

September 2003

Agriculture, Trade and Sustainable Development:

The case of West Africa

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Agriculture and livelihoods in West Africa

Agriculture is a central sector of West African (WA) economies, contributing a third of GDP, and occupying the majority of the population. Family farming provides the overwhelming share of agricultural production and export earnings. Such farms pursue multiple objectives, and aim to balance social, economic and cultural goals, while trying to reduce risk, diversify activities and ensure some autonomy from market relations.

The last 30 years have brought major long-term changes to WA agriculture. In most countries without civil war and conflict, farm production has more than kept pace with demographic growth, despite a decline in rainfall mainly in Sahelian countries. Exports of certain crops have been spectacular, with increases in output due to a large growth in cultivated area, and rising demand and prices for crops. Structural Adjustment policies in the 1980s led to cuts in agricultural subsidies and liberalisation of markets. Rapid urban growth has generated booming markets for food and other crops, and helped families diversify their livelihoods. At the same time, there is rising scarcity and value of land, especially in peri-urban areas, where a growing number of urban dwellers are investing in land, for speculation and commercial production. At the same time, producer organisations have taken

KEY POINTS:

- **Agriculture is likely to remain a key sector for West African economies, contributing one third of GDP and livelihoods for 50-80% of the population.**
 - **Agriculture's central role as a means to increase incomes for West African farmers is seriously jeopardised by OECD farm subsidies, export support and trade barriers. These make less likely the achievement of the Millennium Development Goals, including the commitment to halve the number of people in absolute poverty by 2015.**
 - **Major changes are needed in agricultural policy within OECD nations. Details of the much trumpeted agreement between the EU and USA need spelling out, if trust is to be established in ongoing negotiations on market access, anti-dumping measures and S&D treatment for poorer nations.**
 - **If trade is to bring substantial benefits to less developed countries, there is need for a range of complementary investments in infrastructure, governance and capacity building.**
- on new roles, negotiating prices and access to inputs, as well as feeding into agricultural policy.
- Looking towards the future:
- The demand for food will go on increasing, given current rates of population growth;
 - Environmental risks combined with rising demographic pressure constitute a potential threat to sustainable land and soils management;
 - New niche markets may offer promising alternatives through fair trade and produce, though these can only be of limited scale;
 - WA farmers will need better and more stable prices if they are to continue to expand production, invest in inputs and improved soil conservation and provide for the health and welfare of their families.

Links to the Doha Round negotiations

WTO Members are currently holding agricultural negotiations aimed at improving market access; eventually phasing out all forms of export subsidies; and substantially reducing trade-distorting domestic support. In that process, developing countries are to be accorded special and differential treatment (S&D) to be able to address effectively their specific development needs. Also so-called 'non-trade

concerns' are to be taken into account in the negotiations.¹ Several encouraging new S&D approaches have recently been proposed by the EU and others, such as the notion of 'special products' on which only very modest tariff reduction commitments would apply, or the creation of a new agricultural safeguard mechanism for developing countries only. It remains to be seen whether developing countries will be able to keep open these windows of opportunity and how they will be formulated in detail.

Perhaps the key theme for WA countries is the issue of export subsidies and domestic support measures used by many OECD countries which often lead to chronic overproduction, as well as agricultural products, such as cotton or sugar, being dumped on world markets. WA producers hold natural competitiveness with respect to a wide array of agricultural products, but often find themselves displaced as they are unable to compete with subsidised produce both domestically and in third markets. Therefore it would be desirable from a WA perspective if support provided to agricultural products of strategic export interest to WA countries could be reduced significantly. Here the Sectoral Initiative in Favour of Cotton proposed by the four West and Central African least-developed countries (LDCs) Benin, Burkina Faso, Chad and Mali could serve as a template for levelling the playing field for WA countries with respect to other strategic products such as sugar, fruits and vegetables, dairy and meat. This should include the concept of financially compensating LDC producers to offset their loss of revenues as long as the damaging effect of dumping continues.²

On expanded market access for WA countries, establishing maximum tariff ceilings could yield results which would effectively tackle tariff peaks³ and tariff escalation⁴ which protect lucrative Northern markets. More favourable treatment needs to be accorded to LDCs through zero-quota and zero-duty market access as they would otherwise not be able to compete with well-established multi-commodity exporters. WA producers and exporters also require serious capacity building as well as technical and financial assistance to respond to proliferating food and feed standards, as well as the often overly burdensome certification schemes imposed in the North.

Actions needed outside the WTO context

Trade can provide a key means for raising incomes and securing livelihoods for producers around the world, but there are no guarantees that this will happen. Alongside the actions being taken in the context of the WTO, a set of other measures and initiatives are required to support the development of family farming in West Africa:

- Strengthening the voice of producer organisations at national and regional levels and their ability both to represent their members effectively and to articulate clearly the priorities they espouse. Mechanisms to achieve this include: developing their negotiation capacity, setting up policy dialogue platforms at national and regional levels to allow producer organisations to input their vision into the process of policy design and implementation, and making critical information on EU and WTO regulations on agriculture available and accessible to farmer organisations;
- Working in OECD countries (especially the EU and US) with like-minded organisations to demonstrate the consequences of current policy on the livelihoods of many millions of farmers in poor countries, and lobby OECD governments in favour of changes to farm and trade policy measures;
- Diversifying WA rural production systems by exploring new niche markets. The rapid growth in interest amongst western consumers regarding where their food comes from, and the need to strengthen biodiversity, as well as the objective of the Doha Round to eliminate trade barriers on 'environmental goods', as e.g. organic products, all point in this direction;
- Adopting inclusive and multi-stakeholder approaches in the formulation of pro-smallholder domestic agriculture policies. In this regard, new land legislation that secures the rights of small farmers should be developed;
- Achieving better articulation between sector policies and poverty reduction strategies, at national and global levels. Achievement of the MDGs demands a new focus on poverty and the driving role of agriculture in regions such as WA; and
- Improved infrastructure and transport to strengthen regional trade. The New Partnership for African Development (NEPAD) provides an opportunity to articulate a regional vision on the role of infrastructure in strengthening regional economic integration and in creating market opportunities for the agricultural products. ●

1 Doha Declaration, paragraph 13.

2 Poverty Reduction: Sectoral Initiative in Favour of Cotton, joint proposal of Benin, Burkina Faso, Chad And Mali (WTO document TN/AG/GEN/4), 16 May 2003.

3 Tariff peaks are exceptionally high tariffs, normally beyond 15 percent.

4 Tariff escalation refers to the practice of applying increasing import tariffs according to the degree of processing of the product.

