



## **AGRICULTURE AND DEVELOPMENT - TOWARDS ALTERNATIVES**

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## INTRODUCTION: CHALLENGES OF THE 21ST CENTURY

In 1996, at the World Food Summit, a target was set to halve the number of people suffering from *hunger* by 2015, taking 1990 as reference year. This commitment is also part of the first goal of the Millennium Development Goals (MDGs). Ten years later, in 2006, the Food and Agriculture Organisation (FAO) report on food insecurity in the world shows that the number of undernourished people is generally stagnating. An estimated 824 million people in the developing world were affected by chronic hunger in 2003 (measured by the proportion of people lacking the food needed to meet their daily needs).<sup>1</sup> To meet the objective of the World Food Summit by 2015, every year 31 million people should be relieved from hunger.<sup>2</sup>

From 28 % in 1990, the proportion of the developing world population living in *extreme poverty* (people living on less than 1\$ a day) decreased to 19%. The decline of extreme poverty has been rapid in Eastern Asia where the amount of poorest people dropped from 33% in 1990 to 14% in 2002. Yet, poverty rates in Sub-Saharan Africa remained almost unchanged between 1990 and 2002 (from 44,6% to 44%).<sup>3</sup>

The realization of the MDGs tackling hunger and poverty is made more difficult by another challenge - the adaptation to and prevention of *the impacts of climate change*. The way this challenge is and will be addressed will have profound implications for development. While the world's poorest countries bear little responsibility for the emission of gases which cause global warming, they will be the first ones to face social and economic consequences.

Elevated CO<sub>2</sub>, higher temperatures, altered precipitation and more frequent extreme events already do and will threaten more and more the poorest regions of the globe, especially in the South hemisphere. Devastating floods in Bangladesh, shortage of fresh water in Peru due to disappearance of glaciers, crop failures in East Africa due to years-long droughts are strongly affecting the livelihood of millions of people. The Intergovernmental Panel on Climate Change (IPCC) states that climate change is likely to increase the number of people at risk of hunger and adds that impacts will depend strongly on socio-economic developments. Scenarios indicate that by 2080 sub-Saharan Africa may account for 40-50% of all undernourished people, compared with about 24% today. Some estimates are as high as 70-75% under the assumptions of slower economic growth.<sup>4</sup>

Highly dependant on weather, the agriculture is the sector that engages the more people in the South. Around 54% of the economically active population of developing countries, and more than 70% of the population of the least developed countries are engaged in agriculture.<sup>5</sup> As the main working activity and as principal source of livelihood for many, *the agriculture has the potential to be a strong tool of sustainable development*. Yet, not only climate change but also policies are a threat to local agriculture. The current approach to agriculture and food derived from the market liberalisation process and structural adjustment policies rather hinder the agriculture's potential as a cornerstone of development.

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<sup>1</sup> UN (2006), Millennium Development Goals Report, UN, New York

<sup>2</sup> FAO (2006), The state of food insecurity in the world Report, FAO, Rome

<sup>3</sup> UN (2006), *op.cit.*

<sup>4</sup> IPCC (2007), Climate Change 2007: 4AR WGII, *pp.*275-301

<sup>5</sup> FAO (2005), The state of food insecurity in the world Report, FAO, Rome

In this paper we try to address the following questions:

- How can agriculture potentially contribute to a sustainable development?
- What are the reasons undermining the role of agriculture as a strong factor of development?
- What could be the main features of an alternative approach to development, placing agriculture at its centre? Is there a framework to address it and under which condition should it be realized?

## 1. AGRICULTURE AND SUSTAINABLE DEVELOPMENT

Today still, the most widespread system of agriculture in developing countries is *subsistence and smallholder agriculture*. “Subsistence and smallholder agriculture” is used here to describe rural producers in developing countries who farm using mainly family labour and for whom the farm provides the principal source of income. Subsistence and small-scale farmers constitute more than 70% of the world's poorest.<sup>6</sup> They are forming a heterogeneous group as they are working with a wide range of crops and techniques in various ecosystems and generating different cultures.<sup>7</sup>

Challenged by the promotion of another vision of development preferring input intensive monocultures, export oriented model of agriculture and trade liberalization, small-scale farmers of developing countries are more and more marginalized and are facing increasing impoverishment. With them, it is also the multifunctional role of the agriculture which is threatened. By easing access to food, this model of agriculture contributes to food security but also offers valuable positive spill over effects: socio-economical development and protection of the environment. It thus has an important *role to play in the sustainable development*<sup>8</sup> of these countries.

### 1.1 Primary function of agriculture: feeding

#### ➤ *Right to food*

The primary and obvious role of agriculture in our life is to provide means of subsistence. In this perspective, the right to food can be considered as the most basic right, as being a *pre-condition for the achievement of the other human rights*. The right to food has been formally recognized as a fundamental right by the United Nations in the Universal Declaration on Human Rights in 1948. Twenty years later, the International Covenant on Economic, Social and Cultural rights imposed an obligation on its 152 member states to protect and enforce this right. The right to food has also been recognized in numerous national constitutions.

The right to food is defined by the Committee on Economic, Social and Cultural rights in its General Comment 12. This Comment aimed at better defined the rights related to food in Article 11 of the Covenant. The right to food is defined as "*the right of every man, woman and child alone and in community with others to have*

<sup>6</sup> Mittal, Anuaradha (2007), Free Trade Does not Help Agriculture, Discussion, Foreign Policy in Focus

<sup>7</sup> Ong'wen, Oduor; Wright, Sarah (2007), Small Farmers and the Future of Sustainable Agriculture, Ecofair Trade Dialogue. Discussion papers No. 7., pp. 11-17.

<sup>8</sup> *Sustainable development*: development that meets the needs of the present without compromising the ability of future generations to meet their own needs

*physical and economic access at all times to adequate food or means for its procurement in ways consistent with human dignity*"<sup>9</sup>. The Committee gives further notions defining the right to food.

- *The notion of "adequate food"* goes beyond sole nutritional value of the food. It covers other aspects such as the food safety, the quality and the acceptability of the food upon cultural considerations.
- The notion of *sustainability*, expressed by "at all times", is close to the idea of food security; it comprises of requirements for long term availability and accessibility. It means that current and future generation must have the possibility of obtaining food.
- The *availability* of and *accessibility* to food refers to the possibilities for everyone to feed oneself either directly from productive land or from well functioning distribution, processing and market systems that can move food to where it is needed.

#### ➤ **National Food Security**

Food security exists when the right to food is achieved for all, at all time. Right to food may therefore be seen as a prerogative of food security. Unlike the right to food, which is expressly stated in the International Covenant on economic, social and cultural rights, obligation to ensure food security is not imposed on states in any binding international instrument.

To be food secured, the state should ensure the availability, the stability of supply and the accessibility of food.

#### ➤ **Small farming contribution to food security**

According to FAO, today there is enough food to feed 12 billion people.<sup>10</sup> Hunger is related mostly to a problem of access to food. If the distribution is well managed, agriculture has the potential to feed all.

Small farming provides a more direct access to food. It has proved to have an important role in food security for the following reasons<sup>11</sup>:

- Small farming is based on a rather *equitable allocation of land and resources* which contributes directly to security of food supply by providing everyone with equal chances to grow food.
- The wide range of crops used by small farmers enhances food security by *minimizing risks* towards natural disasters
- High *ability to adapt* to different type of soils, climates, altitudes, water conditions gives the possibility to generate food in harsh environments.
- Small scale farming provides an *important source of food* for people living in cities and who have a space to grow plants.

<sup>9</sup> Committee on Economic, Social and Cultural Rights (1999), General Comment 12, Right to adequate food, U.N. Doc. E/C.12/1999/5

<sup>10</sup> Ziegler, Jan (2003), Submission of Special Rapporteur on the right to food of the United Nations Commission on Human rights to the March 2003 meeting of the intergovernmental Working Group (IGWG)

<sup>11</sup> Ong'wen, Oduor; Wright, Sarah (2007), *op.cit.*, pp. 18-20

## 1.2 Other functions of agriculture

Beyond its elementary purpose of feeding, agriculture has also the potential of being an engine for poverty alleviation and development. Smallholder agriculture creates incentives for economical, social and cultural growth. Moreover, it respects and helps to regenerate the environment.

### ➤ *Economical benefits*

- By *sharing the resources*, small-scale farming leads to a more equitable spread of economic opportunity. Sharing can be prevented for instance by existence of patents on seeds.
- It seems that small-scale farms are *more efficient and more productive*<sup>12</sup> than large-scale farms. This is a result of the labour-intensive approach of small farmers as oppose to the high-input approach of industrialized farming and by the fact that small scale farms grow different crops and use the full extent of their land.
- By being based on a labour approach, small farming can contribute to regional *employment*. Then, it reinforces the income circulation within the community as small farmers are more likely to sell locally, purchase goods at local stores and support local services, stimulating local businesses.
- Dynamic rural communities are an important source of *non-farm entrepreneurship*. Agriculture has an indirect effect of stimulating off-farm goods and services in rural areas and can also create employment and growth in other sectors.<sup>13</sup>

### ➤ *Social benefits*

- Collaborative work reinforces *social capital* and empowers citizens, especially women who are at the centre of the small agriculture system.
- It counters *rural depopulation* by providing stable working and social environment.

### ➤ *Cultural Benefits*

- Small farming helps *preserving cultural diversity* and thus building stability. The food growing, at the centre of everyday life is seen as the spiritual heart of the community.<sup>14</sup>

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<sup>12</sup> Ong'wen, Oduor; Wright, Sarah (2007), *op.cit.*, pp. 20-23

<sup>13</sup> Ong'wen, Oduor; Wright, Sarah (2007), *op.cit.*, p 26

<sup>14</sup>The International Forum on Globalization (2002), *Alternatives to Economic Globalization*, Berrett-Koehler Publishers, San Fransisco, pp. 173-175

➤ ***Environmental benefits***

- Family farms and small farms promote *agro-biodiversity*. The development and preservation of species over centuries help to cope with biological shocks such as pests, diseases or extreme weather events.
- In opposition with large scale farming preferring monoculture and which is based on energy-intensive fertilizers, engineered seeds, chemical pesticides, fuels and irrigation, traditional farming does not practice *non renewable energy consumption*. Furthermore, considering the products from small farms are in most of the cases, consumed by the local community, it avoids the fossil fuel use for its transportation.
- It *heals and regenerates the soils* through organic methods, rotation; small scale farming helps to alleviate the pressures on soil fertility, to prevent soil erosion, and to improve the water retention in soils.<sup>15</sup>
- Small agriculture shapes and preserves *rural landscapes*.

## **2. FAILURE TO MAKE AGRICULTURE A STRONG FACTOR OF DEVELOPMENT**

Today, the sector of agriculture does not fulfil well its primary function of feeding and other spill-over functions. The level of food insecurity is not being reduced. A proper access to food is not ensured for all and is disturbed by trade policies. People are deprived of the basic right to food. The livelihood of small farmers and poor people is threatened by agricultural policies promoting high-input, export oriented agriculture and trade liberalization. With low consideration towards environmental requirements, the current system is harmful for people and does not support a sustainable vision of development.

What are the problems refraining the agriculture in its potential of tackling hunger and being at the centre of a just and sustainable development?

To address this question, we should look at the past and ongoing trends and current phenomenon in the agriculture and food system.

### **2.1 Structural Adjustment policies, overproduction and liberalization of trade**

To understand why the agriculture does not play an important role in development of poor countries today, we have to take a look back at the past 40 years. Several simultaneous processes paved the way to the current situation.

In the 1970's the development of indebted countries took a strong liberal orientation. The *structural adjustment policies* directed by the International Monetary Fund (IMF) and the World Bank (WB) were aimed at stabilizing the countries deficit and restructuring their economy in order to ensure their debt repayment. Based on savings in public expenses, increase of income through higher production and liberalization and privatization measures, the structural adjustment programs (SAPs) contributed to push some of them in an underdevelopment spiral.

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<sup>15</sup>Ong'wen, Oduor; Wright, Sarah (2007), *op.cit*, p. 30

At the same time, due to the industrialization of their agriculture and the lack of management of supply, *rich countries faced overproduction of agricultural products*. The United States and the European Community started to export the quantities of food they could not sell off on their own markets. A big amount of food from developed countries was exported to South countries markets. Due to the export subsidies received by the producers from their states, these products could be sold at an artificially low price on foreign markets. Often, this practice led to dumping in poor countries.

In the 1980's, conflict of interest of the two biggest exporters, the United States and the European Community (EC), led the first one, supported by the "Cairns group" of agricultural countries<sup>16</sup>, to ask for concluding an *agreement on agriculture* under the authority of the GATT. Their request was the elimination of all export subsidies and import restrictions. After tough and long negotiations, the United States and the EC arrived to a bilateral agreement in 1992 (the Blair-House agreement) which they made other states sign after some minor modifications in Marrakech in 1994.<sup>17</sup> It was decided to reduce all protective measures with exemption of direct payments. This agreement marked the beginning of a process of *trade liberalization* regarding agriculture.

### ➤ *Consequences*

The liberal orientation of poor countries development, the increase of exports from developed countries and the international obligation of reducing protective measures brought costly consequences for some developing countries.

- Erosion of national sovereignty

One can argue that the SAPs, by imposing conditions from outside, have weakened the national sovereignty of the countries to whom they applied. Designed and directed by the IMF, these programs have undermined the national decision-making process. Moreover, they were not designed according to the particularities of the country.

- Weakening of public control

The austerity in public spending created some harsh cuts in funding public services such as health or education or for instance, regarding the agriculture sector, the irrigation management and development.

- Abandoning subsistence crops

The need of incomes for the state has pushed the countries to adopt an export-oriented model of agriculture. Of course, luxury agricultural products were preferred to cheap products as they would have a bigger export-value. In consequence, the developing countries gave priority to "cash crops" such as tobacco, coffee, cocoa, sugar cane... Producing products which are not primarily needed for their own consumption instead of subsistence crops, some countries started to import certain products for which they were self sufficient in the past.

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<sup>16</sup> New Zealand, Australia, Canada, and several middle income countries

<sup>17</sup>Koning, Niek (2006), Agriculture development and international trade: Lessons to be learned from the Common Agricultural Policy of the European Union, Paper prepared for the 2006 Forum on Food Sovereignty in Niamey, p. 9

## Biofuels

- Income vulnerability

Abandoning subsistence crops in favour of cash crops, usually less than three different types of crops, makes the country's and people's earnings highly vulnerable to the price fluctuation or climatic conditions regarding these particular products.

Even during the past decades of acceleration of food production and trade, the world hunger has increased at a rate even higher than population growth. Many countries report increasing poverty and hunger at the same time their agricultural exports grew.<sup>18</sup> Due to falling price of agricultural products, extra revenues expectable from higher export volumes have not been raised. In turn, the state cannot rely on stable incomes and is handicapped in its way out of poverty.

- Uneven distribution of incomes

Economic benefits available to poor countries through access to rich country markets never trickle down to the poor in poor countries and further entrench social and economic inequities. Claims of economic benefits to poor countries through trade in agriculture are nothing more than false promises.<sup>19</sup>

- Higher dependence on imports

The dumping practices of developed countries, and exporting their overproduction created a severe competition on some local markets. Some developing countries were flooded by cheap food coming from abroad. Facing this competition, many local producers lost their position on the market and were forced to stop production. This situation made some poor countries to become increasingly dependent on imports while some had been self-sufficient in the past.

- Unfeasibility of protection

Asked to lift up restrictions, developing countries have an insufficient protection to avoid receiving large amounts of cheap products on their territory. In theory, the "special and differential treatments" leave them some space for protecting their farmers through import tariffs. However, in practice, it seems that "the World Bank, the IMF and the governments of the US and the EU are pressuring them not to use this room".<sup>20</sup>

- Getting locked in low added value.

Higher tariff barriers from developed countries regarding processed goods discourage some developing countries to invest capital in the production of such goods. In consequence, they are compelled to produce only raw agricultural products which will serve to make added value products that poor countries will be buying afterwards.

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<sup>18</sup> The International Forum on Globalization (2002), *op.cit.*, p.174

<sup>19</sup> Mittal, Anuaradha (2007), *op.cit.*

<sup>20</sup> Koning, Niek (2006), *op. cit.*

## 2.2 The vertical integration of the food chain

To these past and ongoing trends, we should add a present phenomenon. The liberalization process and the privatization process going along have enhanced the *concentration on the food market*. Helped by other factors such as the development of new technologies and the reduction of the transportation costs, the trans-national corporations (TNCs) are the winners of the liberalization process. By reducing the tariffs, the international trade agreements have “opened up markets in ways that favour companies in a position to do business on a global scale”<sup>21</sup>. In this context, a recent phenomenon is the *vertical integration of the food system*, which means connecting the retail sector back to the productions and processing stages of the food chain.

In consequence, the *market power* is concentrated in the hands of few who are then able (1) to have impact on the competition, (2) to affect prices, (3) to set standards for the agriculture sector. The high level of concentration opposes a large number of suppliers to a few large buyers. As they are numerous, farmers are disadvantaged. They are not well organized; their production decisions have no effect on the price and they all sell their production at the same time considering the high costs of maintaining stocks.

“Four companies control 40% of cocoa grinding, while in soy and livestock the same three companies have the lion’s share of crushing and feed production along the entire chain from South America to Europe”<sup>22</sup>. More significantly, one new economic “driver” has emerged: the supermarket. When grain traders have been powerful for already long period, retail power is rather a recent phenomenon. Wal-Mart is a good example of this emergence: it is today the largest retailer while it only started to expand in the mid 1990s. Market power has negative consequences on the agricultural sector.

### ➤ **Consequences**

- Controlling the value

The value created along the food chain is captured by the TNCs. On one hand they are able to set the price they pay to suppliers. This price is often below competitive levels. On the other hand they are able to fix the price of commodity they sell to consumers. The savings that retailers get from paying a low price to suppliers are not even transferred to consumers. In its “Global Europe” report, the European Commission says that the benefits of trade opening and globalisation should reach all citizens and should not be captured by specific interests. The Commission writes that “regarding the liberalisation of trade and textiles at the end of 2005, these benefits have not been passed consistently. The Commission will put in place systematic monitoring of import and consumption prices.”<sup>23</sup> The same problem of benefits transfer to consumers occurs in the food sector.

- Private profits prevail over public interests

<sup>21</sup> Murphy, Sophia (2006), Concentrated Market Power and Agriculture Trade, Ecofair Trade Dialogue. Discussion papers No. 1.

<sup>22</sup> Vorley, Bill (2003), Corporate concentration from farm to consumer, UK Food Group, p. 10

<sup>23</sup> European Commission (2006), Global Europe: Competing in the world, Communication, EC, p.9

Benefiting from costs reduction by pulling down barriers, TNCs lobby for promoting free trade. TNCs have a strong influence on the shape of trade rules in the WTO.

- Small farmers become outsiders

TNCs have the increasing capacity of determining standards of production with little concern of farmers and sustainable resource use. The consequence is that huge amount of small-scale producers are pushed out of business because they cannot cope with the buyer's requirements or for those who can, are submitted to feudal arrangements. Because they are politically and economically weaker, some small farmers are or become outsiders of this system.

### **3. PERSPECTIVES FOR A NEW AGRICULTURE AND DEVELOPMENT FRAMEWORK**

Through a sound agriculture system, the possibility exists to tackle food insecurity, to alleviate poverty and to give ground to a sustainable and just development scheme. The current food system and the agricultural trade policy undermine development efforts. Favouring northern corporate interests, it must be redirected towards a pro-poor orientation. In order to support a development which would be sustainable and just, the agriculture system should aim at being *multifunctional, fair and democratic*. Under these three features, we will try to gather alternative approaches and solutions to the current situation; look at which framework could promote them and finally under which condition can it be achieved.

#### **3.1 Characteristics**

##### **3.1.1 Multifunctional**

###### **➤ *Advocating for another approach***

The strict economical look at agriculture leads to the impoverishment of societies and nature. A shift must occur regarding the importance attributed to agriculture. The positive externalities agriculture brings when it is sustainable should be stressed and fully taken in account in any decision-making related to agriculture.

- Alternative measurements of progress

The most common unit of progress, the Gross Domestic Product (GDP), measures societal performance by one economical standard: the market value of the aggregate of all economic production. In consequence, GDP takes in account for instance clear-cutting of forests or long distance shipping of goods across oceans but does not account self sufficient food growing, as little or no money is involved. More worrying, it does not reflect the depletion of natural capital: soil, fossil fuels, forests, rivers, sea life, and atmosphere. The negative externalities are measured as positive by GDP.

Alternative measurements are necessary to give visibility to the multifunctional role of the agriculture. These measurements should include

the production taking place in subsistence agriculture (the informal sector) on one hand and negative environmental externalities on the other hand. Genuine Progress Indicator (GPI)<sup>24</sup> has been developed as such an alternative measurement instrument. When compared, GPI and GDP rose more or less the same way until about 1980. Then GPI sharply declined.<sup>25</sup> GPI should be more largely used.

➤ ***Subsidiarity in food production***

Export should not be the main focus of a country; only oversupply should be exported. The local production should aim the food security objective at the first place. Following the principle of subsidiarity, local production with local resources for local consumption should be the priority. International exchanges should be dedicated to products which can not be produced on the local level. Trading with neighbour countries should be given a preference. The dynamic is thus to shorten the distance between production and consumption to ensure food security and in turn social and economical development.<sup>26</sup>

➤ ***Supporting small-scale farming***

To alleviate poverty and get on the path of sound development, domestic policies should protect and support its small farmers through policies encouraging sustainable behaviour.

- Promoting redistributive land reform

The redistribution of land to landless and land-poor rural families is necessary to help to counteract inequitable ownership of reproductive resources in many countries and to improve rural welfare. This requirement is integrated by the World Bank that includes it in its programs but its approach is rather “market-led”.<sup>27</sup>

- Supporting local food producer cooperatives by financing micro-credits and loan programs

These small and local retail outlets would ensure that benefits are shared by producers and consumers.

- Increasing public investments in research and development and in rural infrastructure.

The research should be re-oriented towards the needs of small-scale farmers and sustainability, should be more farmer-led and should professionalize the intercultural knowledge sharing.<sup>28</sup> South-South Cooperation goes in this direction. Through its Food Security programs, the FAO organizes know-how transfer partnership between, for instance, Vietnamese producers and Senegalese farmers.<sup>29</sup>

<sup>24</sup> It has been developed by Redefining Progress, of Berkeley, California

<sup>25</sup> The International Forum on Globalization (2002), *op.cit.*, p. 203

<sup>26</sup> The International Forum on Globalization (2002), *op.cit.*, pp. 105-120

<sup>27</sup> The International Forum on Globalization (2002), *op.cit.*

<sup>28</sup> Sachs, Wolfgang; Santarius, Tilman (2007), *Slow Trade - Sound Farming. A multilateral Framework for Sustainable Markets in Agriculture*, Ecofair Trade dialogue, Heinrich Boll Foundation and MISEREOR, Germany, p. 55

<sup>29</sup> FAO Food Sovereignty Programs : <http://www.fao.org/NOUVELLE/2002/020301-f.htm>

➤ ***Preventing unsustainable behaviour***

- All non ecological practices must be penalized.

Who pollutes and contributes to the drain of resources should pay. Taxes should be imposed on pollution, use of fertilizers or pesticides and overuse of water and soils.

- At the national level, promoting sustainability standards of production and certification system

Governments should support verification of the standards, which have already been locally defined, and their certification process at a local scale by the producer unions themselves.

- At the international level, promoting “meta-standards”<sup>30</sup>

Instead of imposing direct standards which would risk leading to diminish the variety of cultural and ecological practices, around the world, by harmonizing them, the “meta standards” would be standards defined in a multilateral agreement an which be heading the process of standard setting. All countries will then, trough a bottom-up decision making process, establish their own sustainability standards.

### 3.1.2 Fair

➤ ***Regulating competition***

The need to regulate competition at an international level in order to address the problem of market power has become more imperious with the globalization of production and markets. This topic has already been at the agenda of the WTO but its direction was rather pro-corporate activities. The WTO Competition Law Framework proposed to simplify the regulation across national boundaries to facilitate trans-national commerce and market access for goods and services from the industrialized world.<sup>31</sup>

➤ ***Preventing dumping (price, social, environment)***

Public support should not be allowed to lead to the export of products at a price lower than the costs of production or the price on the local market. As well, the hidden markets of developed countries through food aid must be tackled.

The principle of “extra-territorial responsibility”<sup>32</sup>, close to the idea of “extra-national obligation” (cfr. 3.1.3) in multilateral regime, accompanied with an adequate control mechanism, would ensure that domestic support does not harm the food market of others.

Moreover, the price of products should reflect the full costs of production, that is to say, taking the costs of social and environmental negative externalities into account.

<sup>30</sup> Sachs, Wolfgang; Santarius, Tilman (2007), *op. cit.*, p.63

<sup>31</sup> Vorley, Bill (2003), *op.cit.*, p.12

<sup>32</sup> Sachs, Wolfgang; Santarius, Tilman (2007), *op.cit.*, p. 56

➤ ***Stabilizing price***

Over-production and corporate control of the market lead to world price volatility or decline. Supply management through quota system, if well organized and managed, is a solution to price problem. Cheaper than the public compensations to farmers' income losses, it also has the advantage of avoiding dumping as it does not create massive oversupply.

➤ ***Stronger protection***

Weaker players should be able to effectively protect their local markets. It results in policies of tariff, quota, price or volume-triggered safeguard measures, regulation on food safety and quality imports.

### 3.1.3 Democratic

➤ ***Human Rights based-approach***

Agriculture should be meant at accomplishing the right to food at first. The multilateral trade agreements should be subordinated to the respect of Human Rights and not the contrary.

➤ ***Enhancing participation***

All stakeholders should be involved in setting strategies for the realization of the right to food and for a sustainable development. This would require:

- Empowering and supporting small farmers and local civil society
- Raise public awareness in developed countries and involve the public in pressuring governments, international bodies and TNCs for change.

➤ ***Urging for responsibility and accountability***

- Extra-national obligations<sup>33</sup>

The states are primarily responsible for the realization of the right to food on their territory. However "extra national obligations", i.e. the obligations of states towards citizens of other countries, means that "states should take steps to respect the enjoyment of the right to food in other countries, to protect that right, to facilitate access to food and to provide the necessary aid when required."<sup>34</sup>

- Developing corporate responsibility

The "UN Global Compact" goes in this direction by asking companies to "embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption"<sup>35</sup> Yet, the involvement of companies relies on their good will.

<sup>33</sup> Ziegler, Jan (2003), *op.cit.*

<sup>34</sup> Committee on Economic, Social and Cultural Rights (1999), *op.cit.*

<sup>35</sup> UN (2004), UN Global Compact. Corporate citizenship in the World Economy, Brochure, UN,

➤ ***Calling for more equality and transparency in WTO***

- Supporting the participation of smaller states in order to counter their lack of capacity.
- Strengthening the participation of parliaments, and civil society in order to guarantee more pro-poor orientated policies.

### **3.2 Common denominator: food sovereignty**

#### **3.2.1 A right**

The food sovereignty principle is born from the refusal of farmers, peasants and other food producers and civic organizations to see their domestic food markets subjects to the international market forces.<sup>36</sup> It claims the right for people, countries or state unions to define, regulate and protect their agricultural and food policies.<sup>37</sup>

This principle calls thus for a right of self-determination for developing countries on food policies in order for them to best protect their human development need.

This right could and should as well be considered as a duty for every state who must be hold responsible for the well being of its people.

#### **3.2.2 A political framework for action**

More importantly, *food sovereignty is meant as a political framework*. It calls for resistance and gathers claims for rights, demands and proposals for change. It is the space for mobilization of civil societies who aim at dismantling an inequitable and unsustainable system.

In fact, the Food Sovereignty principle has emerged from *social movements*. The international movement Via Campesina is at the origin of the principle, presented at the World Food Summit in 1996. Since then, the concept has been largely debated among the agricultural movements and the food security network. It led to the Forum for Food Sovereignty in 2002, parallel event of the second World Food Summit. Recently, in February 2007, another forum on Food Sovereignty took place in Selingue, Mali. Around 600 delegates from more than 80 countries gathered in order to discuss their common understanding of the food sovereignty, to strengthen the global movement and to formulate joint strategies.

At the centre of the framework is the right to food. Every human being has the right to sufficient, healthy and culturally appropriate food. Food is thus not simply a commodity for trade; it is a mean of livelihood. Around it are gravitating other rights and requirements helping to achieve it such as the access to resources, the women's rights, the protection of local markets, egalitarian social relations, etc.

### **3.3 A condition: enlarging the national policy space**

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Food sovereignty translates a larger problem of *lack of national space* for own national decisions. During the last decades, the space of societies for self governance has been significantly restricted by the trade liberalization process. The wave of structural adjustment policies and international agreements on removal of tariffs and non tariff barriers to allow free trade and capital flows has for some countries, reduced the scope of national policies impacts. States should have the possibility to set up policies to protect themselves against unfair measures, have authority vis-à-vis corporations, being able to sanction position abuse; and overall, to choose their development path.

➤ ***Implementing the principle of subsidiarity in decision-making***

There is thus a necessity of enlarging the national policy space firstly because people of a country are in the best position to evaluate their specific situations, domestic needs and collective preferences. The actions to be taken need to be built on local knowledge. Secondly, because they are at the best level to implement policies which answer these needs. Here again, the principle of *subsidiarity* is useful. "Whatever decision and activities can be undertaken locally should be. Subsidiarity respects the notion that sovereignty resides in people."<sup>38</sup>

➤ ***Mutual respect of the national policy space***

The principle of subsidiarity recognizes the inherent democratic right to self determination of people and nations as long as its exercise does not infringe on similar rights of others.

## **CONCLUSION**

With regards to the current and future challenges of *hunger, poverty and impacts of climate change*, we must embrace an approach based on sustainability and social justice which seems the most appropriate for a sound development.

The *agriculture has an important role* to play in development as 70% of the people living in the least developed countries are depending on agriculture for their livelihood. Small-scale farming, due to its potential to decrease the food insecurity and its positive economic, social and environmental externalities, appear to be the most adapted agricultural model for a just and sustainable approach to development.

Yet, agriculture is undermined in its potential for being a strong factor of development due to the past and ongoing trends governing development, agriculture and trade. The *structural adjustment policies* resulted in erosion of state sovereignty and orientation of the agricultural model of developing countries towards exportation. The *overproduction* due to the industrialization of agriculture combined with a lack of supply management in developed countries, the multilateral agreement on agriculture and the *liberalisation of trade of agriculture products* reinforced the dependence on imports of the developing countries and decreased their protection measures.

Agriculture also has, for the last years, been experiencing a growing concentration on the food market, caused by the *liberalization and privatization process*. These processes create a *strong market power* of the few TNCs who in consequence have the ability of shaping

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<sup>38</sup> The International Forum on Globalization (2002), *op.cit.*, p. 60

competition, influencing prices and setting up standards. In consequence small farmers become outsiders.

An alternative agriculture system should be multifunctional, fair and democratic in order to give a ground to a just and sustainable development. For making the agriculture truly *multifunctional*, a shift must occur in the common approach to agriculture, taking its positive externalities into account; this would require, for instance, another index than the GDP to measure the real weight of the agriculture in the development of a country. The principle of subsidiarity should be implemented regarding the food production; it will have the advantage of turning the orientation of agriculture towards local needs rather than exportation. Small-farming should be supported and unsustainable practices prevented by setting up standards of sustainability.

*Fairness* concerns multilateral trade agreements in agriculture. Regulating competition, preventing dumping through implementation of extra territorial responsibility of states, stabilizing prices by managing supplies and strengthening the protection of weaker players are the main tools for making the global trade being fairer at the local level.

The agricultural system could be made *democratic* if agriculture was designed for ensuring the right to food for all, if participation of all stakeholders was enhanced, if responsibility of states and corporations was well defined and if the WTO negotiations were more inclusive and transparent.

It appears that *food sovereignty* as political framework is a common denominator of the requirements of multifunctionality, fairness and democracy. It opens a floor for gathering claims and finding solutions among the civil society. Its first demand is the implementation and protection of right to food.

However, the implementation of an agriculture system which would support a sustainable and just development requires fulfilment of a condition - *a larger national policy space*. This national policy space could be made stronger by the compliance with the principle of subsidiarity in decision-making and by mutual respect of self-determination for development amongst countries and at the multilateral level.

Respecting countries national policy space calls for an effective application of the special and differentiated treatments and for appropriate criteria in the IMF and WB loans attribution. It needs a world trade regime which addresses issues such as price fluctuation and overproduction and provides rules not only for governments but also for trans-national companies.<sup>39</sup> This world trade regime should be closely attached to the environment preservation and the promotion of social justice.

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<sup>39</sup> Concord (2005), Trade, Agriculture and Development, Background paper

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