

Special contribution

Can trade work for the poor? A view from civil society

The following is a contribution to *The State of Food and Agriculture 2005* by social organizations and movements, taken from their recent statements, evaluations and propositions regarding the liberalization of agricultural trade and its consequences. The International NGO/CSO Planning Committee for Food Sovereignty (IPC)¹ has facilitated this collective process, intended to focus on the food-insecure, the large majority of whom are vulnerable food producers.

This contribution, an autonomous and independent reflection on the issue of agricultural trade and poverty, in no way implies endorsement of the analysis published in the body of *The State of Food and Agriculture 2005*.

FOOD SOVEREIGNTY: A RIGHT FOR ALL ...

On 13 June 2002, during the final day of the FAO World Food Summit: *five years later*, summarizing the political analysis of the Forum for Food Sovereignty,² in the presence of the Heads of State and the Governmental Delegations, we stated:

... Governments and international institutions have presided over globalization and liberalization, intensifying the structural causes of hunger and malnutrition. These have forced markets open to dumping of agricultural products, privatization of basic social and economic support institutions, the privatization and commodification of communal and public land, water, fishing grounds and forests ...

... We call for an end to the neoliberal economic policies being imposed by the World Bank, WTO, the IMF and Northern countries and other multilateral and regional free trade agreements ...

... We demand the removal of agriculture from the WTO ...

The 2002 NGO/CSO Forum for Food Sovereignty, in its final resolution, outlined four major priority areas of action, one of which was the relationship between trade and food sovereignty. As stated in the NGO/CSO Forum action plan, "food sovereignty is a right of countries and peoples to define their own agricultural, pastoral, fishery and food policies which are ecologically, socially, economically and culturally appropriate. Food sovereignty promotes the Right to Food for the entire population, through small and medium-sized production, respecting: the cultures, diversity of peasants, pastoralists, fisherfolk, Indigenous Peoples and their innovation systems, their ways

¹ The IPC is a result of the non-governmental organization (NGO)/CSO and social movements process that developed the Forum for Food Sovereignty (Rome, 8–13 June 2002). The IPC is a facilitatory body that promotes and enables a debate with the United Nations agencies and international institutions based in Rome on agrifood-related policies. The IPC acts to enable discussions among NGOs, CSOs and social movements and will not substitute their direct relationships and negotiations. As stated by the FAO Director-General Jacques Diouf in the exchange of correspondence meant to identify the main lines of future relations between FAO and the IPC, "FAO recognizes the IPC as its principal global civil society interlocutor on the initiatives and themes emerging from the World Food Summit: *five years later* and the NGO/CSO Forum of June 2002."

² The Forum for Food Sovereignty, brought together in Rome, at Palazzo dei Congressi, from 8 to 13 June, more than 700 NGOs, CSOs and social movement representatives, including farmers, fisherfolk, pastoralists, indigenous people, environmentalists, women's organization, and trade unions, as the result of an international consultation and interaction process that lasted over two years.

and means of production, distribution and marketing and their management of rural areas and landscapes. Women play a fundamental role in ensuring food sovereignty." We now note that FAO's *State of Food Insecurity 2004* identified 80 percent of the most food-insecure people in the world as smallholder farmers, rural landless, pastoralists, fishers and forest-dependent men and women, thus acknowledging that current policies have failed in addressing the real causes of hunger.

The strategic approach on trade formulated in the 2002 NGO/CSO Forum plan of action states:

... globalization and liberalization have removed whatever limited support and protection exist for the majority of the world's farmers. It undermines local prices, undermines local producers to access their own markets. It forces producers to grow for distant markets at depressed and unstable prices. All subsidies to export-oriented agriculture have a dumping effect. [...] Trade should be a positive force for development, and should not contradict any human right. Food sovereignty requires fair agricultural trade, giving priority market access to local producers. Since its creation WTO did not apply food sovereignty principles. WTO is not transparent, democratic and accountable. Therefore, it does not have the legitimate position to deal with food and agriculture.

SUMMARY OF THE "VIA CAMPESINA" POSITION ON TRADE

It is urgent to re-orient the debate on agriculture and initiate a policy of food sovereignty.³

Food and agriculture are fundamental to all peoples, in terms of both production and availability of sufficient quantities of safe and healthy food, and as foundations of healthy communities, cultures and environments. All of these are being undermined by the increasing emphasis on neo-liberal economic policies promoted by leading political and economic powers, such as the United States and the EU, and realized through global institutions, such as the WTO, the IMF and the World Bank. Instead of securing food for the peoples of the world, these institutions have presided over a system that has prioritized export-oriented production, increased global hunger and malnutrition, and alienated millions from productive assets and resources such as land, water, fish, seeds, technology and know-how. Fundamental change to this global regime is urgently required.

People's food sovereignty is a right

In order to guarantee the independence and food sovereignty of all of the world's peoples, it is essential that food is produced through diversified, community based production systems. Food sovereignty is the right of peoples to define their own food and agriculture; to protect and regulate domestic agricultural production and trade in order to achieve sustainable development objectives; to determine the extent to which they want to be self reliant; to restrict the dumping of products in their markets; and to provide local fisheries-based communities the priority in managing the use of and the rights to aquatic resources. Food sovereignty does not negate trade, but rather, it promotes the formulation of trade policies and practices that serve the rights of peoples to safe, healthy and ecologically sustainable production.

³ Via Campesina, International farmers movement (e-mail: viacampesina@viacampesina.org).

In this respect, market policies should be designed in order to:

- ensure adequate remunerative prices for all farmers and fishers;
- exercise the rights to protect domestic markets from imports at low prices;
- regulate production on the internal market in order to avoid the creation of surpluses;
- abolish all direct and indirect export supports; and
- phase out domestic production subsidies that promote unsustainable agriculture, inequitable land tenure patterns and destructive fishing practices; and support integrated agrarian reform programmes, including sustainable farming and fishing practices.

Trade rules must guarantee food sovereignty

Global trade must not be afforded primacy over local and national developmental, social, environmental and cultural goals. Priority should be given to affordable, safe, healthy and good-quality food, and to culturally appropriate subsistence production for domestic, sub-regional and regional markets. Current modes of trade liberalization, which allows market forces and powerful transnational corporations to determine what and how food is produced, and how food is traded and marketed, cannot fulfil these crucial goals. Trade in food can play a positive role, for example, in times of regional food insecurity, or in the case of products that can only be grown in certain parts of the world, or for the exchange of quality products. However, trade rules must respect the precautionary principle to policies at all levels, recognize democratic and participatory decision-making, and place peoples' food sovereignty before the imperatives of international trade.

The trade–poverty linkages

Export-oriented policies have resulted in market prices for commodities that are far lower than their real costs of production, perpetuating dumping. The adverse effects of these policies and practices are becoming clearer every day. They lead to the disappearance of small-scale, family farms and fishing communities in both the North and South; poverty has increased, especially in the rural areas; soils and water have been polluted and degraded; biological diversity has been lost; and natural habitats destroyed.

There is no “world market” of agricultural products

The so-called “world market” of agricultural products does not exist. What exists is, above all, an international trade of dumped surpluses of milk, cereals and meat. At present, international trade in agricultural products involves about 10 percent of total worldwide agricultural production, while the so called “world market price” is extremely unstable and has no relation to the costs of production.

Agricultural protection: of whom? How?

The larger parts of important agricultural and fisheries subsidies in rich countries are subsidies for corporate agri-industry, traders, retailers and a minority of the largest producers. This situation discredits agricultural subsidies in general which, in turn, negatively affects the possibility of maintaining much needed public financial support to peasant agriculture. Eliminating direct and indirect export subsidies is an important step but even more important is a policy to control supply. Supply management effectively eliminates surpluses. Effective supply management also

allows prices covering the cost of production and public financial support to peasant agriculture without generating surpluses that are dumped on other markets. Surplus-producing countries must limit their production and manage their supply in order to avoid excess production and subsequent dumping. These countries should orient their public assistance to the development of sustainable peasant production geared for the internal market. Importing countries should have the right to stop imports to protect domestic production and consumers; this should apply also to products with uncertain quality and safety such as genetically modified organisms.

"Free" trade with "fair" competition is an illusion. Agricultural markets need strong state intervention.

By their very nature, agricultural markets cannot function in a socially just way without intervention by the state. Ending state intervention by eliminating agriculture policy instruments one by one would perpetuate the destructive restructuring of agriculture. This will displace millions and millions of men and women peasants, leaving them with no way to make a living. Regions and entire countries would be left with no capacity to produce food. Finally, only those who have money to purchase food will be able to eat. This scenario is catastrophic and includes an immense loss in terms of local varieties and food products, peasant knowledge and agricultural biodiversity.

AN AFRICAN PERSPECTIVE

Well-structured farmers and fisherfolks' organizations have emerged in Africa over the past decade. These organizations formulate visions and declarations which oppose liberalization of world agricultural trade and stress the ability of African agriculture to feed the region's citizens, as expressed in the *Afrique nourricière* campaign of the West African farmers' network, the ROPPA.⁴

The following contribution reflects the considerations which emerged from discussions on 2–3 February 2005, when representatives of peasants' and agricultural producers' organizations from Africa, Asia, Europe and the Americas met at the invitation of the ROPPA and the CNCR⁵ to prepare their contribution to the International Forum of Dakar on the Global Agricultural Divide.

... It is a common understanding that the neo-liberal policies and the dogmatic vision which have characterized development models of the past 20 years have ignored the basic missions of agriculture focused on food security, social equilibrium (job creation, limiting rural exodus, access to land, peasant or family-based agriculture, development of rural areas, etc.) and environment (soil quality, erosion, water). Moreover, they have also closed an eye to the imperfections of world markets. They have resulted in crises and an aggravation of the divide. The priority assigned to exportations has led to a collapse of world prices, to the deterioration of terms of exchange, without any benefits for consumers. It has also contributed to the ruin and the disappearance of a vast number of family farms in the South as well as in the North. A steadily growing number of peasants are landless, or lack access to means of production or financing.

The solutions proposed by the Forum participants can be summarized as follows:

- 1. Reassign priority to the basic missions of agriculture.** This implies, in particular, respecting the following rights:

⁴ Réseau des Organisations Paysannes et de Producteurs de L'Afrique de l'Ouest (ROPPA) (e-mail: roppa@roppa-ao.org).

⁵ National Rural Peoples' Council for Dialogue and Cooperation of Senegal (e-mail: cncr@cncr.org).

- *food sovereignty*
 - *effective protection against importations*
 - *access to means of production: water, land, seeds, financing ...*
2. ***Stabilize world agriculture prices at a remunerative price for all farmers through mechanisms of regulation and supply management. Priority should be given to tropical product markets.***
 3. ***Introduce a moratorium on multilateral and bilateral agricultural negotiations (WTO and the United States Environmental Protection Agency [EPA]) so long as they fail to respect the above principles...***

THE ARTISANAL FISHING SECTOR POSITION ON TRADE

Artisanal fishing, like other food-producing activities, is hard hit by adjustment policies, privatisation and liberalization of marine resources.

The following is the WFF⁶ contribution to the *The State of Food and Agriculture 2005*.

Trade by itself does not contribute to people's development

... Small-scale fisheries have often been forgotten when international issues regarding food security and food sovereignty, and local and international trade are discussed. Their role as a source of economic income for coastal states at national and international scale is also neglected. This invisibility of small-scale fisheries made it possible, more than in other sectors, for the advocates of free trade to put pressure on governments to start privatizing national fishery resources, sometimes transferring them to transnational fisheries companies. As much as 99 percent of the catches from small-scale fisheries have a value as a commercial commodity or for direct human consumption.

The role of small-scale fisheries in international trade

Ensuring food sovereignty

Fish plays a fundamental role in feeding the world population since it supplies an important proportion of the protein consumption of hundreds of millions of people. Almost 16 percent of the world's average total consumption of animal protein comes from fish.

Preventing WTO rules from being applied to fisheries

WTO is a superpower which enforces international trade rules that facilitate the loss of sovereignty of states and nations. As a result, fisheries becomes an exchange currency comparable to other national economic sectors.

There is a need for international regulations on fish trade emanating from agencies of the UN system, like FAO and, more precisely, the United Nations Convention on the Law of the Sea (UNCLOS). An international agreement on subsidies and differentiated custom tariffs should be reached within multilateral bodies rather than in WTO.

Improving international agreements and treaties

Fish resources are the patrimony of nations and states are mandated to ensure their sustainable management. Thus states are not allowed to transfer the property of resources to third states and much less to international consortiums.

⁶ World Forum of Fish Harvesters and Fishworkers (e-mail: forum@ccpfh-ccpp.org).

A GEOGRAPHICAL PERSPECTIVE: THE WESCANA REGION

The IPC brings together views expressed by different constituencies and regions. The following is a contribution which represents the view on trade of the WESCANA⁷ region IPC representatives.

... Within the WESCANA region, the national governments have agreed to participate in all the regional and international trade agreements, and the various countries are at different stages of negotiation, signature or ratification. The majority of the countries are not exercising the negotiation process fully and they are practically accepting the liberalization terms without any major reservations, if any. Despite claiming that there are forms of grace periods for joining the free trade areas, there are no serious measures taken to ensure the ability of the local markets to withstand the impacts and cope with the competition caused by new barriers such as quality issues and indirect perverse subsidies.

On the other hand, there is no consultation process with the affected groups accompanied by an awareness scheme to prepare them for the post-access phase. There is a very limited knowledge of the content and impacts of the various regional international and regional trade agreements on livelihoods and food sovereignty.

It is well known that the countries of this region do not have the means to compete with more advanced countries and provide their farmers with a similar support.

⁷ WESCANA Region – West and Central Asia and North Africa countries.