

Trade and the hungry: how international trade is causing hunger

Foreword

Organised by Dutch Interchurch Aid, Christian Aid, DanChurchAid and Bread for the World, Germany, under the auspices of APRODEV (the Association of World Council of Churches-related Development Organisations in Europe), the conference in April 1999 was attended by representatives of 57 civil society organisations from Africa, Asia, Latin America, North America and Europe.

Thirty-six case studies from organisations in Africa, Asia and Latin America were prepared for the conference. They revealed a common problem – that IMF/World Bank structural adjustment programmes, and the trade liberalisation which is central to these programmes, have worsened the food security of the rural poor in developing countries.

This document centres on eight of these studies, and ends with the Zeist Declaration that was agreed by representatives at the conference. The studies deal with many different aspects of the problem – they cover, for example, transnational corporations, the impact on women farmers, and examine the problem in urban as well as in rural areas. The Zeist Declaration, like the case studies, challenges the thinking of northern country governments that trade liberalisation is contributing to food security.

The case studies were adapted for this document by John Madeley.

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Introduction

John Madeley

Food is more than a commodity that is sold and bought, it is the very means of life, the overriding human need; it is the social good. While people do not live by bread, rice, sorghum or cassava alone, food makes it possible for us to start and continue life. Lack of food kills, and causes most of the world's killer diseases.

At the end of the second millennium, many millions of people lack enough nutritious food to live healthy lives. Some 840 million do not have food security, according to the UN Food and Agriculture Organisation. At the World Food Summit in 1996, governments made a commitment to halving the number of hungry people in the world by 2015, as a first step to the goal of food for all. "Trade is a key element in achieving food security", said the Summit declaration, "we agree to pursue food trade and overall trade policies that will encourage our producers and consumers to utilise available resources in an economically sound and sustainable manner".

But much of today's international trade does not appear to be helping to achieve food security. Representatives of civil society organisations from all over the world presented evidence to the Zeist conference that trade liberalisation – reducing barriers to trade – was harming, not helping, the food insecure. They warned that much liberalisation is taking the world away from rather than towards the goal of food for all. Trade liberalisation equals more imports, and more priority for crops for export. Often it reduces the priority that countries give to their food crop sector.

Structural adjustment programmes (SAPs) have been insisted on by the International Monetary Fund and the World Bank since the early 1980s, as the price that developing countries had to pay if they wanted assistance from the international community. SAPs typically require governments to slash public spending, cut subsidies and sweep away controls on trade.

More recently, the last round of international trade talks, the Uruguay Round, ended in 1993 with an agreement to reduce domestic support to farmers, to reduce the value and volume of export subsidies, and to convert all barriers protecting agriculture into tariffs. The least developed countries were exempted from these provisions. The Uruguay Round also ushered in the World Trade Organisation.

Since 1993 the European Union and the United States have made few changes in their agricultural policies, claiming that they had already made most of the changes called for in the Uruguay Round agreement. But as the richer countries acknowledged that net-food importing developing countries would lose from the changes – especially if food prices increased as was expected – they agreed to pay compensation. But compensation has not been paid, even in 1996, when food prices peaked.

The liberalisation of trade, the removal of barriers to exports and imports, are central to SAPs. These programmes assumed that liberalised agricultural trade would increase food output and lead to a better deal for farmers. For food-crop farmers, at least, this has proved to be an illusion, as several of the studies show.

Structural adjustment and trade liberalisation have been seen to have a "built-in" bias towards larger food producers, such as absentee landlords and transnational corporations (TNCs), at the expense of smaller producers. SAPs lessen the role of the state and reduce its support for small farmers, while creating the economic environment that the corporations like. The TNCs are more interested in export crops rather than food crops, in lucrative foreign markets rather than in meeting local food needs. Food security is likely to be a victim of the growth of TNCs in the economy of a developing country.

In the 1980s, adjustment policies were needed in many developing countries. State-run organisations had often become bloated and poorly-run, and people were in danger of being exploited by state inefficiency. Adjustment was needed, but a huge charge against the SAPs, as determined by the IMF and the World Bank, is that they overlooked food security issues. They overlooked the most basic human need of all. So-called safety nets, intended to cushion the poorest groups from the harmful effects of adjustment, were often under-funded and ineffective. Some of the components of SAPs, including the liberalisation of trade, did not address the problem of food insecurity, but rather made the problem worse. Yet the impact of these programmes on food security has gone largely unrecognised.

The case studies – all from people with considerable knowledge of what is happening "on the ground" – have been chosen to bring out different aspects of the impact of SAPs and trade liberalisation on food security.

A number of the studies show how SAPs have led to increased competition for land between export and food crops. With government incentives, export crops have won the battle. Exporters have gained – but the poor have lost. Their food security has been further eroded. The result of SAPs is that many low-income families are eating fewer meals each day, and the quality of the food they are eating has declined. No longer do they expect nutritious food, but any food they can get. The studies show how liberalisation of food imports has caused an increase in food dumping in local markets, to the detriment of local farmers. For while upholding the virtues of free trade, the European Union and the United States distort markets in developing countries through dumping and producer subsidies. And SAPs oblige developing countries to open markets to a much greater extent than the openings required by the Uruguay Round agreement. This might even involve opening markets to products which have received subsidies from the EU and US.

The studies show how TNCs have gained from liberalisation at the expense of small farmers. They show that there is huge cause for concern. Trade liberalisation is a crude sledgehammer that is being used in circumstances that require sensitivity rather than heavy-handedness. Policy makers would ignore the evidence of this, only at the risk of jeopardising their commitments to World Food Summit goals.

Philippines

Sugar provides an example of the impact of the GATT-Uruguay Round on food security in a developing country. Antonio Tujan's study of sugar in the Philippines highlights a real dilemma. It is freely admitted that the sugar sector in the Philippines is inefficient. It suffers from high production costs, low efficiency and low yields, due to a lack of capitalisation and weak government support. Locally produced sugar costs more than double the current world market price.

The Philippine government has faithfully implemented its commitments under the Uruguay Round. It has liberalised trade and allowed the import of more sugar. But when imports from an efficient, low cost source are suddenly coming into a country that is an inefficient producer, the latter will go to the wall. Who pays the price? – the small farmers and sugar workers of the inefficient producing country, in this case, the Philippines. And, in this case, they number over 400,000 people. They are among the poorest sections of the country's population, they tend to be food insecure. It is hardly their fault that their country's sugar sector is inefficient, but they have to bear the brunt of liberalisation. As this study shows, many are already having to cut down on their food intake.

The Philippine government would have done better to postpone the implementation of its Uruguay Round commitments until it had done more to improve the competitiveness of the sugar sector.

As it is, trade liberalisation threatens farmers and farm workers with hunger. Full deregulation and implementation of the Uruguay Round will only make things worse.

This case study shows the limitations of the neat little world of economic theory, where trade liberalisation appears to make sense by contributing to the more efficient allocation of resources, ensuring that the cheapest producer wins. But such a simple theory can only be imposed on the complex world that makes up developing country agriculture at enormous human cost – in practice, at a cost to those who are already food insecure.

India

Cotton and rubber are the focus of two case studies in India. The expansion of both crops was encouraged by government subsidies in the 1980s, at the expense of food crops. Cotton and rubber cultivators enjoyed a short-lived boom, but this came to an end with the introduction of a structural adjustment programme in 1991, the withdrawal of subsidies and the opening of doors to imports from abroad. Costs of production soared, prices fell. Small farmers especially lost out.

Focussing on cotton, Vandana Shiva, Ashok Emani and Afsar Jafri consider the threat to seed security which is posed by globalisation, liberalisation and privatisation. As today's seed is tomorrow's food, so seed security and food security cannot be separated. The authors show the devastating effects that the government's privatisation of the seed sector (encouraged by the World Bank) has had, and how the culture of agriculture has changed. Instead of growing food in a sustainable way, farmers have been induced to grow crops for export, and the door has been opened for the entry of companies such as Monsanto into the seed market. They show how liberalisation is aiding TNCs at the expense of India's farmers, and examine a joint venture between Monsanto and an Indian company, which launched trials in 1998 of genetically engineered cotton seeds. The trials explode the myth that fewer pesticides need to be sprayed onto genetically modified crops.

In his case study of rubber in Kerala, Joseph John tells of how the government encouraged farmers to grow more rubber for export, and of the huge increase in land under the crop that took place. Then the government opened the import doors, under trade liberalisation. This led to the ruination of the small and marginal farmers the government had previously encouraged. As a result, the very living sustenance of the people in Kerala, a state which has so far avoided famine, is now in jeopardy.

East Africa

It was assumed that the SAP and trade liberalisation in Tanzania would improve agricultural production and lead to better prices and prompt payment for farmers' crops. But this has not happened, says Fellowes Mwisela. He examines a food surplus and a food deficit region in Tanzania and considers key questions such as – do the farmers get better prices for their crops after rather than before liberalisation? Has the price incentive for food crops reinforced food security? Has trade liberalisation facilitated and increased the internal movement of food, making it accessible in traditionally food deficit areas? Is the liberalisation of agricultural trade a strategy for improving food production?

The answer to these questions is a resounding "no". The overall impact on food security of the liberalisation of agricultural trade is profoundly negative. Farmer incomes are declining and, at the same time, school and medical fees have been reintroduced under the SAP. Farmers have to part with some of the little money they earn, and have less to meet farming costs and to buy food in times of shortage. Food insecurity has thus increased. The basic problem is that Tanzania's SAP overlooked food insecurity.

In Kenya, women provide 75 to 80 per cent of the labour force in agriculture but receive only 40 to 60 per cent of the benefits. While women produce some three-quarters of the food, there are no specific strategies to help them. As a result of the country's SAP, and the liberalisation of agricultural trade, many women cannot afford adequate chemicals and fertilisers, and farm output has declined, says Hellen Jepkerich Too-Yego. Liberalisation has led to an increase of food imports into the country and caused food dumping (cheap surplus food from the North) in local markets, hitting the country's own farmers, she says; liberalisation has also led to an increase in the prices of farm inputs, putting them beyond the reach of most small farmers.

In structurally adjusted Kenya, persistent food deficits, decreased incomes, families eating fewer meals each day, poor infrastructure, poor medical services, increased alcoholism, hooliganism and loss of any reasonable protection for farmers, are now characteristic of rural life.

West Africa

In his study of Benin, Roch Mongbo looks at the impact of structural adjustment programmes on the living conditions of urban households. Again, for large numbers of people, the impact has been negative. Food prices have risen, while incomes have come under serious pressure. As a result, many of the urban poor have been forced to cut back on the quality and frequency of their meals.

The paper points to another, widely overlooked, factor. Adjustment measures have been implemented on a national level, while food production and marketing operate on a regional basis. Regional trade in food has increased and a surplus of food, when it is produced by Benin's farmers, may be traded to other countries in the region, rather than be sold domestically. The regional food market, as it now operates, can therefore exclude Benin's poor.

And the economic reforms have not provided them with any compensating benefit. Benin's SAPs have paid no attention to regional effectiveness and competitiveness; they have failed to integrate the regional dimensions of food security into domestic policy.

The paper also shows how land for food production has to compete with cotton production. Following government incentives, land under cotton has increased, and cotton exports have increased. But the food security of the poor has been undermined.

Again, in Ghana, government trade and adjustment programmes have not favoured the rural poor, says Michael Lumor. Food imports, in the wake of structural adjustment programmes, have demoralised the small-scale farmers. Having produced maize, rice, soybeans, rabbits, sheep and goats, these farmers cannot obtain economic prices for them, even in village markets.

Their produce cannot compete with imported maize, rice, soybean, chicken and turkey. Smallholder incomes have fallen and malnutrition among the rural poor has risen.

The key role of women in agriculture is again highlighted in this study. Although they produce most of the country's food, women lack equal access to productive resources, especially to land and credit, and to agricultural extension services. Trade liberalisation has led to the government giving priority to export crops, rather than to the food crop sector, and to food imports rather than to the encouragement of domestic food crop production. It is women farmers who bear the brunt of all this.

Bolivia

The Bolivian government seems to view globalisation as a utopia, and does not give priority to food security, says Teresa Mendoza Siles. But trade liberalisation has opened up Bolivia to imports and threatens to saturate the domestic market with products that have a detrimental effect on locally-produced goods. And liberalisation has caused the prices of local produce to plummet, whereas those of imports have risen and become unaffordable. Structural adjustment has plunged an indigenous population, the Quechua inhabitants, into abject poverty.

This case study is based on a survey that was carried out in the Santa Cruz department of Bolivia to discover the perceptions and conceptions of leaders in agricultural production and trade as they affect food security. It identified some positive effects – the generation of employment, for example – but one of the chief findings is that people feel there is a need to control the import of agricultural produce, and that if measures are not taken, then the agricultural reforms underway will be disastrous. And what emerges from the study is the need for government authorities, local businesses and NGOs to work together to develop strategies for improving food security.

The Zeist Declaration

The "Zeist Declaration", agreed by representatives attending the conference, says that food security "is a basic human right. Trade liberalisation and structural adjustment are threatening this right".

The World Trade Organisation is due to hold a high-level Ministerial meeting in Seattle in November 1999, when governments are set to launch a "millennium" round, with the aim of slashing import barriers still further. The Zeist Declaration demands that the member states of the WTO "freeze further negotiations for at least two years in order to conduct a comprehensive impact assessment of the agreement on agriculture (in the Uruguay Round)".

Agribusiness transnational corporations "have reaped the gains from trade liberalisation", it says, but this been accompanied "by a growing number of hungry people...the process of economic and trade liberalisation calls for an active international civil society as a counterbalance to the power of transnational corporations".

The Declaration recommends that national governments and the donor community develop policies "in favour of the small-scale farming sector, including access to land, credit and other productive resources, especially for women producers".

As most governments of developing countries have been trapped by foreign indebtedness into trying to earn more foreign exchange to pay off those debts, the Zeist Declaration calls on the heads of G8 countries and other developed countries to cancel the unpayable debts of developing countries "as demanded by the global Jubilee 2000 campaign". And it calls for a "Peoples' Summit" to be held on the issues of food security, food safety, food sovereignty and sustainable agriculture, and for a Global Convention on Food.

With the adoption of this declaration, NGOs from South and North are in direct opposition to the claims of some northern governments that further trade liberalisation would be beneficial for food security. But the organisations that came to Zeist are church-related development groups that are closely in touch with what is happening on the ground. Their interest lies in telling the world the truth about the effects of structural adjustment and trade liberalisation on the poor.

"You shall know the truth and the truth shall make you free" (John 8.32). Policy makers need to know the truth about what is happening today to the poor in the rural areas of developing countries, otherwise policies will be misdirected and millions of people will never be free from hunger. When the truth is known about the effects of structural adjustment and trade liberalisation on food security, then there is hope.

The World Food Summit commitment of governments was modest enough. Hunger needs to be abolished not halved. But even this modest commitment will not be fulfilled unless governments base their policies on reality and fully incorporate food security into world trade negotiations and agreements.

The world has experienced an era of trade liberalisation. The last two decades have seen the policy in full force. But it has not contributed to food security. Rather than another era of liberalising trade, the world needs an era of fair trade – fair in giving producers a decent return and fair in that it contributes to food security. Policy makers therefore need to switch the emphasis from free trade to fair trade and develop a system of trade which enables the poor to escape from poverty and helps to feed a hungry world. This is the challenge on the brink of the third millennium.

1 **The impact of the GATT-Uruguay Round on food security in the Philippines:
Cane sugar sector**
Antonio Tujan Jr., Ibon Foundation

Background

Following independence in 1946, the Philippines colonial economic structure of export crop production was maintained through free trade and investment agreements with the United States. The country enjoyed preferential treatment in copra and coconut oil and guarantees of large sugar quotas which encouraged the expansion of sugar lands. An Agricultural Commodities Agreement with the US provided for preferential imports of US commodities like wheat, corn (maize) and cotton. But the act did nothing to encourage the government to take measures that would help to improve the productivity of Philippine agriculture.

Productivity also remained a low priority because of the abundance of land for agriculture during the post-independence period, and because of guarantees provided by government regulations. Around this period, foreign-owned and operated plantations started to expand.

In 1978 the Philippines became one of the first countries to enter into a Structural Adjustment Programme with the IMF/World Bank. This followed a disastrous World Bank loan for "green revolution" agriculture, which led to the country defaulting on its repayments. The SAP liberalised trade by reducing tariffs on several agricultural commodities, including unmilled rice and corn.

Under the GATT-Uruguay Round accord in 1993, the government committed itself to reducing tariffs on products such as rice, corn, sugar, coffee and cattle, by 24 per cent over ten years. Like most developing countries, the Philippines has no subsidies on agricultural exports.

In 1993 the government embarked on a new plan for agriculture, under a programme called "Philippines 2000". The key strategy of this plan is to achieve industrial development and the eradication of poverty by the year 2000 through the development of the export sector, which includes attracting foreign investments. "Philippines 2000" revised the concept of food security. Instead of self-sufficiency in domestic food production, the emphasis was switched to imported food. Import restrictions on rice and other grains were lifted, and the monopoly of the government's National Food Authority to export and import rice was removed. The production of high-value export crops, such as cut flowers, asparagus and other niche-market vegetables, was encouraged.

The plan has cut by more than half the area under food grains in the Philippines – between 1993 and 1998, this fell from 5 million hectares to 1.9 million hectares.

Structural deficiencies in domestic food production, and backward conditions in agriculture, have contributed to bringing about food insecurity for millions. The country's debt crisis has also had a major impact on the agricultural sector and food security. A series of recent crop failures and food crises have led to serious criticisms of the government's neo-liberal restructuring of agriculture. It is now clear that the effects on the economy, the peasantry and subsistence agriculture have been disastrous, and that safety nets have been severely under-funded and insufficient.

Sugar

Sugar is the fourth most important crop of the Philippines and one of the country's major exports. In 1997 there were 208,618 cane sugar farms in the country, covering 351,985 hectares. The farms produced 20,955,833 tonnes of cane. Most farms are small – half of them below 5 hectares – and many are run by tenants. Sugar planters number 39,000; they employ 413,000 people on their farms. Just under 50 per cent of the country's sugar is produced in the province of Negros Occidental.

Before World War One there were 42 sugar mills in the Philippines and production and exports exceeded one million tonnes. After the war, only 25 mills were rehabilitated. Today there are 32 mills in operation. Sugar production revolves around the mills, most of which are controlled by

TNCs and large landowners. The planters are at the mercy of the mill owners who have the power to dictate the price and to determine the quality of the sugar. Disputes over under-grading of sugar are common.

Until 1974 the government allocated domestic and export quotas to planters and millers, who were free to trade where they liked. This changed after the expiry of a free trade agreement with the US, and the US Sugar Act of 1974, which allocated quotas for sugar exports to the US. The government's Philippine Sugar Commission created its trading arm, the National Sugar Trading Corporation (NASUTRA) to ensure the stability of the industry and to promote the efficient, effective distribution and marketing of sugar. NASUTRA managed to keep domestic prices lower than the export price, which encouraged the production for export rather than for local consumption.

In 1997, the Philippines exported 411 tonnes of muscovado sugar, mostly to Switzerland and Japan, and 197,000 tonnes of centrifugal sugar to the United States. Molasses, a major by-product, was also exported.

Many villages in Negros Occidental are almost solely dependent on sugar production. They were badly affected in 1982 when international sugar prices fell below the cost of production, leading to widespread hunger among sugar farmers and their families. Many farmers lost their means of livelihood; severe malnutrition among children was reported. The crisis was a costly lesson for the country on the crucial role of international trade. It was a clear reminder of the disadvantage of monocrop production for export.

Cheap imports

Improved international prices for sugar and the "Philippines 2000" programme provided the backdrop for the recovery of the sugar industry. But with the GATT-Uruguay Round accord came the problem of cheap sugar imports.

Sugar imports of up to 38,430 tonnes face a 50 per cent tariff. Amounts in excess of this face a tariff of 100 per cent; this will decline to 50 per cent by 2010. These tariffs are much lower than Thailand's or Mexico's. In 1998, following a poor sugar harvest in the Philippines, partly due to El Nino, sugar stocks were severely depleted and imports increased. As mill prices shot up, it became more profitable for the government to import sugar from Thailand, and even from Australia.

The government started selling imported sugar to the country's industrial users at a much cheaper price than the domestic price. But this was disastrous for planters who had rushed to harvest their crops and take advantage of what they thought were good prices.

The sugar sector in the Philippines is in a weak position to compete with low-cost imports. Domestic sugar production suffers from high production costs, low efficiency and low yields, due to lack of capitalisation and weak government support. Even older varieties of sugar are fertiliser-intensive in cultivation and it is difficult for small-scale farmers, who lack capital, to lower production costs.

The implementation of the Uruguay Round-GATT accord, and the full deregulation of sugar imports, will lead to a further reduction in domestic sugar prices, to the bankruptcy of the majority of farms and to widespread unemployment of farm workers. Most farms will not be able to mechanise, increase productivity and reduce labour costs. Only large mills and sugar plantations owned by transnational corporations will be able to survive.

Field interviews with small and medium-sized sugar planters show that the economic situation for them has seriously deteriorated over the last 5 years. Many are already on the brink of bankruptcy and 1999 could be the start of the collapse of the sugar industry.

Hacienda Salvacion in Murcia, Negros, is just one example of a farm that has suffered. Ten hectares of this 12-hectare farm are planted to sugar cane and two hectares to rice. Until recently the farm had provided the owners, the Sales family, with a decent income. In the early to mid-1990s, the family began to feel the impact of rising input costs and lower incomes. By 1995-6 the Sales had defaulted on a bank loan; compounded interest and penalties forced them to cut back their 1996-7 production drastically. In 1997 they gave up and leased out their land. Mr Nonong Sales, who used to manage the farm, now assists the lessee in its management. Both Mr Sales and the lessee earn just enough to keep their families above the poverty line. Trade liberalisation has not lowered the price of fertiliser or tools. Instead, the prices of such products are rising faster than before.

Barely enough

One study found that half the 39,000 sugar planters in the Philippines earn barely enough to provide their family with a decent living. Most of the 413,000 workers who labour on the farms have no job security, and will bear the brunt of the sugar crisis; they face unemployment and destitution should the majority of farms fail as a result of the GATT-Uruguay Round agreement. Very few of these workers are employed all the year round; many are paid less than the government's minimum wage. In 1989, a provincial government study in Negros found that 57 per cent of planters were paid less than the minimum wage.

Because of the insecurity of sugar production, many planters have allocated land for rice production, while others have diversified into export crops, such as prawn farming. Land for the rice is loaned by the planter to the farmworker, who then has to repay the planter an amount which is usually deducted from wages.

For many workers and small farmers, additional jobs are needed to supplement their incomes. Many send their children to work as housemaids and construction workers. In towns and cities they join a large army of unemployed workers. Jobs, when available, are frequently offered at wages that are far below the national minimum.

The dislocation of the Philippine sugar industry does not bode well for efforts to achieve food security or food self-sufficiency in the country. Most sugar is used to meet domestic consumption needs, and although domestic demand is increasing rapidly, it is still low (23 kg. per person), compared with, for example Singapore (41 kg.) or the United States (61 kg.). Rising demand, and the low productivity of the domestic industry, will lead to higher sugar imports.

The world market price of sugar in April 1999 dropped to under 5 cents a pound, well below the cost of producing the crop in the Philippines, thus making imports more attractive. The price paid by the United States for Philippine sugar is over three times higher than the world price and gives planters and mills reasonable profits from exports.

The 413,000 farmworkers who could be dislocated are already food insecure and lack the capital and education to shift very easily to other forms of work. For them the future looks bleak. Already they are eating what they call "budget meals". Instead of fish, for example, they now eat vegetables from their garden. Rice is eaten less and is substituted with cassava or banana, again picked from farm lots or bought cheaply.

In a survey of 50 people, conducted in February 1999, 45 people – 90 per cent – said that their household food consumption had declined since 1995. Fortytwo per cent said that their households had given up breakfast, 31 per cent had reduced their consumption of rice, 18 per cent had cut down on fish. While many only occasionally ate poultry and eggs, significant numbers now had to forego meat. Only small changes were recorded in the consumption of vegetables, root crops and beans.

Reasons cited for the decline were high prices (62 per cent), low wages (40 per cent), limited work (36 per cent), cost of education (28 per cent), increase in family size (16 per cent), and no work (10 per cent). The Philippines has no effective "safety nets" to cushion the impact.

Sugar mills are also threatened by the Uruguay Round accord. On average the country's mills run below capacity, partly because of shortfalls in production and also because of low milling efficiency. Many mills are currently embarking on modernisation, mainly through the entry of foreign capital.

The Philippine sugar sector is an example of how the GATT-Uruguay Round Agreement on Agriculture is disastrous for Third World agricultural systems which are already in a weak state because of patronage relationships, backward production, insufficient government support and structural defects such as misplaced protection of large landowners and TNCs. The Agreement on Agriculture perpetuates and increases the marginalisation of small farmers and farmworkers.

There can be no smooth transition to the aims of the agreement, as the Philippine government has belatedly realised. And safety nets which do not correspond to basic structural problems will be insufficient to soften the impact of trade liberalisation. It is because of all this that many peasant movements are now pressing for the suspension of the GATT-Uruguay Round accord, at least in agriculture, except for the developed countries. Their case rests on the necessity to revise the accord, to allow most member countries of the World Trade Organisation to reach a level of stability in food production.

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2 **Globalisation and the threat to seed security: the case of transgenic cotton trials in India**

Vandana Shiva, Ashok Emani and Afsar H Jafri, Research Foundation for Science, Technology and Ecology

With the introduction of genetically engineered crops, India's seed industry is moving rapidly into a phase of corporate control. Globalisation, liberalisation and privatisation are central to the process. The government has lifted restrictions on the private sector's imports of germplasm. This has enabled larger domestic producers to buy from international sources and to make links with transnational corporations. In May 1998, the Bombay-based Mahyco (Maharashtra Hybrid Seed Company) entered into an agreement with Monsanto to form a joint venture, Mahyco-Monsanto Biotech, and to introduce genetically modified cotton in India. "We propose to penetrate the Indian agriculture sector in a big way", said a Monsanto official.

The government's privatisation of the seed sector had earlier induced three major changes in agriculture. It led to a change from mixed cropping, based on internal inputs, to the monocropping of hybrids, based on external inputs. Secondly, it changed the culture of agriculture; instead of growing food in a sustainable way, farmers have been induced to grow crops for export, for high prices, but without an assessment of risks, costs and vulnerability. Thirdly, there has been a shift from a public system to a private sector approach. With the entry of Monsanto into the seed market, indigenous farmers are vulnerable to the company's marketing onslaught.

Monsanto floated the joint venture with the aim of reaching farmers in remote areas. It hopes that genetically modified cotton will account for the entire sales of hybrid cotton within seven to ten years. In June 1998, the joint venture, without government permission, started field trials of *Bacillus thuringiensis* (Bt) cotton in 9 states, in all the important cotton growing areas.

Through the use of genetically engineered plants, transnational corporations are trying to create an international market for their products. This would lead to genetic uniformity in rural landscapes. In addition, patent protection and intellectual property rights, imposed through the Trade-related Intellectual Property Rights clause of the Uruguay Round, and implemented by the World Trade Organisation, will inhibit farmers from reusing, sharing and storing seeds. This increases the prospect that a small number of varieties will dominate the seed market.

Monsanto's vision is that by the year 2020, around half of all crops will be genetically modified.

With the aim of monopolising agricultural systems, Monsanto is in the process of controlling seed industries by acquiring shares in major national and international seed companies. By controlling seeds, through acquisitions, mergers and patents, Monsanto is effectively attempting to gain total control over food systems. For food security, this is clearly ominous.

Cotton

Cotton is one of the most important crops grown for cash in India. It contributes nearly 70 per cent of the raw material for the textile industry and provides a huge amount of employment in both rural and urban areas.

The area under cotton in India increased from 7,610,000 hectares in 1960-1 to 9,063,000 hectares in 1995-6. Yields almost doubled during this period, from 125 to 246 kgs per hectare, and cotton cultivation began in non-traditional cotton growing areas. Hybrid varieties were introduced in 1970 and became popular with farmers in some, although not all, areas because of their high yields. But the last few years have seen some serious cotton crop failures. Farmers are concerned that the failures could at least partly be due to spurious seeds from private companies, which have significantly increased in numbers.

These crop failures have been serious enough to lead to an epidemic of suicides among farmers, unable to repay the money they borrowed to buy hybrids and agrochemicals. In Andhra Pradesh alone, in 1997-98, more than 300 farmers committed suicide. In the Wanangal district of

AP – where the area under cotton increased from 5,000 hectares in 1986 to 100,000 hectares in 1997 – the cotton crops failed due to a severe pest attack. Spraying with more pesticide was costly and ineffective. Yields did not cover the cost of inputs. At best the food security of many households suffered; at worst, farmers were driven to suicide. It is against this background that Mahyco-Monsanto Biotech launched its field trials.

The trials

The field trials of Bt cotton on 40 sites in 9 states are unscientific and illegal. Mahyco-Monsanto Biotech has only a letter of approval from the Department of Biotechnology (DBT). But regulations clearly state that permission for field trials of this kind can only be given by the Genetic Engineering Approval Committee under the Ministry of Environment and Forests. Neither was permission obtained from the nine states where the sites are located.

Yields from all the trial plots were found to be low compared with the yields the company had promised. A comparison with local hybrid variety and Bt seeds showed that yields were much the same. Reports of the failure of Bt seeds to yield well have come from all over the world.

Transgenic crops inserted with Bt genes need less pesticide, claims the industry, to control insect pests. But the pesticide effect of the engineered Bt was not sufficient to kill off all the pests throughout the season. Dr Mae-Wan Ho, of the UK's Open University, attributes this failure to unpredicted changes in the behaviour of the Bt gene.

It seems that since most crops have a diversity of pests, some insecticides will still have to be applied. The actual amount of pesticides used by farmers at the trial sites confirmed that the use of pesticide did not stop for the Bt crop. Pesticide applications of between 12 and 15 were observed in one trial site; three applications was the minimum. There was little difference in the amount of pesticide sprayed on Bt and conventional crops.

Transgenic plants are crops which have been genetically engineered to contain traits from unrelated organisms. The spread of transgenic crops threatens crop genetic diversity by "simplifying" cropping systems and promoting genetic erosion. The potential transfer of genes from pesticide-resistant crops may create new superweeds.

There is a serious mismatch between the mind of genetic engineering biotechnology and the reality.

With the introduction of genetically modified crops, the cost of cultivation per hectare will rise significantly. Farmers who switch to Bt cotton from conventional varieties will face seed bills around nine times higher, a technology fee of nearly USD 80 a hectare, and higher spending on chemicals.

The genetic engineering option is projected as leading to lower chemical use. But this is compared to large-scale, capially intensive agriculture. The comparison that should be made in India, and in other developing countries, is with organic, ecologically regenerative agriculture. For organic farmers, input costs are almost negligible. A farmer who changed to Bt cotton would face vastly higher costs. And there is no reason to believe that resistance to transgenic crops will not evolve among insects and weeds.

There are in fact severe ecological risks from crops that are genetically engineered. These include the threat to beneficial insects such as birds, bees, butterflies and beetles. The loss of such species would be highly detrimental for food crops. Food security would again be at risk.

Accountability

Unaccountability and lack of democracy generate disaster. This is the basic context of the increasing seed failure under globalisation. When technical totalitarianism converges with

economic totalitarianism to make genetic engineering the basis of commercial activity, the potential disaster can be unprecedented. The combination of irresponsibility in manipulating the genetic structure of crops, and the claim to rights over life forms, through intellectual property rights, makes for absolute rights and absolute irresponsibility on the part of the biotechnology industry.

The question is – who is going to be responsible for what is happening to the farmer? Who is going to take care of the social and economic liabilities of farmers? Who is accountable for meeting biosafety norms? These are some of the questions that need to be answered before anything further is done on introducing genetically modified crops into India.

What needs to be done:

- The public and the government need to act immediately to prevent private corporations from unleashing irreversible genetic pollution through the release of genetically engineered crops into the environment.
- A five year moratorium should be introduced on all commercialisation of genetically engineered crops, while public participation and full and adequate ecological and regulatory frameworks for assessing the impact of these crops are evolved.
- Local decision making over GM crops must be allowed. The farmers' seed supply and direct exchange network must be strengthened through local participation and community control. Farmers' seed supply system must be treated in a totally separate manner from the commercial seed supply system.
- The large scale seed failure pushing farmers into suicide points to the need for strict certification and liability for the commercial seed sector.
- A worldwide regulatory framework is needed for genetically engineered crops.
- Seed should be excluded from the Trade-related Intellectual Property Rights clause of the Uruguay Round.

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Food crops replaced

In the Wanangal district of AP, says Jacob Dharma Raj of PREPARE India, the switch to cotton between 1986 and 1997 replaced traditional food crops such as jowar and green gram. Liberalisation policies focussed on export growth and encouraged cotton exports and expansion. From an annual average of 35,000 tonnes in the 1980s, raw cotton exports rose dramatically to 374,000 tonnes in 1990-91. Huge rises in the price of cotton made it an attractive crop for farmers. The government's economic reforms therefore played an important role in inducing the shift from food crops to cotton.

But high returns from cotton did not last long for farmers who could not afford the growing cost of inputs. Whereas food crops like jowar require a major "investment" of physical labour, cotton requires heavy investments in terms of fertilisers and pesticides.

Rises in the cost of such inputs, following the withdrawal of subsidies under India's structural adjustment programme, put smaller farmers especially under severe financial pressure. As the state-owned banks would not lend them money for inputs, they were forced into the hands of money-lenders and had to pay up to 125 per cent rate of interest.

The economic reforms have not reduced the vulnerability of the farming community, especially the poorer segments. The resulting accumulated debt and declining incomes have done nothing to help food security.

3 **Collapse of rubber plantations in Kerala State, India – its impact on food security** Joseph P John, Church's Auxiliary for Social Action

Almost 90 per cent of India's rubber grows in Kerala state. The rubber industry is one of Kerala's foremost economic activities, providing employment for around 850,000 cultivators and almost 700,000 other workers. Add to these figures the people who are engaged in the commercial side of the business, and some 1.6 million people and their families – around 8 million in all – are dependent on rubber plantations. This is over 25 per cent of Kerala's 30 million population.

But the plantations were plunged into collapse, following a fall in the price of rubber. The price fell from Rs.55.6 (USD1.2 approx) in January 1996 to Rs.35 in September 1997, and to around Rs 27 in April 1999. The fall has caused an economic crisis for the rubber cultivators and workers who depend on the commodity, and also for the entire economy of Kerala.

The total area in the state under rubber is 460,000 hectares. Of the 850,000 cultivators, 80 per cent are small scale, most of them with less than half a hectare of land. In 1996-97, 380,000 hectares of the land under rubber were made up of plots under two hectares in size – a total of 912,112 units. The average smallholding is 0.42 hectares. The rubber industry provides 350,000 persondays of employment each day. These are now in jeopardy.

Globalisation and liberalisation, carried out under India's New Economic Policy, are partly responsible for the fall in rubber prices and the collapse of the plantations. In turn, the collapse has affected food security in Kerala state.

Per capita food production in the state is 37 kilos per year. The state has a heavy population density – some 749 people per square kilometre; land is a scarce resource and hence very expensive. The land area growing food crops has declined by almost a half over the last decade – down from 790,000 hectares to 410,000 hectares. The area under rice has fallen by an average of 13,000 hectares a year.

The state's agricultural income in 1991 (at 1980-81 prices) was Rs.17.61 billion, 33.5 per cent of its overall income. In 1995-6, agriculture's contribution was down to 27.6 per cent. Land under rubber increased from 400,000 hectares in 1990-1 to 460,000 hectares in 1996-97. Land under rice declined in this time by 32,140 hectares and land under pulses by 2,974 hectares. In addition to rubber, more coconut was also planted again as a cash crop.

Therefore while food crops lost out, perennial crops grown for cash, including rubber, enjoyed a boom.

The shift from food crops to rubber happened as a result of deliberate government policy. In the early 1990s, the government encouraged farmers to grow more rubber for export. The government gave financial incentives to re-planting, new planting, improved cultural practices, quality upgrading of raw rubber, group marketing and a protected prices regime. Cultivators were supported by minimum prices, buffer stocks and controls on imports of natural rubber, through tariff and non-tariff barriers.

The government also gave incentives in the form of subsidies for rubber cultivation. In traditional rubber growing areas, the subsidy for small-scale farmers ranges from Rs.8,000 to Rs.18,000, while in non-traditional rubber areas, it rises to Rs.22,000. An estimated Rs.1,331 million (USD 30 million, approx) of government funds was spent between 1985 to 1998 on planting and re-planting rubber. This type of money is not available unless it is provided by international financial institutions such as the World Bank.

Cultivators also enjoyed the privilege of the government's protectionist policies. Not only did the area under rubber increase in the time, but government support, including high prices, gave cultivators a most healthy return.

An affluent class of people was created by the rubber boom of the late 1980s and early 1990s. Lifestyles in Kerala were transformed. A car manufacturer, Maruti, reported that the highest demand for its cars was coming from a remote, obscure village about 25 kilometres from Kottayam, that could barely be located on a map!

There was ostentatious, lavish spending on house construction, gold and diamonds, expensive clothing and footwear, weddings and other ceremonies, travel, and hotels and restaurants. Sales of alcohol soared – despite high prices for alcohol, Kerala became the state with the highest consumption in India. The state became a fertile consumer market for all kinds of manufactured goods. An estimated Rs.15 billion a year was being spent in the boom years –having a multiplier effect that generated economic activity of Rs.150 billion a year.

But it was too good to last. Rubber prices crashed and the lifestyles of the rubber cultivators went into reverse.

New Economic Policy

Structural adjustment programmes, including trade liberalisation, were introduced in 1991 as part of the government's New Economic Policy. The protection enjoyed by the rubber cultivators began to change, although the full effects of the policy took several years to work through.

The new policy opened the door to rubber imports; these were allowed under certain conditions – if, for example, there was a shortage of rubber on the domestic market. The value of rubber imports rose from under Rs.1 million in 1988-89 to Rs.3.3 million in 1996-97. Between 1984-85 to 1995-6, rubber imports increased from 37,461 tonnes to 51,635 tonnes.

Imported rubber prices dropped, partly because of South-east Asia's financial crisis, and the devaluation of currencies in Thailand, Malaysia and Indonesia. Imports from these countries into India received a huge boost.

In addition, there were large-scale imports of synthetic rubber and polyurathanes, a substitute for natural rubber. In 1991, India's production of synthetic rubber was 57,293 tonnes, while imports were 51,715 tonnes. By 1996-97, synthetic rubber production was 64,563 tonnes and imports had risen by over 50 per cent to 79,640 tonnes.

Transnational tyre companies such as Bridgestone, Khumo and McLean were given permission to start manufacture in India. They used synthetic rubber to natural rubber in the ratio 70:30 – an exact reversal of the proportions long used by India's tyre companies. But these companies then started imitating the transnationals and changed to use more synthetic rubber. This has contributed to the fall in rubber prices.

Following the crash in prices, cars have become unaffordable and mansions are neglected and even abandoned. House prices have slumped and even maintenance cannot be afforded. Many hotels and restaurants face ruin. Rubber has become uneconomic for small-scale cultivators. On larger plantations, wage levels have stayed the same, even though the price of rubber has fallen. A well-organised labour movement, including strong trade unions, has helped to keep up wage levels.

Adverse impact

The adverse impact of globalisation on food security and food crop agriculture occurred because, under the New Economic Policy, government resources were shifted more into the industrial sector. Investment in agriculture declined and agricultural inputs became more expensive, due to

the tilting of official policy towards other industries. Locally produced food became more exposed to food imports.

Protection of agriculture fell, while the ending of food subsidies hurt the small and marginal farmers the most. Labourers have also been affected, with food prices in Kerala rising faster than wages.

During the entire post-Independence period, up to 1991, the food situation in Kerala state was such that there were no famine-related deaths. The land was fertile and people cultivated food crops such as tapioca, yams, colocasia and other root crops which were readily available in times of severe food shortages. There were also mangoes, jack fruit, banana, plantain and other edible fruits to sustain people.

Today the fields that were once fertile with root crops and fruits are growing crops for export such as rubber, cocoa and orchid flowers. People made this change because they were tempted by the theory "dollar in the pocket is better than food in the godown". But this has now been proved wrong. If famines strikes Kerala now, people will be left with no option but to eat rubber, cocoa and orchids!

Until recently, farmers chose the crops they wanted to grow chiefly on agronomic considerations. Today, however, it is economic forces that are the main factor behind their decisions. But the key question is whether food security should be sacrificed on the altar of commercial motivation? What is now clear is that food insecurity has reached a level in Kerala that places the very living sustenance of the people in jeopardy.

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4 **Agricultural Trade and Adjustment Policies: Implications for food security: a study of three districts in Tanzania**

Fellowes Mwaisela, Christian Council of Tanzania

Tanzania's economic difficulties, compounded by severe drought in the mid-seventies, had serious effects on agriculture and on sectors such as health and education. Faced by this situation, the government had to agree to implement a Structural Adjustment Programme (SAP) as prescribed by the International Monetary Fund and the World Bank. Trade liberalisation was part of this package.

It was assumed that liberalised agricultural trade would improve agricultural production and lead to better prices and prompt payment for farmers' crops. Also that it would facilitate the movement of food from surplus to deficit areas, and generally alleviate food insecurity.

This study was undertaken in two districts (Ileje and Mbozi) in Mbeya region, traditionally a food surplus or sufficient region, and one district in Dodoma, traditionally a food deficit region.

Background

In 1961 – Tanzania's year of Independence – the country had a surplus of 50,000 tonnes of maize; food production was running ahead of population growth and prospects for food security seemed reasonable.

Between 1964 and 1979, however, the proportion of Gross Domestic Product generated in agriculture dropped from 47 per cent to around 40 per cent. With more than 80 per cent of the country's population living in rural areas, and dependent on agriculture for their livelihood, this was an indicator of a worsening food security situation.

Food insecurity reached alarming levels in the 1970s. The economic and food crisis was exacerbated by drought in the 1973/74 and 1974/75 seasons, war with Idi Amin's troops in 1978, and the villagisation policy which required peasant farmers to live and work together in Ujamaa villages. The policy of abolishing cooperatives, in 1976, worsened the situation. The maize harvest fell from 223,000 tonnes in 1978 to 105,000 tonnes in 1980/81, and food imports increased.

With economic hardships biting, the government negotiated a Structural Adjustment Programme with the IMF and World Bank; it began to implement the programme in 1986. The SAP emphasises cash crops in order to increase export earnings, the de-control of food prices and removal of restrictions on the movement of grain by private traders. Structural adjustment and trade liberalisation have thus gone hand in hand. After 13 years of adjustment and liberalisation policies, their effectiveness or otherwise in alleviating food insecurity can be explored.

Tanzania's colonial era was dominated by the farming of non-food crops for export – chiefly sisal, cotton, coffee, tea and tobacco. After Independence, peasant farmers were still encouraged to produce these crops. The country is estimated to have 40 million hectares of cultivable land out of which only 6 million are cultivated.

Agricultural production is dominated by peasant farming and dependent on rainfall. In recent years, the rains have become increasingly unreliable – for example, the short rains which come between September and December have been very erratic for about the last ten years. Tanzania's foreign debt burden has affected the country's ability to invest in the improvement of food security.

Key questions

Vital questions over trade liberalisation and food security concern:

- Has the price incentive for food crops reinforced food security?
- Do the farmers get better prices for their crops after rather than before liberalisation?
- Has the price incentive for food crops reinforced food security?
- Has trade liberalisation facilitated and increased the internal movement of food?
- Is it now increasingly available and accessible in traditionally food deficit areas?
- How and to what extent is liberalisation of agricultural trade a strategy for improving food production?

In a country such as Tanzania, dependent on agriculture, food can be said to be available when there is enough crop production. This provides staple grains for consumption and cash crops which provide households with incomes to purchase food. Sufficient output is important because it ensures food stability, with households being able to enjoy enough food to last at least to the next harvest. For household food security, production and access to market seem to complement each other. While production is essential for food availability and stability, access to markets is also important both for selling surplus produce and buying farm inputs and supplementary foods.

The SAP has affected food security in both production and marketing. The economic reforms have included private traders becoming key actors in the purchase of crops. Government parastatals, such as the National Milling Corporation and Cooperative Unions, no longer have the monopoly to buy crops from farmers. Reforms have included the removal of restrictions on food movement from one region to another by privatetraders; they have also introduced "cost sharing" in the sectors of health and education. Farmers now have to part with some of the money they earn from selling crops or livestock for paying school and medical fees, rather than for purchasing food.

Adjustment policies, including the liberalisation of trade, do not seem to have addressed the problem of food insecurity in Tanzania.

Findings

The different food situations in Mbeya and Dodoma regions can be chiefly attributed to climate. Mbeya enjoys reliable rainfalls and a favourable climate for a range of crops such as maize, beans, banana, rice, tea and coffee. By contrast, in Dodoma, crop production is limited by the semi-arid climate; drought and famine occur once every four or five years.

To collect the data, interview sessions were carried out through group discussions. The researchers also obtained secondary data from the Agriculture Department in Dodoma, University of Dar es Salaam Library, scholars and the Christian Council of Tanzania, emergency relief documentation. The discussions and analysis of the data were based on the following themes:

- i food production;
- ii food accessibility (food purchased from a local market);
- iii food stability (food available throughout the year);
- iv adequacy (food quantity).

What came across very clearly was that farmers were not getting better prices for their crops as a result of liberalisation; traders were 'clever' enough to buy at harvest time when prices were low.

Asked why they could not wait until the prices were better, farmers in the Ileje district of Mbeya region said that it took too long to wait for a better price. For example 100 kgs of maize would sell at Tshs. 3,000 (about USD 4) during harvest. The farmer would be looking for a price of Tshs. 9,000, but might have to wait for 3 months to get it.

Storage was also a problem; a dust in common circulation that was supposed to preserve harvested crops was not working. And it was always farmers who approached traders – so the latter, not the former, dictated the price. During the time of this research, Dodoma had been hit by a serious food shortage. Traders were rushing to the villages to buy goats from farmers at a price of Tshs. 2,500, instead of the normal price of Tshs. 8,000. Prices for cash crops also fell. For example, farmers in Ileje indicated that before liberalisation they sold coffee at Tshs. 1,400 a kilo, while in 1997/98, after liberalisation, the price was Tshs. 600 a kilo.

Farmers indicated that traders have an informal syndicate which determines prices. Farmers, by contrast, have no such syndicate and there is no institution which seems to have powers to regulate the traders. According to a group of farmers in Ileje, many farmers are only aware of what is happening within their own village boundaries. Traders know this weakness and take advantage of it to exploit the farmers. "There is no supervision and the competition is not fair", believe the farmers.

Increased uncertainty

Even during times of scarcity, groups interviewed in Dodoma indicated that through parastatal organisations such as the National Milling Corporation, the regional trading companies, cooperatives and village shops, food was available at a controlled price which many people could afford.

But unstable prices and increased uncertainty are now characteristic of the liberalised trade. Instability in marketing institutions has come about because peasant farmers are confused by the roles of private buyers, cooperatives and marketing boards. To the farmers, these roles are unclear. When farmers discussed the question "Is price an incentive for reinforcing food security?", they wanted to know: "who is the buyer?" The answer to this question, according to the farmers, was "buyer is unknown".

Farmers indicated that before liberalisation the buyer was known; it was either the cooperatives or the National Milling Corporation. Selling dates were also known and heads of households were the ones responsible for selling.

Advocates of adjustment policies assume that private traders would be the buyers of the farmers' crops but, according to this study, from the time that farmers till their land and plant crops, they are uncertain of who is going to buy their crops after harvest. Moreover, the farmers indicated that it was not easy to find a buyer for all they wanted to sell at any one time. This could mean they did not have the money to send their children to school, or for building their houses.

Also, after liberalisation, buying dates were unknown. Traders could show up at any time and it became easy for any member of a household to sell for whatever purpose. For example, in Dodoma, farmers indicated that it was common even for children to steal maize of 2 kgs to sell to traders so that they had the entrance fee for video shows, which were common in the village.

Because selling the household food stock/surplus was no longer the monopoly of the head of household, and because the seller and the quantity sold were not registered, theft of food increased both within the household and also when crops were still on-farm. Farmers in both Ileje and Dodoma testified to this. Also, temporarily attractive prices encouraged young farmers to divert from traditional food crops. For example, in 1996, one tin (about 15 kgs) of tomato was selling between Tshs. 3,000 and 4,000 (about USD 5-6). This was a relatively good price so many farmers abandoned the cultivation of sorghum and millet and cultivated tomato in 1997/98. But the price of tomato dropped that year to Tshs. 100 (16 US cents) per tin.

In this kind of situation, households run out of food before harvest time. For example in Ileje it was estimated that 60 per cent of farmer households had to buy food from October to March. In Dodoma it was estimated that 80 per cent could not produce enough food to tide them over to next harvest.

Strategies for coping with food insecurity included selling grass, charcoal, cattle, local beer and firewood. In the Mbozi district of Mbeya region, farmers could borrow 100 kgs of maize and pay back 100 kgs of coffee. But whereas 100 kgs of coffee would normally be sold at about Tshs. 60,000 (approx USD 100), 100 kgs of maize (in the area) could be sold at Tshs. 5,000-10,000.

Another example of certainty was the experience of farmers in Dodoma who were asked by a local organisation in 1996/97 to produce groundnuts. The farmers produced the nuts but the organisation did not buy them. In 1992/93 farmers had been encouraged by another organisation to grow tegemeo (a variety of sorghum). In that year a 100 kg bag of tegemeo was sold at Tshs. 10,000 to the organisation. In 1993/94 the price dropped to Tshs. 7,000 per bag. In 1994/95 not only was there no market for tegemeo, even the seeds were not available. The instability of prices and marketing institutions has at times been a problem for both farmers and traders. In 1996/97, for example, no trader was interested in buying cowpeas but there was a rush for castor oil. However, in the middle of the buying season the price suddenly dropped and many traders incurred losses.

From surplus to deficit areas?

The assumption behind the removal of restrictions on the movement of food by private traders was that food would move from surplus to deficit areas. Food would thus be available, in sufficient amounts, and accessible to the people who needed it.

The findings of this study indicate that private traders were active in moving food from one place to another, hence food was available in local markets – but at a high price. For example, a tin of maize from Kangali village, 80 kms away, bought at Tshs. 1,500, was being sold at Tshs. 4,000 in Mvumi (both villages are in Dodoma).

Food movements by private traders can create food insecurity. The removal of restrictions on the movement of food grains has increased the participation of traders and led to an increase in the availability of food in urban areas, whereas food shortages emerged in rural areas. One third of the village population had to rely on additional food to supplement their own production, and food was often not available in the local markets.

The objective of liberalising agricultural trade is, among other things, to improve food security. But does it do that? The findings of this study suggest that food security is unlikely to improve as agricultural inputs become unavailable and inaccessible to the farmers.

In Ileje, for example, farmers said that fertiliser was relatively very expensive, 50 kg bags being sold at Tshs.15,000 each. They further indicated that an average of 4 bags of fertiliser was needed, which means an outlay of Tshs. 60,000 for fertiliser.

The price of maize per bag in the area ranged between 3,000-9,000 Tshs. At such prices, fertiliser could hardly be afforded by farmers.

In Mbozi district, farmers complained that seed quality is deteriorating. For example, they said they used to get 2,000-2,500 kgs (of maize) per acre but now the yield is between 1,000 to 1,500 kgs. Farmers said that the problem was being caused by farmers contracted to produce seeds by Tanzania Seed Company (a parastatal organisation) who did not appear to be following the scientific regulations for seed production. It was even indicated that the contracted seed producers sometimes bought maize produced as food grain by local farmers in order to meet the target stipulated in their contracts. As a result of expensive fertiliser, farmers preferred to cultivate coffee rather than maize because with coffee they could skip one year without applying the inputs and yet the crop would yield well.

Conclusions

1. Do the farmers get better prices for their crops after than before liberalisation?

What is clear from the findings is that farmers are not getting better prices for their crops and there is no institution to oversee fair competition in the market. The farmers' household purchasing power is not being enhanced. This can be a very important point for food relief agencies to note; before implementing food-for-sell programmes (food sold at subsidised prices) among communities such as peasant farmers, thorough assessments should be carried out in order to establish the feasibility of such programmes.

Moreover, the reintroduction of school and medical fees means that poor farmers have to part with the little money they earn. It means that the educational prospects for the children of the poor are diminished – which reduces their chance of getting a better paid, off-farm job.

2. Has the price incentive for food crops reinforced food security?

Again, it is clear that the price incentive did not reinforce food security especially at household level. Price and the 'anytime available' market from private traders who 'comb' the villages, especially when there are food shortages, have motivated households to sell even the food which should have been kept for their own use.

Reinforcing this problem is the fact that farmers do not have definite answers to questions such as – who is the buyer: when will he come? What price will he offer? What quantity will he be able to buy? These uncertainties have made production of any crop like the toss of a dice.

3. Has trade liberalisation facilitated and increased food movement? Is food now increasingly available and accessible in traditionally food deficit areas?

Allowing food to move from one place to another does not necessarily alleviate food insecurity. According to this study, food reaching the deficit area was sold at the higher price which many people could not easily afford because the area had been hit by drought.

Moreover, peasant farmers in known surplus areas, such as Mbozi, were experiencing food shortages and had to go back to traders to borrow money or food.

Although there was no quantitative evidence, it was revealed by traders that unchecked/unplanned food movements sometimes caused problems in local markets, as locally produced food could not be sold at a fair price because food from other areas was cheaper.

4. How and to what extent is liberalisation of agricultural trade a strategy for improving food production?

The liberalisation of agricultural trade has negatively affected food production. Farmers were not assured of seeds of good quality and the price of fertiliser was too expensive for them.

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The Christian Council of Tanzania is an ecumenical umbrella organisation of Protestant Churches in Tanzania. The Refugee and Emergency Service is the organisation's directorate responsible for the coordination of emergency relief and rehabilitation programmes. Implementation at regional, district and village levels is supervised by the Council's member dioceses throughout the country. More than 40 Dioceses are members of the CCT.

5 Experiences of women, food security and structural adjustment programmes in rural Kenya

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Women provide 75 to 80 percent of the labour force in Kenyan agriculture but receive only 40 to 60 per cent of the benefits. While women produce some three-quarters of the food, there are no specific strategies to help them. With the advent of Kenya's structural adjustment programmes, they are now having to work harder to sustain food security.

Before the colonial era, Kenyans had well-designed systems of food security; food was stored for when times were hard. Under colonialism, settlers introduced exotic crops which they grew and sold for cash. Government policy favoured this commercialisation of agriculture.

Following independence, land tenure systems were introduced that encouraged local people to participate in the commercial production of crops such as coffee, sugar, tea and pyrethrum that were geared to the export market. Wheat, hybrid maize and Irish potatoes were introduced and also improved dairy cows. As farmers became dependent on monocropping, so traditional farming systems began to disintegrate. This led to the neglect of food storage and to a rise in food insecurity.

The Kenyan government's agricultural policies encouraged improved varieties of grain and livestock with the aim of increasing production for both the domestic and export markets. With the use of subsidised farm inputs, credit and controlled marketing, the government created an attractive business atmosphere for agriculture. It hoped that farmers would be able to meet the demand for food at the local level and earn money from exporting. But food and other economic crises in the 1970s, coupled with rapid population growth, put food security under pressure. In 1981 the IMF and the World Bank proposed a structural adjustment programme (SAP). This has had a direct impact on agriculture and trade.

Structural adjustment

Kenya's SAP recommended a reduction in the government's budget deficit and import taxes, and in the number of civil servants. It required the privatisation of government parastatals and the liberalisation of agricultural trade. The aim was to help re-build the economy and increase the productivity of agriculture and trade. But this has not happened. The recommendations have had a negative effect on food security, trade and agriculture in rural Kenya.

The outcome has been:

- freer trade in farm produce, but without adequate information for farmers. Lower prices for agricultural produce have often resulted;
- the liberalisation of food imports has caused food dumping in local markets, in the form of wheat from the US, the EU and India, sugar from the EU and Brazil, maize from South Africa and rice from Pakistan. This has hit prices of locally produced foods;
- an increase in the prices of farm inputs, putting them beyond the reach of most small farmers;
- the removal of credit schemes, causing a reduction in land being cultivated with crops and a decline in food output;
- reduction in government veterinary services, causing decreased livestock, meat and milk production;
- reduction in government subsidies to schools. Universal primary education has been phased out. There has been a 35 per cent drop in children enrolling in primary schools, and also a higher drop-out rate in secondary schools.

As a result of these SAP effects, poverty has increased in the rural areas. This is characterised by persistent food deficits, poor infrastructure, poor medical services, decreased incomes, increased alcoholism, hooliganism and loss of any reasonable protection for farmers. A recent report on development and poverty revealed that 47 per cent of Kenyans are absolutely poor in the rural areas (compared with 29 per cent in urban areas), and that the poor have higher fertility rates, with an average of 6.5 family members, against 4.6 for the non-poor. It found that 8.9 per cent of the poor cannot afford medical services, that they do not buy durable goods, and that only 14 per cent of the children of poor families attend secondary school, compared with 27 per cent of the children of non-poor families.

Furthermore, 34 per cent of Kenyan children under 5 now suffer from stunted growth due to malnutrition. This is an increase from 28 per cent in 1981, when the SAP started.

Role of women in food security

Kenyan women are in charge of food gathering, preparation, preservation and storage, all the year round. Traditionally, women have grown a wide range of food crops, including small grains, pulses, root crops and wild green vegetables, often on a shifting cultivation basis. Their systems have depended on seed selection and preservation.

The cash economy and new agricultural technologies have now reduced women's traditional role. The new technologies brought about the need to incorporate fertilisers, chemicals and mechanisation into food production. Eating habits have changed, as maize has replaced millet and sorghum, and exotic beans have replaced local pulses. Nutritious, traditional foods have been lost as a result, again causing food insecurity and increased competition for land between export and food crops.

"Modern" agriculture focuses on large-scale farms that produce for the market. These farms receive a good deal of financial support. Yet 70 per cent of Kenya's agriculture is undertaken by small-scale farmers who receive little support. Women farmers are overwhelmingly in the small-scale farmer sector. With few resources and little access to decision making, they frequently work twice as long as men.

Looking after the kitchen garden is a key task for women and vital for food security. Buying seeds – mostly local varieties – and manures has to be done on a limited budget. The biggest challenge is fencing their garden to protect it from damage by animals. With most women unable to afford permanent fences, food output and security often suffer.

Effects of the SAP on rural women

The SAP has had some positive effects. It has enabled rural women to engage in micro and small enterprises in village markets. As a result of freer marketing, women can now sell and buy farm produce like milk, maize, beans and vegetables, and some have increased their incomes. But the positive effects have been outweighed by the negative. Women are generally worse off today than in 1981.

As a result of the SAP, many cannot afford adequate chemicals and fertilisers, and farm output has declined. With kitchen gardens unable to compensate, many families are eating fewer meals each day. People can now afford to eat only once a day or twice if they are lucky. And they no longer expect nutritious food, but any food they can get. Lower food output and rising prices make it harder for women to buy food for their family in the market place. Other basics such as safe water, decent housing and access to health facilities are a distant dream for many.

The government needs to implement agricultural and rural development policies that give greater priority to the development of rural economies, and to both women and men farmers.

Christian Community Services (CCS) was formed by the Anglican Church of Kenya in the dioceses of Kitale and Eldoret in 1985 as the development department of the church. CCS has

six programmes – integrated rural development, family planning, small scale business, community-based rehabilitation, development awareness and a Christian Intermediate Technology Centre. The programmes were built on the Chinese proverb – "give a man a fish and you feed him for a day. Teach a man to fish and you feed him and his family for a long while".

Today, however, the programmes face a new challenge – the upstream of the river is getting polluted by more powerful people and fish downstream are dying, leaving the poor without fish. Programme strategies now have to go beyond fishing.

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6 Trade, structural adjustment and food security: the case of urban households in Benin

Roch L Mongbo, CEBEDES

Benin's structural adjustment programmes began in 1989, and followed a big expansion in the growth of state power and control. The number of government ministries, for example, increased from 8 in 1971 to 23 in 1984. The number of civil servants rose from 13,444 in 1966 to 47,163 in 1986. At the same time, however, gross domestic product was declining rather than increasing. Average income per head fell, and access to food was chronically unsatisfactory for a large section of the population.

In the last ten years, three SAPs have been concluded in Benin. These have aimed to reduce the role of the state, increase exports and lower imports, and promote economic growth. Agriculture, trade and public administration were among the sectors affected by the reforms. In 1994, the CFA franc – the common currency of francophone countries in West Africa – was devalued by 50 per cent (all these countries were implementing SAPs).

Structural adjustment was supposed to put Benin's economy on a solid course and improve living standards. But three fallacies have become apparent:

- Although the competitiveness of both domestic agriculture and agricultural exports was expected to increase, only cotton exports have increased. However, cotton production and exports were increasing before the first SAP started.
- The relative increase in the price of imported goods was expected to bring about an increase in demand for domestically-produced goods and stimulate microenterprises. But a continued drop in people's income and purchasing power has meant lower rather than higher demand.
- The development of private and more expensive services – in health-care and housing for example – has not helped the majority of urban dwellers. Excluded from such services by price, they have not been helped by the state, which has relinquished its power to check or ensure their quality.

In the years since 1989 there has apparently been an explosion in income generating activities and a general blossoming of the the primary and tertiary sectors. But a significant proportion of the population, in both rural and urban areas, still live below the poverty line. The withdrawal of state control in the agricultural sector has worsened the already unsatisfactory and precarious position of weak categories of the population in terms of food security. The state seems to have lost control of the privatisation process, even in crucial sectors such as health-care and education.

Official reports now acknowledge that the SAPs have had negative impacts on the living conditions of large numbers of people. Many have lost their jobs and been unable to find other productive work. Inflation has been higher than expected. Between 1992 to 1996 prices rose by 80 per cent rather than the expected 13 per cent. The obsessional attention paid by the government to export crops – especially in the raising of the guaranteed price of cotton to farmers by 50 per cent from 1993 to 1996 – led to a big expansion of cotton production and meant that cotton competed more with food crops.

Urban households

In 1992, 450,000 people worked in the informal sector in urban areas; 40 per cent were involved in trade and street foods, 20 per cent in manufactures (textiles, clothing, food processing, wood, metal and mechanic activities), 20 per cent in services, including domestic help, the other 20 per cent in building and transport. A survey carried out in 1994 found that many jobs in the informal sector were of poor quality.

Craftsmen experienced a sharp drop in demand for their products, especially after the devaluation. Most households no longer consume anything other than the bare necessities for survival. Some craftsmen have switched to running a motor-bike taxi service, gardening and animal raising. Many street food workers (mainly women) complain of a decrease in demand for their foods. Most urban households have reduced their expenditure on food, and this has inevitably affected street food vendors.

The qualified unemployed make up 4 to 5 per cent of the urban population. Some have been absorbed into the informal sector, where they often work for a meagre return.

Living in the worst conditions of all are trainees and house/domestic helpers, many of whom have migrated from the rural areas. Estimated at 168,000 in 1992, their plight is due to both rural poverty and the lack of economic alternatives. They are the weakest link in the chain. Living in generally unbearable conditions, they represent a new form of slavery.

The prices of maize and rice, the main foods for urban households, doubled between 1992 and 1996. The percentage of very poor people who could not buy enough to satisfy their basic food needs reached 30 per cent in the cities (against 16 per cent in rural areas). In a survey, more than 85 per cent of households in the cities of Abomey-Bohicon and Cotonou said they were eating less. They had reduced the quality of their meals, and the number of meals eaten outside the home. Over 40 per cent had reduced the number of meals eaten per day. Rice consumption had decreased and been replaced by maize and gari, mostly of poor quality. Average spending on food had increased to around 60 per cent of household income.

The food consumption patterns of many people was found to be close to starvation levels. Food consumption in Cotonou is well below standard, especially for trainees and female headed households. People in Cotonou said that the years 1995 and 1996 were worse than the years before 1994.

Trade

Benin's trade is two-fold – international and regional, the latter with Nigeria, Togo, Ghana, Ivory Coast, Niger and Burkina Faso. Its international trade is based on a single crop. Before 1975, palm products dominated – in 1961 they accounted for almost all the country's agricultural exports. By 1975, this had fallen to below 40 per cent. Cotton then became the dominant export crop; by 1985 it accounted for 85 per cent of agricultural exports. The cotton business is well organised and controlled by the state and parastatals. The crop now accounts for around 90 per cent of the country's exports (including non-agricultural products). Cashew, pineapple and palm oil have also been promoted in recent years. Overall, the country has a balance of payments deficit.

Regional agricultural trade is based on food crops – cereals (rice, wheat and maize), root crops (cassava and yam), vegetables (onion, tomato and peppers) and legumes (cowpea). Benin imports rice on the international market, but exports most of it to Nigeria. Maize is imported from Nigeria. The regional trade is well organised but controlled by a few hundred enterprises, and not for the benefit of producers and consumers who lack organisation.

In April 1999, maize cost 50 per cent more in the capital, Cotonou, than in Save, some 300 km to the north, where farmers have stocks to sell. Producers are receiving a low price, while consumers are paying a high price.

In Benin, the government has attempted to influence the market price of maize by buying and storing the product when its price is low and then selling it when the price is high. But the amounts purchased and stored are too small, and the marketing not effective enough to have the desired effect.

Food security

In many agricultural zones in Benin, farmers are not producing enough food for their own consumption, but concentrating instead on export crops, chiefly cotton. When a surplus of food is produced, it may be traded to other countries in the region, rather than be sold to Benin's cities. The country's agricultural regions are therefore no longer reliable suppliers for its cities.

The regional food market, as it now operates, can effectively exclude Benin's poor. And the economic reforms have not provided them with any improvement in their purchasing power.

Structural adjustment policies have failed to integrate the regional dimensions of food security into domestic policy. The social dimension of Benin's SAPs has paid no attention to regional effectiveness and competitiveness. Adjustment measures have been implemented on a national level, while food production and marketing operate on a regional basis, where local products and micro-enterprises compete, and where local consumers have little power over access to the food produced locally. Contradictory and counterproductive policies are resulting, worsening the economic position and food security of some categories of people.

What needs to be done:

Early structural adjustment programmes were criticised for their lack of a human face. So-called social dimensions were then added to try to mitigate the negative effects of adjustment on weak groups. In Benin, however, prices of the main foods have doubled in the past six years and significant groups of people in urban areas are still living far below the poverty line and facing critical food situations.

The way out of this trap is to give more responsibility to state and non-governmental organisations over food production, and more help for marginal groups especially in urban areas.

The encouragement of peri-urban agriculture is one solution that can assist food security; income generating activities targeted at marginalised people are important. Within a 50 km radius of Abomey-Bohicon and Cotonou, efforts need to be made to restore soil fertility and to cultivate cassava, groundnut and cowpea, both because of their nutritional value and because of their processing potential. This would require subsidies on chemical fertilisers and organic matter, and also legislation on the use and ownership of land.

Support to non-conventional animal husbandry, agriculture, home gardening and food processing by weak and marginal groups is vital to halt the vicious circle of hunger and poverty in the cities. Market forces are not enough for such activities. Efficient state and non-governmental organisation is needed. Funding agencies and countries need to commit themselves to concerted strategic plans, in which NGOs as well as government bodies have a role to play. No way out of misery?

Tohossi is 48 years old. In 1995, her husband became seriously ill and she has to support him and two children. In the morning, Tohossi fetches firewood for sale from outlying fields surrounding Abomey; in the evening, she cooks porridge for sale with maize bought on credit. Her 18 years old son "learned" tyre pumping as a job and brings home a small income. In 1998, the condition of her husband worsened and she sold everything she had, even clothes, to pay 60,000 CFA francs in health costs. Her mother also became paralysed and she had to find another 50,000 CFA francs in hospital costs.

In a week in February 1999, household members had 7 meals and 6 gari-based snacks. They ate only once a day. Meals consisted of maize without sauce and boiled cassava given by neighbours. They have not eaten fish for a whole year. Tohossi made a desperate kind of joke: "One morning, we only had the medicinal tea of my husband as breakfast".

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7 **Agricultural Trade and Adjustment Programme in Ghana**

Michael Lumor, Evangelical Presbyterian Church

The government's trade and adjustment programmes have not favoured the rural poor, the major producers of food in Ghana. Agriculture has been set back by top-down government policy which does not allow for farmer participation in decision making.

Over 70 per cent of Ghana's rural population are involved in agriculture, most of which is small-scale. But farming has become unattractive due to falling incomes. Young people especially are turning away from the fields. Agriculture has been left in the hands of the aged, while the young migrate to urban areas in search of non-existent jobs.

After many years of Green Revolution-style agriculture, most farmers in Ghana are still chronically underfed. The need for sustainable management of natural resources is now crucial. Most farmers are using chemical fertilisers, insecticides, vaccines, animal feeds and medicines in a bid to increase or sustain their output. Indigenous crop varieties have been replaced by hybrids which thrive on expensive external inputs. These costly inputs have made agriculture very expensive for ordinary farmers.

The small size of their holdings, their limited resources and access to credit have led to the marginalisation of smallholders. Food imports, in the wake of structural adjustment programmes, have further demoralised the small-scale farmers. Having produced maize, rice, soybeans, rabbits, sheep and goats, Ghana's farmers cannot obtain economic prices for them, even in village markets. Their produce cannot compete with imported maize, rice, soybean, chicken and turkey. Farmers are producing as much food but receiving lower prices. Smallholder incomes have fallen and malnutrition among the rural poor has risen.

The basic understanding of food security is being misconstrued. Food production is being thought of as the over-production of food, with the surplus for export.

The role of women in Ghana's agriculture is crucial. Women provide 65 per cent of the sector's labour requirements and contribute significantly to the process of land preparation, planting, harvesting, storage, marketing and processing. Women often lack capital to embark on income generating activities that could help them with finance to achieve their other objectives.

"Not favoured the rural poor"

Four major reasons why many people do not have access to adequate and nutritious food have been identified by the Evangelical Presbyterian Church. The first arises because government trade and adjustment programmes have not favoured the rural poor. Secondly, there are cultural and social factors that limit women's participation in household decision making. Thirdly, women lack equal access to productive resources, especially to land and credit. Finally, women have little access to agricultural extension services, which is due, in part, to the fact that most extension workers are male.

Government policies have promoted the shift to market agriculture and this has increased farmer dependency on a cash income for household necessities and external inputs. Those farmers who enter into the export market, as a result of trade liberalisation, are often unable to sustain their activities.

In a bid to promote increased output of agricultural produce, government policy is to allow the import of farming inputs such as agrochemicals, some of which are banned in their country of origin. But trade liberalisation encourages mass production for the external market without regard to the environment or health of the people.

Structural adjustment policies have encouraged the production of non-traditional crops, such as solo pawpaw, black pepper and cashew. Liberalisation means that such crops are often exported; few crops are kept for local consumption. Food security is thus being thrown overboard, but the future is

not gloomy. Institutions like the Evangelical Presbyterian Church are alerting people to the disasters ahead and being advocates on behalf of poor and marginalised farmers.

Michael Lumor works for the Evangelical Presbyterian Church, Ghana.

Evangelical Presbyterian Church (E.P.)

The E.P. has been involved in development efforts since the early 1980s. In response to the problems associated with declining food output, it is working in six areas of Ghana to redress the consequences of poor yields, malnutrition, inefficient land-use practices, pest and disease problems of crops and livestock, the use of inappropriate technology in agriculture and other problems that have caused loss of income and impoverishment of the poor. Agricultural extension is the core of the E.P.'s programmes. Crop production, bee keeping, agroforestry, fish farming, mushroom production and livestock production are among the activities covered by its extension work. These activities are community-specific and involve the introduction of new ideas and technologies without compromising the indigenous knowledge of local people. Gender training programmes and the encouragement of sustainable low-input technologies are important components of the E.P.'s extension programme.

8 **Bolivia: Awareness and participation by the main social actors in agriculture and trade with respect to food security**

Teresa Mendoza Siles, Centro Experimental Agricola Campesino (CEAC)

Trade liberalisation has opened up Bolivia to imports and threatens to saturate the domestic market with products that have a detrimental effect on locally-produced goods. In the department of Santa Cruz, in the east-central region of the country, many institutional policies relate to food security. The department has a population of 1.36 million people, living in an area of 370,621 square kilometres. Many people are poor, with a high level of food insecurity.

A survey was carried out in Santa Cruz with the following objectives:

- to ascertain the perceptions and conceptions of leaders in agricultural production and trade as they affect food security;
- to identify if the business sector has policies to improve food security and nutrition;
- to identify if such policies are related to the food security policies of PROMENU – the Nutrition Improvement Programme of the Asociacion de Instituciones de Promocion y Educacion (AIZE) network of 42 NGOs; this works with different programmes and projects related to rural and urban sustainable development, food security and the environment.
- to look at the prospects for institutional action to influence food security policies;
- to share information with the regional group of PROMENU, so as to contribute to the drawing up of strategic initiatives, in order to improve food security in Santa Cruz;
- to share information on the survey with participants at the APRODEV conference in April 1999.

Common view

Among the people surveyed, there was a broadly common view about food production, trade and food security. Everyone interviewed placed emphasis on the role of central government, departmental government and the municipalities in addressing food security. Most people related food security not only to the nutritional condition of the population, but also to general welfare, productivity and development.

It was found that only the CAO (Eastern Agriculture Chamber) and the Departmental Agricultural Service (an FAO-supported body developing a food security project) have food security policies. Other institutions whose policies relate to food security were not specifically aware of the need to define such policies.

The CAO has several policies that seek to transform agriculture into a modern, fair and equitable sector – policies, for example, on credit, research and technology transfer, foreign trade and institutional frameworks. Its policy on food security was as follows:

- prohibition of food donations from abroad;
- programmes of the international community which involve the provision of food must relate to national, domestic production;
- the National Council on Food Security must have sole authority for drawing up policy on the issue. Participation of the private sector must come under the National Council;
- food security policy must promote programmes aimed at the technical training of small producers to enable them to diversify.

The CAO's emphasis is on production. It is weak in relation to the marketing and distribution of food, and to other matters that influence food consumption.

Likewise, a similar weakness is evident in the institutional strategies aimed at promoting food security. Such strategies include:

- Increasing the level of organisation in the agricultural sector.
- Strengthening producer unions.
- Developing the capacity to produce more.
- Accelerating the process of land tenure reform.
- Greater efficiency in production.
- Improving public health.
- Training.

Such strategies are laudable, but there is no adequate marketing system, and work with the community is minimal.

Effects of trade liberalisation

Positive and negative effects were identified.

Positive:

- The Department of Santa Cruz has been the one most favoured by the Andean Pact, with preferential tariffs helping to increase exports of soybean and cotton.
- The development of exporting agro-industries.
- Greater access to agricultural inputs.
- Opening up of potential new markets.
- Greater competitiveness, leading to higher production.
- Expansion of exports.
- Generation of foreign currency.
- Generation of employment.
- Increase in available resources.
- More sources of up-to-date information to help in the fight for food security.

Negative:

- Competitiveness is based on quality and cost. Open borders demand higher public health standards. But Bolivia cannot compete on these. For exports, this is a barrier.
- Trade liberalisation will lead to an increase in products from countries with better public health conditions.
- Many of the products produced in the region are very sensitive to trade liberalisation.
- The reduction of tariffs and opening of markets allow the entry of a large volume of products at low prices. Some are alien and harmful to the local diet.
- Globalisation, trade liberalisation and export incentives will lead to a high degree of competition, between countries, regions and possibly continents.
- Local production could become non-viable.
- Increase in domestic producers who have to sell at low prices. Increases in the number of middlemen.
- Agriculture has a more commercial character.
- Increased smuggling, mainly affecting small producers. Products such as meat, milk and dairy are being smuggled in without any quality control.

There is a need for a unit to control the import of agricultural produce. If measures are not taken, then the agricultural reforms will be disastrous for the region. An invasion of products from neighbouring countries will result.

The people interviewed for the survey indicated that the following measures might help to protect the region's productive sector:

- Creation of organisations that allow the private sector to make representations to government with a single voice.

- Seek specific support in relation to foreign trade.
- Raise awareness and develop a more organised business culture. Creation of a health committee to obtain greater advantages in agricultural trade.
- Analysis of potential competition.
- Better informed producers, brought up-to-date every fortnight.
- Increased private investment (coldstore facilities in slaughterhouses, for example).
- Employer-producer associations to exploit natural advantages and competitive market advantages.
- Capacity to make strategic alliances with industrialists.
- Access to credit.
- Improved marketing transparency.
- Progress on public health.
- Training of professionals, with the vision and skill to strengthen the sector.

Recommendations:

- The state must join with the business sector to set up strategic alliances to create services and develop infrastructures.
- Budgets of universities and research centres should be increased.
- The use of suitable technology is the only way to make competitive products.
- There must be continued awareness and sensitivity campaigns at all levels about possible invasions of low-cost imports.
- The government must concern itself with raising people's purchasing power.
- Coordination is needed between institutions with agricultural programmes.
- Measures are needed to control smuggling and exercise greater public health controls on imported products.
- Legislation to back border controls.
- There must be greater state involvement, contributing to fair prices and to the food sector's solvency, or producers will abandon their farms.
- There is a need for a clearer definition of food security actions.
- Increased production and trade must be the aim at the provincial level.
- Political thinking on the fight against poverty must be synonymous with the fight against food insecurity.

Short term prospects are not promising. The government seems to view globalisation as a utopia, and does not give priority to food security. Immediate collective measures must be taken, such as the creation of a state agricultural advisory service and greater investment in research.

The people who were interviewed took the view that future changes will be mostly negative, unless the current situation and trends are carefully studied and a committed joint effort is undertaken.

Specific effects on family level food security:

- Subsistence producers are not affected very much because they have little to buy and sell.
- The worst effect is on dairy products. Smuggled dairy products may be below standard.
- Poor quality agricultural inputs are affecting the economies of small producers.
- With the entry of uncontrolled contraband in chemical goods, producers seek the cheapest, but this is often ineffective. Food security may suffer as a result.
- If smuggling is not curbed, and quality is not controlled, people could be eating products such as chicken in poor condition.

Some of those interviewed pointed to positive effects, such as access to cheaper wheat, increased options for profitable crops and improved production and marketing opportunities. But a message from the survey is that the government must control ways in which imports enter the country.

9 The Zeist Declaration on Trade Liberalisation and the Right to Food

Food security is a basic human right. Trade liberalisation and structural adjustment are threatening this right.

Representatives of 57 civil society organisations from Africa, Asia, Latin America, North America and Europe gathered in Zeist (Netherlands) from the 18-22 of April 1999, initiated by APRODEV, to discuss the issues of agriculture and trade policies and the implications for the food security of the poor.

In the light of the forthcoming review of the WTO Agreement on Agriculture (AoA), the ongoing post-Lomé negotiations, as well as the widespread concern about agricultural adjustment and the role of agribusiness TNCs, we wish to bring the experiences of the majority of our communities, as documented in case studies, to the focus of policy-makers at all levels.

Principles

We recognise food security as the physical and economic access to adequate safe and healthy food by all people at all times in dignity. Key factors in realising food security are the issues of who produces food, where it is produced, what food is produced, how it is produced, as well as who controls trade and key productive resources, such as land, water, and biodiversity. Food Sovereignty to our countries and communities means having the democratic right and power to determine the production, distribution and consumption of food, according to our preferences and cultural traditions. Food security implies securing the livelihood of food producing communities.

The 1996 World Food Summit adopted the target of reducing by half the number of under-nourished people by the year 2015. This is not morally acceptable to us. World leaders must take responsibility for all the malnourished and hungry people. The policies of trade liberalisation and structural adjustment make it impossible to achieve even this unacceptably modest target. It undermines a number of the necessary measures through reduction of health and education expenses, lack of investment in small scale agriculture, by opening markets to unfair competition from subsidised production from the North, and by commodifying land, food, water and seeds.

Reform in trade policies will not be sufficient to achieve food for all. National governments must ensure that every family has access to its minimum food requirements and secure equitable distribution of productive assets, income generating opportunities and household incomes.

Furthermore, sustainable/ecological agricultural systems and small scale farming must be promoted as the foundation for food security, as recommended in Agenda 21 adopted at the 1992 Earth Summit. All these can be attained only when full and equal participation of women is guaranteed.

Structural Adjustment

Food Security for the poor is undermined by structural adjustment policies. The policy of accepting short term pain for promises of long term benefit is not acceptable. Economic growth will not reduce the number of the poor unless it includes measures of economic redistribution. The purpose of adjustment should be to optimise local resources and develop national and regional economies rather than integration into the global economy. When agricultural exports get higher priority than local food production, women risk losing control over food supplies and the ability to provide for families and communities.

The promotion of private ownership of land, the commodification of water, seeds and genetic resources pave the way for TNCs to take over control of vital national resources. High levels of indebtedness and the servicing of unfair debt force these poor developing countries to reduce basic health and education services and agricultural support systems. The debt burden endangers food and nutrition security especially for women and children.

Recommendations and demands on structural adjustment

IMF and the World Bank should abolish conditionalities demanding governments to liberalise agricultural and other imports, and allow protection of food security and the domestic economy. International Financial Institutions and national governments should develop structural reforms tailored to the need of each individual country, including redistributive measures aimed at eradicating poverty and improving food security. Safety nets for the most vulnerable should be in place from the beginning of the reform process.

National governments must ensure people's participation by involving civil society in the planning and implementation policies at all levels affecting food security.

National governments and the donor community should develop policies and support in favour of the small scale farming sector, including access to land, credit and other productive resources, especially for women producers. Trade reforms should take account of the important role of the informal sector in job creation and economic growth.

Heads of state of the G8 countries and other developed countries should cancel the unpayable debts to the poor developing countries as demanded by the global Jubilee 2000 campaign.

Recognising the role that women have in food security, national governments should develop programmes that reinforce the civil rights of women.

Trade Liberalisation

The countries of the South face double standards when Northern countries advocate open economies while maintaining high protection and subsidies for their own agricultural and food sectors. The WTO Agreement on Agriculture is extremely unbalanced and unfair because it applies similar rules to countries with different agricultural structures:

- It prevents developing countries from using the support measures which enabled the EU and US to develop their agricultural strength.
- It obliges poor developing countries to provide market access irrespective of their own vulnerable agricultural systems, while allowing the developed countries to protect their markets and provide producer subsidies.
- It allows only agricultural support measures which are out of reach of most developing countries.
- Its measures of special and differential treatment for developing countries are insufficient in providing for the particular needs of their agricultural sector and their problems with food insecurity.
- Its measures for compensation to net food importing developing countries have never been implemented.

Trade liberalisation is displaying a bias against small producers and for larger producers and export crop production. Agribusiness transnational corporations have reaped the gains from trade liberalisation, and have become even more powerful. Trade liberalisation has thus been accompanied by growing land alienation, declining food entitlements, a growing number of hungry people, and reduction of biodiversity.

Recommendations and demands on trade liberalisation:

We demand that the member states of WTO freeze further negotiations for at least two years in order to conduct a comprehensive impact assessment of the AoA, as required by Article 20, as well as the TRIPs agreement. During this period, developing countries should have the right to support their food production regardless of the limitations in the AoA.

WTO and other actors must undertake a systematic review of the agreement with a view to removing its imbalances and unfair provisions, by providing better market access, incorporating non-trade concerns, in particular food security, and introducing clear mechanisms for

implementation of the Marrakesh decision for net food importing developing countries, such as an automatic trigger mechanism.

WTO and FAO, in partnership with the UN High Commissioner for Human Rights, should convene a high level meeting attended by governments and civil society and intergovernmental organisations to discuss and debate the impact assessment of the AoA. The high level meeting should be preceded by a series of national debates involving government and civil society.

In the TRIPs agreement of the WTO member countries should have the right to exclude living organisms such as plants and animals from patenting. Least developed countries must be exempted from the whole TRIPS agreement.

In the meantime, national governments and civil society must take concrete measures in order to combat and erase the negative effects of the agreement on developing countries, stabilise their agricultural production and provide market access for their products. The capacity of developing countries to participate in trade negotiations must be strengthened.

The review of the AoA should include provisions to prevent monopolies, and to monitor the role of TNCs. Regional and plurilateral trade agreements should be reviewed with the same objective as the review of the WTO AoA.

WTO should not prevent non-reciprocal trade agreements, where development needs are clearly demonstrated, such as the Lomé agreement, providing the ACP countries with access to EU-markets without receiving a similar market access.

Global reform

The process of economic and trade globalisation calls for an active international civil society as a counterbalance to the power of transnational corporations. Globalisation is the result of deliberate political decisions and should be controlled by governments accountable to people and not to corporate interests, and directed in favour of sustainable development. A radical change in the process of globalisation will require a major reform in the international financial architecture and in trade agreements in order to achieve a fairer balance of power between the rich and poor nations.

Civil society follow up

We call on everyone to join us in working for a Peoples' Summit on the issues of food security, food safety, food sovereignty and sustainable agriculture towards the convocation of a Global Convention on Food.

We commit ourselves to strive relentlessly, through advocacy, empowerment and networking to achieve sustainable agricultural development, economic justice for the poor and food security for all.

Zeist, April 1999