



Agriculture, trade, food sovereignty and agroecology

Proposals on alternatives to current EU trade policies
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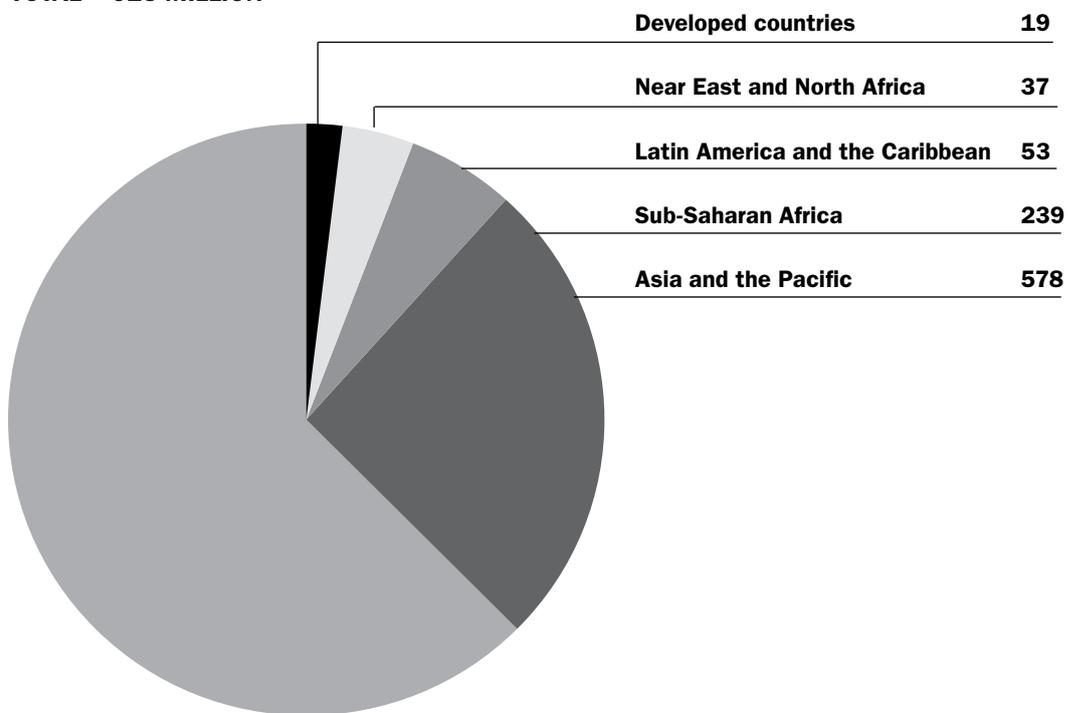
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Introduction

As the world population hits the 7 billion mark, hunger or the want or scarcity of food, also hits a record high. According to the United Nations Food and Agriculture Organisation (FAO), there are 925 million hungry people in the world (FAO, 2010). The majority, 578 million hungry people are in Asia and the Pacific. Figure 1 illustrates the distribution of undernourishment across the globe.

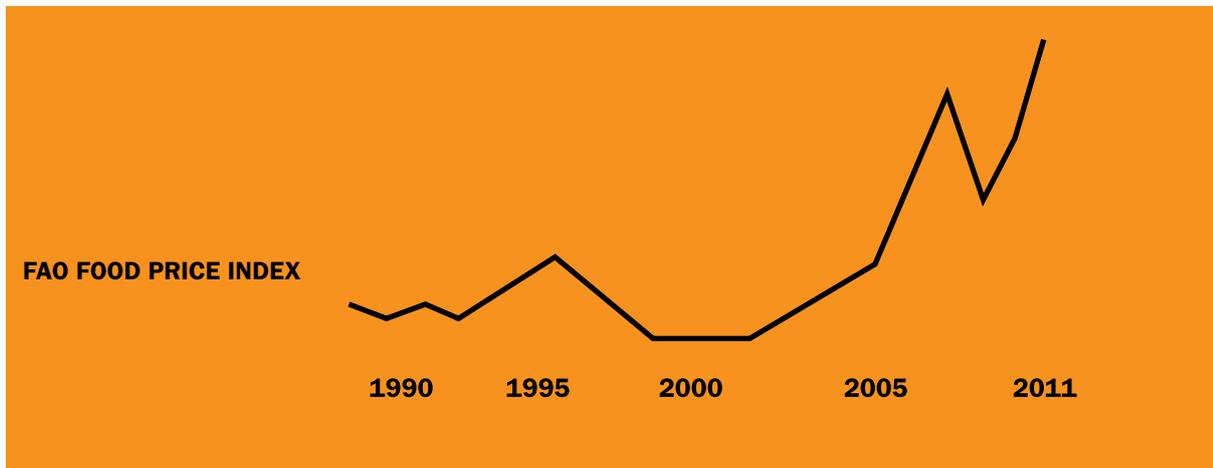
FIGURE 1: UNDERNOURISHMENT IN 2010, BY REGION (MILLIONS)

TOTAL = 925 MILLION



Source: FAO, 2010: 10

This increase in hunger can be correlated to the drastic increase in food prices, making it even more difficult for people, especially those living in poverty, to afford food for themselves and their families. The data released by the United Nations Conference on Trade and Development (UNCTAD) and the FAO indicate that world food prices increased by 84 percent from 2002 to 2008 (cited in Vander Stichele et al. 2010). The price of wheat increased by a dramatic 314 percent, soybeans by 87 percent (ibid.), rice by 74 percent and corn by 31 percent (FAO, 2008). This increase is reflected by the upward trend in the FAO Food Price Index illustrated in Figure 2.

FIGURE 2: TREND OF FAO FOOD PRICE INDEX 1990-2011

Source: FAO (2012)

While analysts will point out that hunger is caused by a number of other factors such as conflict, climate change and poverty, the food crisis of 2008 and at present, indicate that there is a strong correlation between excessive food speculation and the sharp increase in the number of the world's hungry. A letter to the G-20¹ Finance Ministers, signed by 450 economists from around the world stated that, "while there are many pressures on food prices, fundamental changes in supply and demand cannot fully account for the dramatic price fluctuations that have occurred in recent years". In addition, they further cited a report prepared for the G-20, in which the International Monetary Fund (IMF) stated that, "too much speculation can cause frequent and erratic price changes"².

In an insightful analysis of the cause of the recent rapid rise in food prices, Walden Bello (2011) cites what he calls the coming together of a number of developments to create *the perfect storm* including; World Bank and IMF imposed structural adjustment programs in developing countries, which severely cut government support for agriculture and reduced agricultural production; the diversion of vast amounts of corn land, especially in the US, to feedstock for biofuels rather than food production owing to huge subsidies; speculation in food commodities in financial markets; and growing

resistance of insects to pesticides and refusal of soils to respond to more applications of fertiliser.

In Asia, the negative impacts of a long history of neoliberal policies such as structural adjustment programmes, free trade liberalisation and free trade agreements have wrought havoc on Asian agriculture and destroyed the productive capacity of farming communities in the region. Now with the growing number of people living in hunger, it is even more urgent for alternatives to the current neoliberal system of free trade and its market oriented policies on agriculture. This paper will discuss (a) the role of structural adjustment programmes, free trade policies and trade liberalisation in destroying Asian agriculture, (b) proposals for an alternative Asia, imagining a region based on trade that will be oriented towards the good of the people and an agricultural system that is based on food sovereignty and agroecology, and, (c) recommendations for EU trade policy especially vis a vis the Asian countries, to move away from the neoliberal paradigm and instead listen to people's alternatives.

¹ The G-20 is composed of: Argentina, Australia, Brazil, Canada, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, Republic of Korea, Turkey, United Kingdom, United States of America and the European Union.

² 450 economists tell the G20: regulate speculation on food prices, October 11, 2011. <http://www.wdm.org.uk/stop-bankers-betting-food/hundreds-economists-tell-g20-regulate-speculation-food-prices>.

A. STORY OF STRUCTURAL ADJUSTMENT

In the early 1980s the World Bank and the IMF began imposing, as a condition to developing countries for getting new loans, a package of policies called *Structural Adjustment Programs* (SAPs). SAPs, implemented by almost 90 developing countries, were a set of conditionalities designed to turn the developing countries into more market-oriented economies. They had a 'one size fits all' design, with the basic elements involving deregulation of the economy, liberalisation of trade and investment, privatisation of state owned enterprises, cutbacks in government expenditures, high interest rates, and currency devaluation (Bello, 1999).

Decades later, there is ongoing debate among analysts on the devastating role the IMF and its SAPs played on the economies of developing countries, and in particular, the Asian countries in the lead up to and during the Asian financial crisis. Analysts blamed capital account liberalisation, an IMF directive, for the influx of speculative capital into the financial and real estate sectors across the region of Asia, which once it all exited in 1997 and 1998, triggered the collapse of the economies it so easily entered. Asian currencies plummeted, with the Thai baht losing 52 percent of its value, while the Indonesian rupiah lost 84 percent of its value against the US dollar (Muchhala, 2007). The IMF worsened the crisis by telling countries to further curb government spending, pushing their economies into recession. Many analysts point out this disastrous role in the Asian financial crisis as the major factor in the loss of legitimacy of the IMF in the region.

Despite this loss of credibility, the damage however had already been done. The neoliberal doctrine of orienting economies to export and following free market principles of trade liberalisation, deregulation and privatisation had stuck. For those countries who signed on to the World Trade Organisation (WTO), it not only stuck, it was legally binding. The establishment of the WTO in 1995 was the coming out party of neo-liberalism, with many of the Asian countries eagerly lowering their tariffs in order to enter the highly esteemed trading organisation.

World Trade according to the US and the EU

When the WTO was launched in 1995, the advocates of globalisation were singing high praises for it, exalting its multilateralist nature and how this would inherently give an equal voice to all of its 140 plus members. Promises of development, aid for trade and market access were made to developing countries. A multilateral free trade agreement was going to usher an era of growth for all, but most especially to the ones who needed it most,

the least developed and the developing countries. Four years later however, in the streets of Seattle, the real nature of the WTO would become clearer to not only the social movements, organisations and unions who were protesting outside the Ministerial venue, it also became abundantly clear to developing country delegates that developed countries had been looking after their own interests. Long-standing demands of developing countries for an assessment of the impacts of the Uruguay Round were ignored and instead proposals by developed countries for an expansion of negotiations into other areas were being pushed forward. It was then no surprise that the 1999 Seattle Ministerial ended in disarray as developing country ministers walked out of negotiations and protesters successfully blockaded the streets calling for an end to unfair trade agreements.

The WTO regrouped and in November 2001 held its next Ministerial in Qatar, at which protests were considerably restricted. Given the post-September 11th 2001 political climate, many states felt the need to stand together with the United States. This combination produced the Doha Development Agenda (DDA), which launched a new round of trade negotiations. In addition to agriculture, cotton, and industrial products liberalisation, four sets of controversial *new issues*, the so-called "Singapore issues" (investment, competition policy, government procurement, and trade facilitation) were tabled (Malig and Kwa, 2003). All these issues were to be tackled in the next Ministerial in Cancun, Mexico in 2003.

Also at stake in the Cancun Ministerial was the issue of agriculture. A month prior to the Ministerial, the United States and the European Union had come together to propose a tariff-cutting formula that would mean much larger tariff cuts for developing countries than for themselves while at the same time keeping their domestic subsidies, albeit with some cosmetic reductions. The EU was also clearly ensuring protection for their sensitive products (ibid.). This move by the US and the EU not only ignored the long-standing demands of West African countries such as Mali, Burkina Faso, Chad and Benin for the US to eliminate its subsidies in cotton, it also ignored the demands of the rest of the developing countries for a fair deal in agriculture.

Nothing had changed since Seattle, the US and the EU were still only looking out for their own interests and were not delivering on their promises of development for the developing countries. Instead, they were making great demands on developing countries to cut tariffs and giving nothing in return.

Not surprisingly, the Cancun Ministerial collapsed and the WTO, even though it reached a tentative deal in the succeeding Ministerial in Hong Kong, was never the same again. The deal on the table showed that things would never be fair in the WTO as developing countries would always end up with the raw end of the deal despite promises of development.

The succeeding meetings of the WTO reflected this realisation as negotiations reached an impasse by mid-2006 and would be suspended for the rest of the year. Until today, negotiations have remained stalled and despite calls by the G-20 leaders for a conclusion to the Doha Round, positions have not changed. Developed countries are still asking for the world from developing countries and in return offering only empty promises.

In the meantime, bilateral and regional free trade agreements have proliferated, and as movements would soon realise, these were all WTO-plus agreements that pushed even worse deals for developing countries. Although EU trade agreements have a more benign name, being called *Economic Partnership Agreements* (EPAs), upon closer inspection, they are just as bad as the Free Trade Agreements (FTAs) from the US.

The damage has been done

A long history of SAPs, FTAs, and transformation of economies to export-oriented has taken its toll on the countries of the developing world, especially Asia.

Asia, originally known for its countries with agricultural economies, has seen the conversion of several of its exporters into net importers of staple foods such as rice. This neoliberal model flooded developing countries with artificially low priced crops from subsidised countries in the North, dismantled the productive capacity of farming families and peasant farmers, took away their ability to feed themselves, their communities and their countries, and instead made them dependent on imports. And now that prices, left to the whims of the markets and financial speculators, have gone through the roof, this has left the import dependent countries with a food deficit. In other areas of the world, this has sparked food riots and exacerbated hunger and poverty.

Worse still, Asia is now home to the majority of the world's hungry. Hundreds of farmers commit suicide every year as they can no longer afford to feed their families, and with the prices of basic food commodities skyrocketing, this number is expected to rise. Between 1996 and 2007 the number of farmers driven to suicide in India was a staggering 200,000 (KAU et al. 2011). The most famous of these farmer suicides is probably that of Mr. Lee Kyung Hae (see Box 1) who took his life

at the gates of the Cancun Ministerial conference, while holding a placard that said "WTO kills farmers". There are many more stories of suicides in India, Indonesia and Korea.

BOX 1: FARMERS SUICIDE, INDONESIA JANUARY 2011

Husband and wife Maksum (35) and Rohani (33) who worked as labourers on a sugar plantation in Cirebon chose to hang themselves as they could no longer bear the economic pressure that hit their family. The parents of three children only earned 25,000 Indonesian Rp a day (less than 3 USD per day) and were therefore unable to meet the daily needs of their family.

Source: Ya'kub, 2011

With the worsening climate crisis wreaking havoc on agricultural lands, the situation has become almost untenable. 2011 alone has seen the ravaging of the rice bowls of Southeast Asia. "Some 1.5 million hectares of rice land have been inundated in Cambodia, Laos, Vietnam and Thailand, with one million hectares in Thailand, the world's No. 1 rice exporter, alone. An estimated 1.3 metric tons of rice in Thailand have been lost, while in the Philippines, more than 103,000 metric tons of the standing rice crop were wiped out by the recent typhoons" (Bello, 2011). This has pushed farmers into an even worse position, devastating their crops, making them unable to pay the debts they incurred in planting their crops, and making them unable to feed their families as the loss of crops would inadvertently lead to a further rise in the price of these commodities.

Couple this with the conversion of food crops to agrofuels, feeding cars instead of people, as well as to animal feed for the industrial production of meat, to meet the ever growing demands of the rich, and the refusal of the G-20 leaders to put an end to speculation on food commodities driving food prices through the roof, and governments (because of their adherence to free trade agreements, neoliberal policies and corporate interests) refusing to give support to their farmers, it is almost no wonder that poor farmers have been driven to suicide.

And now with the financial crisis hitting the centres of capitalism, the US and EU, the world stands at the brink of a global recession. The globalised world of export orientated economies and market determined prices has also meant that the problems of the US and EU will now also negatively impact Asia and the rest of the world. As the famous adage goes, "when the US sneezes, the world catches a cold". Asia though, with

its long history of misguided policies from the IMF, the WTO, FTAs and the US and the EU, can no longer afford to catch a cold.

The multiple crises of food, finance, energy, and climate have exposed the cracks in the neoliberal system, and the status quo of business as usual will no longer be accepted. Neoliberal institutions have been hard at work to reinvent themselves and not lose their hold on the region. This is evident in the push for more FTAs and EPAs and reviving the delegitimised institutions of the IMF, World Bank and the WTO through the new political body of the G-20, which includes a number of key Asian countries.

The time is ripe for system change. The house is on fire and it is no longer enough to just put out the fire, the time is now for rebuilding that house based on the peoples' alternatives. The crisis is presenting the people with an opportunity to advance solutions and alternatives to the old system.

B. BUILDING ANOTHER WORLD, ANOTHER ASIA

For many years now, the slogan of the World Social Forum "Another World is Possible" has captured and continues to capture the imagination of people all over the world. The imagining of "Another World" evokes hope that someday the world will be fair, just and free.

The world though, reaching its environmental limits and witnessing record numbers of hunger, famine and poverty, can no longer wait for that someday. That someday is today. The time is now for changing the system, and changing the world.

In Asia, where the majority of world hunger occurs, the urgency is even more palpable. People are dying and the proposals of even more free trade and business as usual can no longer be accepted.

Here in Asia, several social movements including La Via Campesina-Asia, have been discussing what an Alternative Asia would look like and the different principles it would be based on. The discussions are still at a nascent stage but the shared goal would be to reclaim the people's sovereignty and to build a common vision that encompasses our shared hopes, dreams and goals for our communities, countries and region.

There is also a clear realisation drawing from the experience of the 'one-size-fit-all' policies from structural adjustment and the neoliberal system, that alternatives will be as diverse as the communities they will apply to. There will be no one alternative for the whole region. Instead, alternatives will be respectful of the different cultures, environment, local, national and social realities. Communities and countries should have the freedom and the sovereignty to choose their own unique path of development that respects its people and nature.

Given the long experience and damage wrought by the neoliberal project, movements have a clear idea of what it is they don't want. At the same time, there are numerous ideas for alternatives to the current system. Discussions have been rich and interesting and the hope is for a common proposed vision to be put forward soon at various forums and levels from local to national to regional. Box 2 discusses some of the alternative proposals.

BOX 2: ALTERNATIVE VISION

Some proposals that are being discussed now include the following principles listed below. Although they are still in their early form, the main concepts and elements can be seen. These will be more thoroughly fleshed out in the coming years as the debates progress and proposals and ideas are sharpened.

One of the first principles being discussed is for Asia to have **economic democracy**. This is a kind of economy that is decided on by the people and not the corporations, and one that will move away from an overdependence on the export-oriented model but will instead move towards a deglobalised and localised system with food sovereignty and full and quality employment at its heart. The state will be an active engine of the economy for people's interests and there will be joint decision-making by the state and the people. There will be strong regulation of capital and banks by both the state and society and corporate power will be dismantled. In this Asia, there will be a democratisation of control over financial institutions with people actively and equally participating in decision-making in the shaping of economic and financial policies, agreements and programs. There will be various forms of social ownership, encouraging cooperatives and community collectives. Also, at the heart of this economic democracy is the principle of food sovereignty. This and the proposed alternative of agroecology will be further discussed in detail later in the chapter.

Secondly, trade that is based on **solidarity** and **complementarity** will be used to grow the economy, achieve true and meaningful sustainable development and reduce poverty. Trade will not be based on the whims of the free market and not at the expense of people and their livelihoods. In this Asia, there is no place for the free trade of the neoliberal system, which has ravaged this region for several decades and has left millions of people in poverty and hunger.

Trade will be oriented towards the good of the people, locally as well as regionally and globally. Trade, at all levels – local, national, regional and global - will be a tool to achieve sustainable development and reduce poverty and it will be based on cooperation, solidarity, complementarity and responsibility. Natural resources will be used sustainably, respecting the rights of nature and keeping in mind the future of the planet and humanity.

Thirdly, financial markets and their system of **casino capitalism** will have no place in this Alternative Asia. Stricter rules on financial activity must be put in place, and regulation will be done both by the state and the people. There will be an end to tax havens and an implementation of a financial transaction tax. The disaster that speculation brought about in Asia in the late 1990s and in the food sector starting in 2008, should not be allowed to happen again to any region or any sector. There should be an end to food speculation and an end to the recklessness of the financial sector and the banks. Prices of commodities especially basic commodities, shall be determined outside the market and most definitely not by financial speculators. An alternative financial system will be one that will have strong regulation and a democratisation of control over financial institutions and banks. Banks and financial institutions will not be allowed to amass so much wealth as to be “too big to fail” as is the case now.

Fourthly, people will have the right and access to public services, whether it be water, healthcare, transportation, housing or energy.

Fifth, **the rights of the people** will be respected, upheld, promoted and protected. Fundamental labour rights will be protected of workers at home and migrant workers. People will have rights, regardless of their ethnicity, class and gender. Indigenous peoples' culture, identity, traditions and heritage will be respected.

Sixth, **the rights of nature** will be respected and integrated into the model of sustainable development and the formation of alternative economic and financial policies. We are in the midst of a worsening climate crisis and the impacts can already be felt by the people of Asia. In the Philippines, entire villages were swept away, while in Thailand, homes and livelihoods were destroyed by floods, and in various countries in Asia, crops were lost to drought, flood or extreme weather changes. Climate change is real and action must be taken now to ensure it does not descend into climate chaos by promoting real solutions such as agroecology, the use of clean technology and living sustainably. Development must be done sustainably and in harmony with nature, ensuring the future of both the planet and future generations.

The principle of climate justice shall also be put forward, ensuring that the polluter must pay and

that false solutions that seek to make more profit out of pollution and the further destruction of the planet, must be all rejected and stopped. The rich industrialised nations must take responsibility and action and make real and deep emission cuts at source and need to pay their climate debt to the developing countries. These funds must be new, public and as is stated in the Cochabamba People's Agreement, should be at least 6 percent of their Gross Domestic Product (GDP).

These proposed principles of a new form of economy, society and governance cannot be achieved and are not compatible with the current neoliberal system nor with the current FTAs, EPAs and other free trade policies.

There must be a stop to all these free trade agreements and a thorough review made of each and every one of them and be put to the scrutiny of the people. Many, if not all, of these free trade agreements were signed on behalf of the people without genuine consultation with the people they impact. In many cases, free trade agreements were adopted despite the loud and visible protests from social movements, trade unions and civil society. Trade needs to be at the service of the

people, and not the other way around. And with the system of free trade, this will never happen as the system of neoliberal free trade puts the interests of corporations first and is implemented at the expense of the people.

Development in this Alternative Asia will not be development for corporations and the elites and will not be measured by the increase of corporations' profits. Development will be a real and meaningful and sustainable kind of development. One which has at its heart both the people and the environment. This kind of development does not leave anyone behind and ensures the fair and equitable distribution of resources and wealth by empowering people to determine their country's economy, by democratising control over financial institutions, by taxing the wealthy and ensuring the delivery of public services to all. Not the current development that we see where the 1 percent get richer and control the majority of the world's resources while the 99 percent are left without jobs, food or houses. The Occupy Wall Street demonstrations in the US, which have spread around the world, are an indicator that the people will no longer accept the status quo of massive inequality.

The time for Food Sovereignty is now

At the heart of this Alternative Asia is food sovereignty. Since 1996, La Via Campesina has been developing and promoting food sovereignty as an alternative to the dominant agricultural and food system under the capitalist and neoliberal world. The system of transnational capital and agribusiness, free trade agreements and policies, industrialised monoculture soaked in pesticides, and genetically modified organisms (GMOs), displaces peasants and small family farmers, degrades the environment and supplies our countries with expensive, imported and unhealthy food.

Food sovereignty which places at its centre sustainable peasant's agriculture will not only feed the people with healthy, locally produced food, but as studies have also shown, this kind of agriculture has the ability to cool down the planet. See Box 3 for a more detailed definition.

"Agricultural policies have to support sustainable family farm based agriculture in the North and the South. In order to be able to make their food sovereignty work, countries in the North and in the South have to be able to support their agriculture to guarantee the

right to food of their populations, to preserve their environment, to develop sustainable agriculture and to protect themselves against dumping. They should also be able to support their agriculture to fulfill other public interests that can differ according to countries and their cultural traditions. But at present the United States and the European Union in particular abuse public support to reduce their internal market prices and to dump their surpluses on the international markets, destroying family farm based agriculture in the North and the South" (La Via Campesina, 2003).

Food sovereignty includes the right of the state to determine its own agricultural policy and the right of farmers, peasants to produce food and the right of consumers to be able to decide what they consume, and how and by whom it is produced.

More importantly, food sovereignty puts the aspirations and needs of those who produce, distribute and consume food at the heart of the food systems and policies rather than the demands of markets and corporations. It defends the interests of the next generation. "It offers a strategy to resist and dismantle the current corporate trade and food regime, by promoting food, farming,

BOX 3: DEFINITION OF FOOD SOVEREIGNTY

Food Sovereignty as defined by La Via Campesina, is the Peoples', Countries' or State Unions' RIGHT to define their agricultural and food policy, without any dumping vis-à-vis third countries.

As such, food sovereignty includes:

- Prioritising local agricultural production in order to feed the people, and access of peasants and landless people to land, water, seeds, and credit. Hence the need for land reforms, for fighting against GMOs, for free access to seeds, and for safeguarding water as a public good to be sustainably distributed.
- The right of farmers, peasants to produce food and the right of consumers to be able to decide what they consume, and how and by whom it is produced.
- The right of countries to protect themselves from too low priced agricultural and food imports.
- Agricultural prices linked to production costs: they can be achieved if the countries or Unions of States are entitled to impose taxes on excessively cheap imports, if they commit themselves in favour of a sustainable farm production, and if they control production on the inner market so as to avoid structural surpluses.
- Populations taking part in the agricultural policy choices.
- The recognition of women farmers' rights, who play a major role in agricultural production and in food.

Source: La Via Campesina, 2003

Food sovereignty includes fair trade. Food sovereignty is not contrary to trade but to the priority given to exports: it guarantees food security for the people, while trading with other regions specific products, which make up diversity on our planet.

pastoral and fisheries systems determined by local producers and users. Food sovereignty prioritises local and national economies and markets and empowers peasant and family farmer-driven agriculture, artisanal fishing, pastoralist-led grazing, and food production, distribution and consumption based on environmental, social and economic sustainability. Food sovereignty promotes transparent trade that guarantees just incomes to all peoples as well as the rights of consumers to control their food and nutrition. It ensures that the rights to use and manage lands, territories, waters, seeds, livestock and biodiversity are in the hands of those who produce food. Food sovereignty implies new social relations free of oppression and inequality between men and women, peoples, racial groups, social and economic classes and generations (Nyéléni, 2007). See Box 4 for an example of food sovereignty in practice.

La Via Campesina also calls for the promotion and the building of public policies to promote agroecology. Agroecology, or the use of ecological principles in the production of food, is a sustainable form of agriculture and numerous studies have shown it to be more effective in not only feeding people but also ensuring their nutrition. It has also been shown to be effective in cooling down the planet.

Agroecology requires technological development that is based on both traditional and indigenous knowledge. The science of agroecology favours the protection of the natural environment, biodiversity, economic viability and social sustainability. It is based on the principle of obtaining good quality food products without negatively affecting the environment, and enhancing the conservation of soil fertility on the basis of a correct use of natural resources and the smallest possible quantity of industrial chemicals.

“For agroecology practitioners, including NGOs and some farmer organisations and farmers, agroecology refers to farming methods that are based on the application of principles (rather than recipes) which are drawn from biology. These principles are (Altieri 1995, 2002):

- Increasing the recycling of biomass and achieving a balance in nutrient flows.
- Assuring favourable soil conditions, keeping the soil covered with mulch or cover crops, guaranteeing a high level of soil organic matter and an active soil biology.
- Minimising nutrient losses from the system, through relatively closed rather than open system design.

BOX 4: FOOD SOVEREIGNTY AT WORK

In Indonesia, the Indonesian Peasant Union (SPI) has begun to implement alternatives locally:

Building an Organic Vegetables Cooperative

Amidst this current situation, the Indonesian Peasant Union (SPI) whose members include peasants, farm workers, small farmers, small land lender farmers, and indigenous farmers, sees the importance of financing small food producers to ensure the continuation of the production for achieving the socio-economic goal of SPI through the Cooperative Institution. The goal is to achieve the realisation of reform, renewal, recovery, and restructuring of national and international economic development, in order to create a self-sufficient economy of peasants, people and the country, just and prosperous, the outer and inner, material and spiritual; both in policy and in the reality of everyday life. A self-sufficient economic life, fair and prosperous society can only be achieved if there is a fair arrangement of the agrarian system. A just and civilised agrarian order can only happen if genuine agrarian reform is implemented by peasants, the people, nations and the states.

For SPI, as a peasant mass organisation, the cooperative is one of the economic structures that is stated in the Indonesian constitution that can achieve the welfare of the people. A cooperative is a form of business unit which is best suited to democratic economic principles. The main characteristic that distinguishes a cooperative with other business entities is that in a cooperative, members have dual identity. Dual identity means that members of the cooperative are the owner and user as well. In a cooperative there is no employee or employer, all people work together for their common goal (Hatta, 1954). Generally, a cooperative is controlled jointly by all members, wherein every member has equal rights in any decision. Its profit sharing is usually calculated based on a member's contribution, for example by distributing dividends based on purchases or sales made by the members.

On 17 April 2010, the Indonesian Peasant Union (SPI) set up The Bogor Production Cooperatives (KSPI Bogor). This production cooperative was established based on the members' common vision to have an economic structure that could serve both as the provider of agriculture capital and to ensure price and buying stability for the horticulture products in Bogor.

This vision was reached through a series of need assessments conducted in 4 villages and within the organisation structure, in 4 SPI bases in Cibeureum, Ciaruteun, Cikareo and Tambilang. These 4 villages were later to serve as cooperative units of KSPI Bogor.

From the needs assessments process, farmers realised that they needed easy capital with low interest, accessible agriculture inputs i.e. seeds, fertilizers, and also the certainty of price for their products. That is why the farmers in these 4 villages then agreed to have a production cooperative rather than a saving and borrowing cooperative.

The cooperative of organic vegetables started with a principal contribution of each member, Rp. 50.000 (around US\$ 5) per person. There was also a voluntary contribution, paid by the member every month. Besides the principal contribution from members, the cooperative also received a loan of Rp 20.000.000 (around US\$ 2,000) from the SPI national board, which was used to provide initial supplies. The repayment for this loan is 2 years after the cooperative's running with no interest rate.

The cooperative has 4 organic terminals. It collaborates with the consumers' cooperative in residential areas. The consumers' cooperative provides the space, a small shop, and KSPI provides the vegetables. This direct selling system benefited both the farmers and the consumers, because the farmers could sell their products for a good price and the consumers could easily have fresh organic vegetables in a shop near their houses.

This collaboration with the consumers' cooperative is also an effort to build awareness among consumers on how food, in this case vegetables, are produced, which kinds of vegetables are better to consume and also the understanding of farmers' production cost.

Consumers often do not realise or do not know of how much production costs are needed by the farmer, especially when the farmer still has to rent the land. This makes the consumers often prefer to buy cheap imported vegetables from China, United States and Australia. For vegetable farmers the market situation today is very difficult as many cheap imported vegetables reach even the village and district markets. It forces local farmers to sell the products at a low price, sometimes even lower

than the production cost or else nobody wants to buy the products. So collaboration with the consumers' cooperative helps KSPI cope with the price instability problem.

In addition, special attention given by the cooperative to organic produce, is another strategy used by SPI to increase the shift from the conventional to an organic agricultural system. The organic farmers will spend less for inputs and yet will have higher price for their products. By doing the production organically, farmers receive higher incentive.

There are three lessons from KSPI Bogor, which could be used as a model for others are:

- a. Type of Cooperative: a production cooperative allows for members to more easily get agriculture inputs.
- b. The Cooperative provides all agricultural inputs, hence it is involved in the whole series of activities from production until distribution.
- c. The Cooperative is also part of the campaign for organic farming through implementation at member level as well as through an active communication with consumers. This will lead to a road that achieves both sustainable production and sustainable consumption.

Source: Kartini Samon, Indonesia Peasant Union (SPI)

- Promoting the functional biodiversity of the system, including within- and between-species diversity, above- and below-ground and landscape level biodiversity.
- Promoting increased biological interactions and synergisms among system components that can sponsor system services like regenerating soil fertility and providing pest management without resorting to external inputs.

The emphasis at all times is on the adaptation and application of these principles in accordance with local realities" (Rosset et al. 2011: 163).

The use of agroecology is backed by the UN Special Rapporteur, Olivier de Schutter, in his recent report, *Agroecology and the Right to Food* (2010), presented to the UN Human Rights Council. In his presentation of the report he said; "to feed 9 billion people in 2050, we urgently need to adopt the most efficient farming techniques available. Today's scientific evidence demonstrates that agroecological methods outperform the use of chemical fertilisers in boosting food production where the hungry live – especially in unfavorable environments" (2011).

De Schutter continues, "A large segment of the scientific community now acknowledges the positive impacts of agroecology on food production, poverty alleviation and climate change mitigation – and this is what is needed in a world of limited resources". Furthermore, he "urges States to support small-scale farmer's organisations, which demonstrated a great ability to disseminate the best agroecological practices among their members" (ibid.).

There is, therefore, growing support for the promotion of agroecology, and governments need to listen to this if they are to address global hunger, increasing poverty and worsening climate change. Agroecology is a clear solution from the people that is already being implemented in many places around the world and has already been proven by science as not only a viable alternative but a needed solution to fight hunger, poverty and climate change.

These examples of alternative systems of agriculture which have at its core the principles of food sovereignty show that it is indeed possible to have alternatives to the current dominant system of transnational and big agribusiness (see Box 5).

La Via Campesina members around the world have and continue to pressure their governments to listen and take on the proposal of food sovereignty and to implement it as public policy. With the growing number of people suffering from hunger, it is ever more urgent to join other social movements and all those who support the call for food sovereignty, to increase the pressure on governments and decision makers.

BOX 5: AGROECOLOGY AT WORK

The practice of organic farming has penetrated into the city. One example is the land managed by husband and wife in Johor region, Medan, North Sumatra. In an area of 3,000 square feet they managed to provide fresh and healthy vegetables for 500 families in the region.

Darno, the husband, started farming three years ago with the aim to meet the household's needs for vegetables. "At that time I had no land and had no intention of farming. Thank God there is a plot of land near our house which is abandoned. After asking permission from the owner, he allowed me to manage their own property without any charge" said Darno in his small shelter.

Together with his wife, Darno started cultivating the abandoned land. Finally, they managed to "juggle" the abandoned land into productive agricultural land with a variety of vegetables such as spinach, cucumbers, green beans, tomatoes, peppers, pariah, and papaya.

"Initially we only intended to provide for the vegetables at home, but now it can add income to buy various household needs, and now we are also assisted by two of our children," said Mary, his wife. Darno explained that he manages the land using organic farming methods that he learned from Indonesia Peasant Union (SPI).

"After some exchange of views with the cadres of SPI on sustainable agriculture, it really helped us to apply methods of sustainable agriculture in the day-to-day farming" said Darno.

Regarding the marketing of agricultural products, Darno stated that he did not use specific techniques. Usually the buyers come directly to the plot. In addition to people around here, we also already have a subscription from out of town. If they want to come here they usually tell me in advance via phone, he explained.

Source: Indonesian Peasant Union (SPI)

C. TIME FOR THE EU TO STOP, LOOK AND LISTEN

The EU, as part of the G-20, the self proclaimed premier forum for international cooperation, has backed the Global Partnership for Agriculture and Food Security (GAFSP) and gave the World Bank a lead role in operationalising the programme. This programme however, upon closer inspection, is one whose intended goal is to push small farmers to depend on genetically modified seed technology, and a way to legitimise a massive take-over of land by agribusiness in the name of increased land investment and higher agricultural productivity. The GAFSP is supposed to promote agricultural productivity but analysts agree that the kind of productivity this describes is one of intensification of agribusiness and the legitimisation of land grabbing. It will legitimise the displacement of small farmers by big agribusiness in the spirit of increasing productivity and efficiency. The EU and the rest of the G-20 for that matter, must realise that their proposed solutions of even more neoliberal free trade is not rescuing, but rather endangering the people and the planet. These 20 countries also have neither the legitimacy nor the mandate to make decisions on behalf of the rest of the 172 countries not invited to their exclusive summits.

Also, despite the crisis and indications that the free trade model is inherently flawed, the EU is pushing

for a new and comprehensive economic partnership agreement (CEPA) with Indonesia, which if successful, will supposedly lead to several other comprehensive partnership agreements with other member countries of the ASEAN (Association of Southeast Asian Nations).

The people of Indonesia, and of the rest of Asia have suffered enough from failed neoliberal policies beginning from structural adjustment in the 1980s. Given the long and painful history of Asia, this proposed CEPA with its proposed ambition in areas of services and investments does not bode well for the people of Indonesia.

The EU, if it were really sincere in its desire to formulate and implement policies in trade and investment that would lead to economically, socially and environmentally sustainable outcomes for all, would do itself some real good by stopping, looking and listening. The current path of adhering to the neoliberal system of free trade is a road to further crisis, hunger and poverty. The EU would do well to listen to the people and their proposed alternatives of trade that is based on solidarity and not competition and an agricultural system that is determined by the people, not the market and transnational corporations, which is the case under the current proposed EU free trade agreements and this CEPA.

RECOMMENDATIONS

For a full implementation of food sovereignty and agroecology, the current dominant system of transnational and big agribusiness, as well as free trade agreements, must be replaced. The following recommendations will help create a new system that has at its core the principles of food sovereignty and agroecology:

- The EU should put an end to its destructive policies on agriculture and listen to the growing clamour from social movements for support for agroecology and food sovereignty.
- The EU should put a stop to its proposed CEPA with Indonesia, and the rest of its destructive free trade agreements that threaten to destroy even further the capacities and livelihoods of small farmers in Asia.

The trade we envision for the region, based on solidarity and complementarity, will have food sovereignty as a core principle. As detailed earlier, food sovereignty is not contrary to trade but to the priority given to exports: it guarantees food security for the people, while trading with other regions' specific products, which make up diversity on our planet. Under the responsibility of United Nations (UN) this trade must be granted a new framework, which:

- Prioritises local and regional production before export,
- Allows the countries/Unions to protect themselves from too low priced imports,
- Permits public aids to farmers, provided these are not intended directly or indirectly to export at low prices,
- Guarantees stable agricultural prices at an international level through international agreements of supply management (La Via Campesina, 2003).

Furthermore, what developing countries need is the policy space to determine their own development paths and not be dictated to by the free trade agreements and neoliberal policies pushed by the EU. The world does not need the conclusion of the Doha Round or the further expansion of the WTO, and the EU should desist from its efforts to revive it.

What is needed is a new kind of trade, economy and financial system that is based on complementarity, solidarity and cooperation. One that puts and respects the rights of people and of nature first and develops sustainably.

With the current multiple crises and the increasing number of people suffering, there is no time to waste. If there is one thing that the multiple crises have proven, it is that, another world is not only possible, it is necessary.

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