOEs. The number of Chinese companies included on the list has grown at an average rate of 25 per cent since 2005 (Lin 2013). Overall, there are roughly 100,000 SOEs in China, though many of them are smaller entities, such as retailers and restaurants that are owned by provinces or cities and compete with private sector firms (Szamosszegi 2011; Yi-Chong 2012). Critics complain that SOEs receive preferential treatment by state-owned banks and are the recipients of a host of subsidies and tax breaks, paying dividends at levels well below those of competitors.

The largest state-owned companies also have ‘implicit advantages’, because of their ‘closeness to decision makers’ (Szamosszegi 2011; Yi-Chong 2012). There is an increasingly blurring distinction between Chinese firms that are public and those that claim to be private. Many companies do not disclose clear information on equity structures, which makes it difficult for outsiders to be precise about ownership. An apparently private company may be controlled by a state-owned, unlisted, parent company. In addition, there is likely to be significant state influence over strategic private firms, as private companies may flourish because of their formal and informal links to key state agencies. Such companies benefit from access to special credit lines, tax breaks, and possibly favourable interpretation of regulations and priority in allocation of key contracts (Cotula 2012; Li 2008; Szamosszegi 2011; Xu 2012).

4.4 China’s state-owned agri-food companies go global
China’s large SOEs, such as China State Farms Agribusiness Corp, Jiangsu Agribusiness Group and China–Africa Agriculture Investment Co, have already carried out major agricultural projects in Africa. Chinese SOEs have acquired large amounts of farmland in Southeast Asia, South America and Africa. Contrary to some public perceptions, the borderlines between the motivations driving private companies and SOEs or SWFs are not clear-cut (Cho 2000). The Chinese case illustrates how the boundaries between state and non-state enterprises may be blurred. There are two aspects to this discussion: state ownership and state influence (Cotula 2012; Li 2008; Xu 2012). In China, corporations emerging from the centrally planned economy such as the China National Cereals, Oils and Foodstuffs Import and Export Company (COFCO)
are clearly state-owned enterprises: senior staff members are appointed by the state, and chief executive officers have ministerial-level ranks (Chu 2010).

COFCO is China’s largest state-owned agri-food company, and is China’s largest food processor, manufacturer and trader, with estimated assets worth US$57 billion (COFCO 2014). It can trace its origins to 1949 and the founding of the North China Foreign Trade Company in Tianjin, China. In September 1949, the company set up several specialised companies, such as North China Grains Company, North China Oils Company, North China Eggs Company, North China Pig Bristles Company, North China Fur Company and North China Local Product Company. COFCO is one of the largest SOEs of the 49 directly administrated by China’s State Council. Between 1952 and 1987, it was the sole agricultural products importer and exporter operating under direct control of the central government (COFCO 2014).

Besides the foodstuff business, COFCO has developed into a diversified conglomerate. COFCO is an investment holding company that specialises in trade and processing of oil and foodstuffs, with a fully integrated global agri-food supply chain, processing capabilities, manufacturing, logistics and distribution channels. It plays a strategic role in the agri-food markets in edible oils and foodstuffs, which includes oils and oilseeds, corn, wheat, rice, wine, tomatoes, dairy products, meat, barley, tea, chocolate and various other products (COFCO 2014). The company plays a central role in the entire process, from cultivation to the distribution of final food products — and from farm or field to the plate. The company serves as the main importing and exporting channel for bulk agricultural products such as wheat, corn, rice and sugar. COFCO is also involved in the development of real estate, hotels, non-grain bio-energy, packaging, finance and other industries (COFCO 2014). Its financial services include a commodity futures brokerage, a regional bank and an insurance venture with London-based Aviva Plc (COFCO 2014). COFCO has four companies listed in Hong Kong; namely, China Foods, China Agri-Industries Holdings, Mengniu Dairy and COFCO Packaging Holdings; and three companies listed in mainland China — COFCO Tunhe, COFCO Real Estate and BBCA (COFCO 2014).

COFCO is an interesting example of an SOE acquiring private companies in China. In 2009, COFCO purchased Mengniu Diary, the biggest player and a ‘star’ company in
the dairy industry in China. Also in 2009, COFCO absorbed Wugudaochang, a significant player in the industry of instant noodles. At the end of 2009, COFCO bought Maverick Food Company, a meat supplier (COFCO 2014). In 2013, COFCO acquired Longping Hitech, an important firm in the crop seeds industry (COFCO 2014). In 2014, COFCO invested US$3 billion in the acquisition of two food trading companies — Noble Group’s agricultural products trading unit and Dutch grain trader Nidera. On February 28 2014, COFCO announced that it had purchased a 51 per cent stake in Dutch grain trader and seed developer Nidera (COFCO 2014). Nidera is a major international agribusiness and trading company with an annual turnover in excess of US$17 billion (COFCO 2014). On 30 September 2014, it followed up the purchase by taking a 51 per cent stake in Noble Agri Ltd., the agricultural processing and trading unit of Singapore-listed Noble Group Ltd (COFCO 2014).

COFCO’s financial partner in the Noble deal was a diverse investment consortium consisting of: Chinese private equity firm Hopu Investment Management Co; Singapore state-owned asset manager Temasek Holdings Pte. Ltd; Standard Chartered’s private equity arm; and International Finance Corp, the for-profit investment arm of the World Bank (Silk and Yap 2014; Tsang 2014). COFCO provided 60 per cent of the funding for the Noble and Nidera investments, with the remaining 40 per cent financed by the investment consortium (Silk and Yap 2014; Tsang 2014). Noble Agri Ltd., is a company set up in 1998 to trade and process agricultural products such as grains and oilseeds, cotton, cocoa and sugar (Yun and Humber 2014). The two acquisitions created a platform for China to source food in the global market and also serve as a distribution channel for China’s food products to ‘go global’ (Tsang 2014; Yun and Humber 2014). These strategic acquisitions provide COFCO with access around the world to procure grain and acquire technological processes (Zhong 2015). Noble Agri’s operations include sugar mills in Brazil, soybean crushers in Argentina and grain silos in the Ukraine. This acquisition gives the company direct access to South American grain and oilseed supplies (Tsang 2014; Yun and Humber 2014). Nidera is mostly known for grain trading, but is also develops yield-boosting seed technology. COFCO planned to connect large grain-production areas, including those in South America and the Black Sea region, to Asia, the world’s largest food market (COFCO 2014; Zhong 2015). Gaoning Ning the Chairman of COFCO (cited in Zhong 2015:1) has stated:
Only more flexible ‘going global’ strategies can ensure China’s food security, as well as meet the rising demand of some countries for high-protein and nutritious food... Chinese agribusiness companies should be pioneers in advancing agricultural modernization. We cannot just rely on the old ways of expanding production.

The company’s revenue was US$34 billion for 2012 (COFCO 2014; Silk and Yap 2014). On an annual basis, its revenue level places it among the world’s largest agribusinesses in the world, ahead of the US’s Bunge Ltd., but still trailing Cargill Inc. and Archer Daniels Midland Co. (Silk and Yap 2014). COFCO’s strategic goal is to form a global food supply chain capable of challenging the dominance of the ABCD of the global commodity and grain trade — Archer Daniels Midland Co., Bunge Ltd., Cargill and Louis Dreyfus (Tsang 2014; Zhong 2015). The Nidera and Noble deals were the largest in China’s food industry and cap seven years of COFCO’s overseas expansion, as the company has attempted to build up its portfolio in everything from cooking oil to chocolate (Tsang 2014; Zhong 2015). The company’s wine-and-spirits division bought France’s Chateau Viaud in Bordeaux in 2011, having made its first overseas winery acquisition the year before with a US$18 million bid for Chile’s Biscottes (COFCO 2014; Silk and Yap 2014).

It is important to note that COFCO has been building other overseas alliances, including partnerships in its pork operations with private-equity company KKR and in milk production with French dairy company Danone (COFCO 2014; Silk and Yap 2014). COFCO is not alone — the Bright Food Company is China’s second largest state-owned food company. In 2012, Bright Food purchased a 75 per cent stake in Australia’s Manassen Food for more than US$500 million and a 51 per cent share in New Zealand’s dairy producer Synlait. In 2011, it offered US$1.2 billion for British company United Biscuits. It has also attempted to take over French yoghurt group Yoplait (COFCO 2014; Silk and Yap 2014; Tsang 2014).

President Xi Jinping proposed two major economic initiatives in 2013 — the Silk Road Economic Belt and the 21st Century Maritime Silk Road initiatives (Zhong 2015: 1). These trade proposals are otherwise known as the Belt and Silk Road Initiatives: the purpose of renewing the two ancient trading routes and opening up further markets for trade with China (Zhong 2015: 1). COFCO intends to play a major role in these new economic trading initiatives. Ning the Chairman of COFCO, has stated that ‘even though the initiative is still in its early stages of development, it has strong implications...
for many nations along the routes that count on agriculture and international agribusiness cooperation’ (Zhong 2015: 1). Ning (cited in Zhong 2015: 1) has indicated that ‘many countries along the routes are key global grain producers, and that COFCO will continue to seek investment and cooperation opportunities with them over the next five years’. Therefore, COFCO has a substantive role to play in the CCP’s goals to maximise trade and economic growth, in addition to objectives for the country’s long-term food supply and national food security. As mentioned earlier in this section, it is apparent in the COFCO case study that food is starting to rank highly, alongside energy and minerals, in China’s overall outward investment strategy (Zhang 2011a, 2011b; Ping 2008). This has important implications for the global agri-food system.

4.5 China’s state-led capitalism and neomercantilist strategies in the agri-food sector: restructuring the global food system and emergent third food regime

The recent acquisitions by China’s largest state owned agri-food companies and grain traders need be comprehended in the context of China’s domestic food security considerations. Arguably, the Chinese Government is utilising its influence in its largest state-owned agri-food company and grain trader, COFCO, to ensure national food security by directly securing global grain and food supplies. In doing so, China is reducing its reliance on imports from international grain traders and is reconfiguring the relations of power in both the grain trade and the broader global food regime. It is crucial to note that, in 2004, the Chinese Government took the historic step of liberalising some aspects its grain market to international trade.

China’s assentation to the WTO — and its gradual move towards restructuring and liberalising some aspects of its agri-food sector — demonstrate the highlighted paradox of state capitalism and neomercantilism in both challenging and conforming with the neoliberal dominance of an emerging third food regime. As stated in the previous chapter, this apparent contradiction is arguably consistent with the internal contradictions of neoliberal capitalism (Brohman 1995; Harvey 2005; McNally 1998; Polanyi 1944). This apparent paradox can be historically contextualised through a nuanced understanding of how states — both in the Global North and in the Global South — have long intervened in domestic agri-food markets to achieve socio-political and economic objectives (Chang 2008; Potter and Tilzey 2005). Returning to the arguments outlined in Chapter 3, scholars have asserted that a form of mercantilism or
agri-food protectionism is evident in the European Union’s CAP and the Farm Bill in the United States — legislation that contains significant subsidies to support the corporate agri-food sector (Chang 2008; Graz 2004; Potter and Tilzey 2005). For this reason, the agricultural liberalisation policies advocated by the WTO have long been contested by some states in the Global South as a form of ‘organised hypocrisy’ (Rosset 2006). From this world-historical perspective, Chinese state-led capitalism and neomercantilism in the agri-food sector may be a newly-emergent paradigm in the global food system; however, it can also be situated historically within a global political economy that has long tradition of state-led intervention in agri-food markets.

4.6 Conclusion
This chapter has examined a case study of China and analysed how China’s largest state-owned food company, COFCO, is reshaping the global food regime. This chapter has contended that the recent acquisitions by China’s largest state owned agri-food companies and grain traders need to be comprehended — not just in the context of profit maximising, but also in the milieu of the CCP’s domestic food security considerations. Arguably, the Chinese Government is utilising its influence in its largest state-owned agri-food company and grain trader, COFCO, to ensure national food security by directly securing global grain and food supplies. In doing so, China is pragmatically reducing its reliance on imports of grain from international grain traders and is reconfiguring the relations of power in both the grain trade and the broader global food system.

It has been argued that the analytical contours of this emergent food regime cannot be adequately understood without recognising the incipient importance of Chinese state capitalism and neomercantilism in the grains sector and how this paradigm shift is reshaping the dynamics of the global food system. China’s ascension to the WTO — and its gradual move towards restructuring and gradually liberalising some aspects of its agri-food sector — demonstrate that state capitalism and neomercantilism both contradict and reaffirm the neoliberal characteristics of a corporate food regime. As discussed in Chapter 3, from this world-historical perspective, state-led intervention in agri-food markets is not fundamentally new — rather, it has a long historical legacy in the global political economy, and was evident in the first and second food regimes.
5 The political economy of rice and food insecurity in Thailand

5.0 Introduction
Thailand provides a substantive contemporary example of state intervention in the rice market and the relationship between rice, politics and power in the region. Thailand is Southeast Asia's second largest economy after Indonesia (Dawe et al. 2014). Prior to 2012, Thai rice exports accounted for around one-third of global sales (Dawe et al. 2014). The Thai Government’s intervention in the rice market to provide a political and social outcome exemplifies the notion of rice as more than merely an agricultural commodity. It demonstrates that rice has profound social significance, with deep cultural dimensions.

The opening section explores these cultural dimensions and discusses the historical legacies of rice, politics and power in Thailand. The following section provides a historically contextualised analysis from a world-historical perspective of Thailand’s agri-food system in the first and second food regime. It also discusses the implications for Thailand of a nascent third food regime. The subsequent sections outline the political economy of rice and food insecurity in Thailand, as well as the impact of the Global Food Crisis of 2007–08. The succeeding section provides an analysis of the key stakeholders and structural power in the Thai rice industry. The final major section examines a case study of rice pledging subsidy scheme in Thailand, advancing the argument that this is an insightful example of state-led capitalism in the rice sector, with unique Thai socio-cultural characteristics.

The story of Thailand’s state-backed rice pledging scheme is an insightful and complex narrative about the rise, fall and re-emergence of the world’s largest exporter of rice. It is also a compelling case study that explicates the dynamics of the political economy of rice in Thailand and the critical interconnections between rice, politics and power. This chapter historically situates this contemporary case study with a long history of the Thai state guaranteeing capital investment, and in attempting to mobilise peasant farmers to participate in commercial export-oriented agriculture.

5.1 The historical legacies of rice, politics and power in Thailand
Rice is estimated to have entered Thailand in the first millennium AD. The story of rice is intimately intertwined with the story of the Kingdom of Siam (Thailand), Thai culture
and civilisation (Falvey 2000; Hamilton 2003). Rice has an important religious, ritualistic and relational role in Thai society. From a religious perspective, rice is believed to embody a soul, and is worshiped as a symbol of a (female) deity or goddess. The deity is a maternal figure, known as ‘the rice mother’ or Mae Phosop (Hamilton 2003). In Thailand, ‘rice is life’: it is an integral aspect of Thai culture and many people’s lived experiences. It is a central motif in folk songs and dance and the subject of various other arts, from poems to paintings and sculptures (Vanichanont 2004). The harvest rituals, symbolisms and mythology of rice have been central to the motif in the notion of social status, hierarchy and the supremacy of civilised cultures in Southeast Asia. The rituals and mythology of rice have played a crucial role in Thai society and the cultural political economy of Thailand for centuries (Hanks 1972).

The rituals of cultivation, consumption and later the shipment and exportation of rice have long been intertwined with Thai politics and power — in particular, in relation to the Monarchy and the ruling elite and notions of legitimacy and authority in Thailand (O’Connor 1996). The Thai King has historically participated in harvest rituals and offerings to ensure a bountiful rice harvest. The symbolic significance of these rituals contributes to the popular perception of the Monarchy’s legitimacy, authority and right to rule. Rice plays a significant role as a staple food, cultural symbol, and resource for governance. In addition, rice is considered to be crucial to the understanding of humankind, including self-hood, kinship, and nation. It also informs an understanding of self and society in relation to nature (Hanks 1964; Hanks 1972; Ohnuki-Tierney 1993). Rice has also been historically and culturally linked to socio-economic and political power. It has played a crucial role as a staple food and strategic resource for governance and nation building in Thailand through taxes levied on rice (Durrenberger 1996; Falvey 2000). Comprehending rice in its historical, cultural, ritualistic, and

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14 O’Connor (1995) completed an anthropological study of two of Southeast Asia's neighbouring cultural groups, the Tai (one of the original cultural groups that would later comprise the Thai people) and Mon-Khmer. O’Connor’s (1995) findings indicated that the development of wet-rice agriculture and the resulting complex political and social structure required to sustain the irrigation system eventually resulted in Tai dominance over the Mon-Khmer.

15 In the contemporary context, it is important to note that the Thai Government has a ‘Department of Rice’ that is part of the Ministry of Agriculture and Cooperatives. In 2015, when the Deputy Director General of the Department of Rice in Thailand welcomed new staff, the welcome included sacred worship and offerings to Mae Phosop to ensure blessings on the new staff and the rice harvest (Rice Department 2015). This demonstrates the contemporary significance of these rituals.
relational contexts is crucial in any analysis and understanding of the contemporary role of rice in Thailand’s economy and politics. The contemporary political economy of rice is discussed later in the chapter.

5.2 First food regime

The integration of Thailand into the global agri-food system and economy has a long historical legacy. During the colonial period, under the first food regime or the ‘colonial’ food regime, Thailand was encouraged to export agricultural commodities to meet world market demands (Bello et al. 1998). During this period, Britain was in search of cheap grains and raw materials for its colonies.

In 1855, the King of Siam (Thailand), King Mongkut (Rama IV), signed the Bowring Treaty with Britain. The treaty spared the country from British military incursions and enabled Siam to avoid formally becoming a colony of the British Empire; however, the treaty enabled Britain to achieve certain commercial and political aims that earlier British missions had failed to gain — it lifted the restrictions imposed by the King of Siam on foreign trade, and enabled British subjects to trade in all ports and own land in Bangkok. In essence, the treaty opened up the Kingdom of Siam to Western influences and trade (Bello et al. 1998). The treaty put a 3 per cent duty ceiling on all exports, including rice. The treaty, in effect, imposed a ‘free trade’ policy on Siam and was maintained under the influence and coercion of British hegemony (Bello et al. 1998). This treaty facilitated and hastened the process of export-oriented commercialisation of agricultural production in Thailand, including export-oriented rice production (Bello et al. 1998). The treaty, in many ways, symbolised the unequal relations of power that characterised the first food regime. The treaty itself is a compelling historical exemplar of interconnections between rice, politics and power in Thailand.

5.3 Second food regime

After the Second World War, Thailand was co-opted into the second food regime under US hegemony. The industrial infrastructure of Europe needed to be rebuilt after the devastation of the Second World War. With the Soviet Union (USSR) occupying much of Eastern Europe — and concerned with containing the spread of Communism — the United States devised the Marshall Plan to provide the finances to rebuild and
(re)industrialise Western Europe (Ravenhill 2014). European agricultural production had been disrupted during the war, and Western Europe desperately needed grains. In particular, cheap food and grains were needed to feed the working class in the cities, urban centres and factories.

Thailand expanded its plantations of certain agricultural commodities to meet these demands (Bello et al. 1998; Chiengkul 2015). This expansion occurred under the advice of the FAO in 1947 and was financed by the World Bank, which provided large loans to the Thai Government in 1952 to invest in the commercialisation of agricultural production and export-oriented agricultural infrastructure (Chiengkul 2015). The transformation of Thai agriculture and the Thai Government ’s agricultural policies after the Second World War were influenced by the discourses and practices of the Green Revolution. The discourses, technology and practices of the Green Revolution were strongly advocated by the United States and promoted by private institutions such as the Rockefeller and Ford Foundations (Bello et al. 1998).

By the early 1950s, the structural transformation of the agri-food system in Thailand was intensifying as Thai agriculture and rice production became more integrated into the second food regime. In 1953, rice exports had become such a significant part of the Thai economy that revenues from rice exports represented 32 per cent of total annual government revenue (Bello et al. 1998). By the 1960s, rice production was expanded in the Chaopraya River Delta in the Central Plain, while mono-cropping of other strategic export cash crops was encouraged in the north-east (Chiengkul 2015). With loans from the World Bank, the Thai Government started to invest heavily in export-oriented agricultural infrastructure, such as large-scale irrigation projects that could help facilitate exporting rice and other key agricultural commodities to global markets.

5.4 An emergent third food regime?
The agri-food system in Thailand, like much of Southeast Asia, is being transformed and increasingly integrated into the contemporary global food system. The mainstream agri-food production–distribution practices in Thailand increasingly reflect many characteristics of the corporate/neoliberal agri-food production–distribution practices (Chiengkul 2012, 2013, 2015). A growing movement of peasant farmers and rural people are contesting and resisting mainstream agri-food practices and advocating for
sustainable social and agro-ecological modes of production–distribution, opposing these globalising processes and mainstream corporate/neoliberal agri-food production-distribution practices (Chiengkul 2012, 2013, 2015; Rosset et al. 1999). In many ways, these opposing movements resemble Polanyi’s (1944: 76) concept of a ‘double movement’:

While on one hand, markets spread all over the face of the globe and the amount of goods involved grew to unbelievable proportions, on the other hand a network of measures and policies was integrated into the powerful institutions designed to check the action of the market in relation to labor, land and money... a deep-seated movement sprang into being to resist the pernicious effects of a market-controlled economy. Society protected itself against the perils inherent in a self-regulating market system.

Although corporate/neoliberal agri-food production–distribution practices and markets are spreading throughout Thailand, a network of actors and institutions have formed a ‘deep-seated movement’ that is contesting and resisting the global corporate/neoliberal agri-food regime and what are considered to be unsustainable industrialised production methods and advocating for traditional farming methods and sustainable social and agro-ecological modes of production–distribution (Chiengkul 2012, 2013, 2015; Rosset et al. 1999).

The Thai state has a long history of underwriting capital investment and in mobilising peasant farmers to participate in commercial export-oriented agriculture (Burch 1996; Burch et al. 1994; Goss and Burch 2001; Goss et al. 2000; Pritchard and Burch 2003). Historically, attempts have been made by the Thai state and agri-business to co-opt peasant farmers and rural people into the process of transforming the agri-food system towards a more commercial/industrial export-oriented agriculture; however, this has often been contested and resisted (Rosset et al. 1999). State-led capitalism in the agri-food sector in Thailand has a long and complex history. For example, Burch et al. (1994) investigated the relationship between the state and agribusiness and examined the role of the Thai state in promoting a ‘contract farming system’ and export-oriented agriculture. State-backed capitalism in the rice sector will be discussed in more detail in the later part of this chapter. Firstly, it is important to outline the political economy of rice and food insecurity in Thailand.
5.5 The political economy rice and food insecurity in Thailand

Rice is essential to food security and the lives and livelihoods of farmers in Thailand. Rice is a crucial staple in the Thai diet — the average annual rice consumption is 133 kilograms of milled rice per person (GRiSP 2013). In relation to livelihoods, the agricultural sector contributes 12 per cent to total Gross Domestic Product (GDP) of the country and employs 42 per cent of the total workforce (GRiSP 2013). Hence, a large share of the population still depends on the agricultural sector for their income and livelihoods. Another important aspect of the political economy of Thailand is that the economy is heavily export dependent — exports, including rice, account for half the GDP of the country (GRiSP 2013).

Thailand is not only one of the world’s largest rice producers: it was the world’s largest rice exporter in 2014 (Suwannakij 2014). Since the 1980s, Thailand has consistently been the world’s largest exporter of rice. Thai rice production has increased from 22 million tonnes in 1995 to about 32 million tonnes in 2010 (GRiSP 2013). Thai rice exports have grown from around 6.2 million tonnes in 1995 to 10.6 million tonnes in 2014 (Thai Rice Mills Association 2015). Thailand has the largest share of the international rice market, controlling approximately 30 per cent of the global market for rice (GRiSP 2013). Table 116, featured on the next page, indicates Thailand’s key rice export destinations and quantities from 2009 to 2014.

16 It is acknowledged that the Philippines is incorrectly spelt in the original table in the ‘Destination’ column.
Table 1 Thailand’s rice exports: Key destinations and import quantities of 2009–14

<table>
<thead>
<tr>
<th>Destination</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014 (Nov)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIGERIA</td>
<td>1,070,927.35</td>
<td>1,399,805.58</td>
<td>1,549,964.02</td>
<td>1,270,956.98</td>
<td>230,487.13</td>
<td>1,057,941.00</td>
</tr>
<tr>
<td>SOUTH AFRICA</td>
<td>751,362.83</td>
<td>582,618.75</td>
<td>561,200.01</td>
<td>368,666.61</td>
<td>413,495.43</td>
<td>486,593.23</td>
</tr>
<tr>
<td>BENIN</td>
<td>610,925.91</td>
<td>466,176.21</td>
<td>202,039.53</td>
<td>365,963.00</td>
<td>965,693.20</td>
<td>1,187,158.64</td>
</tr>
<tr>
<td>IVORY COAST</td>
<td>525,329.61</td>
<td>587,370.00</td>
<td>568,045.94</td>
<td>392,761.00</td>
<td>346,704.81</td>
<td>766,095.19</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>440,366.94</td>
<td>393,051.00</td>
<td>397,499.36</td>
<td>368,271.00</td>
<td>382,299.86</td>
<td>403,809.41</td>
</tr>
<tr>
<td>SENEGAL</td>
<td>433,898.79</td>
<td>274,727.47</td>
<td>238,306.00</td>
<td>82,654.00</td>
<td>141,322.29</td>
<td>330,673.97</td>
</tr>
<tr>
<td>CHINA</td>
<td>328,237.68</td>
<td>286,105.22</td>
<td>267,846.47</td>
<td>143,082.00</td>
<td>277,547.37</td>
<td>596,280.89</td>
</tr>
<tr>
<td>IRAQ</td>
<td>282,024.10</td>
<td>502,856.09</td>
<td>627,300.43</td>
<td>844,991.34</td>
<td>638,429.70</td>
<td>30,410.63</td>
</tr>
<tr>
<td>JAPAN</td>
<td>264,083.79</td>
<td>283,674.94</td>
<td>307,986.19</td>
<td>194,172.00</td>
<td>262,219.28</td>
<td>304,227.18</td>
</tr>
<tr>
<td>HONG KONG</td>
<td>268,401.22</td>
<td>221,047.04</td>
<td>224,547.31</td>
<td>169,946.00</td>
<td>162,560.93</td>
<td>152,560.95</td>
</tr>
<tr>
<td>PHILIPPINES</td>
<td>156,033.40</td>
<td>577,380.46</td>
<td>186,402.93</td>
<td>3,376.00</td>
<td>68,608.50</td>
<td>309,342.32</td>
</tr>
<tr>
<td>OTHERS</td>
<td>3,461,238.55</td>
<td>3,589,755.89</td>
<td>5,534,982.00</td>
<td>2,749,681.08</td>
<td>3,080,708.60</td>
<td>5,067,644.60</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8,592,830.17</td>
<td>9,164,568.65</td>
<td>10,666,120.20</td>
<td>6,954,521.00</td>
<td>6,970,077.09</td>
<td>10,692,738.00</td>
</tr>
</tbody>
</table>


As outlined in Table 1, Benin and Nigeria are the largest importers of Thai rice, with each country importing over a million tonnes in 2014 — Benin imported 1,187,159 million tonnes while Nigeria imported 1,057,941 million tonnes (Thai Rice Mills Association 2015). This is an indication of how dependent on rice imports these countries in Africa have become in recent years.

Figure 1, featured on the next page, provides an FAO chart based on the data of rice imports by region in 2014 and 2015. Figure 1 indicates that the African region is the largest importer of rice in 2014 and 2015, approaching 15 million tonnes of imported rice annually.
The statistics are also indicative of a cultural shift in diet of many people in African countries towards consuming more calories from rice, which is a cheap staple food. Increased consumption of rice in Africa can be attributed to many factors, including the availability of affordable imports from Asia. In the East Asian region, China is a major importer of Thai rice, importing just over half a million (596,281) tonnes of Thai rice in 2014 (Thai Rice Mills Association 2015). China is a net importer of rice. Despite being the world’s largest producer of rice, China’s domestic consumption is greater than its production capacity (GRiSP 2013).

Rice has the largest cultivation area among all crops in Thailand. The total rice planting area of Thailand, as of 2013, was 12,657 million hectares (Rice Department 2015). Rice cropping in Thailand consists of five stages: land preparation, crop establishment, harvesting, post-harvesting (threshing, drying and cleaning) and storage (Thongrattana 2012). Irrigation infrastructure covers only 21.82 per cent of the entire agricultural area of the country, leaving 78.18 per cent of the area without irrigation (Arunrat and Pumijumnong 2015). Rice accounts for as much as 55–60 per cent of the country’s agricultural area, and most rice growing areas are in the north-eastern region of Thailand, which is very reliant on rainfall during the growing season (Isvilanonda...
and Bunyasiri 2009). Normally, rice grown in irrigated areas in Thailand has a higher yield rate than rice grown in non-irrigated areas, where the harvest and yield depend predominantly on the amount of rainfall during the growing season (Clayton 2010).

A recent study by Arunrat and Pumijumnong (2015) has indicated that environmental change and climate change will have a significant impact on rice production in Thailand, particularly in non-irrigated areas. The study revealed that change in weather patterns is one of the most influential factors, and could result in smaller amounts of rain falling in most of the regions in Thailand. The north-eastern region was found to be the most susceptible and vulnerable area to weather change, while the eastern and southern regions may be less affected (Arunrat and Pumijumnong 2015). Beyond the ecological impacts, the study also investigated the socio-economic repercussions of climate change (Arunrat and Pumijumnong 2015). Essentially, the lives and livelihoods of small-scale rice farmers in the non-irrigated areas of the north-eastern region — where most of Thailand’s rice is currently produced — are significantly vulnerable to climate change, particularly changes in weather and rainfall patterns. Overall, the study found that climate change would have a substantive socio-economic impact on the lives and livelihoods of these producers (Arunrat and Pumijumnong 2015).

These impacts will have important consequences in relation to food insecurity in Thailand, as well as social and political implications. Many of the so-called red shirt supporters of the former Prime Minister, Yingluck Shinawatra, and her Pheu Thai Party (and previously Thaksin Shinawatra's Thai Rak Thai Party) are based in the more rural, northern, region of the country: the area that produces most of the country’s rice, and the region most vulnerable to climate change (Arunrat and Pumijumnong 2015). As climate change affects the rice producing regions in the north, it is anticipated that there will be important political repercussions in the south. For example, in July 2015, a deep drought adversely affected the crucial rice-producing region of Bang Pla Ma district, in Suphanburi province, a two-hour drive north of Bangkok, Thailand, devastating local rice farmers. A news article by France-Presse (2015:1) in The Straits Times provocatively declared that, ‘Thailand’s vital rice belt is drying up’. Many peasant farmers had little choice but to go into debt due to the drought and loss of their vital incomes and livelihoods (France-Presse 2015). Some reports indicated that water levels
in reservoirs were at the lowest level recorded in the last two decades — with little to no rain. Rice paddy fields that would normally be covered in knee deep water were dry (France-Presse 2015). This is just one recent example of the potential for climate change and changes in weather patterns to have a substantive socio-economic impact on the lives and livelihoods of rice producers, particularly in the north. The social and political dynamics between the largely rural north and more urban south of the country are discussed in detail in the later part of this chapter, as they are critical for understanding the intersections between rice, politics and power in Thailand.

5.6 Impact of the Global Food Crisis of 2007–08 on Thailand

Historically, due to the integration of the national rice market with the global markets, domestic price movements in Thailand have correlated closely with global market prices for rice (Isawilanont and Santithamrak 2011; Chiengkul 2015). A comprehensive study of rice prices demonstrated that between 2003 and 2007, there was a strong correlation between domestic rice prices in Thailand and global rice prices (Dawe 2008). This trend was disrupted during the Global Food Crisis of 2007–08, as global rice prices became increasingly unstable and volatile. In December 2007, global rice prices surged from an average of $378 per tonne to more than $700 per tonne by the end of March 2008. This international price spike had a significant impact on domestic rice prices (Dawe 2008). In Bangkok, domestic rice prices increased 17 per cent between January and February 2008 (Dawe 2008). By April 2008, domestic rice prices had risen to a record 17,000 baht ($550) per tonne, while rice export prices reached an unprecedented $1,038 per tonne in May 2008, after India and Vietnam implemented export restrictions (Richardson 2011). In response to the Global Food Crisis of 2007–08, the Thai Government intervened in the domestic rice market, paying above-market rates, and buying 5.4 million tonnes of rice to boost farmers’ incomes (Richardson 2011).

An increase in rice prices, and rice price volatility, has a substantial effect on food insecurity across the country. In particular, there is a significant impact on low-income households and poor people in both the urban and rural areas of Thailand, who rely on rice as a core staple food (Dawe 2008). Spending on food accounts for around 30 to 50 per cent of total household income across the country; however, approximately 20 per
cent of households in rural areas spend more than 80 per cent of their incomes on food (Chiengkul 2015). The affordability of rice is essential to ensuring food security in Thailand, as it is many parts of East Asia. A spike in domestic retail rice prices can have a dramatic impact on food insecurity, affecting the ability of low-income households, the poor and vulnerable to access this crucial staple food.

5.7 The political economy of rice: key stakeholders and structural power in the Thai rice industry

The Thai rice supply chain reflects a complex and dynamic interplay between various stakeholders: from rice producers, suppliers and millers, to manufacturers, distributors, wholesalers, retailers and exporters (Thongrattana 2012). Of these, the three core groups of stakeholders in the Thai rice industry are the rice producers, the milling sector and the marketing sector (wholesalers, retailers and exporters) (Thongrattana 2012; Vanichanont 2004). An analysis of the unequal relations of power between the three key groups of stakeholders in the Thai rice industry is crucial for understanding ‘structural power’ and the concentration of power in the industry.

5.7.1 Rice producers

There are approximately 30 million rice producers in Thailand — this is a diverse group that includes both large-scale and small-scale farmers and their extended families (GRiSP 2013). These farmers employ a variety of production methods, from large-scale, modern commercial farming with petrochemicals and fertilisers to small-scale plots utilising traditional agro-ecological methods of farming. Such traditional techniques have been used to produce rice for centuries. A large proportion of these farmers have low bargaining power with suppliers and customers (Thongrattana 2012; Vanichanont 2004).

5.7.2 Milling sector

The milling sector is the second important group of stakeholders in the Thai rice industry. This sector is comprised of a diverse group of approximately 800 to 1000 rice-milling companies (Thai Rice Mills Association 2012). These companies range from small to medium enterprises mainly operating domestically and serving local customers, to large companies that serve international customers. Large companies wield
significant power in the rice trade through their mass distribution channels (Thongrattana 2012; Vanichanont 2004).

5.7.3 Marketing sector (wholesalers, retailers and exporters)
The third and most powerful group is the marketing sector, which encompasses wholesalers, retailers and exporters. This sector is highly concentrated and the large companies that dominate have considerable structural power in the industry. This structural power is derived from their high bargaining power relative to the rice farmers’ bargaining power, and ability to influence market (purchase) prices (Thongrattana 2012). In comparison to the 30 million rice producers, it is estimated that there are only about 150–200 rice export companies in Thailand (Thai Rice Exporters Association 2012). One example is Capital Rice Co. Ltd. (an affiliate of the STC Group, a Thai conglomerate of trading and manufacturing companies in the field of agro-industry). The company, which was established in 1977, accounts for about a fifth of Thailand’s rice exports. Capital Rice exports jasmine rice, white rice, parboiled rice and other varieties to Asia, Africa, America, Europe and the Middle East (FAO 2003). Many of the large wholesale, retail and export companies that dominate the rice trade in Thailand are owned by a handful of powerful families that have links to the ruling elite in Bangkok (Phongpaichit and Baker 2004).

5.7.4 The concentration of power in the global rice trade
Due the concentration of power in the rice industry, the economic benefits of higher international rice prices or export prices do not necessarily flow directly to domestic rice farmers in Thailand. While some rice farmers and producers do financially benefit from increased prices on international markets, these benefits are relatively small and proportionately less than the increase in export prices (Chiengkul 2015). In comparison, most of the financial gains and largest share of the profits are accrued by the intermediaries and large-scale companies operating in the rice milling and marketing sectors (Chiengkul 2015). According to Chiengkul (2015: 84):

Rice mills and exporters had the lion’s share of total profits in the late 2000s. Between 2005 and 2008, rice mills and exporters’ profits amounted to around 73 to 77 percent of total profits of rice exports. Such distribution of profits is likely to be, at least partially, the result of monopolistic structures of the paddy and rice markets, as well as the result of the paddy-pledging scheme. In 2009, there were various news reports that rice mills often hoard rice to bargain for higher prices from exporters when international market prices
were expected to be higher. Such actions help to push up prices of rice in Thai domestic markets without yielding higher economic benefits to small-scale farmers.

5.7.5 The social and political dynamics of the rural and urban south
As mentioned earlier, the social and political dynamics between the largely rural north and the more urban south of the country are worthy of further analysis, as they reveal much about the politics of rice and state power in Thailand. Durrenberger (1996), an anthropologist working in the rural countryside of Thailand, critiqued the existing literature on Thai state power as too narrow — arguing it arose primarily from political scientists and economists working out of Bangkok. He was interested in understanding not just the centre of power — the elites in Bangkok — but also the periphery. He studied the people who live far from the centres of power in the rural countryside and highlands of Thailand. Durrenberger (1996) argued that by conducting research in sites situated in the periphery, researchers could gain a more accurate and inclusive understanding of Thai state power in its entirety and its relationship to local culture. He was particularly interested in the evolution of state power and its relationship with the local culture in the rural countryside and highlands of Thailand.

Durrenberger (1996) contends that the complex relationship of power between the core and periphery should not merely be characterised by the simple narrative of the ‘ruler and the ruled’ — the subordination of the ‘subjects’ in the countryside to the hegemony of the elites in Bangkok. While aspects of this narrative hold true, he asserts that the relations of power are far more complex, nuanced and in some ways ‘reciprocal’: underpinned by local cultural notions of ‘legitimacy’ in relation to the ruler. Durrenberger’s (1996) seminal research is an admonition against underestimating the power of the peasants and the people of the rural countryside and highlands of Thailand. While the Thai economy is largely industrialised, it is critical to remember that a majority (66 per cent) of the population is still rural (GRiSP 2013). It is the rural majority who often determine the outcome of democratic elections (Farelly 2014; Phongpaichit and Baker 2004). It is precisely this political power of the rural peasants, rice producers and people of the countryside that is evident in the case study of the state-backed rice pledging subsidy scheme. This scheme contributed to the rise and fall from power of Thailand’s former Prime Minister, Yingluck Shinawatra, and her Pheu Thai political party.
Exploring the commodity complex of rice in Thailand reveals that rice is far more than merely an economic commodity — it is a site of social and political contestation that provides an elucidation of the broader politics of food and its relationship to power in Thailand. The production, circulation and consumption of rice in Thailand are culturally embedded in broader social relations and are, therefore, intimately political. The historical and cultural significance of rice is woven into the very fabric of Thai society and is deeply interrelated with the lives and livelihoods of rural farmers and urban consumers across the country. Thailand’s domestic rice policy has significant implications for the regional and political economy of rice in the region. The politics of rice and its relationship to power will be explored further in the next section of state-led capitalism in the rice sector with Thai characteristics.

5.8 Thailand’s state-led capitalism in the agri-food sector: the rice pledging subsidy scheme

As mentioned in the introduction, the story of Thailand’s state-backed rice pledging scheme is an insightful and complex narrative about the rise, fall and re-emergence of the world’s largest exporter of rice. The state-backed rice pledging subsidy scheme provides a notable case of state-led capitalism in the agri-food sector. It is also a compelling case study that explicates the dynamics of the political economy of rice in Thailand and the critical interconnections between rice, politics and power.

Prior to the rice pledging subsidy scheme, Thailand was the exporter of rice, exporting roughly between 9–10 million tonnes of rice annually to global markets (Thai Rice Mills Association 2015). In 2010, Thailand exported 9.1 million tonnes of rice to the global market. This rose to 10.6 million tonnes in 2011. With the introduction of the state-backed rice pledging subsidy scheme in 2012, rice exports fell dramatically to 6.9 million tonnes in both 2012 and 2013. During this time, Thailand was replaced by India and Vietnam as the world’s largest exporters of rice (Thai Rice Mills Association 2015). With the decline of Thai exports, India and Vietnam increased rice production and exports to meet global demand. In 2012, India exported 9.75 million tonnes of rice and Vietnam exported 7 million tonnes (Chiengkul 2015). In 2014 — after the abandonment of the state-led rice pledging subsidy scheme and the selling off of rice stored in warehouses — Thailand remerged as the world’s largest exporter of rice, exporting 10.6 millions tonnes of rice in 2014 (Suwannakij 2014; Thai Rice Mills Association 2015).
In order to analyse the implementation and demise of the rice pledging policy, it is crucial to situate the scheme in the context of domestic Thai politics and the contemporary struggle for power.

5.8.1 Domestic politics and the struggle for power in Thailand

The contemporary politics in Thailand must be understood within the historical context of Thailand’s turbulent political past and the ongoing struggles to delineate power among the country’s social, political and economic elite (Farrelly 2014). As the end of King Bhumibol Adulyadej’s reign looms, power struggles are ensuing among the country’s elite over the division of power and consolidation of political control (Farrelly 2014). As Farrelly (2014: 305) argues:

Thailand in 2013 once again faced the ghosts of its recent and turbulent past. As Prime Minister Yingluck Shinawatra sought to further consolidate the political control her Pheu Thai Party achieved at the 2011 election, struggles to determine the distribution of power among the country’s social, political and economic elite intensified. In the long-running battle to define the future of Thailand — and the role of popular electoral mandates in the country’s governance — the aggressive tactics of anti-government forces broke an uneasy and unstable stalemate.

These ongoing struggles for power are also taking place between the core centres of power and the periphery: the political and economic elite in Bangkok and other major cities and their urban yellow shirt supporters in the South, and the peasant farmers and rural people of the ‘red’ groups in the northern countryside of Thailand (McCargo 2003). These generalised distinctions are not clearly demarcated and are often the struggle for power is blurred with both pro-Thaksin ‘red’ and anti-Thaksin ‘yellow’ groups scattered across the country (Farrelly 2014; Phongpaichit and Baker 2004; Walker 2008).

The former Prime Minister, Yingluck Shinawatra, and her Pheu Thai Party, came to power in the July 2011 elections. Large-scale anti-government protests occurred at the end of 2013, with an attempt by so-called yellow groups who supported the Democrat Party (DP) and opposed the Pheu Thai Government to remove what some critics have labelled the ‘Thaksin Regime’ from power (Farrelly 2014; Walker 2008). Opponents of the former Prime Minister, Yingluck Shinawatra, claim that the Pheu Thai Government was really being controlled by Thaksin Shinawatra. The powerful former Prime
Minister and business magnate, Thaksin Shinawatra, was forced into exile after a military coup in 2006 (Walker 2008).

The critics of the Pheu Thai Party argue that the party was being used as a front or a proxy to further Thaksin’s political ambitions to undo the 2006 military coup, return to Thailand and regain power (Farrelly 2014). Some scholars have asserted that Thaksin’s political interests and ambitions are exemplified in the contentious rice pledging policy by Yingluck Shinawatra (Farrelly 2014). Farrelly (2014: 308) argues that the rice pledging scheme was one of a popular suite of policies designed to sure up support from the Party’s political ‘base’ and consolidate its power. Ironically, in the end, this contentious policy further polarised the country and contributed to the downfall of the Pheu Thai Government. Farrelly (2014: 308) contends:

Among the policies that it (the Pheu Thai government) sought to implement, the rice-pledging scheme was the most contentious. Many economists have expressed deep concern about the way that the rice-pledging scheme has distorted the national economy, and shunted astounding benefits towards some farmers. Early in 2013 there were concerns that the programme was unsustainable. The stockpiling of rice, some of which has reportedly mouldered under tarpaulins, is a sensitive issue, and one that has serious implications for a government struggling to support its base in the rural north and northeast of the country… Ensuring that rice farmers are able to secure adequate returns on their crops goes beyond economic matters, and intrudes on the electoral viability of the Yingluck government.

The state-backed rice pledging policy, in many ways, exemplifies the politics of rice and the struggle for power in Thailand. The Pheu Thai Government was claiming to guarantee an adequate income for rice farmers — by paying above market prices for their crops — and by safeguarding their livelihoods and the welfare of their families and communities. This guarantee of the lives and livelihoods of peasant farmers and rice producers conferred ‘legitimacy’ on the ruling Pheu Thai Government, and solidified support from the political base of the party in the north with the so-called red shirts or pro-Thaksin supporters (Walker 2003, 2008). However, this rice pledging policy encompassed more than an agricultural or economic policy — it formed part of a broader political struggle by the ‘Thaksin regime’ to consolidate power and ensure the electoral viability of the Yingluck’s Pheu Thai Government (Farrelly 2014; Walker 2003, 2008).
5.8.2 The political economy of the rice pledging subsidy scheme

Rice subsidy schemes have in existence for many decades in Thailand, starting in the 1980s. The first rice paddy-pledging program was introduced in the 1981 cropping season to provide soft loans for farmers who wanted to delay sales of their crops. Since 2001, the scheme was primarily used to support the rice price for farmers and to increase farmer’s incomes (Chiengkul 2015). In the July 2011 elections, when Yingluck Shinawatra and her political party came to power, it was with the explicit support of Thailand’s rural rice farmers (Richardson 2011). The Pheu Thai Government gave a strong commitment to continue to support and enhance the rice paddy subsidy scheme. The Government committed, during the electoral campaign, to ‘alleviate poverty in the countryside and raise rural income levels by buying unmilled rice, known as paddy, from Thailand’s eight million rice growers at 15,000 baht ($480) per tonne — double the pre-election price’ (Richardson 2011: 1).

The program to increase the minimum guaranteed price for farmers was strategically designed to ensure more supply in the domestic market and to increase the export price (Richardson 2011). Having spent 300 billion baht on its rice pledging scheme in 2012, the Pheu Thai Government earmarked an additional 405 billion baht for 2013: a combined roughly U.S. $33 billion (Finch 2012, 2014; Pratruangkrai 2012). The Pheu Thai Government struggled to sell rice on international markets at cost price. At an average price of 15,000 baht a tonne, some analysts suggested that Thai rice had simply become too expensive during this period (Finch 2012, 2014; Pratruangkrai 2012; Richardson 2011). The main problem faced by the Pheu Thai Government in 2012 and 2013 was that the rice-pledging scheme had purchased the rice from producers at the much higher subsidised price, which was well above the international market prices for high-grade rice in 2012 and 2013. The Pheu Thai Government had two options in handling the surplus rice: it could either have stockpiled the rice to restrict supply in global markets and hope that demand would cause the global price to rise, or it could have attempted to sell it on international markets at a substantial loss. The Government decided to pursue the former option rather than the latter (Richardson 2011).

As discussed earlier, this policy also had important implications for the Thai economy and for the global rice trade. The stockpiling of rice purchased from the rice subsidy scheme caused rice exports to fall dramatically in both 2012 and 2013. By
stockpiling the rice in warehouses, the Pheu Thai Government was attempting to utilise Thailand’s position in the global rice trade — as the world’s major exporter of rice — to restrict supply in the international market and wait for demand to drive up international rice prices.

This notion of restricting supply to influence international rice prices was not too dissimilar to the logic of the proposed OREC, which would, in theory, operate in a similar way to OPEC. The OREC proposal never eventuated, and was firmly rejected by major rice exporting countries (Trethewie 2012). During 2012 and 2013, the Thai Government stockpiled rice purchased from the rice-pledging scheme and began to restrict exports; however, in response to declining Thai exports, India and Vietnam increased rice production and exports to meet global demand, replacing Thailand as the world’s largest exporters of rice. In 2014 — after the abandonment of the state-led rice pledging subsidy scheme and the selling off of rice stored in warehouses — Thailand remerged as the world’s largest exporter of rice (Thai Rice Mills Association 2015).

Chiengkul (2015), a Thai political economist, recently completed a comprehensive study about the rice subsidy scheme. The study outlined a systemic critique of the Pheu Thai Government’s rice subsidy scheme. Chiengkul (2015: 169) argued that the ‘Government’s plan to speculate with international prices of rice and to benefit from its monopoly control over Thailand's rice supply is problematic’. The plan was problematic due to the nature of the global rice trade and international rice markets. When international prices rise, it often creates an incentive for other countries to increase their rice production — this is precisely what occurred in 2012 and 2013 with India and Vietnam increasing their rice production and international exports of rice to the global market (Chiengkul 2015). This is part of the reason why India and Vietnam became the largest exporters of rice in 2012–13. The second major problem with the plan is that by stockpiling rice, buyers and rice traders naturally expect that the Thai Government will have to sell those stockpiles at some point, or risk the rice rotting in the warehouses. This often causes prices to decrease, rather than increase, as buyers, rice traders and merchants pragmatically factor in the stockpiled rice into the price, with the expectation that when the rice is sold it will create extra supply in the market (Chiengkul 2015).
In relation to supporting the lives and livelihoods of rural rice farmers, Chiengkul (2015: 169) contends that while the rice subsidy scheme claims to assist farmers, in reality it ‘intensifies problematic industrial production methods, (and) increases power of monopolies and large capital in rice commodity chains’. Chiengkul (2015: 150) concludes that the scheme ‘encourages crony and patron-client relationships, and might also help to increase the scale of dispossessions of small-scale farmers’. This is an important insight and critique about the scheme in the context of the concentration of power that exists in the Thai rice industry.

This critique was supported by the findings from the Senate Committee on Economics, Commerce and Industry that was tasked to provide a report of the rice subsidy scheme (Pratruangkrai 2012). The Senate Committee’s final report blamed the rice subsidy scheme for facilitating ‘rampant corruption’ and ‘a rising mountain of debt as big as the piles of unsold rice fill warehouses across Thailand’ (Finch 2012: 1). The report also indicated that, overall, small-scale rural farmers were not benefiting from the scheme as intended; rather, the economic benefits were accrued by medium to large producers and rice traders (Pratruangkrai 2012). Instead of supporting livelihoods and reducing inequality for small-scale and peasant farmers as proposed, the scheme has, to some extent, been routinely reproducing enduring social inequalities (Pratruangkrai 2012).

The contemporary politics in Thailand must be understood within the historical context of Thailand’s turbulent political past and the ongoing struggles to delineate power among the country’s social, political and economic elite. The state-backed rice pledging policy, in many ways, epitomises the politics of rice and the struggle for power in Thailand. Darren Cooper (cited in Finch 2014: 1) from the International Grains Council describes the neomercantilist strategy behind the Pheu Thai Party’s rice pledging subsidy scheme:

The idea was that the bulk of revenues would be passed on to the people that grew rice in Thailand – then the world’s largest exporter – while the government stockpiled in a bid to push up prices, releasing rice onto supply-starved markets when the price was right. But the gamble began to backfire before Yingluck’s government had even started to play its hand, partly through bad luck and the rest through poor design. A month before, India lifted restrictions on exports of its basmati rice, which partly filled the supply shortage on global markets created by Thailand’s new policy. Prices rose, but not enough and suddenly Thailand was priced out of the global market as rice exports plummeted by 45.8 per cent in
the first half of 2012. For the first time in more than 20 years, Thailand accounted for less than 20 percent of the world’s total rice exports.

The state-led rice pledging subsidy scheme highlights the dynamic interplay between socio-political and economic spheres in the agri-food system, and the interconnections between domestic and international realms and the political economy of agricultural trade policy (Graz 2004). However, to what extent can the Pheu Thai Government’s rice pledging subsidy scheme be classified as an example of neomercantilism in the rice and agri-food sector? To provide an analysis of the potential neomercantilist dimensions of this scheme, it is important to return to the definitions of classical mercantilism and neomercantilism outlined in Chapter 3. In Chapter 3, classical mercantilism was synonymous with a ‘strong state’ capable of structuring the country’s commercial activities so as to produce continual trade surpluses — the use of tariffs, quotas and subsidies (Levi-faur 1997; Magnusson 1993, 1994, 1995). The Pheu Thai Government’s neomercantilism can be conceptualised as the contemporary pursuit of current account surpluses and export-led economic growth (a persistent excess of exports over imports) with states utilising and manipulating markets to facilitate national wealth and power (Robinson 1966; Stern and Wennerlind 2014).

Neomercantilism can be conceptualised as a new form of economic nationalism — states seek to pursue political objectives through controlling the ‘commanding heights’, the largest and most strategic sectors of the economy, with the goal of trying to shape the mechanisms of national and global markets (Cho 2000; Rodrik 2013; Xu and Bahgat 2010). The Pheu Thai Party’s use of subsidies in the rice sector was an example of state-led capitalism, in which the state intervened in the domestic rice sector and restructured commercial activities to control this politically and economically important and strategic sector to ‘commanding heights’. The Pheu Thai Government’s goal was to manipulate and shape export prices in global rice markets, and to increase trade surpluses and secure domestic support from rice farmers. Based on the definitions outlined in this study, the Thai rice pledging subsidy scheme is arguably an insightful example of state-led capitalism and neomercantilism in the rice sector.

It is now relevant to reflect on Aldo and Lazzarini’s (2014: 2) definition of state capitalism as ‘the widespread influence of the government in the economy’. According to this definition, influence can take many forms, including ‘either by owning majority
or minority equity positions in companies or by providing subsidized credit and/or other privileges to private companies’ (Aldo and Lazzarini 2014: 2). Alternatively, as Nolke (2015:1) depicts, a ‘variety of formal and informal cooperative relationships between various public authorities and individual companies’ can be nurtured. As outlined in the case study, The Thai rice pledging scheme claimed to benefit rice producers and farmers; however, the primary beneficiaries were the large rice exporting companies with links to the Pheu Thai Party or the Shinawatra family and rice millers — many of whom had links to the ruling political party and business elites in Bangkok.

The Pheu Thai Government attempted to provide a guarantee of the lives and livelihoods of peasant farmers and rice producers in exchange for political support. However, this rice pledging policy encompassed more than an agricultural or economic policy — it formed part of a broader political struggle to consolidate power and ensure the electoral viability of the Yingluck’s Pheu Thai Government. In the end, the Pheu Thai Government’s rice subsidy policy further polarised the country and was one of the political and economic factors that contributed to the downfall of the democratically elected government and the re-emergence of military junta rule in Thailand.

The rice subsidy scheme has demonstrated that governments and the ruling elite in many parts of East Asia are acutely aware of the cultural significance and socio-political power of rice farmers and producers, traders and consumers. This modest grain that played such a substantive role historically in the establishment and expansion of much of Thai civilisation and state building nationally continues to hold special cultural significance in the lives and livelihoods of the Thai people. The story of the rise and demise of the Pheu Thai Party and the Thai rice pledging subsidy scheme demonstrate that political power in Thailand can literally rise and fall with the price of rice.

5.9 Conclusion

Thailand’s rice subsidy scheme is an exemplar of the relationship between rice, politics and power. Contextualising the scheme historically, it represents a crucial contemporary conjecture in the long historical trajectory of the cultural political economy of rice in Thailand. State-led capitalism in the agri-food sector in Thailand has a long and complex history. The Thai state has a long history of guaranteeing capital investment, and in attempting to mobilise peasant farmers to participate in commercial export-
oriented agriculture. The state-backed rice subsidy scheme provides a notable case of state-led capitalism with Thai characteristics in the rice sector. This chapter discussed the Global Food Crisis of 2007–08 and its implications for Thailand. The next section will examine this important event in more detail to try to comprehend the role of rice in the crisis.
6 The 2007–08 Global Food Crisis

6.0 Introduction
The spike in global food prices in 2007–08 has been identified as a major event in the ongoing crisis in the global food system. Scholars and researchers have often referred to this event as the Global Food Crisis of 2007–08 (Ananta and Barichello 2012; Clapp and Cohen 2009; Dawe 2010). A number of scholars have identified the 2008 food price crisis as a ‘critical conjuncture’ in the long historical trajectory of the global food system, and one that requires further research (Clapp 2009; Lawrence et al. 2010; McMichael 2009a; Rosin et al. 2012). This critical event is worthy of further consideration and study in relation to comprehending the causes and consequences of food insecurity and ongoing price volatility. In particular, questions that can be asked include: What caused the dramatic rise in price volatility in 2007–08 and what impact did this have on food insecurity in East Asia? What role did rice play in the crisis? More broadly, what are the lessons learned from this event, and are we currently in a new era of food insecurity and price volatility? This chapter will analyse these critical questions and their implications for understanding the contemporary global food system and East Asian food system.

This chapter will focus on the food price spike in order to gain a deeper understanding of the implications for governance and food insecurity in the East Asian region. This event has contemporary significance as many underlying systemic issues that produced the surge in food prices between 2007 and 2008 continue to exist today — contributing to ongoing food price volatility and global food insecurity. These socio-political and economic issues will be discussed in more detail throughout this chapter. First it is important to situate the crisis with a broader historical context of a food system that has long been in crisis.

6.1 The historical context of food crises
The spike in global food prices in 2007–08 attracted much attention from international institutions, agri-food scholars, news media and policy makers around the world — serving as a stark reminder of the fragility and inherent inadequacies of the global food system. The 2008 food price crisis did not occur in isolation — the causes and consequences have a long legacy and need to be historically contextualised. In the
contemporary context, deepening inequalities and social injustices coupled with ongoing environmental degradation have contributed to an acknowledgment by some scholars that the global food and agricultural system is indeed in crisis (Bello 2009; Holt-Giménez et al. 2009; Lawrence et al. 2010; Magdoff and Tokar 2010; McMichael 2013a, 2013b; Rosset 2006; Shiva 2009; Weis 2007). Figure 2 provides a graph of the FAO Food Price Index from 1961–2015 that highlights — in both nominal and real terms — the food price crisis of 1974 and the spike in global food prices in 2007–08 and 2010–11.

**Figure 2 FAO Food Price Index in nominal and real terms 1961–2015**

![FAO Food Price Index](image)

*The real price index is the nominal price index deflated by the World Bank Manufactures Unit Value Index (MUVI).*

The 1974 and 2008 food price increases were two crucial contemporary junctures in this ongoing crisis (Clapp and Cohen 2009). While there are some important continuities and similarities between the two events, there are also some significant differences. Firstly, there is the issue of global grain reserves and stocks (the stock-to-use consumption ratio) being at historically low levels leading into both food price crises. Global, regional and national grain reserves and buffer stocks can be released to ease food price spikes during emergencies or crises. When global grain reserves and public and private grain stocks are low, the global food system is more susceptible to food price spikes and price volatility (Clapp and Cohen 2009). Historically, the stockpiling of agricultural commodities — particularly staple grains — has played an

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17 The issue of global/regional and national food reserves is examined in more detail in Chapter 7. In particular, this chapter provides an in depth analysis of the role of regional food reserves in reducing food price volatility. Chapter 7 also examines a case study of regional rice reserves in East Asia.
important role as a buffer to natural disasters, calamities, seasonal discrepancies and market turbulence (Murphy 2009). Grain reserves were traditionally promoted and supported to ensure governments could intervene to stabilise markets during periods of food price volatility and to ensure domestic food security, especially in food import-dependent countries (Braun and Torero 2009; De Castro 2013).

Leading into both 1973 and 2007, global wheat stocks were low (that is, there was a low stock-to-use consumption ratio) and global grain reserves were at historically low levels. This contributed to increased vulnerability in the global food system and volatility in global food prices (Horton 2009). In the decades since the 1973–74 crisis, public policy makers and private sector actors have been accused of having become complacent. Due to the bulky and perishable nature of agricultural commodities, it is expensive to hold food stocks or reserves and, after decades of cheap food with aggregate declining food prices, it became increasingly costly to hold high levels of food stocks and reserves (Horton 2009). This was coupled with low trust and confidence in the global food markets and the market mechanism to source relatively inexpensive food at stable prices over the long-term.

Some critical agri-food scholars have argued that liberalised trade settings and reduced food reserves produce ‘inherent uncertainty’ in global commodity markets (Bello 2009; Borra Jr. et al. 2011; Rosset 2006; Walton and Seddon 1994). The Washington Consensus was a term used to encapsulate the neoliberal policy settings advocated by the Bretton Woods institutions — the World Bank, the IMF and the WTO — in the 1980–90s. The Washington Consensus was characterised by economic liberalisation, privatisation, neoliberal fiscal and monetary policy, along with an opening up of domestic markets to so-called free trade and the integration of domestic markets with world markets through neoliberal reforms (Rosset 2006; Walton and Seddon 1994). Walton and Seddon (1994), for example, argue that food riots witnessed in the 1980s in many countries in the Global South were intrinsically linked to protests against neoliberal austerity measures, agricultural liberalisation and structural adjustment programs imposed in exchange for loans by the World Bank and the International Monetary Fund under the auspices of the Washington Consensus.
Some critical agri-food scholars posit that the historical legacy of economic liberalisation of the agricultural sector since the 1980s under the structural adjustment programs (SAPs) of the Washington Consensus and in the 1990s with poverty reduction strategy papers (PRSPs) under the post-Washington Consensus is a critical socio-political and economic factor in the food crisis of 2007–08 (Bello 2009; Holt-Giménez et al. 2009; Magdoff and Tokar 2010).

These food-import dependent countries have become increasingly reliant on sourcing relatively inexpensive food from the subsidised export complexes and granaries in the Global North (Rosset 2006; Shiva 2009; Weis 2007). Low-income, food-import dependent countries in the Global South are particularly vulnerable to global food price spikes and volatility (Clapp 2009). This critical argument is examined in more detail in the following section. In contrast to the critiques of economic liberalism, there are some scholars that content that economic nationalism and protectionism played a significant role in the Global Food Crisis of 2007–08, with many traditional exporting countries implementing export bans and restrictions, contributing to further increases in international food prices (Dawe 2010; Timmer 2010). These arguments are also now examined.

6.2 Causes and consequences of the Global Food Crisis

According to Loewenberg (2008) global food prices rose by 83 per cent between 2006 and 2008. Over 850 million people were already considered food insecure when prices began to rise in late 2007. During the first half of 2008, commodity prices doubled, the number of hungry people exceeded one billion by some estimates, and food riots and protests erupted in over forty countries (UNESCAP 2009, 2010). By July 2008, domestic wheat and maize prices were each, on average across countries, about 40 per cent higher than they were in January 2007 (FAO 2009b). The global price of rice increased by 149 per cent between 2007 and 2008, placing this crucial staple food out of reach for many of the most vulnerable in Asia and across the globe (UNESCAP 2009). Comparatively, this increase was significant against increases observed with the previous world food crisis of 1973–74. During this earlier crisis, world rice prices did not double within six months, let alone rise this markedly over such a short period of
time (Dawe 2010). Magdoff and Tokar (2010: 10) provide an apt description of the extraordinary spike in food prices in 2008:

In 2008, the world woke up to an apparent tsunami of hunger sweeping across the globe. Although the prospect of rising hunger has loomed on the horizon for years, the 2008 crisis appeared to many as if it came without warning. Prices in basic foodstuffs doubled or tripled in a short period and food riots spread across many countries in the Global South. People were desperate to obtain a portion of what appeared to be a rapidly shrinking supply of food and many governments were destabilised.

The Global Food Crisis of 2008 and ongoing food price volatility have drawn attention to the importance of food insecurity as a regional challenge in East Asia (Arase 2010; ASEAN 2008; Chandra and Lontoh 2010; Elliott 2011; Mathur 2010; Morton 2012; Mukherjee 2008, 2009). High prices impacted on many marginalised groups, including the rural landless and the urban poor, who tend to spend half or more of their family budgets on food (Clapp and Cohen 2009). This figure can be as high as spending 70 to 80 per cent of personal income on food staples such as rice (FAO 2011). It is important to note that small-scale rice producers are often not the beneficiaries of higher international rice prices. Clapp and Cohen (2009: 5) argue that rising international prices in 2008 ‘did not necessarily lead to rising incomes for small-scale food producers’. This is due to higher production costs (e.g. irrigation pumps, machinery, fertilizer and transport costs as a result of higher prices for petroleum), weak infrastructure and concentration of power in the domestic markets and retail sectors (Clapp and Cohen 2009). Smallholder farmers are also often net purchasers of food, and so are adversely affected by higher food prices (Clapp and Cohen 2009). Considering the crisis, there has been a fundamental need to rethink the causes and consequences of food insecurity, as they have become more complex, multi-scale and interconnected. There is also a need to critically evaluate networks of food governance (private, public and civil society) as well as institutions and structures at local, national, regional and global levels (Elliott 2011).

Many underlying systemic issues that produced the surge in food prices between 2007 and 2008 continue to exist today (Bassett and Winter-Nelson 2010; Brown 2012; Carolan 2013; Clapp 2012; DeCastro et al. 2013). These underlying socio-political, economic and ecological issues include: increasingly unpredictable crop-growing conditions as a result of the impact of climate change, such as droughts and changes in
rainfall; rapid urbanisation; competition for land use and declining arable land; ecological damage caused by industrialised, chemical and fossil fuel intensive agriculture; systemic soil degradation, water scarcity and loss of biodiversity; reduction in the quality of river ecosystems; over-exploitation of fish stocks; increased diversion of food for animal feed;\textsuperscript{18} rising energy costs and the increasing diversion of food and animal feed for biofuels (as mentioned); critical resource constraints (such as phosphorus); an unsustainable amount of global food wastage; a growing global population and increasing social inequalities; a reduction in public investment in agricultural research and development; and decreasing world grain reserves and excessive financial speculation on agricultural derivatives, primarily through over-the-counter (OTC) commodity index funds (CIFs) (Cribb 2010; Dawe 2010; De Shutter 2009; Lang and Heasman 2004; Lang et al. 2009; Lawrence et al. 2010; McDonald 2010; Teng et al. 2011). These multifaceted, transnational issues are contributing to ongoing food price volatility and global food insecurity. These issues cannot be adequately addressed solely on a local or national basis, but instead require broader regional and global cooperation.

Some scholars argue that while many of these critical factors listed do, in combination, affect the availability, access and affordability of food, it is also crucial to situate these significant environmental and social issues within the context of historically specific socio-political and economic settings and structures that have led to the ongoing crisis in the global food system (Lawrence et al. 2010; Magdoff and Tokar 2010; McMichael 2012a, 2012b). Framing the narrative of the Global Food Crisis in this manner foregrounds socio-political and economic issues in the food system, such as emerging and enduring inequalities, social injustice and maldistribution. These scholars also contend that there are critical historical trends in the global political economy — shaped by structures and relations of power — that determine what foods will be produced, by whom and where, as well as to whom food will be distributed (McMichael 2012a, 2012b, 2013a, 2013b; Magdoff and Tokar 2010). These long-term historical trends include the legacy of structural adjustment programs and trade liberalisation that

\textsuperscript{18} It is critical to note that the world’s per capita meat consumption doubled from the early 1960s through to 2007 and as much as 95 per cent of calories are lost in the conversion of grain and soybeans to meat (Magdoff and Tokar 2010: 10).
lead, in many instances, to increasing dependency on food imports and vulnerability to international price volatility (Rosset 2006). Rosset (2006: xvi) asserts that liberalised trade settings and reduced food reserves produce ‘inherent uncertainty’ in global commodity markets. Another crucial historical factor is the increasing dispossession of small-scale peasant farmers (Magdoff and Tokar 2010; McMichael 2012a).

The historical context of food and agriculture as a site of contestation and social struggle in global political economy is often overlooked or marginalised in orthodox economic analyses of the crisis, which focus primarily on supply and demand factors in markets. Many orthodox (neo)Malthusian accounts prefer to focus more on supply and demand factors that they claim are driving volatility, such as population growth, growing demand for meat and dairy in India and China, production shortages, eco-scarcity, lower yields and natural disasters, among other factors. According to (neo)Malthusian focused Brown (2011), scarcity is ‘the new norm’ and policy makers must be prepared for a transition from an era of food surpluses to a ‘new politics of food scarcity’, ‘resource grabbing’ and ‘social instability’.

This study outlines the argument that the orthodox economic discourse and analysis of the food problem and the causes of the 2008 Global Food Crisis are problematic and marginalise alternative perspectives, often resulting in an apolitical and ahistorical analysis. The premise of this study is that the role of rice in relation to food insecurity in the East Asian region cannot be adequately comprehended from a purely economic perspective. Rather, the organisation of rice as a commodity has deep social and political connotations which can be more comprehensively understood by adopting a critical approach to agrarian and global political economy (Clapp and Helleiner 2012; Friedmann 1982, 1993; Lawrence et al. 2010; Lawrence and McMichael 2012; McMichael 2000a, 2006, 2013; McMichael and Buttel 1990; O’Brien and Williams 2011; Shields et al. 2011; Watson 2005, 2007).

### 6.3 The role of rice

The role of rice during the Global Food Crisis of 2007–08 highlights the inherent contradictions of state-centric and neomercantilist approaches to food security. Between October 2007 and April 2008, world market rice prices for a type of Thai rice known as 100%B tripled, rising dramatically from US$335 per tonne to over US$1000 per tonne.
This resulted in the highest level recorded ever in nominal terms (Dawe 2010). Figure 3 graphs the rice price spike for Thai 100%B in US dollars per tonne and outlines a timeline of the key events in the world rice crisis of 2007–08 (Dawe 2010: 19).

**Figure 3 Timeline of key events in the world rice crisis 2007–08**

![Timeline of key events in the world rice crisis 2007–08](source: Dawe (2010: 19).

In response to the Global Food Crisis, many states in East Asia, and indeed around the world, intervened in the market and implemented various protectionist policies in an attempt to lessen the impact of soaring international food prices on the most vulnerable sections of their populations (Dawe 2010). These state-led policy responses included export restrictions, price controls, price subsidies and facilitating imports. The paradox of this type of state-centric response was that some of these domestic policy measures — in particular, export restrictions — exacerbated the crisis and contributed to soaring food prices. During the crisis, exporting countries were willing to abruptly restrict exports of rice in favour of protecting their domestic markets and ensuring domestic supply.

Leading up to the global rice price spike of 2007–08, India and Vietnam were the world’s second and third largest exporters of rice, while the Philippines was the world’s largest rice importer (Dawe 2010). As outlined in Figure 3, during the crisis, exporting countries were willing to abruptly restrict exports of food to protect their own
consumers. For example, India, Vietnam, China and Indonesia stabilised domestic rice prices during the Global Food Crisis of 2007–08 by using export bans (or at least very tight controls), thus protecting well over two billion consumers from sharply higher prices (Timmer 2013). In responding to these protectionist measures, many importing countries — like the Philippines and Indonesia — realised that their domestic markets were far too dependent on foreign imports for their national food security, and hastily resorted to increasing domestic stockpiles (Timmer 2013). Figure 3 demonstrates that at the height of the global rice price surge the Philippines paid US$1200 per tonne at a 17 April 2008 tender. While these policy responses — to varying degrees — protected some domestic consumers in these countries from rising prices, they reproduced and intensified food insecurities elsewhere in the region.

The political economy of rice and the dynamics of power in the region are reflected in the domestic rice policies pursued by the Philippines and Indonesia. The Philippines and Indonesia are the main net importers of rice in the Southeast Asian region, with the Philippines ranked second in the world, and Indonesia third (FAO 2011). During the Global Food Crisis of 2007–08, the governments of both the Philippines and Indonesia declared that they would pursue policies of food ‘rice self-sufficiency’. Both countries have taken significant steps to be less reliant on the world market, pursuing substantial rice production initiatives and pledging to be self-sufficient in rice over the long-term (Trethewie 2012).

Returning to the arguments advanced in the previous chapter in relation to Thailand’s state-led capitalism in the rice sector with distinctive Thai characteristics, it is crucial to note while the Thai Government did not restrict rice exports during the rice price surge of 2007–08, that Thailand’s policies and statements contributed to the uncertainty in global rice markets (Dawe 2010; Timmer 2013). According to Dawe (2010: 22):

Thai policies and statements also contributed to the uncertainty in the world market. In February 2008, the head of the Ministry of Commerce’s Public Warehouse Organization called for the newly elected government to auction off half a million tons of its 2.1 million tons of stocks. Thai exporters were in favour of this proposal, but the government kept almost all of its stocks off the market. In mid-March, the Vice-Minister of Commerce was quoted as saying that the government was considering imposition of export restrictions for the first time in more than a generation. Then, on 28 March, the Minister urged farmers not to sell as he predicted prices would reach $1000/ton by June (he did not specify whether he
was referring to prices of Jasmine rice or 100%B). Thailand later insisted that it would not restrict exports and, indeed, it did not, but the threat of such action added to market uncertainty.

In October 2007, monthly Thai exports exceeded 1.0 million tonnes. During the subsequent four months, monthly Thai exports averaged 914,000 tonnes. In the year ending in September 2008, Thailand exported more than 11.7 million tonnes (Dawe 2010). Had the Thai Government taken the same course of India and Vietnam in implementing export restrictions, it would be difficult to predict how high world rice prices would have reached.

As mentioned briefly in the previous chapter, in April 2008, Thailand proposed creating a ‘rice exporter cartel’ the Organization of Rice Exporting Countries (OREC). The neomercantilist organisation was modelled on the Organisation of Petroleum Exporting Countries (OPEC) (Dawe 2010: 22). The Southeast Asian rice export cartel would have included Vietnam, Cambodia and Myanmar. Cambodia’s Prime Minister endorsed the concept of OREC; however, it faced significant critiques from economists and policymakers in international and regional institutions such as the Asian Development Bank (Dawe 2010; Timmer 2013; Trethewie 2012). The OREC concept was decried as a new type of mercantilism that would distort the market mechanism. It is important to note that Thailand’s proposal for a cartel did not include India — the second largest exporter of rice in 2008. One week after Thailand proposed OREC, the proposition was withdrawn (Dawe 2010). Nonetheless, while the Thai Government did not ban exports, the OREC proposal indicated clearly that it had a neomercantilist strategy and objectives in relation to the global rice market.

6.4 Key learnings from the crisis
While the policy responses taken in East Asia protected some domestic consumers in these countries from rising prices, ensuring domestic food security actually reproduced and exacerbated food insecurities elsewhere in the region. At times, this underlined the logic of a need to move towards a more multilateral approach to regional food security. In this regard, the ASEAN member states acknowledged that there was an urgent need to develop a robust regional policy framework comprising of a strategic set of measures and actions that would ensure sustainable and long-term food security in the ASEAN region (ASEAN 2008, 2009). Many food-importing countries in East Asia are highly
vulnerable to global food price spikes and increasingly volatile global food prices (Huchet-Bourdon 2011). There are many ways policy makers in food-dependent countries protect domestic food markets from global food price volatility — including the use of buffer reserves as a price control mechanism, which arguably offers a high degree of flexibility to respond to price spikes and swings, and has a more direct impact on the prices paid by the most vulnerable populations (Murphy 2009). An effective system of food reserves is an essential part of the institutional architecture for achieving genuine food security.

The complexity of the transnational issues that led to the Global Food Crisis of 2007–08 demonstrates that a primary reliance on market mechanisms is not sufficient to ensure regional food security in times of crisis. Murphy (2009: 4) argues that ‘markets alone are not best placed to ensure that everyone has access to at least a minimum of safe, nutritious and culturally appropriate food’ Historically, the primary functions of food reserves have been ‘to correct the basic market failure of aggregate food markets’, to stabilise volatile prices and to prepare to respond to food emergencies (Murphy 2009: 4).

6.5 Is this a new era of food insecurity and price volatility?
Since the global food price spike of 2007–08, the FAO has revised its methodology for measuring hunger, which occurred after a meeting of the Committee on World Food Security (CFS) in 2010. In a 2013 report, *The State of Food Insecurity in the World*, the FAO estimated a total of 842 million people, or around one in eight people in the world, were suffering from chronic hunger, and regularly not getting enough food to conduct an active life. This figure is lower than the 868 million reported with reference to 2010–12. The total number of undernourished has fallen by 17 per cent since 1990–92, despite the previously reported spikes during the Global Food Crisis (FAO 2013). Different rates of progress across regions have led to global and regional shifts with the distribution of undernourished people. According to the FAO (2013), most of the world’s undernourished people are still to be found in Southern Asia, closely followed by sub-Saharan Africa and Eastern Asia. In 2015, the FAO (2015) indicated that global hunger declined slightly to an estimated 795 million undernourished people. There are important trends with the distribution of undernourished peoples across Asian regions,
with the regional share of undernourished people declining most in East Asia and Southeast Asia, but increasing in South Asia, as well as further afield in sub-Saharan Africa and Northern Africa, based on the data. Internationally and in East Asia specifically, statistics about food insecure populations across the globe remain a significant concern, even with revisions to research methodologies for collecting data. This trend of declining undernourishment in East Asia has continued. According to the FAO (2015), undernourishment in East Asia declined from 23.2 per cent of the population in 1990 to 9.6 per cent in 2014. In contrast, Western Asia has seen an increase in the prevalence of hunger from 6.4 per cent of the population in 1990 to 8.4 per cent in 2014 (FAO 2015).

The statistics discussed in this section highlight the importance and value of adopting a nuanced and differentiated regional perspective in relation to comprehending multifaceted and complex issues, such as food insecurity. Narratives of global food scarcity and insecurity often fail to take into account regional differences. From a regional perspective, grasping the differences between various regions in the global food system include considering subtleties in the cultural political economy of agri-food systems and agricultural commodity sectors.

Some scholars and researchers have framed the narrative of ‘global resource scarcity’ and food insecurity in terms of ‘absolute scarcity’, pointing in particular to the issue of planetary or ecological (finite) limits (Barrett 2013; Brown 2012). Often, these arguments are underpinned by (neo)Malthusian perspectives and assumptions around absolute scarcity of finite resources, linked to conflict and socio-political instability (Blyth 2002). These scholars argue that the global economy is at the edge of its food production capacity. Agriculture is already utilising 70 per cent of the world’s annual freshwater, and in many countries arable land is declining (Cribb 2010). Rapid industrialisation and the growth in urban populations have contributed to a reduction in arable land through competing land use and environmental degradation (Sombilla and Hossain 2000).

The discursive framing often stresses the narrative of the global challenge of feeding an expected 9.3 billion people by 2050 (McMahon 2013). This narrative is indeed compelling and persuasive when faced with some of the aforementioned facts and latest
scientific findings in relation to climate change, such as: droughts and changes in rainfall; rapid urbanisation; competition for land use and declining arable land; systemic soil degradation, water scarcity and loss of biodiversity; reduction in the quality of river ecosystems; and over-exploitation of fish stocks (Cribb 2010; McMahon 2013; Sombilla et al. 2002).

Other scholars, including some neoclassical economists, draw on classical political economy and work of Ricardo to frame the issue more in terms of ‘relative scarcity’ — arguing that the problem is underproduction due to misallocation of resources, not pursuing ‘comparative advantage’, and lack of technology (Rosegrant et al. 1995). Some agricultural economists contend that scarcity is relative to demand and that physical or ecological limits can be transcended or mitigated through comparative advantage, modernisation, the market mechanism and scientific technological innovation (Barrett 2013). In other words, there is a significant challenge ahead in relation to global resource scarcity and food insecurity; however, these challenges are viewed as being overcome through industrialisation and modernisation of agriculture (the productivist paradigm) and the application of scientific knowledge and technological innovation (Teng 2011).

Some critical agri-food scholars and researchers have posited a more relational or dialectical approach to global resource scarcity and food insecurity (McMichael 2013a, 2013b). Some have argued that the Global Food Crisis of 2007–08 did not occur in isolation and is part of multiple crises — the financial crisis, the energy crisis and the environmental and climate crisis (Rosin et al. 2012). These multiple crises can be situated historically as part of a broader crisis of neoliberal governance. Hence, the food system crisis has a long historical trajectory and must be historically contextualised (Arrighi 2007). As highlighted, these multiple crises have been occurring in the context of further integration of food, energy and financial markets and the emergence of a global food, feed, fuel and finance complex (McMichael 2013b; Rosin et al. 2012). As indicated earlier, agricultural commodity markets are often thinly traded markets and are vulnerable to price volatility. Arguably, the increasing integration of agri-food markets into much larger energy and financial markets has led to much greater risk and propensity for global food price volatility, as evidenced in the Global Food Crisis of 2007–08 and again in the food price spike in 2011 (Borras Jr. et al. 2011a, 2011b).
financialisation of the food and agricultural sector has further increased the vulnerability of the global food system to food price volatility and fluctuations — in particular, speculation on agricultural commodity prices through the trading of OTC CIFs has been linked to increased food price volatility (Clapp 2010).

The increasing financialisation of food has rendered agricultural commodities as simply another commodity or financial instrument for investment (Clapp 2010; McMichael 2012b). According to McMichael (2012: 60) the ‘privileging of exchange-value over use-value (‘ecological capital’ including farming knowledge) subordinates agriculture to a financial calculus at the expense of socio-ecological sustainability’. Historically, speculation in agricultural futures markets was carefully regulated in accordance with social norms. It was recognised as a widely accepted social norm that food was different, it was essential for survival and sustenance and, hence, social protections were in place to prevent financial speculation in agricultural commodities. Even today, the United States is unique in its deregulation of the agricultural futures market and it was in the United States that financial institutions and investment banks first developed OTC CIFs (Russi 2013).

Currently, food and agricultural commodities are traded and exchanged on the global market in much the same way as any other commodity. From a Polanyian perspective, the notion of food as a fungible commodity — as merely another interchangeable financial instrument of investment and profit — abstracts food from the social relations in which it is embedded and renders invisible its cultural, ecological and normative dimensions of food (Polanyi 1944, 1947). Food has deep social and cultural significance — the way food is produced, distributed and consumed has critical social, political, economic, environmental and ethical implications. However, these crucial dimensions of food and agriculture become invisible in an abstractive attempt to conceptualise and utilise food as a merely financial instrument and fungible commodity. Therefore, the attempts to disconnect the food system from social relations and reduce food to merely a fungible commodity are ‘utopian’ and lead to systemic crisis, having devastating social consequences. These devastating social implications were evident in the 2007–08 Global Food Crisis and continue to be evident with food price spikes.
6.6 Conclusion

In summary, this chapter has analysed the spike in global food prices in 2007–08 and posited that this was a significant event in the ongoing crises in the global food system. This chapter has focused on this significant event in order to gain a deeper understanding of the implications for food insecurity in the East Asian region. This chapter has argued that the complexity of the transnational issues that led to the Global Food Crisis of 2007–08 demonstrates that reliance on market mechanisms alone is not sufficient to ensure regional food security in times of crisis. This chapter has outlined the inherent contradictions of state-centric and neomercantilist approaches to food security that were manifest in the food price spikes of 2007–08. These state-led policy responses included export restrictions, price controls, price subsidies and facilitating imports. The paradox of these types of state-centric protectionist and neomercantilist responses to the crises was that they only exacerbated and reproduced food insecurities in the region, moving these insecurities around geographically.

Additionally, this chapter has advanced the argument that with the further deregulation and integration of agricultural, financial and energy markets, food has become an increasingly fungible commodity. The increasing financialisation of food has rendered agricultural commodities as simply another commodity or financial instrument for investment. From a Polanyian perspective, attempts to disconnect the food system from social relations and reduce food to merely a fungible commodity are ‘utopian’ and lead to systemic crisis, having devastating social consequences.

Many underlying systemic issues that produced the surge in global food prices in 2007–08 continue to exist today. This chapter proposes that these complex and interconnected transnational issues cannot be adequately addressed solely on a national basis but, instead, arguably require broader regional cooperation. Historically, the primary functions of food reserves have been to correct market failures in food markets, to stabilise volatile prices and to prepare to respond to food emergencies. The next chapter will provide an analysis of attempts to undertake regional cooperation in relation to food security. It examines the case study of Association of Southeast Asian Nations Plus Three Emergency Rice Reserve (APTERR) as an example of a regional cooperation scheme.
7 Regional governance, rice reserves and food security in East Asia

7.0 Introduction

As discussed in Chapter 6, many underlying systemic issues that produced the surge in global food prices in 2007–08 continue to exist today. A central proposition posited in the previous chapter was that these complex and interconnected transnational issues cannot be adequately addressed solely on a national basis, but instead appear to require broader regional cooperation. This chapter will assess the Association of Southeast Asian Nations Plus Three Emergency Rice Reserve (APTEER) as an exemplar of regional cooperation in relation to addressing food insecurity. It is posited that while regional food reserves do have some limitations, they can benefit countries facing food emergencies and are an effective way of promoting regional cooperation and mutual assistance among countries, amidst the challenges posed by increasing instability and price volatility in the contemporary global food system.

There is increasing scholarly awareness that food insecurity is one of the most critical and complex issues facing the East Asian region, and indeed the world (Arase 2010; Ingram et al. 2010; McDonald 2010). This study acknowledges and argues that the causes and consequences of global food insecurity are complex, interconnected and increasingly transnational. As such, they cannot be adequately addressed solely on a national basis with domestic policy responses, but instead require broader regional and global cooperation and a multilateral approach to food security. This argument is contextualised with an analysis of the Global Food Crisis of 2007–08 and regional implications in East Asia.

As indicated in the last chapter, the spike in global food prices in 2007–08 caused grave concern among many actors and policy makers in East Asia about the possible socio-economic impacts in the region and political instability. As briefly highlighted earlier in this study, in responding to the Global Food Crisis, the ten member states of ASEAN, working in collaboration with Japan, the People’s Republic of China and the Republic of Korea (ASEAN+3), established a long-term regional rice reserve mechanism — APTERR — that built on an existing pilot project, the East Asian Emergency Rice Reserve.
This chapter provides an analysis of APTERR and situates this scheme within the broader debates around regional food reserves as a ‘public good’. It is contended that despite some technical, financial and institutional limitations, some crucial aspects of APTERR include potential for the scheme to increase transparency in the regional rice market through the mutual exchange of information. It is argued that, as such, regional food reserves can significantly benefit countries facing food emergencies, and effectively support regional cooperation and mutual assistance among countries amidst challenges posed by increasing instability and price volatility in the contemporary global food system. The first section outlines a regional perspective on food insecurity. This is followed by a discussion of the role of rice in regional food security. The subsequent section engages in the debates in relation to the role and effectiveness of food reserves. The second half of this chapter examines APTERR as a case of study in multilateral cooperation in relation to rice and addressing regional food insecurity.

7.1 Food insecurity as a regional challenge
The global food price crisis of 2007–08 and ongoing food price volatility have drawn attention to the importance of food insecurity as a regional challenge (Chandra and Lontoh 2010; Clapp 2009; Morton 2012; Mukherjee 2008, 2009). As outlined in previous chapters, often it is the most vulnerable in a region — rural landless labourers, small-scale farmers and the urban poor — who suffer most from food insecurity, hunger and malnutrition. In East Asia, high prices have had a detrimental impact on the lives and livelihoods of these vulnerable groups (Dawe et al. 2014; FAO 2009b). As Mathur (2010: 1) points out, ‘Food security can only be achieved if food becomes available and accessible to the most vulnerable sections of society’.

The complexity of the transnational issues that led to the Global Food Crisis of 2007–08 demonstrates that reliance on market mechanisms alone is not sufficient to ensure regional food security in times of crisis. Historically, the primary functions of food reserves have been ‘to correct the basic market failure of aggregate food markets’, to stabilise volatile prices and to prepare to respond to food emergencies (Murphy 2009: 4).

In an era of climate change, when disasters and calamities have increased in frequency and intensity, multilateral cooperation and maintaining a substantive regional
food reserve is an increasingly important aspect of a regional strategy ensuring regional food security (Ingram et al. 2010). Ingram et al. (2010) demonstrate how the causes and impacts of food insecurity are inextricably linked with global environmental change (including climate change). Since disasters and calamities can transcend national boundaries, an effective response needs to be multilateral, relying on regional cooperation between countries that share common geography, history, cultures and increasingly interconnected economies.

Considering the Global Food Crisis of 2007–08, there is a fundamental need to rethink the causes and consequences of food insecurity. As contended in the previous chapter, these causes and consequences have become more complex, multi-scale and interconnected as food insecurities transcend local jurisdictions and national boundaries (Elliott 2011). As Elliott (2011: 4) acknowledges, addressing regional food insecurity requires ‘responses that engaged with, and responsive to, the vulnerabilities and security needs of local communities’. In order to analyse APTERR, it is important to situate it within the broader debates around food reserves as a ‘public good’, as well as to consider additional merits and limitations with regional food reserves.

7.2 Rice and regional food security in East Asia

According to Timmer (1997: 5) ‘stabilizing the price of a popular staple food is an essential element of food security’. Beyond merely being a source of sustenance and calories, rice has deep social, political, economic and cultural significance in the region (Bello 2005; Dawe and Timmer 2012; Sombilla 2000). Many food-importing countries in East Asia are highly vulnerable to global food price spikes and increasingly volatile global food prices (Huchet-Bourdon 2011). Many governments in food-import dependent countries in East Asia intervene to protect domestic food markets from global food price volatility — these interventions include the use of buffer reserves as a price control mechanism, which arguably offers a high degree of flexibility to respond to price spikes and swings, and has a more direct impact on the prices paid by the most vulnerable populations (Murphy 2009).

For critical emergency situations, national, international and regional food reserves have been relied upon to address price volatility, and to assist to stabilise prices during food price shocks or surges. An emergency food reserve should be carefully
distinguished from buffer stocks that are generally aimed at stabilising prices. Typically, buffer stocks target a price band, with the upper and lower limits denoting trigger prices. When the market price rises above the price band, buffer stocks are released, in an effort to bring the market price back within the band (Briones 2011).

Regional food reserves are often used to store staple foods that have social, political and economic significance, and are culturally appropriate in a particular region (such as rice in Asia). As highlighted throughout this thesis, rice is a critical commodity for ensuring food security in the East Asian region, as around two-thirds of world rice production originates in ASEAN+3 countries (Mukherjee 2008). As discussed in Chapter 2, global rice prices are highly susceptible to price volatility (Dawe 2010; Dawe and Slayton 2010). The strategic significance of rice is accentuated by price rises and volatility being catalysts for political tensions in the region, as evidenced in the reactions to tariffs on rice, and in responses to a proposal for a Southeast Asian rice cartel (OREC) that excludes the region’s importing countries, as examined in Chapter 5 and 6 (Teng et al. 2011; Trethewie 2012). Regional rice reserves and multilateral cooperation can play a significant role — along with other significant policy measures — in helping to stabilise rice prices in the region and ensure adequate rice availability and supply during emergencies.

7.3 Regional food reserves as a public good: assessing the merits and limitations of regional food reserves

Historically, the stockpiling of agricultural commodities — particularly staple grains — has played an important role as a buffer to natural disasters, calamities, seasonal discrepancies and market turbulence (Murphy 2009). Food reserves were traditionally promoted and supported to ensure governments could intervene to stabilise markets during periods of food price volatility and to ensure domestic food security, especially in food import-dependent countries (Braun and Torero 2009; De Castro 2013).

In 2009, in the aftermath of the Global Food Crisis in 2007–08, high-level discussions involving multilateral cooperation on international food reserves took place at the G8 Agriculture Minister’s Meeting, the United Nations General Assembly, and the newly convened World Grain Forum held in Russia. These discussions and subsequent proposals have focused on two strategic aims — firstly, the need for reliable
emergency food supplies during a crisis; and secondly, addressing the systemic imbalance between supply and demand that contributed to recent price volatility (Willoughby and Parsons 2009).

Regional food reserves represent a move towards increased multilateral cooperation in relation to food security in East Asia. Regional food reserves have an important role to play, in conjunction with local and international reserves, in alleviating food insecurity in emergency situations and times of crisis (Takashi and Suwunnamek 2011). A multilateral approach provides a stark contrast to primarily state-centric approaches to food security discussed in the previous chapter. As argued in the previous chapter, state-centric neomercantilist or protectionist approaches can, at times, spatially and temporally reproduce food insecurities and merely move these insecurities around geographically within a region. This is not to suggest that national policy measures cannot stabilise domestic food prices and provide effective protection for some domestic consumers and producers. Rather, it simply infers that state-centric approaches to food security often benefit some countries in the region to the detriment of others.

Due to trade-related concerns and constraints at national and international levels, there have been inherent limitations with the effectiveness of food reserves. One of the limitations of larger national and regional rice reserves is that storing these stocks is expensive, particularly in tropical conditions — and even if well managed to avoid deterioration in quality (Timmer 2010). Additionally, orthodox and neoclassical agricultural economists have raised concerns that international food reserves have the potential to distort the market mechanism and price signals and that public sector or state intervention in the food markets should be avoided (Dawe et al. 2014; Timmer 2013; Trethewie 2013). Such economists prescribe economic liberalisation of agricultural markets, greater integration and the adoption of market-based instruments and initiatives to deal with price volatility, reproving public food reserves as a form of interventionist policy that stifles other forms of risk mitigation such as commodity exchanges and producer insurance (Trethewie 2013). Yet, scholars such as Murphy (2009) argue food reserves can be effective in limiting the severity and variation of international price fluctuations. It is important here to refer the substantive work of classical political economists such as Polanyi (1944, 1947) and contemporary critical IPE scholars — outlined in Chapter 3 — who point to the contradictions of this type of
economic liberalisation. These scholars contend that paradoxically, these markets were created and maintained through prolonged and continuous state intervention and a close relationship between the state and agri-food corporations (Aldo and Lazzarini 2014; Nolke 2015). The scholars have argued that free trade in agri-food markets is an illusion, and that states have long intervened in agri-food markets (Chang 2008; Ervine and Fridell 2015). These seemingly apparent contradictions are entirely consistent with the internal contradictions of neoliberalism (Brohman 1995; Harvey 2005; Potter and Tilzey 2005; Robinson 1966).

It is now pertinent to return to the debates on food reserves and market intervention. Food reserves often serve as the last bastion to supply for domestic markets in times of crisis. As Dano and Peria (2006: 2) also contend, regional food reserves in particular arguably ‘not only benefit countries facing food emergencies, but are one way of promoting cooperation and mutual assistance among countries, especially developing ones, amid the challenges posed by globalization’. Regional cooperation can, to some extent, play a role in reassuring governments in the region about food availability during crises and in dissuading them from pursuing detrimental trade restrictions, export bans and panicked hoarding as witnessed during the World Food Crisis of 2007–08 (Jongskul 2012).

The spike in global food prices in 2007–08 caused concern among ASEAN member states about the possible social and economic impacts in the region and political instability. These concerns underlined the logic of a need to move towards a more multilateral approach to regional food security. Along this line, the ASEAN member states acknowledged that there was an urgent need to develop a robust regional policy framework comprising of a strategic set of measures and actions that would ensure sustainable and long-term food security in Southeast Asia and the broader East Asian region (ASEAN 2008, 2009).

7.4 The ASEAN Integrated Food Security (AIFS) Framework
In response to the Global Food Crisis of 2007–08, ASEAN approved the ASEAN Integrated Food Security (AIFS) Framework. In August 2008, at the Special Senior Officials of the 29th Meeting of ASEAN Ministers of Agriculture and Forestry in Chiang Mai, Thailand, delegates discussed the concept of the AIFS Framework. The
fundamental goal of the AIFS Framework is to improve and support the livelihoods of farmers and to ensure regional food security over the long-term. At this meeting, officials also mapped out a Strategic Plan of Action on Food Security in the ASEAN Region that outlined six corresponding strategic objectives to the AIFS Framework (ASEAN 2009). In March 2009, ASEAN formally approved the framework. One of the components is to support establishing a long-term mechanism for APTERR. On 12 July 2012, the ASEAN+3 intergovernmental agreement establishing APTERR entered into force. It is worth noting that it is difficult to analyse the institutional effectiveness of APTERR in the short period since its implementation; hence, it is critical to situate APTERR within the broader historical context of regional rice reserves in East Asia.

7.5 Historical context of APTERR

APTERR builds on previous food reserve mechanisms by ASEAN and ASEAN+3, including the ASEAN Emergency Rice Reserve, which was launched in 1979, and the more recent East Asia Emergency Rice Reserve. The ASEAN Emergency Rice Reserve was launched as part of the ASEAN Food Security Reserve agreement, with member states providing voluntary contributions to a stockpile. After a quarter of a century, pledges for the ASEAN Emergency Rice Reserve had only reached 87,000 tonnes, inspiring the decision to expand membership to the Plus Three countries in 2001. This reserve volume represented only four days’ consumption quantity of ASEAN countries (an extremely small figure compared to a real food emergency) (Yoshimatsu 2014: 95). Yoshimatsu (2014) provides a comprehensive overview of the relations of power between various states in the region and between key rice importers and exporters. These power differentials and dynamics of state relations in the region are a critical political factor in the contestation, formation and evolution of regional institutions and mechanisms such as APTERR.

A team that had Japanese support recommended and then implemented a three-year pilot project — the East Asia Emergency Rice Reserve (Dano and Peria 2006) — with a Tier 3 program being piloted in Cambodia, Indonesia, Lao PDR, and the Philippines. From 2005–10, nearly 3,000 tonnes of rice was distributed as food relief. Much of this was procured using cash donations from the Japanese Government. A one in-kind donation of 520 tonnes of rice was sent from Thailand to the Philippines to assist the
victims of Typhoon Ketsana. One pilot test of the Tier 1 release involved a 10,000 tonne rice shipment from Vietnam to the Philippines in early 2010. The shipment was executed as a purchase agreement between the National Food Authority of the Philippines and the Vietnam Southern Food Corporation, which is the largest rice exporter in Vietnam. The order was used by the National Food Authority to meet relief and rehabilitation requirements after a series of typhoons battered the Philippines in late 2009 (Dano and Peria 2006). The purchase agreement was negotiated based on prevailing international prices and standard rice trade practices.

7.6 APTERR pledges
A total of 787,000 tonnes of rice has been pledged towards APTERR. The reserve consists mostly of rice stocks that have been designated or earmarked out of national reserves by ASEAN+3 countries to meet emergency food requirements in the region, plus stockpiled rice that has been voluntarily donated to the reserve. Under the APTERR agreement, 13 countries have pledged to make a total of 787,000 tonnes of rice available in the case of an emergency to anticipate sudden instabilities in supply and production caused by armed conflict, calamities, and natural disasters. China, Japan and Korea earmarked 300,000 tonnes, 250,000 tonnes and 150,000 tonnes of rice respectively, while ASEAN countries have contributed 87,000 tonnes. Of the ASEAN countries, Thailand was the biggest contributor with 15,000 tonnes, while Vietnam and Myanmar contributed 14,000 tonnes respectively. Indonesia and the Philippines each contributed 12,000 tonnes, Malaysia and Singapore provided 6,000 tonnes and 5,000 tonnes respectively, and Brunei, Laos and Cambodia provided 3,000 tonnes (ASEAN 2011).

7.7 APTERR activation
The APTERR scheme can be activated during an event that is classified as a food emergency. Operational definitions of a food emergency vary. In the context of the AIFS Framework, an emergency is defined as ‘the state or condition having suffered extreme and unexpected natural or man-induced calamity, which is unable to cope with such state or condition through its national reserve and is unable to procure the needed supply through normal trade’ (ASEAN 2009: 3). Fundamentally, APTERR is designed to be a mutual assistance scheme to provide food assistance and strengthen food
security in emergencies, by sharing rice stocks and contributing to price stability in the region.

7.8 APTERR in practice

Under the APTERR, rice is available through a three-tier system involving:

- Tier One: special commercial contracts
- Tier Two: emergency grants and loans
- Tier Three: delivery of donated rice in times of acute emergency (Briones 2011).

Various releases of stockpiled rice have occurred under the precursor to APTERR, the East Asia Emergency Rice Reserve and APTERR:

- In 2004, 87 households and students in Vientiane Province received over 13 metric tonnes from December 2004 to June 2005 in Laos for the purposes of a poverty alleviation program (APTEERR 2014).
- From November 2005 to November 2006, 100 metric tonnes of rice was distributed to nearly 10,000 people in Sampang District and over 22,000 people in Jember District in Indonesia to help people affected by flood and as part of a rehabilitation program (APTEERR 2014).
- In July 2006 to December 2006, over 930 metric tonnes of rice was distributed under a relief program to assist people affected by volcanic eruption and typhoons in the Philippines. Over 154,000 households in Leyte, Cebu, Davao and Manila City were beneficiaries (APTEERR 2014).
- From July 2007 to January 2008, nearly 380 metric tonnes of rice was distributed to help people affected by flood and under a poverty alleviation program in Cambodia. Over 11,500 households in Kampong Thom, Ratanakiri, Kandal, Kompong Chhnang and Takeo were beneficiaries (APTEERR 2014).
- From March 2008 to May 2009, 186.5 metric tonnes of rice was distributed to over 18,000 householders in Central Java and East Java to help people affected by floods in Indonesia (APTEERR, 2014).
- From November 2008 to January 2009, 164 metric tonnes of rice was shared among more than 13,000 people in Laputta and Bogalay townships in Myanmar who were affected by cyclone Nargis (APTEERR 2014).
• In 2010, two releases of stockpiled rice occurred under Tier Three, with Thailand donating 520 metric tonnes of rice to the Philippines through the APTERR Secretariat for humanitarian support with Typhoon Ketsana, Typhoon Megi, La Nina and flash flooding, and Japan donating 347 metric tonnes for victims of Typhoon Ketsana in Laos (Jongskul 2012). One release occurred under Tier One, with 10,000 tonnes transferring from Vietnam to the Philippines (Briones 2011).

• In late 2011, 50 metric tonnes of milled rice and 31,000 cans of cooked rice were distributed among more than 8,000 flood-affected households in the central region of Thailand (APTErr 2014).

• In 2012, fifty tonnes of rice was provided to six drought-affected villages in Bojonegoro, Indonesia (Lensa Indonesia 2012).

• In 2013, Japan contributed 200,000 US dollars to the Philippines in February to procure rice with the purpose of assisting the victims of super typhoon Bopha (Trethewie 2013). Japan continued its support following the devastation of Typhoon Haiyan in the Philippines later in the same year, providing rice worth approximately 500,000 US dollars through the framework of APTERR (APTErr 2014).

• In December 2013, a Committee on Disaster Relief Assistance to the Philippines for Typhoon Haiyan met to discuss Thailand’s ongoing contributions to the affected people for the recent crisis, following initial contributions including thousands of airlifted ready-to-use packages. Thailand’s ensuing disaster relief contribution included 5,000 tonnes of rice under the APTERR scheme, in addition to financial donations from the public and additional relief supplies to be donated by the Thai Royal Family (Ministry of Foreign Affairs of the Kingdom of Thailand 2013).

• In April 2014, a distribution of the 5,000 metric tonnes of rice donated by the Government of Thailand, through the APTERR Tier Three program, to the Philippines Government for the victims of Typhoon Haiyan (APTErr 2014).

• In July 2014, the Government of Malaysia donated 350 metric tonnes or rice to the Philippines Government for the victims of Typhoon Haiyan (APTErr 2014).

7.9 The effectiveness of APTERR
With the exception of Briones (2011), Briones et al. (2012), Trethewie (2013) and Yoshimatsu (2014), limited research has been done to date that assess the effectiveness
of APTERR in addressing regional food insecurity. Briones et al. (2012) completed a comprehensive review of APTERR, utilising econometric analysis to consider the impact of monthly trade flows on domestic prices for large rice-producing and rice-consuming low- to middle-income countries in the region, including the People’s Republic of China, Indonesia, the Philippines, Thailand, and Vietnam. Estimated average responses were compared to available reserves, and the authors determined an estimated impact on domestic prices that ranged from 7 to 11 per cent on a one-month basis. This impact suggested potential for substantive easing of price impacts in the very short term, with a caveat: it was acknowledged that this easing effect would be temporary, compared to the magnitude of the impact on the market in annual terms. These scholars recommended increasing the size of earmarked reserves as a measure to improve the effectiveness of APTERR, with feasibility assessments suggesting a supplementary contribution of about 1.2 million tonnes as a modest target to provide broad perceived benefits for enhanced capacity to offset the impact of calamities (Briones et al. 2012).

Briones (2011: 6) identifies three sets of issues, limitations and challenges in relation to the APTERR scheme that need to be substantively addressed in order to ensure the effectiveness of APTERR: Firstly, technical issues regarding the volumes and timing of storage and release of emergency stocks; secondly, financial issues regarding the amount and sustainability of funding for APTERR; and finally, institutional issues, such as appropriate organisation structure and linkages with other agencies and organisations, whether public or private, at national and international levels.

Another important strategic component of the AIFS Framework is the ASEAN Food Security Information System (AFSIS), which was implemented in two stages starting from 2003, with the objective of facilitating food security planning, implementation, monitoring and evaluation in ASEAN through the systematic collection, organisation, management, analysis and dissemination of food security data and information (ASEAN 2009). AFSIS was proposed as a way to improve transparency through greater regional cooperation and information sharing in rice markets.
Scholars like Briones (2011) argue that despite some limitations, there are significant strengths with the APTERR scheme. The scheme has the potential to make a contribution in easing domestic price impacts, in the short term, by ensuring rice availability and supply in the event of a typical disaster scenario or emergency. It can also help with availability and supply in times of calamity, reducing regional volatility and instability. The APTERR mechanism adopts a multilateral approach to regional food security. The scheme fosters greater regional cooperation that has the potential to overcome some of the limitations of state-centric policy responses in emergency situations. APTERR has potential to provide immediate remedial support to alleviate hunger and restore livelihoods and to enhance capacity and strengthen resilience to the impacts of future food disasters.

7.10 Conclusion
This chapter has advanced the argument that many underlying systemic issues that produced the surge in global food prices in 2007–08 — discussed in the previous chapter — continue to exist today. This chapter has contended that these complex and interconnected transnational issues are difficult to address solely on a national basis, and require broader regional cooperation. Regional food security frameworks such as the AIFS Framework have the potential to play a role in supporting the livelihoods of farmers across East Asia, and protecting those who are most vulnerable to food insecurity during food emergencies. That said, regional rice reserves schemes — such as APTERR — need to consider the local context and be engaged and responsive to the unique needs of local communities, including cultural and environmental considerations (Ananta 2012; Elliott 2011). It has been argued that despite some technical, financial and institutional limitations, some crucial aspects of APTERR include the potential for the scheme to increase transparency in the regional rice market through the mutual exchange of information and ensure availability and supply of food during emergencies. It has been contended in the previous chapter that state-centric approaches to food security after the Global Food Crisis of 2007–08 have spatially and temporally reproduced food insecurities, moving these insecurities around geographically within the region. From a regional perspective, APTERR represents an attempt to take a more multilateral approach to food security and to overcome some of the inherent limitations of state-centric approaches. It is suggested that, if managed and moderated carefully,
regional food reserves may be able to significantly benefit countries facing food emergencies and have potential to be an effective way of promoting regional cooperation and mutual assistance among countries, amid challenges posed by increasing instability and price volatility in the contemporary global food system.
8. Discussions and conclusion

8.0 Introduction
This concluding chapter recapitulates the main arguments and contributions to knowledge for the thesis. It also reflects on the research design and process, as well as on future areas of research. The first part of this chapter restates the central research questions and provides a summary of the main arguments. The second part reviews the conceptual and empirical original contributions to knowledge of the thesis, and discusses their possible wider implications for knowledge. The third part of this chapter reflects on the theoretical framework, methodology, and research process of the thesis. The last part suggests some future areas of research.

In summation, this thesis had outlined in the introduction three main objectives: (1) to provide a critical political economy study of the complex interplay between rice, politics and power in East Asia; (2) to make a contribution to understanding the evolution of the regional and global food system through an historically contextualised exploration of the political economy of rice in the East Asian region; and (3) to suggest an alternative analytical framework for the political economy of food insecurity in the region.

To fulfil these objectives, this study focused on the agricultural commodity of rice as a prism through which to examine and explore the complex and multidimensional nature of food insecurity in the region, with rice providing a lens through which to explore social relations and relations of power that underpin the political economy of food and agriculture. In the Introduction, this study identified a number of gaps in literature in relation to a contemporary analysis of the political economy of rice, with a second gap appearing in relation to the evolution of the global food system from an East Asian perspective. This thesis has made a contribution towards addressing these gaps in literature.

8.1 Central research question and summary of main arguments
This thesis has investigated and responded to the following research questions and sub-questions: (1) What are the socio-political and economic characteristics of the commodity complex of rice in the East Asian region? What role does the political economy of rice play in regional food insecurity? (2) What does the political economy
of rice in the East Asian region reveal about the characteristics of the contemporary global food system? To what extent do the socio-political and economic characteristics of the commodity complex of rice in the East Asian region contradict or reaffirm a neoliberal corporate food regime? (3) What does the political economy of rice in the East Asian region reveal about the Global Food Crisis of 2007–08? (4) What are the regional governance structures and institutions for the commodity complex of rice? How effective are these regional structures and institutions of governance, such as regional rice reserves, in addressing food insecurity?

To investigate these questions, this thesis has outlined and employed an interdisciplinary theoretical framework — drawing on the strengths of a variety of social and political science disciplines, including critical approaches to IPE, rural sociology and agrarian political economy. This study has attempted to move beyond the market logic of neoclassical and orthodox economic analysis, which renders rice as merely another commercial or purely economic commodity. Arguably, the interdisciplinary critical IPE approach has enabled a more holistic exposition of the socio-political, economic and cultural dimensions of the commodity complex of rice and food insecurity in East Asia.

The thesis has argued four main points. Firstly, due to the cultural, socio-political, and economic importance of rice in East Asia, few governments in the region have allowed the domestic rice sector to be influenced wholly by global market supply and demand forces. Rather, governments in the region routinely intervene in rice markets in an attempt to reconcile the paradoxical objectives of providing low rice prices for consumers and remunerative incentives to support the lives and livelihoods of farmers. Secondly, state-centric approaches to food security after the Global Food Crisis of 2007–08 have spatially and temporally reproduced food insecurities, moving these insecurities around geographically within the region. Thirdly, much of the critical agri-food literature to date has focused on the neoliberal characteristics of the contemporary corporate food regime. However, this literature has often overlooked the nuances in varieties of capitalism in East Asia, largely ignoring the rise of state capitalism and the emergence of neomercantilism. Finally, the East Asian rice complex is characterised by state-led capitalism and neomercantilism. The concept of a global neoliberal food regime does not properly account for the agri-food sector in the East Asian region, nor
does it capture the unique historical and cultural context of the region. Many states in the East Asian region, including China and Thailand, employ neomercantilist strategies in the rice sector.

This study has revealed that there is currently no regional or global ‘free market’ in rice, nor historically has there ever been. *Laissez-faire* in the regional and global rice market is indeed a ‘utopia’ (Polanyi 1944, 1947). Instead, the political economy of the rice complex of East Asia is characterised by new forms of mercantilism and state-led capitalism. This has important implications for current and ongoing negotiations in relation to so-called free trade agreements (FTAs). This is not to say that some governments in East Asia are not implementing economic liberalisation in their agri-food sectors; indeed, some states in the region have adopted neoliberal settings in some agri-food sectors. This is the paradox of rice, politics and power in East Asia. This paradox can be seen in the case study in Chapter 4 that discussed Chinese state capitalism in the agri-food sector. China has implemented aspects of economic liberalisation, and this is evident with accession to the WTO and liberalisation of some of its agri-food sectors, such as soy; however, at the same, it is adopting a new state-led mercantilist strategy in key grains such as rice — utilising SOEs such as COFCO to secure global supply chains of feed, food and fuel. In many parts of East Asia, including China, the commodity of rice epitomises national food security.

While governments in the region agree to liberalise with one hand, on the other hand, they continue to intervene in strategic markets and key political and economically-strategic sectors — such as rice — to implement new forms of mercantilism and protectionism. This was evident in the case study in Chapter 5, with the Thai rice pledging subsidy scheme that contributed to former Prime Minister, Yingluck Shinawatra, and her Pheu Thai Party coming to power in Thailand. It also, in the end, contributed to the downfall of the Pheu Thai Party. This demonstrated that governments and the ruling elite in many parts of East Asia are acutely aware of the cultural significance and socio-political power of rice farmers and producers, traders and consumers. Political fortunes in the region can literally rise and fall with the price of rice.
This humble grain that played such an important role historically in the establishment and expansion of many of the ancient civilisations and state building and formation in the region continues to hold a special cultural significance in the lives and livelihoods of local peoples. Rice is the most widely consumed and ecologically adaptable cereal on earth, and is essential commodity in relation to food insecurity in the region. This was examined in Chapter 5, and Chapter 6 with a case study of the role of rice in the Global Food Crises of 2007–08. The crisis highlighted that the causes and consequences of food insecurity are increasingly transnational, complex and interconnected. The state-centric protectionist or neomercantilist responses to the crises only exacerbated and reproduced food insecurities in the region, moving these insecurities around geographically. In response to the crisis, states in the region increased regional cooperation in relation to a regional rice reserve: APTERR. Regional strategies have been based upon the need to consider the local context and be engaged and responsive to the unique needs of local communities, including cultural and environmental considerations. Regional food security frameworks have been developed with the aims of supporting and improving the livelihoods of farmers across East Asia, protecting those who are most vulnerable to food insecurity, and responding to local needs and environmental change (including climate change).

However, this study has contended that rice is not just a commercial crop that sustains livelihoods and a staple food that provides calories to sustain life — it is an allegory for culture, society, polity, ecology and a sense of identity in many parts of East Asia. Chapters 4, 5, 6 and 7 have outlined the rationale of why rice is seen by many governments in East Asia, including the Chinese and Thai Governments, as a strategic political commodity: it is the single most important element in the diet of the poor and vulnerable sections of society and an important source of employment and income for rural farmers. Hence, the visible hand of the state routinely intervenes in domestic rice markets to ensure socio-political stability and economic objectives. The interventions take many forms, including rice subsidy schemes. An example of the rice subsidy scheme in Thailand was examined in detail in Chapter 5.

One of the central arguments posited in this study is that the commodity complex of rice in East Asia cannot be characterised as neoliberal. This has important implications for the characterisation of the East Asian food system and the broader global food
system and any conceptualisation of an emergent third food regime. This is fundamentally because rice is a crucial socio-cultural, political and economic commodity that lies at the critical intersection of politics and power in East Asia. Reflecting on these conclusions, it is insightful to return again to the postulation outlined by Pritchard and Burch (2003:1) and Young (2012:10) in the opening chapter. Indeed, neoliberal globalisation in the agri-food system is a highly ‘contested historical process’ shaped ‘by patterns of power and privilege’ in the global political economy, and as such, it is far from an inevitable process.

8.2: Summary of contributions to knowledge
As outlined in the introductory chapter, through its study of the dynamic interplay between rice, politics and power in East Asia and the political economy of food insecurity in the region, this thesis makes four main original contributions to knowledge. Firstly, by adopting an interdisciplinary theoretical framework, this research makes a contribution to a broad range of agri-food literature in the fields of critical IPE, rural sociology and agrarian political economy. Secondly, it brings new conceptual knowledge and empirical information from case studies about China and Thailand into existing literature on the regional and global agri-food system, and the political economy of rice in East Asia. Thirdly, case studies about the role of rice during the Global Food Crisis of 2007–08 and the role of regional rice reserves in the East Asian region bring new conceptual knowledge and empirical information into existing literature on these topics. Finally, the thesis provides new perspectives and analysis of food regime literature, and makes a historically contextualised and culturally attuned contribution to understanding the commodity complex of rice in the agri-food system of East Asia.

8.3: Reflections on research design and process
This part of the chapter reflects on the theoretical framework, methodology, and research process of the thesis. This study has emphasised that a regional perspective can reveal much about the contours of the global food system. The significance of comprehending the historical and cultural differences between regions in the global food system and varieties of capitalism are important. This is akin to Mintz’s (1977, 1985, 1998) ‘regional analysis’ of the Caribbean — discussed in Chapter 2 — which
went to great lengths to carefully differentiate the Caribbean as a culturally and historically specific sector of the ‘periphery’ within a broader world-systems analysis. A historically contextualised, culturally nuanced and differentiated regional perspective reiterates the importance of Western agri-food scholars being careful not to assume an ahistorical Western-centric or an ethno-centric political economy perspective of the agri-food system or an emergent third food regime. Reflecting on the research design and process, this study has been careful to try and avoid this type of problematic analysis. This thesis has attempted to engage with some substantive scholarship and literature from East Asian scholars and researchers.

There are some limitations in this process. It is important to note that there were some primary and secondary sources that were not available with an English translation and were difficult to access and translate. In particular, with Thailand now under military rule, some critical articles and reports written by Thai scholars are no longer accessible online and have been removed. While the author had previously spent time as a visiting scholar at Peking University in Beijing, China, he planned to return to Thailand to source some additional primary and secondary sources for this study. These travel plans were prevented by ongoing violence and unrest in the lead up to the Military coup in Thailand. Nonetheless, a supportive network of Chinese and Thai scholars interested in critical agri-food studies and IPE have provided some substantive additional sources for this study and assisted in overcoming this limitation.

While established scholars and researchers across many disciplines are increasingly engaging in collaborative and interdisciplinary research, some substantive challenges remain for early career researchers and PhD candidates in attempting to adopt an interdisciplinary theoretical framework and methodology for a thesis. Often, early career researchers face significant resistance and critique for daring to be an interdisciplinary ‘heretic’ and collaborate across disciplinary boundaries at such an early stage in their research careers. Yet, a burgeoning network of critical agri-food and IPE scholars are deeply committed to the merits of interdisciplinary study, and have greatly assisted with research towards this thesis. Despite the challenges of interdisciplinary research — which are significant—the author remains convinced of the substantive contribution that can be made through the cross-fertilisation of disciplines and collaborative research.
8.4: Reflections on future areas of research

There is a need for more research in this area. Future studies of the global agri-food system need to be sensitive to historical and cultural differences in the political economy between regions in the global political economy. This study has highlighted the importance of understanding historically and culturally differentiated regional contexts when examining the political economy of individual agri-food commodities in the global food system. This study has drawn inspiration from the pioneering agri-food studies of the commodity complexes in the East Asian region and the East Asian food system undertaken by Burch et al. (1994), Burch (1996), McMichael (2000a) and Pritchard and Curtis (2004). Most of these critical agri-food studies were completed over a decade ago. This study has made a further contribution to understanding the political economy of rice and the East Asia food system. Further research on the political economy of the East Asian agri-food system is required in order to more fully comprehend the role that this region plays in the global food system and an incipient third food regime. Further research in required on agri-food systems in other regions too. For example, researchers might consider questions such as, ‘Does the concept of a neoliberal corporate food regime account for the political economy of the agri-food system in South Asia?’, and ‘What can a regional perspective reveal about the distinctive cultural and historical development of agri-food system and markets in this region?’

Another important area for future research is comparing and contrasting APTERR with other regional food reserves, such as the South Asian Association for Regional Cooperation Food Bank. This type of comparative regional research may provide greater insights into regional cooperation mechanisms in relation to food insecurity and the role of regional food reserves.

This thesis has made a contribution to understanding of the varieties of state-led capitalism in the agri-food sector in East Asia — specifically Chinese state capitalism and state capitalism in Thailand. While this study examined COFCO — China’s largest SOE in the agri-food sector — further research is needed on other SOEs and SWFs in the East Asian region and globally to examine the extent to which state-owned companies are primarily pursuing profits and/or implementing state-centric neomercantilist strategies in the agri-food sector. Evidence is emerging of growing
opposition, in host countries, to foreign-based government-owned enterprises investing in farmlands, with transparency of, and motivations for, farm purchase being the primary concerns. The dynamic interplay between states, corporations and agri-food markets is fertile ground for further research.

Drawing on the recent critical IPE studies by Ebenau et al. (2015) and Nolke (2015), further research is needed in relation to conceptions of state capitalism and its historical and contemporary role in the global agri-food system. Future research could focus on the BRICS practising distinct varieties of state-led capitalism, including the emergence of potential neomercantilist strategies in the agri-food sector. While the traditional North–South axis of trade remains dominant in the global food system, South–South trade and power relations are playing an increasingly important role in the global food system. Further research is needed to examine the incipient importance of South–South relations in the global food system. For example, is the emergence of new nodes of power in the constellation of agri-food import and export complexes facilitating a reconfiguration of the global food system? This research would provide greater insights into the rise of the BRICS and the proliferation of increasingly powerful SOEs and SWFs — and their substantive role in the transformation of the global food system and conceptual implications for a nascent third food regime.

While this study has examined China and Thailand, further research is needed in relation to the rise of agri-food powerhouses such as Brazil and India. Further research might examine the extent to which of these states and their agri-food corporations, national champions and SOEs are reshaping the agri-food landscape and relations of power in the global political economy. Such research could also critically examine the resource scarcity narrative and the conjecture that SOEs and SWFs are intensifying the competition for natural resources — including food, feed and fuel across the globe. Further analysis in this area could provide more comprehensive insights into the conjecture of a transition towards a more polycentric or multipolar global food, feed, fuel and finance system.

Further research in this area would have much to contribute to the burgeoning agri-food literature on resource grabbing and provide further conceptual and empirical contributions in relation to the hypothesis that some states, which are evoking a
discourse of national food security, are attempting to secure and guarantee their access to global supply chains of food, feed and fuel through the acquisition of agricultural infrastructure, natural resources and foreign land. Further studies in this area would have much to contribute to understanding the contemporary politics of food insecurity.

As highlighted by the substantive work on political ecology of food and agro-ecology of scholars such as Altieri (2009) and Shiva (1992, 2000, 2009), there are deep ecological dimensions to understanding the production of rice in East Asia. This study does touch on some of these ecological dimensions; however, as discussed in the opening chapter, it is beyond the scope of this thesis to engage with substantive ecological issues and debates in relation to rice production. Future research focusing on the socio-political ecology of rice in East Asia would add a further dimension to a more holistic understanding of the politics of rice in the region.

Finally, drawing inspiration from the influential work of Mintz (1995) and McMichael (2000b), this study has sought to make a conceptual contribution to understanding the relationship between food and concepts of power. There have been many other substantive agri-food studies that examined this relationship; however, there is still space for further research on the dynamic interplay between food and concepts of power. Further research in this area has much to offer IPE and agri-food studies.

As argued in Chapter 1 and 2, both critical IPE and agri-food studies have much to offer conceptually and empirically to an understanding of the agri-food systems — both past and present. As discussed in Chapter 3, the current restructuring of the global food system and its socio-political and economic features has consequences for comprehending the broader configuration and transformation of the contemporary global political economy. Future research that draws on literature from both critical IPE and agri-food studies has much to offer both fields of study in relation to comprehending the structures and relations of power in the global food system.

Reflecting once again on the citation discussed in Chapter 2, Higgot and Payne (2000: ix) have adeptly articulated that in order to address the fundamental analytical challenge of understanding ‘complex transnational phenomena’, what is required is a readiness to employ interdisciplinary methodological approaches to social and political science. The author remains committed to this collaborative approach, with the hope
that it will inspire further interdisciplinary research into the political economy of food and agri-food systems, as well as other complex transnational phenomena in the global political economy.
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