

Farming dynamics

Family farming organizations and their quest to influence policy - the Andean countries

In Ecuador, family farming is in resistance mode

In Peru, family and mountain agriculture left behind

In Bolivia, an arsenal of laws has produced little tangible effect on farming

Sub-regional analysis

Conclusion



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As part of its programme in Latin America, SOS Faim significantly expanded its support to rural representative umbrella organizations that support family farming. This decision coincided with the rise in several Latin American countries of political leaders who in principle had a more favourable view of agriculture development policies based on the family unit.

It therefore seems useful to analyse the context in which these organizations operate in the three Andean countries of Ecuador, Bolivia and Peru, and in conclusion identify the opportunities the future holds.

In Ecuador, family farming is in resistance mode

Ecuador is a middle-income country, largely due to its oil revenues and agro-exports, but also to remittances from the diaspora abroad. The country has experienced sustained growth (7% in 2011) accompanied by a decrease in poverty. However, 33.5% of the population remain below the poverty line. 70% of those below this line live in rural areas (where only 35% of Ecuadorians overall reside), with average malnutrition rates of 30%. Poverty particularly affects women and indigenous people.

A dual agricultural model exists with export agriculture and family farming coexisting.

Export agriculture includes, flowers, bananas, cocoa, palm oil. It dominates economically and has a negative environmental impact (deforestation of 150,000 to 300,000 hectares per year, water pollution, soil salinisation, and other impacts.)

Family agriculture employs the largest number of farmers and is based on small plots, typically for subsistence farming, and also supplying mainly local markets. However, there are also, dynamic producer organizations, which exist in some fair trade sectors (bananas, cocoa, coffee) and these helped export US\$53 million worth of produce in 2010.

The coexistence of these two models is accompanied by a strong inequality in the distribution of inputs: 70% of producers have only 10% of the land. 60% of irrigation water is used by 1% of producers.

A promising citizens' revolution

After a long period of political instability, President Correa came to power in 2007 with proposals for major changes: social investment, nationalist economic policy, opposition to the United States and neoliberalism combined with a commitment to Latin American integration. In addition, a moratorium was established on foreign debt that was considered illegitimate.

Following a participatory process, a new constitution was adopted in 2008, which prioritises the country's food sovereignty and the redistribution of land and water.

However, the enthusiasm generated by these big social changes was tempered by various mechanisms. To identify the parties that share the Correa government's

objectives, it is interesting to consider the sectors that have benefited economically from the policies that were implemented: agro industries, retail, construction, banks. In reality, these sectors have seen an opportunity, in President Correa's "modern" approach, to develop the country based on the production of wealth. Further support comes from progressive intellectuals who provided the manpower to implement this policy.

Finally, remember that the indigenous movement did not support Correa during the 2006 elections and his own candidate failed to get elected, garnering only 2% of votes.

And now, what are the results?

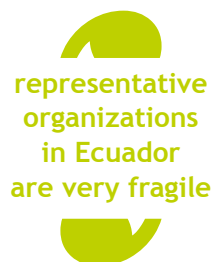
5 points emerge:

- ☛ **The return of the state** with the power and capacity to make policy and plan;
- ☛ **Investment** in infrastructure construction and social programmes: the solidarity budget has increased by 230% in six years;
- ☛ **The launch of some decentralization** in areas such as agricultural development and protection of the environment;
- ☛ **A more confrontational president**, especially with the press;
- ☛ **An economic policy** based on the extraction and export of raw materials (oil, agro exports) with modernist connotations (GMOs, agrofuels) and a disregard of family farming, which is thought to reproduce poverty.

Family farming's stakeholders: between resistance and assimilation

These stakeholders can be grouped into three main categories:

- ☛ Farmers themselves, organized at the base, with historical umbrella organizations that are currently very divided, whether ethnic-based organizations such as the Confederation of Indigenous Nations of Ecuador (CONAIE), or more general rural producer organizations such as FENOCIN
- ☛ NGOs implementing development projects, but with a difference between those that provide support services and those that are more politically engaged.
- ☛ Two bodies involved in family farming: the plurinational and intercultural confederation of food sovereignty (COPISA) and the National Assembly and in particular its «food sovereignty» commission.



The chart below crosses the level of interest in promoting family farming with the actual level of power exercised. It appears that organizations from civil society expressing a high level of interest in family farming have very little power to influence and should seek alliances with local governments.

Issues that are not being sufficiently addressed by family farming organizations

The water issue is hardly being addressed by any of the actors, except perhaps the indigenous confederation (CONAIE).

The land issue has been the subject of a proposal by the "RED AGRARIA" (which includes a large proportion of rural stakeholders), but the brakes were applied by the ruling party at the National Assembly, which has weakened the "RED AGRARIA".

Neither do traditional farmer nor indigenous organizations address the issue of marketing, left rather to other networks, such as is the case of fair trade.

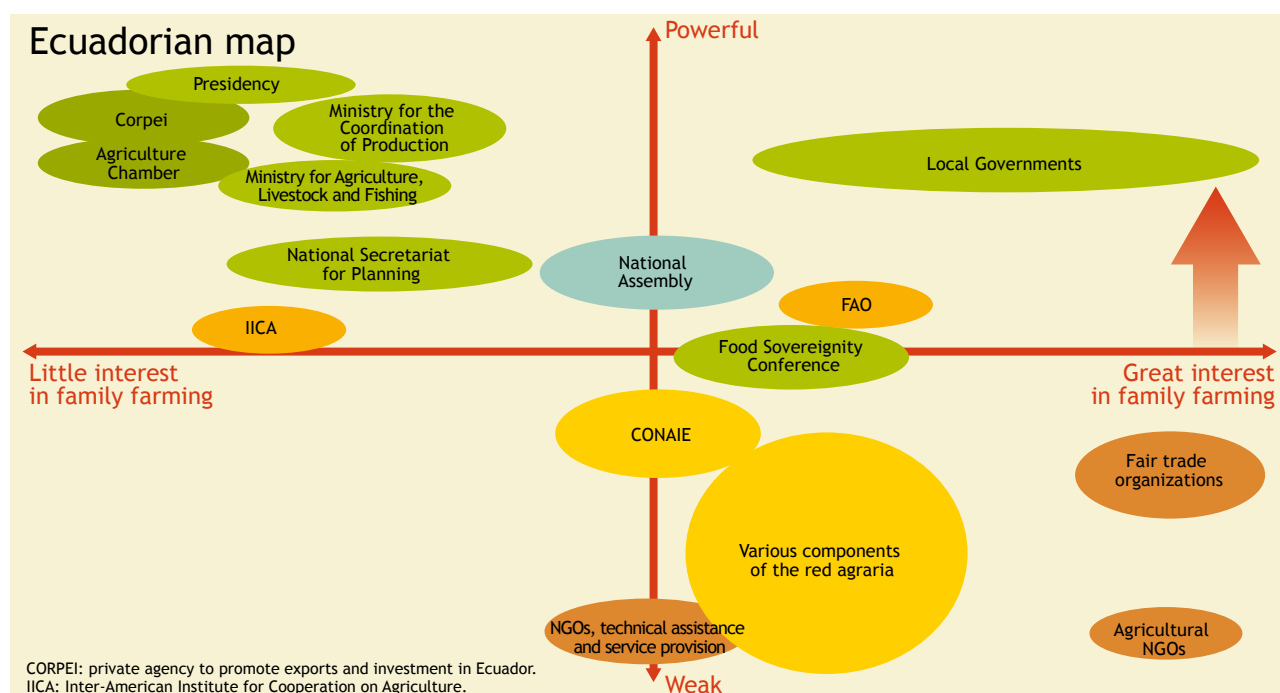
Ultimately, therefore, representative organizations in Ecuador are very fragile and have limited technical and administrative capacity when they formulate demands as well as low mobilization capacity, which is highly subject to public polarisation with regard to government policy. There is no overarching umbrella organization as exists to some extent in Peru (CONVEAGRO) or BOLIVIA (CIOEC) and the movement is therefore fragmented.

In Peru, family and mountain agriculture left behind

- **Agriculture accounted for 8.6%** of national wealth over the period, 2004–2009. It grew steadily from 2004 to 2012 (at around 5% per year) but at a lesser rate than that of overall gross domestic product (between 6 and 7%), so that its weight in the GDP declined further.
- **The sector accounted for 25%** of the economically active population in 2010 (32% in 2005).
- **Agriculture remains concentrated in the mountainous part** of the country (Sierra), 64% with a tendency to micro fragmentation. 74% of plots are smaller than 3 hectares.
- **The rural sector** is where poverty is concentrated: 56% of the poor and 82% of the very poor are active in agriculture, fishing and artisanal mining.

What public policy?

Since the 1990s, successive governments have promoted a model for modernizing agriculture based on agro-exports. Even if the numbers in this area are positive, this type of agriculture has little impact on rural develop-



ment and excludes a large part of the rural population. So there is a huge gap between rural farming and industrial agriculture concentrated in the coastal zone. This gap is at all levels, quality of inputs, access to funding, technical expertise and management skills of people, as well as access to know how.

In fact, the mountainous and forested areas are less attractive to investors, although the emergence of a market for agro fuels has led to the installation of oil palm plantations. Another issue is that community ownership of land of 6,000 rural communities is no longer inalienable since the passing of the 1993 Constitution and most mining conflicts occur on these lands.

While it produced on average 8.6% of GDP, public spending on agriculture was limited to 2.8% over the period 2004-2009. However, we note with interest that the Ministry of Agriculture's 2012-2016 Strategic Plan takes family and rural agriculture into consideration, which is a relatively new development.

An attempt to map stakeholders

Two things are remarkable:

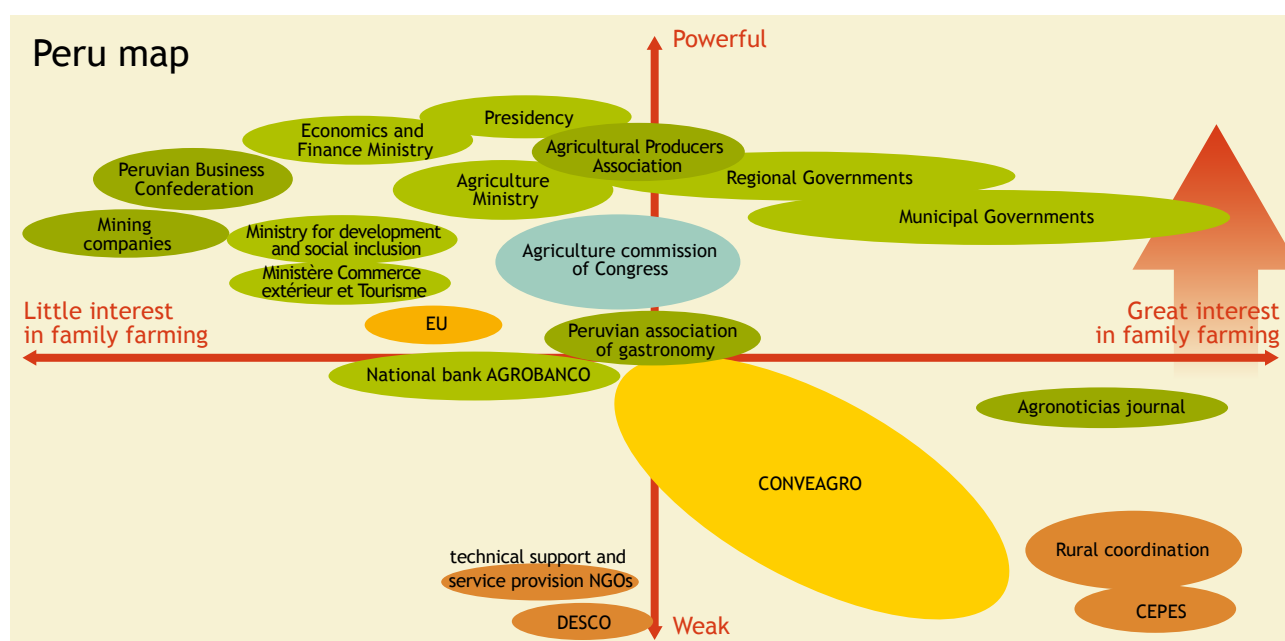
- Bottom right, the existence of a core of allies in favour of small-scale agriculture, but with little power to influence if they act independently. This is the purpose of CONVEAGRO, which is a forum that brings together various stakeholders (farmer trade unions, sector organizations, NGOs, agriculture professionals, ...) and whose potential and complexity can be

explained precisely by this diversity. Therefore, CONVEAGRO's challenge is to find common themes and to build consensus. However, this organization has acquired legitimacy and is recognized as a full partner by the authorities.

- Top left, stakeholders in whose hands power is concentrated but who aren't very interested in family farming, with a nuance for the Ministry of Agriculture which include the sector in its new strategic plan. But is this out of conviction or necessity? In government, the greater influence of the Ministry of Economy and Finance is in any case felt negatively because the smallholder sector is described as inefficient. In between these two ministries, are those of social development and trade which working with small-scale farmers to enable them to access national and export markets.

In Bolivia, an arsenal of laws has produced little tangible effect on farming

Agriculture accounts for 12.4% of Bolivia's gross domestic product and the rural population is 33% of the total. Note that from 2006 to 2012, gross domestic product per capita has increased by 83%, resulting in a 10% reduc-



tion in poverty and extreme poverty levels (these have decreased respectively to 49.9% and 28.4 %).

These developments have taken place in a context of “change” driven by the Evo Morales government, including at the political level, the recognition of all stakeholders, especially rural communities, the various nationalities and cultures. This policy change was accompanied by a nationalist, anti-imperialist and anti-capitalist, indigenist discourse.

On the economic front, change has been characterized by the retaking control over the exploitation of hydrocarbons and prudent fiscal and financial management. Public investment has tripled (communications, social programmes, etc.), but the changes do not necessarily impact small-scale farmers – neither access to land nor food sovereignty have improved.

Public agricultural policy

2012 witnessed an “avalanche” of laws, alternating ideological principles and economic realities based on the trade balance, which have resulted in contradictions. Such is the case between the “Madre Tierra” law and Law 144 designed to create a revolution in community productivity, which opens the door to GMOs and importing toxic products for agriculture.

In other cases, pro-family farming laws are not applied or are less well funded (ecological agriculture, crafts).

In fact, it could be said that the principal outcome of this legislative arsenal has been above all symbolic in nature, given that previously unknown stakeholders have finally been recognized. However, this has not led to changes in the standard of living of small farmers.

Another feature of the policy change in rural areas is the proliferation of programmes to support development and subsidized credit programmes.

While these programmes have yet to be evaluated systematically, several observations can be made:

- ☛ The tendency to invest in infrastructure;
- ☛ The limited capacity of the state apparatus to plan, implement, monitor and evaluate these programmes;
- ☛ The lack of joint programmes between and at different levels: national, departmental and municipal;
- ☛ There is support for both the agribusiness sector, which is considered necessary to ensure the nation is fed, especially the urban population (sugar, rice, wheat, corn, poultry, oil) and support programmes for small producers, particularly through public procurement of food from producers’ organizations by government branches (especially municipalities).



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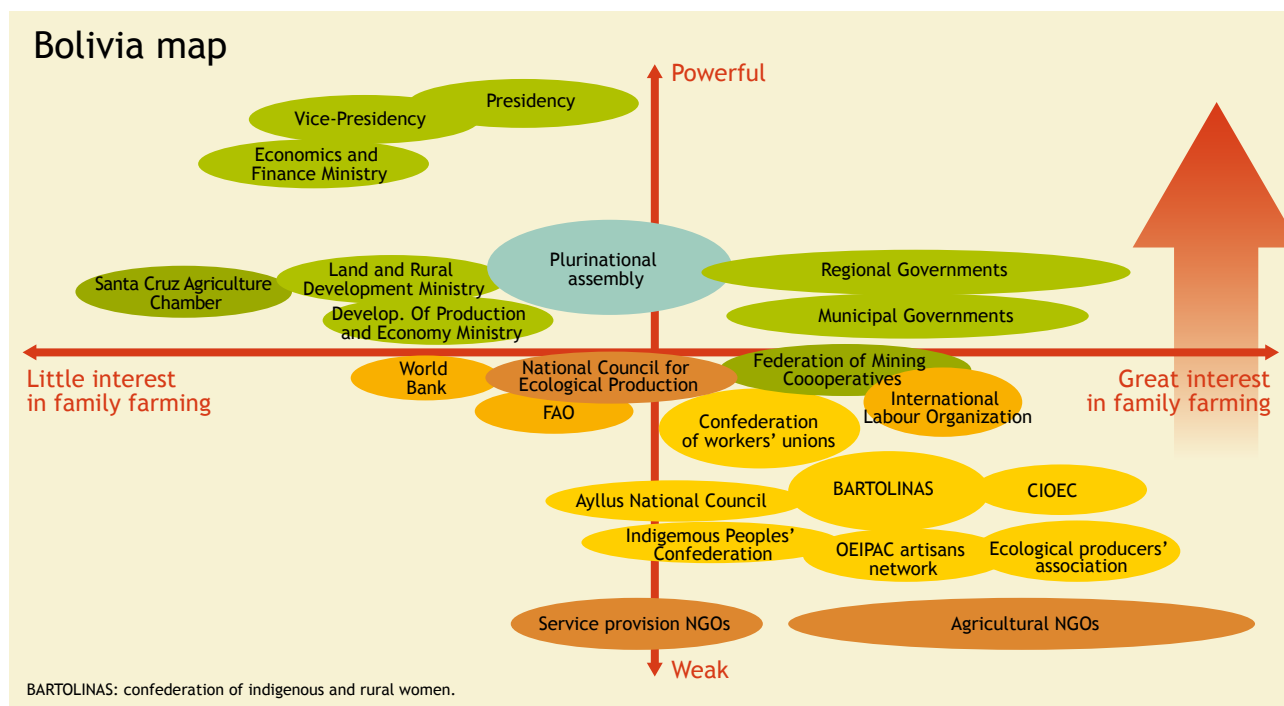
Mapping stakeholders:

Relations between stakeholders are characterized by tensions between indigenous organizations and farmers’ unions and between unions and industry organizations, the former accusing the latter of being neoliberal and working only with «rich» farmers. We can assume that these tensions are at the least maintained by the government.

Sub-regional analysis

Structural trends:

In these three countries where the rural population is a minority but where poverty is concentrated, there are similarities such as the desire to modernize and strengthen the state, while continuing to export raw materials.



In the sub-continent (South America), there is a reconstruction of the geopolitical landscape with the growing influence of Brazil and China and a relative loss of power by the United States as national powers adopt a largely anti-American discourse inspired largely by Hugo Chavez.

The table below shows some comparisons:

	Ecuador	Peru	Bolivia
Agriculture's share of GDP	10.5%	7.1%	12.4%
Food production in relation to national requirements	60%.	60%	70-80%
% Rural population (2010)	35%	26.6%	33.6%
% Rural poverty	41.4% (2011)	56.1% (2011)	61.5% (2009)
Public investment in agriculture	2.9% US\$ 245 million	2.8% US\$ 1 trillion	2% US\$ 490 million

It should be noted that public investment in agriculture is well below its percentage contribution to national wealth.

A common thread in the three Andean countries is the retention of an extractivist resource policy, whether in mining, hydrocarbons, forests and even agriculture, with an industrial monoculture model depleting the soils.

This model leads to

- ☛ High economic growth (5% per year);
- ☛ Social conflicts over resources such as land and water;
- ☛ Maintaining or increasing social inequalities.

Governments, even progressive ones, maintain this model because it allows them to fund social programmes (the liberal policy of compensation and donation) and ensure the balance of their trade account. But the level of dependence is very high and it is clear that this is a model that cannot continue and it is approaching an «end of cycle».

Two sectors also coexist: the capitalist agribusiness sector and that of family farming and the social economy. In this latter area, the producers of coffee, cocoa, quinoa, bananas, when organized, are doing relatively well, thanks to export earnings. This area is ruled by laws and regulations but hasn't so far led to real change on the ground, particularly in terms of food sovereignty and access to resources such as land and water. In addition, territorial disputes between the two sectors are increasing.

Strategic priorities in defence of Andean family farming

8 priorities emerge for organizations promoting family farming. These are based on an environment that is less favourable than that which one might have imagined following the accession to power of so-called progressive leaders:

- ☛ The distribution of land and legal consolidation of ownership;
- ☛ Access to irrigation water;
- ☛ Food Sovereignty (small-scale production, dietary habits, biodiversity, rejection of GMOs)
- ☛ Local community control of natural assets;
- ☛ The recognition of a rural cultural identity and strengthening self-esteem;
- ☛ Increasing family farm productivity and their exports;
- ☛ Collective action;
- ☛ Protection through import duties.

Representatives of family farming clearly have political influence. They have gotten laws passed and set up social programmes. However, while this is the case in Peru and Bolivia, where some programmes are aimed at small producers, it is hardly the case in Ecuador.

Advocates of family farming are still weak, partly because the sector lacks unity yet deals with a powerful lobby of companies often operating transnationally and able to adapt to governments which position themselves as anti-capitalist.

In terms of future strategy, it seems that organizations should make two choices, both based on some assertiveness, even aggressiveness, and a preparation for a form of resistance, whenever the interests of agro business can clearly be seen prevailing in policy.

On the one hand, this implies that farmers' organisations will be at the table in discussions, able to make proposals and are recognized as stakeholders representing rural farmers. It also implies the ability to advise on the views of other stakeholders, to conduct analyzes of power relations and reach negotiated agreements.

Finally, if the present relationship of forces is analyzed, organizations must be prepared for a scenario that is not favourable to family farming, in which they are required to strengthen their bases and their communication capacity, acquire legal expertise, and the means to mobilize resources and disseminate information.

This issue of Farming Dynamics was written by Marc Mees. It is largely based on a context analysis presented in an evaluation report written in 2013 at the request of SOS FAIM by a team made up of Gregory Etesse, Michel Laforge and Jaime Lopez.

Conclusion

Therefore, where should farmers' organizations and the partners that support them focus efforts?

As shown in the various charts, organized stakeholders promoting family farming have little influence on policy, they are consistently found in the lower right corner of the charts. The idea is, as shown by the red arrows, to rise to the upper right. To do this, alliances with local authorities, better positioned in terms of power relations, are certainly an opportunity to seize in the future. To do this, we need to build local solutions that induce a real change in people's lives. Clearly, therefore, support should be given to a dynamic rural land development movement.

SOS Faim and the farmers' organizations

For several years, SOS Faim has supported different farmers' organizations in Africa and Latin America. SOS Faim publishes *Farming Dynamics* which deals with the development challenges faced by agricultural producers' and farmers' organizations.

This publication is available for download in French, English and Spanish on SOS Faim's website: www.sosfaim.org.

Apart from *Farming Dynamics*, SOS Faim publishes **Zoom microfinance** as with all development tools, we have to analyse the aims, models and implementation conditions of aid to microfinance institutions. It is with this purpose in mind that Sos Faim publishes *Zoom microfinance*.

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