

How much do you know about what you eat?

Two of the most recent WTO agreements make it more difficult for countries to set high food safety standards, in accordance with local consumer preferences, without being brought before the organisation's dispute panels.

Application of the Technical Barriers to Trade (TBT) Agreement and the Agreement on Sanitary and Phytosanitary Measures – settled at the end of the GATT Uruguay Round – limit governments' efforts to provide adequate labelling on food products and to apply precautionary safety measures in the case of food production using new technologies.

This was demonstrated by two recent transatlantic disputes, one concerning a European ban on US beef containing hormones, the other about European food labelling – or eco-labelling – requirements.

While the EU's risk assessment procedures were *not completed before it banned the import of US hormone-treated beef*, the case raised important questions about the effect of WTO rules on application of the *precautionary principle*. This principle states that where there is a possible risk to human health or the environment, a regulator is entitled to act in the absence of clear scientific proof in order to protect the public.

The EU has banned the import of US hormone-treated beef until it is proved that hormones do not pose a health risk. The US took the EU to the WTO dispute panel and argued that the measure constituted protectionism, given that insufficient scientific evidence was available. In early 1999, the WTO ruled that the EU should lift the prohibition on the grounds that it formed a barrier to trade. The WTO panel decided that the precautionary principle could not be applied until the risk assessment was complete.

Should there be conflicting scientific evidence on the safety of hormone-treated beef, it is not clear that the WTO would recognise the precautionary principle and thereby give human health and the

environment the benefit of the doubt. Yet the precautionary principle is widely accepted as one of the keys to reducing health or environmental risk. Provided it is not an excuse for protectionist abuse, it should be clearly recognised as such by the WTO.

European countries, along with Australia, Brazil and New Zealand, have also been criticised by the US and Canada for their plans to label genetically modified foods. The North American countries have tabled papers in closed-door WTO committee meetings, claiming that the labels constitute a technical barrier to trade and thus contravene WTO rules.

If this is the case, a WTO dispute panel could deprive the public of its right to have accurate information displayed on the content and origin of the food it selects in shops and supermarkets. Labelling of popular, eco-friendly timber products – such as the Forest Stewardship Council's *certification scheme for sustainably-produced timber* – could also come under attack unless it is made clear that WTO rules give consumers the right to be accurately informed about the products they consume.



MIGUEL DICKINSON, STILL PICTURES

The Mexican corn crisis



An inherent danger lies in implementing wide-ranging trade agreements without first assessing their likely social and environmental consequences. If it is to promote sustainable development, this is a balance that the WTO must restore in any future trade negotiations.

This need is well illustrated by the case of trade liberalisation in Mexico's corn sector through the North American Free Trade Agreement (NAFTA). The lack of a proper social and environmental impact assessment, before the agricultural chapter of NAFTA was signed, led to an under-estimation of the effects of the agreement.

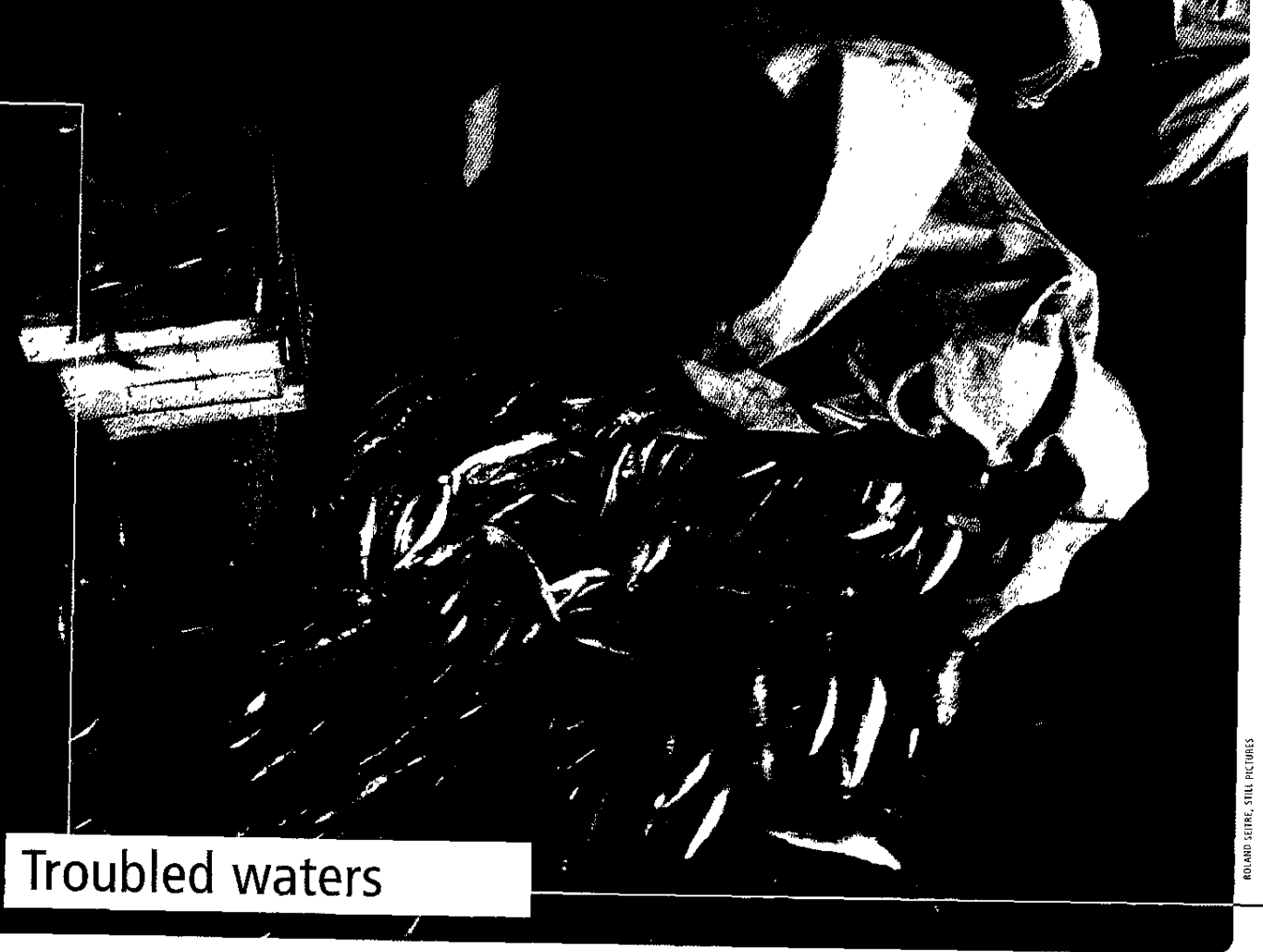
Trade liberalisation of Mexico's agricultural sector was part of a broader package of national economic and social reforms, including changes in land tenure laws and price support mechanisms. NAFTA's agricultural chapter magnified the negative impacts of some of these reforms on the incomes and social conditions of farmers and rural workers.

The agreement opened Mexico's market to US exports with a 15-year transition period. However, this was prematurely completed (in 30 months) and domestic prices plummeted in a context of overall economic stagnation and drastic reduction in public expenditure on agriculture.

The irony is that following the agreement, all categories of farmers have increased corn production as they attempt to compensate for falling revenues and lack of economic opportunities. Commercial growers now rely more on intensive farming methods, while poorer producers depend on expanding the cultivated surface under deteriorating production conditions. Resource management capability is diminishing, and is leading to greater deforestation, soil erosion and the loss of genetic resources.

It is clear that there should have been a detailed impact assessment before import restrictions were dropped in the Mexican corn sector. There should also have been a slower introduction of the import schedule and the prior establishment of sufficient funds for income support and technical assistance.

As the Mexican example illustrates, trade liberalisation does not occur in a vacuum. Effective environmental and social policies need to be in place before rushing into liberalisation. Ignoring this basic principle can lead to increased poverty and environmental degradation.



Troubled waters

Nearly a quarter of the world's fishing industry revenues are handouts from governments. Subsidies on this scale are a leading cause of overfishing across the planet.

Indeed, recent research by WWF estimates that the world's fishing fleet is two and a half times the size needed to achieve a catch that will not deplete fish stocks.

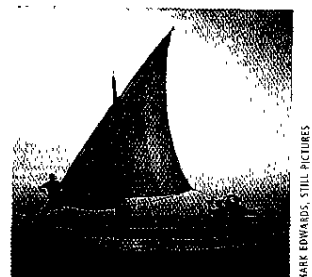
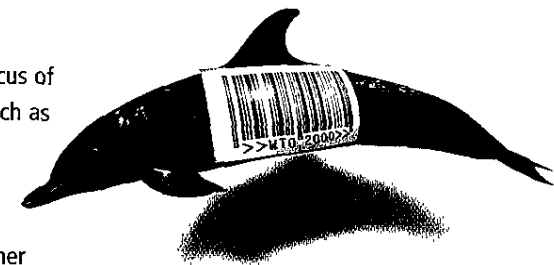
Mauritania and other developing countries have signed access agreements with the EU which allow subsidised European fishing boats into their waters. Mauritania has a rich and diverse marine environment, but its revenues from fishing – 13 per cent of gross national product – are decreasing as the industry privatises and European boats buy up licences to fish the offshore waters.

The large European industrial boats generally fail to land the fish locally, so the developing countries do not benefit from the sale of the rights. In addition, local processing industries face high tariffs on fish product exports to the EU, further decreasing income earned by developing countries.

Until recently, the EU also had a fishing agreement with Argentina. EU vessels had been allowed to catch 120,000 tonnes of Argentina's main fishery resource, the hubbsi hake, every year under an accord that dates back to 1992. In the past two years, the stock of this species has been depleted by a third. The agreement expired in May 1999 and Argentina has suggested that it may not be renewed.

Fishing subsidies have been the focus of increased attention from bodies such as the WTO and the Food and Agricultural Organisation (FAO).

The WTO should cooperate with other international bodies such as UNEP and the FAO in developing new international rules on the use and administration of fisheries subsidies. National governments should phase out harmful subsidies and increase transparency in their fishery subsidy regimes.



The Development of an Agricultural Union in Mali: Increasing Levels of Local Empowerment

In the early 1990s, the members of the village associations (*associations villageoises*, or AV) in the Koutiala region of southern Mali had an issue to sort out with the Malian Textile Company (*Compagnie Malienne des Textiles*, CMDT). A rumor was circulating that the CMDT planned to increase the pay of its field staff (i.e. their share of the profit from cotton), without raising the price paid to producers. Representatives of the different regional associations had already joined forces in 1989 to demand annulment of a policy adopted by the CMDT regarding the financial responsibility of producers' associations, a case that the producers eventually won.

Encouraged by this success, they united efforts again to address the pricing problem and created the Coordination Committee for the Village Associations and Tòns of Koutiala, composed of representatives of the various local associations. Members of the coordinating committee included farmers trained in literacy courses and experienced in the movement for local take-over of markets under way in southern Mali since the 1970s, plus a few representatives of a new stratum of the population that had appeared over the preceding decade: graduates of secondary or post-secondary education who had returned to their home communities to start their own farms.

Changing the institutional landscape of rural areas

A series of meetings and local hearings led the group to draw up an official list of claims and grievances. At the same time, the political events shaking Mali triggered upheaval in the village associations, diminishing already-narrow profit margins on the sale of the crop and impelling the committee to action. In 1991, the group decided to delegate the most highly educated of its members, a graduate of a post-secondary agricultural institute who had returned to farming, to speak to members of the village associations, calm their fears and present their claims and questions to the CMDT. The initiative directed at the AVs was very successful: the association representatives gave their full support to the coordinating committee. But CMDT management, worried by the unstable political conditions, refused any negotiation with the peasant movement. As a consequence, the committee called for a strike by cotton pro-

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ducers, and its members canvassed the zone to rally the AVs to its cause. For two months, the associations refused to deliver their cotton to the CMDT, until the Minister of Rural Development came to Koutiala in person to mediate the conflict. The outcome of the negotiations was that the CMDT accepted the principle of collective bargaining by a non-governmental organization representing cotton producers and agreed as well to its participation on the National Agricultural Pricing Board.

In this manner, SYCOV (*Syndicat des Producteurs du Coton et du Vivrier* or Union of Cotton and Food Crops Producers) was born, though it was not legally established for another year, due to the administrative formalities required. Its leaders immediately took care to open the doors of the new agricultural union to all of the village associations of southern Mali, and even decided, to withdraw, with his consent, the candidacy of the principal leader of the 1991 movement for presidency of the new organization in favor of a representative from one of the regions that had not previously been involved. The Union, which operates bilingually

(Bambara-French), has continued to grow, notwithstanding some resistance by the CMDT and internal difficulties caused by the uncertain evolution of the AVs themselves, some questionable decisions of the leadership and rifts between local and central levels. It is now a part of the institutional and political landscape of Mali, incarnating at a national level the legally-established right of peasants to participate in all decisions that concern them. SYCOV is also organizing training courses in oral and written French for Bambara-literate representatives of the AVs and has required bilingualism in all documents it uses and all sessions in which it takes part.

Roots of change: the transfer of economic power into local hands

In fact, with all its strengths and shortcomings, the SYCOV experiment already represents a second stage in local empowerment in rural areas of southern Mali and illustrates some of the benefits possible through the actual transfer of economic authority into the hands of farmers' associations. While cotton has been cultivated and marketed in these areas for over thirty years, the situation has evolved, in the space of the last fifteen, from one where staff of large cotton firms like the CMDT and its affiliates controlled the purchase of farm output at the local level and its transport to processing centers, to a system where these functions have been almost entirely assumed by village organizations. Representatives of these local associations or their federations are now fully responsible for weighing the crop, paying producers, stocking the products, transporting them to processing centers, and reselling them to the processors, as well as for the necessary organizational and accounting tasks and the establishment of related policy. The feat was accomplished thanks in large measure to literacy and nonformal education programs implemented with the support of the cotton companies themselves (or sometimes inherited from earlier government and NGO efforts), which enabled a core of adolescents and adults having little previous schooling to acquire reading, writing and accounting skills in their own languages and to master vernacular or bilingual management systems.

It is no exaggeration to say that such efforts have saved cotton companies billions of CFA francs (approximately 500 CFA = \$1 US). A sizeable portion of the proceeds has

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returned to the community organizations and been apportioned by them between individual rebates to farmers and collective investment funds. The latter, in turn, have stimulated a whole series of other investments such as the establishment of credit and savings unions, purchase of more sophisticated agricultural equipment, drilling of new wells, construction of community clinics and schools, etc. This phenomenon of local takeover is not unrelated to the major increase in cotton production in Sub-Saharan Africa over the course of the last decade, a development that has moved the region into fourth position on the world market and replenished national budgets severely strained by the demands of structural adjustment programs.

Cotton can scarcely be considered the ideal driving force for sustainable development, given the devastating effects it has had on soil fertility, at least under the very deficient regime of crop rotation and soil conservation applied in West Africa. Nevertheless, the cotton experience served to demonstrate, on a large scale, the ability of local-level producers to organize commercial and management operations themselves—provided appropriate training was made available at the same time. And it has given birth to a set of reinforced rural institutions that are providing “templates” for local development in a number of other domains.

A favorable context: the interaction of economic challenge and social capital

The village associations in fact arose from the confluence of two factors, one “traditional” and the other modern; and the interweaving of the two currents accounts for much of the impressive results. Southern Malian communities are generally organized into “tòn” (the Bambara-Malinké term) or equivalent structures among neighboring ethnic groups. These age-stratified initiation groups are often very strongly knit together and internally regulated to a high degree. The “tòn” were the associations that became directly or indirectly responsible for the assumption of marketing and reinvestment responsibilities when the CMDT undertook its experiment; and their new functions prompted them to evolve in new directions, developing in the process systems of accountability and training far in advance of those that characterized the traditional initiation groups.

In a sense, therefore, the failures, successes and pioneering efforts of SYCOV represent simply a “second tier” in the campaign for local capacity development and increased empowerment of village organizations that began with the reorganization of the cotton marketing system several years ago, and driven by the mobilization of existing social structures. And at the same time they have helped fuel other initiatives.

Carrying local development to the second tier

Another telling example: to improve their management performance, the village associations of southern Mali, with the support of the CMDT and foreign aid, created in 1993 an institution charged with auditing their accounts and providing technical assistance to local leaders in financial matters. The unit was named the “Koutiala Management Center”; several additional branches have been established since that time. The center is staffed by personnel recruited from the village associations, who are responsible for providing third-party audit of AV accounts. Local staff are trained and supported in turn by external technical assistance, which is designed to play a diminishing role. Policy oversight of the Center is carried out by an Administrative Council, which is linked in turn to the Federation of Village Associations of southern Mali. Theoretically, the center is supposed to operate entirely on a budget funded by the revenues generated from sale of its services to the village associations. It is thus half-way between being a “wholly owned subsidiary” of the Federation and a private auditing firm.

In reality, the Center was created, and is still partially dependent, on external funding. But it does seem to have survived a first phase of establishment, operation and preliminary institutionalization and is in fact providing needed services and generating revenues. The Management Center thus demonstrates the ability of local associations to move up a substantial notch in the sequence of activities required to become financially independent. It also reveals an important niche and opportunity for second-tier organizations that are able to provide critical technical support to the new enterprises of civil society. The seeds sown by the actual transfer of resources and marketing responsibility to village structures has thus begun to yield multiple fruits.