



ADVOCACY

FREE TRADE AGREEMENTS AND THEIR EFFECTS ON AGRICULTURE IN THE SOUTH

Coordination SUD is the national coordination platform for French NGOs working toward international solidarity.

It was founded in 1994 and now has over 175 NGO members, including around 100 via six umbrella organizations (CLONG-Volontariat, Cnajep, Coordination Humanitaire et Développement, CRID, Forim, Groupe Initiatives). The activities of its NGO members include emergency humanitarian aid, development assistance, environmental protection, human rights among disadvantaged populations, as well as educational activities in citizenship and international solidarity and advocacy. Coordination SUD has a fourfold mission of 1) communicating its members' common positions to public and private institutions in France, Europe and the world; 2) defending and promoting NGOs; 3) monitoring and analyzing the international solidarity sector; and 4) supporting and strengthening French NGOs.

The Agriculture and Food Commission (C2A) of Coordination SUD

This publication is produced by the Agriculture and Food Commission (C2A) of Coordination SUD. As part of its mission to support the collective advocacy of its members, Coordination SUD has set up working commissions. The C2A brings together international solidarity NGOs working to achieve the right to food and stronger support for family farming in policies that have an impact on global food security. These NGOs are:

ActionAid France - Peuples Solidaires, Action Contre la Faim, AgriSud, Agter, Artisans du Monde, AVSF, CARI, CCFD-Terre Solidaire, CFSI, Commerce Equitable France, GRET, Iram, ISF Agrista, MADERA, Max Havelaar, Oxfam France, Réseau foi et Justice Afrique Europe, Secours Catholique - Caritas France, SOL - Alternatives Agroécologiques et Solidaires, Terre et Humanisme, UNMFREO.

The C2A represents Coordination SUD at institutions dealing with agriculture and food, such as the French Inter-ministerial Group on Food Security (GISA) and the Civil Society Mechanism (CSM) for the Committee on World Food Security (CFS).

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General sources: ActionAid France - Peuples Solidaires, AITEC, ATTAC, BILATERALS.ORG, C2A, CCFD-Terre Solidaire, GRAIN, SOL, others.



Produced by the C2A, with financial support from Agence Française de Développement.
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INTRODUCTION

The objective of Coordination SUD's Agriculture and Food Commission is to coordinate the work carried out by its participants and to facilitate consultation among its members in their advocacy work with stakeholders working for social change and with national and international policymakers. The C2A members decide together on who will represent Coordination SUD, and they exchange information on current international issues. The C2A is mandated by Coordination SUD to develop the positions taken by the collective during the main institutional meetings dealing with agriculture and food.

Over the past six months of the pandemic, a whole range of bilateral and regional trade negotiations have made considerable progress in strengthening the grip of multinational corporations on our food systems. Free trade agreements (FTAs) continue to promote monoculture by big companies.

The C2A decided to take stock of the effects and impacts of these agreements on agriculture in Southern countries, with a view to clarifying and rounding out its proposals. Its aim is to defend an agricultural policy that is consistent with the Sustainable Development Goals and that respects human rights and nature. Despite the promises announced by governments, too often these agreements in reality make many people poor... and a few people rich.

1 | THE HISTORY OF FREE TRADE AGREEMENTS

For decades, a long series of international free trade agreements have been unsuccessful in creating fair agricultural trade that both improves food supply for the world's population and preserves our environment. Some of these agreements are shown below.

- The **General Agreement on Tariffs and Trade (GATT)** was signed in 1947 by 23 countries. In the years following the war, it made free trade the foundation of international commerce. In 1995, the WTO expanded the number of sectoral or horizontal agreements, but the GATT remains the holy of holies of all these other multilateral agreements.¹
- In 1994, the **North American Free Trade Agreement (NAFTA)** created a free trade area covering Canada, the United States, and Mexico. It has contributed to significant economic growth, but not for everyone. For example, it has been characterized as “an opportunity for Mexico, a burden for Mexicans”² in a country forced to import corn from the United States at a lower cost than its own. In September 2018, Donald Trump succeeded in imposing a new agreement, as he had promised, on his two closest economic partners after months of threats, recriminations, and negotiations: the USMCA for "US-Mexico-Canada Agreement". USMCA is not expected to change the nature of trade among the three countries, but Canada has had to concede to liberalization of its milk imports.
- In 1995, the **World Trade Organization (WTO)** succeeded GATT. It has 164 Member States (including the European Union), which account for nearly all global GDP and trade. Its goal is to eliminate customs duties in stages. The WTO evolves through negotiations rounds. After the 1994 Marrakech Agreement, the Doha Round began in 2001. It had initially been planned to last three years, but negotiations have stalled due to too divergent interests between States. It is in even greater difficulty since the recent resignation of its director-general, the Brazilian Roberto Azevêdo, who announced his departure a year before the end of his term. He believes he has “been able to contribute to maintaining the WTO as a key pillar of global economic governance amid challenging times for multilateral cooperation.”³ The WTO is presently facing Covid-related challenges “at a time when the global economy is experiencing its most severe downturn since the Great Depression of the 1930s,” but

1. Jacques Berthelot, economist.

2. Rafael E. Moreno, *Économie et Humanisme*, 2004.

3. Editorial in *Atlantico*, May 14, 2020.

Donald Trump's veto of the candidacy of Nigeria's former finance minister is forcing the WTO to change its agenda and remain headless, probably until Joe Biden's inauguration.

- Launched in 1995, the **Multilateral Agreement on Investment (MAI)** sought the same goal, for free competition in services. It did not come to fruition when all its implications became known. It was terminated in 1998, following widespread mobilization against it.

These failures and the blockage of the WTO have facilitated the emergence of new free trade agreements whose goal is to eventually create a huge global market free of all obstacles, through the use of bilateral or multilateral agreements that are simpler to establish. Some examples of these agreements are shown in the next section.



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WIDE-RANGING “NEW-GENERATION” AGREEMENTS NEGOTIATED WITHOUT CITIZEN PARTICIPATION

These negotiations are taking place outside of democratic framework. No information is released beforehand, and citizens are not consulted on their appropriateness. Agri-food lobbyists, on the other hand, are heavily involved. Only “leaks” from various parties enable citizens to become aware of the agreements before they are signed.

More than 230 citizens’ movements in the European Union (EU) submitted a proposal for a European Citizens’ Initiative (ECI) calling for a public debate on the Tafta (US-EU) and CETA (Canada-EU) agreements. However, it was rejected by the European Commission on September 11, 2014, on the basis of thematic non-conformity. These same movements then launched a self-managed ECI and collected more than three million signatures one year later. In the end, it was a good way of raising public awareness and keeping pressure on the EU.

- **Economic Partnership Agreements (EPAs)** are known as “economic poverty agreements” to some West African organizations,⁴ because they put the world’s richest economic area in competition with some of the poorest areas in the world. Under the Lomé Conventions signed in the 1970s, African, Caribbean and Pacific (ACP) countries were exempted from customs duties on entering the European market, while they could tax their imports from the EU. The Cotonou Agreement, signed in May 2000, replaced the Lomé Conventions. Its Article 37 stipulated that EPAs would be negotiated during the preparatory period, which was to end by the end of 2007 at the latest. The bitter negotiations that then started up resulted in seven EPAs between seven regions, covering 32 of the 79 ACP countries and the EU:
 - West Africa, with 16 States including 15 members of ECOWAS⁵ plus Mauritania. This agreement was not officially signed, as Nigeria—which produces 72% of West Africa’s GDP⁶—refused to sign it. However, interim EPAs (iEPAs) have being implemented with Côte d’Ivoire and Ghana since the end of 2016.
 - Southern Africa, an agreement implemented with six countries since June 2016.
 - East Africa, a five-country agreement since October 2014, but three States have refused to sign (Burundi, Tanzania and Uganda).
 - The CARIFORUM (Caribbean Forum of African, Caribbean and Pacific States), which brings together fifteen countries and has been in operation since October 2008. Haiti, the only least developed country (LDC), has not yet ratified it. This is

4. AOPP and ROPPA, for example.

5. Economic Community of West African States.

6. <https://ec.europa.eu/trade/policy/countries-and-regions/development/economic-partnerships/>

the only “full” EPA, i.e. that includes the fields of services, intellectual property, investment and access to public markets.

- An iEPA (ESA) with six of the eleven Eastern and Southern African States (Mauritius, Seychelles, Madagascar, Comoros, Zambia and Zimbabwe), provisionally applied since May 2012.
- An iEPA with Cameroon only, implemented since July 2014. The other Central African States (Chad, Central Africa, Congo Brazzaville, Congo Kinshasa, Gabon, Equatorial Guinea, São Tomé and Príncipe) refused to sign it.
- Four iEPAs from among the 15 ACP States of the Pacific: Papua New Guinea since May 2011, Fiji since July 2014, Samoa since December 2018, and the Solomon Islands since May 2020.

The local parliaments of most of these countries still have to ratify these agreements, in compliance with their constitutions. However, as this process is likely to take a long time, there are plans to apply the agreements in whole or in part, pending ratification by all the countries of each regional entity! In fact, the agreements clearly stipulate that they can be extended to investments and services six months after they are signed...⁷ If, one day, they were to be considered as agreements exclusively on trade, they could be exempt from local ratification.

The elimination of customs duties between the EU and the African countries concerned by these agreements would lead to net losses for these countries. The countries of West Africa, for example, would lose some 30 billion euros over the twenty years of the agreement.⁸ Whether they ratify these agreements or not, the wealthiest countries will lose out, but not as much as the LDCs in the event that the regional agreements are ratified, as they would also lose most of the income they make from customs duties. Furthermore, these EPAs may weaken local business sectors. The African signatory countries might then have to reduce their already very low budgets for education, health care and infrastructure as well as for development of family farming and small businesses. This end to their food sovereignty⁹ would be “Europe’s kiss of death to Africa.”¹⁰

On the other hand, the iEPAs signed with some countries (Côte d’Ivoire, Ghana and Cameroon) are actually deconstructing the ongoing regionalization effort, by giving a competitive advantage to products made with raw materials imported from the EU

7. In 2002, the EU Council adopted directives allowing provisional application of EPAs when they concern only trade, over which the European Commission has exclusive competence. Most of the EPAs (Cariforum is an exception) are limited to trade. But in 2019, the Council adopted a directive recommending that the EPAs be extended to include the so-called Singapore issues (services, investment, access to government procurement, intellectual property) - Jacques Berthelot, economist.

8. Jacques Berthelot, economist, *Vous avez dit Libre Échange ?*, L’Harmattan, 2018.

9. The right of peoples to healthy and culturally appropriate food produced through sustainable methods and their right to define their own food and agriculture systems.

10. Jacques Berthelot, “Funeste convergence de vues entre l’Union européenne et l’Union africaine. L’agriculture africaine dans la tenaille libre-échangiste”, *Le Monde Diplomatique*, 2017.



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without customs duties, compared to equivalent products made in other countries in the region. For example, imports of European powdered milk subsidized by the CAP (Common Agricultural Policy) hamper the development of “local milk” value chains, and European wheat competes with local cereals that are adapted to the local climate (sorghum, millet, etc.) for making bread and pasta.

These inter-regional repercussions from the EPAs will be aggravated with the signing of the AfCFTA (African Continental Free Trade Area), whose implementation is delayed until January 2021 because of the Covid epidemic. This trade agreement supported politically and financially by the EU was created on May 30, 2019. It currently brings together forty African Union (AU) countries, whose parliaments have to ratify it. Its aim is to create a huge free trade area with a population of more than 1.2 billion people and an overall GDP of \$2.5 trillion. Looking at the trade exchanges of those countries, those with other African countries represent only 16%, compared to 25% for imports of all products from the EU-28 in 2019. This latter figure has seen an ongoing decline since 1995 (when it was 39%), including for food imports, which dropped to 22% from 32% in 1995.¹¹ Nigeria is the country most strongly opposed to EPAs, but it just ratified

11. Looking at exports from sub-Saharan Africa to the EU28, their share out of total exports was 24% in 2019 compared to 41% in 1995. For food products, this share was 34% in 2019 compared to 60% in 1995. For West Africa the share of imports from the EU28 out of total imports was 35% in 2019 compared to 56% in 1995; for food products alone it was 36% in 2019 compared to 60% in 1995. As for West Africa's exports to the EU28, the share for all products dropped from 43% in 1995 to 30% in 2019, and for food products alone from 71% to 43%. A strict definition of food products (SITC codes 0+11+22+4) is used here, unlike at UNCTAD and WTO, which also include tobacco (code 12).

AfCFTA on November 20, 2020, under pressure from all the multilateral institutions,¹² the African Development Bank, and the EU, which produced new reports in 2020.

Manufacturers, traders, farmers, and small- and medium-sized enterprises have expressed their fear that Africa could become a dumping ground for cheap products from abroad, thereby wreaking havoc on the current industrialization process that agricultural products are undergoing.¹³

// The interim agreements (iEPAs) are deconstructing the regionalization effort //

In the post-Cotonou agreement concluded on December 3, 2020 among the chief negotiators, the EU announced that “the application of Cotonou Agreement will be further extended until November 30, 2021, unless the new Agreement enters into force or is provisionally applied before that date.”¹⁴ What will then happen to the EPAs? According to the EU, the EPAs “are stand-alone international agreements. They remain valid and the new Agreement will ensure the link to the EPAs, especially insofar as general principles are concerned and its drive for inclusive, sustainable economic growth and development.”¹⁵

- The **Comprehensive Economic and Trade Agreement (CETA)** has been under negotiation since May 2009. It was signed between Canada and the EU in September 2014 and has finally been published. It accounts for a quarter of global GDP and 550 million consumers, or 7.5% of the population and 20% of trade in goods and services.

This agreement of more than 1,600 pages is difficult for non-experts to master. After more than three years of provisional application, CETA has still not been signed by the EU because of the increasing opposition encountered by the agreement. CETA would include, for example, import into Europe of 65,000 tons of beef and 80,000 tons of pork, non-recognition of the precautionary principle (a cause of concern given the low sanitary and phytosanitary standards in Canada), and the lack of a binding mechanism to protect the environment and combat global warming. Urgent action is

12. World Bank, IMF, UNCTAD, FAO and UNIDO.

13. An example is the “waste” from chicken and turkey carcasses, once the meat consumed by Europeans has been removed. This is well documented in the film “Poor Chickens, Poor People,” recently broadcast on Arte Television for the AlimentTerre 2020 campaign.

14. https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2291

15. https://ec.europa.eu/commission/presscorner/detail/fr/QANDA_20_2303

thus still needed. CETA will be fully implemented only after ratification by all EU national parliaments. The Parliament of Cyprus voted against ratification last summer, and the Walloon Parliament, the Netherlands, and Austria also opposed ratification previous to that.

- The **Trans-Pacific Partnership (TPP)** trade alliance, promoted by Barack Obama, was signed on March 7, 2018 by twelve countries with coasts on the Pacific Ocean. Negotiations took 10 years.

An initial agreement, called the Trans-Pacific Strategic Economic Partnership Agreement, had been signed in June 2005, by Brunei, Chile, New Zealand and Singapore. It came into force in May 2006. In 2010, five more countries negotiated an extension of this agreement: Australia, United States, Malaysia, Peru, and Vietnam. In November 2011, Canada, Japan, and Mexico joined the negotiations, from which China was excluded.

This agreement was a complement to the Association of Southeast Asian Nations (ASEAN), a political, economic and cultural organization founded in Bangkok in 1967, by five countries: Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Brunei joined ASEAN in 1984, Vietnam in 1995, Laos and Myanmar (Burma) in 1997, and then Cambodia in 1999.

- Negotiations had been underway since 2013 to form a **Regional Comprehensive Economic Partnership (RCEP)**, promoted by China, to unite ASEAN and its trading partners Australia, China, South Korea, Japan, and New Zealand. This trade agreement would form the largest global free trade area in the Asia-Pacific Region, among 15 countries that sometimes have quite big strategic differences. It was signed virtually by those countries last November 15, at the end of a four-day summit in Hanoi. It will enter into force once it has been ratified by at least six ASEAN countries and three other countries. India had also planned to join this unprecedented trade pact but finally decided to withdraw for fear of cheap Chinese products invading its market and because it has drawn closer to the United States. However, it has the option of joining later. This trade pact is also widely viewed as a way for China to extend its influence in the region and determine its rules, following years of United States passivity during the presidency of Donald Trump. In fact, in January 2017, Trump withdrew the US from the major competing project, the TPP, which had been promoted by Barack Obama.

This partnership covers almost a third of the world's population and accounts for 30% of global GDP.¹⁶ It provides for the elimination of 90% of tariffs between its member countries and common rules governing intellectual property.

16. Alain Guillemoles, *La Croix*, Nov. 15, 2020. In comparison, the EU common market accounts for around 19% of global GDP.



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The RCEP trade agreement could have a significant impact on agriculture and could exacerbate the damage to food sovereignty caused by previous trade agreements, including those of the WTO.¹⁷ It would threaten livelihoods in the dairy, meat and other agricultural product sectors by allowing duty-free imports of subsidized products from New Zealand and Australia. Vietnam would be among the countries most affected.

Sales and use of agrochemicals in the Asia-Pacific region would also be stimulated by RCEP market access rules that expand trade in goods. The provisions on data exclusivity in the chapter on intellectual property may also extend the periods of patent protection for these products, which would put upward pressure on food prices.

Another obvious threat is land grabbing. If this agreement were adopted, the RCEP investment and services chapters could each provide that RCEP members could not discriminate against foreign companies that want to buy local farmland. In many RCEP countries, this is not possible under current legislation. A change could have serious repercussions on agrarian structures in the region.

- The **Mercosur** economic community was created in 1991. It brings together the South American countries of Argentina, Brazil, Paraguay and Uruguay. The free

17. Grain, 2019.

trade agreement between Mercosur and the EU that was announced and published on July 1, 2019 is currently facing widespread rejection, including by several national parliaments (Austria, Ireland, Luxembourg, the Netherlands and Wallonia). This resistance is now preventing the European Commission and European economic lobbies from achieving their goals. The issues particularly called into question are deforestation of the Amazon and serious damage to biodiversity, exports of beef with questionable sanitary standards, and non-respect of human rights.¹⁸ Family farmers in Argentina have also denounced this agreement.¹⁹



Vadym Zaitsev @ I23RF.COM

In central Brazil, the Cerrado savanna is an ecosystem unique in the world, where most of the continent's rivers have their source. It is also home to many communities, whose survival is now threatened by deforestation. The main threat to the survival of the Cerrado is the unlimited expansion of agro-industry for the production of eucalyptus, soya, and meat.

18. Detailed multi-coalition of these risks: www.cidse.org/wp-content/uploads/2020/06/Study-EU-Mercosur-Agreement-Risks-to-Climate-Protection-and-Human-Rights...-1.pdf

19. <https://ccfd-terresolidaire.org/actualites/je-pense-donc-j-agis/les-paysans-argentins-6717>

On November 9, the EU Trade Ministers met in a videoconference in which they were supposed to start the ratification process of this trade liberalization agreement between the EU and the MERCOSUR countries. However, no vote could take place because of the strong opposition expressed in many countries: in France, for example, Emmanuel Macron and his four main ministers received letters from more than 100,000 people, as well as an open letter signed by more than 200 economists challenging the official report.²⁰

They are called ACTA, ACS, AECG, AGCS, CETA, EPA, FTAAP, GATS, GMT, MAI, MERCOSUR, PTP, RCEP, TAFTA, TiSA, TPP, TTIP... plus many other names depending on the country. These agreements are not made to meet the needs of local people, but for the enrichment of a few: finance is put before people.

One after another, these agreements are in the process of:

- breaking up popular sovereignty;
- destroying agricultural value chains and eliminating local seeds—and thus food sovereignty;
- deregulating the use of pesticides;
- exporting low-cost products that are often subsidized and therefore more competitive than local products;
- eliminating standards, regulations and laws that undermine their profits, thereby giving priority to the rights of multinationals over social or environmental rights.

In this way, they will drive family farmers out of business, accelerate the rural exodus, and asphyxiate cities, thereby causing new migrations. This trend is a dream come true for multinational companies. And it is being furthered by governments, which in doing so are reducing the scope of their own authority, and by international financial institutions, which are able to avoid any democratic control worthy of the name.

These agreements are not conditional on compliance with climate objectives and therefore do not take into account the consequences of climate change on people and agriculture.

20. Action led by the Stop TAFTA-CETA collective, the S2B platform and other international solidarity organizations.

3

OUR DEMANDS TO FRENCH DECISION-MAKERS AND POLICYMAKERS

At this time when the WTO is searching for an identity and the new European Commission wants to review its trade policy, more than 80 European civil society organizations²¹ have signed a position statement covering three principles. This position statement, entitled “Human rights and the protection of the environment and climate before profits”²² was submitted to the European Commission and sent to the French government and parliamentarians, is as follows:

- **Stop the way trade and investment are currently being organized.** As the Confédération Paysanne slogan goes, “agriculture is not a merchandise.” Our food sovereignty depends on it. It is therefore urgent to establish strict rules governing international trade in agricultural products, in order to prohibit survival of the fittest in this field. At a time when world agricultural production has never been so great, almost one billion people are suffering from hunger, and the post-Covid forecasts are even more alarming! States are often prepared to sacrifice their agriculture to gain industrial advantages, as is the case of Mercosur in Germany’s automobile/agriculture battle. Eighty percent of the world’s agriculture is locally produced. European agriculture is not intended to feed the planet via its public subsidies. The EU must defend small-scale farming, here and elsewhere, strengthen local markets, and preserve natural balances, including the climate. It is time to pursue fairer practices in trade relations, based on the principles of fair trade.
- **Put an end to the privileges of multinationals and their impunity.** Democratic decisions and human rights must take precedence over private interests. It is time to impose corporate social responsibility by applying the French “duty of care” law to the EU and the UN, to facilitate the signing of the draft UN treaty on Business and Human Rights (a legally binding instrument), to prohibit land grabbing committed without the free, prior and informed consent of the communities concerned, and to refuse private arbitration tribunals.
- **Promote cooperation and ecological and social relocation instead of neoliberal competition and globalization.** People no longer accept the constraints of current market conditions and are calling for greater international solidarity with transparent and coherent development policies among States, the EU, and international institutions.

21. In France, as of November 2020, these include the national collective Stop CETA/Mercosur, Aitec, Amis de la Terre, Attac France, Cadtm, CCFD-Terre Solidaire, Confédération Paysanne, Fédération Artisans du Monde, France Nature Environnement, Sherpa, Union Syndicale Solidaires, and others.

22. “Le temps est venu de refonder la politique commerciale européenne” - Stop TAFTA collective - November 2020.



Free trade agreements are often used by agro-industrial companies²³ to force open markets to sell their agricultural products and to target non-tariff barriers, such as food standards, thereby leading to serious repercussions on the lives of smallholder farmers and consumers. For example, trade agreements are often used to try to open up countries to genetically modified organisms (GMOs). These provisions or chapters limit the power of local communities and national governments to decide on their own standards regarding biosafety, seeds, food safety and other health concerns.

The United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas (UNDROP) of December 2018 recognizes these people as fundamental stakeholders in overcoming crises (they have sometimes lost their livelihoods and even their lives in the struggle to protect their land, seeds, water, and forests). UNDROP is a strategic instrument to back up the struggles and proposals of rural movements. It also establishes case law and an international legal perspective to guide legislation and public policy at all institutional levels for the benefit of those who feed the world.²⁴

23. Bilaterals.org, Agriculture & food.

24. Via Campesina, April 2020.



Translation: Eric Alsrue
Cover photo: Clément Tardif – ActionAid
Graphic production: Benjamin Madelaine
Layout: Benjamin Courtault
Proofreading: Le Style de l'ours Édition



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