

Chapter 72

Agriculture, Trade Liberalization and Poverty in the ACP Countries

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ABSTRACT

This chapter looks specifically at the impact of the ACP agriculture trade agreements on issues of food production, food security and poverty and how they relate in some ways to each other. It is divided into four distinct but inter-related sections. First, poverty in the ACP regions is briefly described. Secondly, the importance of agriculture, particularly the role of small farming systems to economic growth, employment, food production, food security and poverty reduction in the ACP countries is examined. Thirdly, the impact of the acceleration of trade liberalization and agriculture protectionism on ACP countries is reviewed and analyzed. Here, the trade arrangements and networks in the three ACP regions are described and include international, regional and local agricultural trade and market agreements. Further, the paradoxes and dilemmas that emerge are interrogated and their outcomes discussed. Particular attention is paid to small producers and women. The fourth and final section of the chapter concludes that while the impact of agriculture trade liberalization remains a mixed bag of positive and negative possibilities, one thing that is clear is that while trade liberalization is promoted as a cure for food security and world poverty, the jury is still out on whether it has helped or hindered this endeavour. Trade policies and arrangements do substantially change the lives of people in developing countries, but in very complex ways. Recommendations are made to support the South-South initiatives of the ACP and others as well as enhance regional and domestic agriculture production and trade policies. The author, however, warns that agriculture and trade policies must be linked closer to food security and the healthy diets of local populations.

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Overcoming poverty is not a gesture of charity. It is an act of justice. – Nelson Mandela

INTRODUCTION

International trade and financial transactions are not new phenomena. From time immemorial, people across the globe have exchanged goods and services. Today, societies have become more specialized and no single country produces all that is needed to sustain itself. Thus, the exchange of goods and services is even more necessary than before. However, the formation of cooperative entities and marketing blocs have made trading more political and convoluted. No longer is the simple use of supply and demand economic principles applicable. Currently, the international movements of goods and services have more to do with decisions made by multinationals and groups of developed countries. According to Koroma and Ford (2006), the rapidly changing structure and patterns of trade are heavily influenced by private sector investment and standards. As a result, freedom to trade at all levels, from the farm gate to the stock market, is now much more complicated and is further removed from the power of producers and/or consumers, who are also finding it increasingly difficult to avoid slipping into the clutches of poverty.

The primary purpose of this chapter is to examine the links between agriculture production and trade, food security, small farmer production, and poverty reduction in developing countries. It specifically analyses the impact of agriculture trade policies and outcomes in select African, Caribbean and Pacific countries known as the ACP group. There are 79 African, Caribbean and Pacific states that form the ACP: 48 are in Sub-Saharan Africa, 16 in the Caribbean region, and 15 in the Pacific. The countries are demographically, geo-physically and economically diverse; 40 are considered less developed countries, 37 small island states (or both), and 15 landlocked developing countries (see table 1). The total ACP region population is approximately 727 million and represents 15% of the total population of all developing countries. Ninety-four percent live in Africa, close to 5% in the Caribbean and just over 1% in the Pacific islands. According to ACP Secretary General, Dr. Patrick Ignatius Gomes, in his address to the UN Summit on Sustainable Development at the 70th United Nations General Assembly (2015), “the domains of the ACP group include: rule of law and good governance; global justice and human security; intra-ACP trade, industrialization and regional integration; building sustainable, resilient and creative economies; as well as financing for development.” Further South-South and Triangular Cooperation informs the group’s approach to all these domains.

In reality marketing and trade arrangements can sometime result in uneven benefits and the extent to which they assist in poverty reduction remains contested. The chapter infers that agricultural trade policies are often bullied by international trade magnates and are not necessarily the answer to economic growth, food security and poverty reduction in most developing countries. Moreover, trade policies, although still important, do have negative impacts on developing countries including marketing preference erosion, decline of tariffs, and the demand for high level of competitiveness which requires a wide range of mitigating factors. Thus, many developing countries are often confronted with substantial disadvantages in implementing current trade policies that necessitate having substantial resources that they simply do not have (UNCTAD, 2013). Since most of these countries including those member states who belong to the ACP Group are agrarian-based, current agriculture trade policies have direct and indirect impacts on poverty, economic growth and the well-being of the people who live in these countries.

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