

# Seedling



Biodiversity, Rights and Livelihood

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Girona 25, pral., Barcelona E-08010, Spain  
Tel: +34 933 011 381  
Fax: +34 933 011 627  
Email: [seedling@grain.org](mailto:seedling@grain.org)  
Web: [www.grain.org](http://www.grain.org)

GRAIN is an international non-profit organisation which promotes the sustainable management and use of agricultural biodiversity based on people's control over genetic resources and local knowledge. To find out more about GRAIN, visit [www.grain.org](http://www.grain.org).

## Seedling

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*A woman near Nkhotakota, Central Malawi, carries home her harvest of maize to feed her family (Photo: GRAIN)*

# In this issue...

In our opening article we take an in-depth look at Malawi, the small east African country that has been widely seen as a beacon of hope in a continent beset by problems. In particular, the country has been praised for its success in promoting local farming so that, unlike many of its neighbours, Malawi has become self-sufficient in its staple food – maize. It is, indeed, good news that the President of Malawi no longer finds it acceptable to “go down on my knees and beg for food”, as he says. However, our report suggests that Malawi still faces problems – and serious ones. Hunger is rife: the UN’s World Food Programme and other agencies are feeding more than one million people in the country. And it is difficult to see how these people will ever be able to feed themselves unless Malawi, which has one of the most concentrated systems of land tenure in the world, redistributes land. The vast majority of farmers cultivate less than half a hectare of land, too little to guarantee a family’s long-term food security.

Another problem – and one that is rapidly getting worse – is the programme’s reliance on expensive, imported chemical fertilisers and hybrid maize seeds. This has an economic consequence, in that the government’s outlay on subsidies has become unsustainably high, and also an environmental one, in that these chemical inputs are weakening Malawi’s already fragile soils. There are some really exciting and viable agro-ecological farming projects, including one in Ekwendeni in northern Malawi. But these initiatives are rarely discussed by those, like US economist Jeffrey Sachs, who are trying to use Malawi as a showcase for a new green revolution in Africa, which they believe should be reliant on chemical inputs and hybrid seeds.

The green revolution crops up in another of our articles. Joan Baxter, a Canadian journalist, who has been reporting on Africa for over two decades, writes about the “perfect storm” that is currently gathering. She believes that the so-called solutions being imposed from outside are destroying the very elements that could help the region to find a way forward. She recalls how in the early 1990s an elderly African woman farmer asked her angrily, “Why do you bring your mistakes here?” At the time Joan had no response but, as you will find out when you read her article, she now believes she has the answer to the farmer’s question.

Another issue that has appeared repeatedly in recent editions of *Seedling* has been genetically modified organisms (GMOs), and this edition is no exception. In one of our shorter articles, we tell the tale of the current crisis in the Canadian flax (linseed) industry, an issue that has been largely ignored in the mainstream press. The crisis erupted in September 2009 when a Germany importer discovered that flax he had bought from Canada as “GM-free” was, in fact, contaminated by the GM variety. This was no chance finding, for one by one 34 other countries made the same discovery. Since GM flax has been banned from Canada since 2001, no one quite knows how the contamination happened. But it is clearly a huge problem for Canadian farmers: flax is one of their five main cash crops, and most importers want the product GM-free. Prices are in free fall.

On the other side of the world, in India, another GM drama is being played out. As we show in another article, a governmental agency authorised in October 2009 the commercial planting of Bt brinjal (aubergine or egg plant). As has been well documented in past *Seedlings*, the experience of Indian farmers with Bt cotton has been calamitous. Not surprisingly, farmer organisations immediately reacted with a barrage of protest and, just a day after the announcement, the environment ministry backtracked, saying that it would postpone the decision on Bt brinjal to allow consultations with “stakeholders”. Despite this initial victory, the farmers know that they are in a for difficult struggle, given the lobbying might of Mahyco, Monsanto’s partner in India and the main company behind the development of Bt brinjal.

In other articles in this edition, we invited the international food workers’ union, the IUF, to examine the global food industry, looking both at the way workers are treated and at the impact of the so-called “financialisation” of the industry. So accustomed have global investors become to high annual returns in the financial sector – of at least 25 per cent – that they are now demanding the same rate of profit from the food industry too. It is madness, something that is neither environmentally nor socially sustainable. And the imperative to stop it has never been clearer.

**The editor**





Malawi's green revolution success story has been lauded around the world. While it is good to see a government investing in local food production, it is doubtful whether the achievements will be sustainable unless radical changes are implemented. Above all, land needs to be redistributed so that farmers have holdings that are big enough to produce surpluses, and the government needs to move away from its narrow focus on chemical fertilisers and hybrid maize seeds.

# Unravelling the “miracle” of Malawi's green revolution

*Enough is enough. I am not going to go on my knees to beg for food.  
Let us grow the food ourselves.*

Bingu wa Mutharika, President of Malawi, 4 June 2008<sup>1</sup>



**GRAIN** would like to thank Chimwemwe A.P.S. (CAPS) Msukwa for his invaluable help as guide and interpreter during our visit to Malawi.

<sup>1</sup> M. Nyekanyeka and A. Daudi, *Malawi: Renewed Maize Surplus*, Government of Malawi report, October 2008.

Malawi has recently been hailed as the “miracle” of Africa and a role model for other countries. After four years of chronic food shortages, Malawi turned itself around and started producing enough maize to fulfil its national requirements in 2006 and even to export maize in 2007. The reason for the turnaround? According to the Alliance for a Green Revolution in Africa (AGRA), the biotech corporate giant Monsanto, and US economist Jeffrey Sachs, the Malawi miracle came about because the

government followed the green revolution model, subsidising the distribution of chemical fertilisers and hybrid maize seeds. The Malawi story has become a very powerful marketing tool for their promotion of a new green revolution in Africa.

Others praise the government for defying its foreign donors, and giving direct support to small farmers. The government pumped millions of dollars into its programme to provide farmers with vouchers for subsidised maize seeds and fertilisers, and farmers responded by increasing production

**GRAIN**

significantly. No one can dispute the dramatic impact the programme has had on boosting domestic food production. It is a testament to what can be achieved when a government invests in its farmers.

But Malawi's success story does not go much further than that, and it is also important to keep in mind that the increase in maize production is dramatic compared with the 2002–4 crisis, but not so dramatic when compared with averages over decades. It is not a new model, neither is it a model for resolving the country's or the continent's complex problems of hunger and poverty, as some would have us believe. Rather, the government's programme has benefited from a few exceptionally good years of weather, but it is beset in the long term by limitations that, if not addressed, will doom any good intentions to failure. The three most important limitations are: the pressing issue of access to land, the reliance on costly imported inputs, and their impact on the soil.

### Malawi's 30-year green revolution, and counting

When Malawi gained independence in the mid-1960s, the government of President Hastings Kamuzu Banda inherited an agriculture structure split between commercial estates, which dominated the production of tobacco, tea, sugar and other cash crops, and smallholder farms producing mainly for subsistence. The government did little to alter the colonial patterns of power. Its policies continued to favour exporters and its land reforms only furthered the expansion of estates on to communal land, turning the rightful occupants into tenants and generating a new class of landless people. Peasants were also pushed off their land by the state to make way for wildlife parks and other "protected areas", which have mainly served to support tourism. Between 1967 and 1994 more than one million hectares of customary lands held by local communities were transferred to the state and to commercial estate owners.

Even though Malawi's economy grew during the 30 years of Banda's regime, and the country was mostly self-sufficient in maize, these macro-economic figures mask the self-enrichment of the political elite and the escalating poverty of Malawi's rural population.<sup>2</sup> During the 1980s the World Bank and IMF started imposing structural adjustment programmes on Africa; in Malawi this meant phasing out subsidies for fertilisers and maize seeds, and removing price controls, creating a very volatile maize market. Less food was produced, it became more expensive, and a food crisis was in



Photo: GRAIN

*Enoch Chione, a smallholder in Ekwendeni, northern Malawi, with his sorghum. He also intercroops maize with pigeon pea and other plants in order to improve soil fertility (see Box 5)*

the making. In 1987, the government was forced to start importing maize in a big way.<sup>3</sup> At the same time, the local currency was continually devalued, making fertilisers unaffordable for most farmers.

But Malawi's government, without ever putting in place a coherent, long-term food security strategy, could never completely abandon state intervention because it frequently had to react to recurring natural disasters and droughts. Between 1987 and 1995, subsidised fertiliser and hybrid seed programmes were again put in place. The devastating droughts of 1991 and 1993 reduced maize production by half, and, to add to the pressure, a million refugees arrived from Mozambique. By 1994 donor pressure to liberalise the markets intensified again and subsidies were scaled down, the credit market collapsed, food expenditure doubled and structural vulnerability intensified. Selling their labour for miserable wages to estate owners became one of the key strategies for the poor to make ends meet, but being a labourer on someone else's land (*ganyu*) meant that they did not have time to work their own land adequately, so yields fell.

<sup>2</sup> More than 60% of Malawi's people are classified as chronically poor; life expectancy has been falling from 48 years in 1990 to below 40, because of the HIV/AIDS pandemic and increasing levels of poverty and inequality.

<sup>3</sup> Jane Harrigan, "Food insecurity, poverty and the Malawian Starter Pack: Fresh start or false start?", in *Food Policy*, Vol. 33, No. 3, June 2008, 237–49. Abstract available at <http://tinyurl.com/yaemcng>



**Table 1: Malawi's rollercoaster Green Revolution interventions since the early 1970s**

Date	Programme	Number of affected and number of beneficiaries	Disasters and cost
1970–1980s	State control over agricultural inputs, subsidised 20–60% of cost	Benefit better off farmers, marginalise poor	Up to 3% of national budget
1981–90	Structural adjustment (SAP), subsidies reduced.		
1987–90	Subsidies Food Aid	1.4–2.8 million people affected	Drought
1990–91	Shift to smallholder tobacco production – USAID funds transition from maize to tobacco		Economic stratification accelerates, maize production down.
1992–93	Food Aid to millions Drought Recovery Inputs Project (DRIP)	5–7 million people affected 1.3 million given seeds and fertilisers	Southern African drought + 1 million refugees from Mozambique
1994	Subsidies discontinued	3 million people affected and receive food aid	Drought
1994–96	Supplementary Inputs Project	Up to 800,000 per year receive subsidies	
1996–97		400,000 affected	Floods
1998–2000	Starter Pack – all smallholders receive seed and fertiliser for 0.1 ha	2.8 million receive subsidies per season	US\$20–25 million Surplus production, 2.5 MT maize per season
2000–2002	Donor pressure – scale down to Targeted Input Programme that targets specific farmers (10–20% of fertiliser subsidised).	1–2 million receive subsidies per year 2002: thousands die of hunger	US\$7.5–13 million Good production in 2000–2001, but erratic rain and floods in 2002
2003–5	Extended Targeted Input Programme	1.7–2 million receive subsidies 5 million people hungry	US\$12 million
2005–6	Agriculture Input Subsidy Programme (75% subsidy of fertilisers and maize seed)	1.3 million receive vouchers	MK5.6 billion No donor support
2006–7	Agriculture Input Subsidy Programme	1.7 million receive vouchers	MK7.5 billion US\$91 million
2007–8	Agriculture Input Subsidy Programme	2.2 million receive vouchers 1.5 million food insecure because of high prices	MK12 billion US\$200 million Surplus production
2008–9	Agriculture Input Subsidy Programme	1.7 million receive vouchers 1.5 million classified as vulnerable	MK17.8 billion
2009–10	Agriculture Input Subsidy Programme	140,000 receive food aid	39% reduced budget for AISP

Source: Jane Harrigan, "Food insecurity, poverty and the Malawian Starter Pack: Fresh start or false start?", in *Food Policy*, Vol. 33, No. 3, June 2008, 237–49. Abstract available at <http://tinyurl.com/yaemcmg>; supplemented with data from *Malawi: Renewed Maize Surplus*, Malawi Government report, October 2008 and EM-DAT: The OFDA/CRED International Disaster Database, Université Catholique de Louvain, Brussels, Belgium.

The 1990s and early 2000s were characterised by a number of ad hoc, reactive projects by government and donors to subsidise fertilisers and hybrid seeds. US donor intervention always aimed at stimulating the private seed and fertiliser sector, and if a programme did not achieve this fast enough, it was changed, regardless of the impact on farmers.

Then drought, floods and hunger struck again in the period 2002–5. What is important to understand about this dramatic period is that it was largely a human-made disaster, the result of extremely bad donor policies and a corrupt government that sold off the country's grain reserves and dithered in responding to the crisis. Since independence, successive governments had overseen decades



of land concentration, migration out of the countryside, and unfair taxing of smallholder farmers, resulting in an extremely vulnerable and impoverished rural population. These conditions, high rates of HIV/AIDS, and the general rise in food prices created a “perfect storm” of extreme food shortages for almost half the population, giving birth to Malawi’s image as a country on the verge of starvation and collapse.

It was in this context that President Bingu wa Mutharika came to power in 2004 and launched a new fertiliser coupon system in 2005–6. His programme provided a voucher for two 50-kg bags of fertiliser and 2 kg of hybrid or 4.5 kg of open pollinated seed to about 2.8 million beneficiaries at a quarter of the actual price. Seed for some legumes was also provided. This was the much-hailed new Green Revolution initiative, but in essence there was little separating it from previous seed and fertiliser subsidy programmes. Perhaps of greater importance was that, beginning with the 2005–6 season, Malawi had several years of above-average rainfall. As maize is a crop which, when grown with fertilisers, needs a great deal of water to perform, this boosted yields. So the gamble paid off, the fertiliser subsidy programme responded to

the good weather, and Malawi achieved surplus national maize production four years in a row.

Table 1 summarises Malawi’s different subsidy programmes in the past decades, and the context in which they took place. It clearly shows that subsidies are nothing new for Malawi’s farmers: they have been depending on them for decades and have been at the mercy of fluctuating donor policies and pressures for as long. Natural disasters introduce a huge element of risk (Malawi experienced 40 weather-related disasters between 1970 and 2006), but it is the affordability of maize that presents the biggest risk to poor Malawians, as sudden severe price hikes during the hungry season put food out of reach of the poor.<sup>4</sup>

### No miracles without land

All the fertilisers and seeds in the world cannot make much difference for the great mass of farmers in Malawi, who do not even have enough land to grow the food their families need. The average small farmer in Malawi cultivates less than half a hectare, while in the fertile southern part of the country the average per capita landholding is only 0.33 ha. Access to land has become dramatically worse in

4 R. Menon, *Famine in Malawi: Causes and Consequences*, UNDP Human Development Report, 2007. [http://hdr.undp.org/en/reports/global/hdr2007-2008/papers/menon\\_roshni\\_2007a\\_malawi.pdf](http://hdr.undp.org/en/reports/global/hdr2007-2008/papers/menon_roshni_2007a_malawi.pdf)

## Box 1: A doubly new green revolution in Malawi?

Some argue that the supposed increases in maize production in Malawi have been exaggerated. Researchers from Michigan State University claim that some of the figures used by the government are an overestimation of actual production. “It is widely believed that the 2007 Malawi harvest was overestimated by at least 25%. If the government had been able to produce a more accurate estimate of crop production, it might not have arranged to export maize, which in turn might have avoided the huge price surge in late 2007/early 2008 which caused great hardship for maize buying households.”<sup>1</sup> They also maintain that maize production estimates are routinely exaggerated for political reasons. An indication of this is that the private sector could not source enough maize to meet the government’s export promise, and imports have been streaming into the country from Mozambique and Tanzania almost continuously since mid-2007.

Yet others point to the discrepancy between the lack of food at the local level while the government maintains that there is enough maize to export. IRIN quotes a Malawi official in a southern district: “Maize shortages are a big political issue. As you can see, there is no maize in our particular district, but we cannot say anything. It is all very sensitive – the election is only about two months away.”<sup>2</sup> This was in February 2009. A few months later, the government declared 2009 another season of bumper harvest with a 36 per cent increase on the previous year.<sup>3</sup>

Whatever the assessment of the impact of the subsidy programmes, the bare truth is that Malawi still needs aid and many people are still hungry. The World Food Programme and various other agencies are still feeding more than a million people in Malawi, and 30 per cent of children receive a free school meal, which aid agencies say is far too few.<sup>4</sup> And Malawians know that, come a drought, they will be at the mercy of the market and donors again.

1 T.S. Jayne et al., *The 2008/09 food price and food security situation in Eastern and Southern Africa: Implications for immediate and longer run responses*, International Development Working Paper, Michigan State University, 7 November 2008.

2 Integrated Regional Information Networks (IRIN) is a project of the UN Office for the Coordination of Humanitarian Affairs. See <http://www.irinnews.org/Report.aspx?ReportId=82987>

3 FEWSNET, Malawi food security update, June 2009. USAID, [http://www.reliefweb.int/rw/RWFiles2009.nsf/FilesByRWDocUnidFilename/MYAI-7TR2H9-full\\_report.pdf/\\$File/full\\_report.pdf](http://www.reliefweb.int/rw/RWFiles2009.nsf/FilesByRWDocUnidFilename/MYAI-7TR2H9-full_report.pdf/$File/full_report.pdf)

4 “Growing Hunger in Malawi Stirs Food Aid Debate”, [http://www.pbs.org/newshour/bb/africa/jan-june08/malawi\\_05-02.html](http://www.pbs.org/newshour/bb/africa/jan-june08/malawi_05-02.html)







Photo: GRAIN

CAPS Msukwa, showing the compost heap of a farmer near Ekwendeni

5 Bill and Melinda Gates Foundation, *Agricultural Development Strategy, 2008–2011*, 11 July 2008, p. 2.

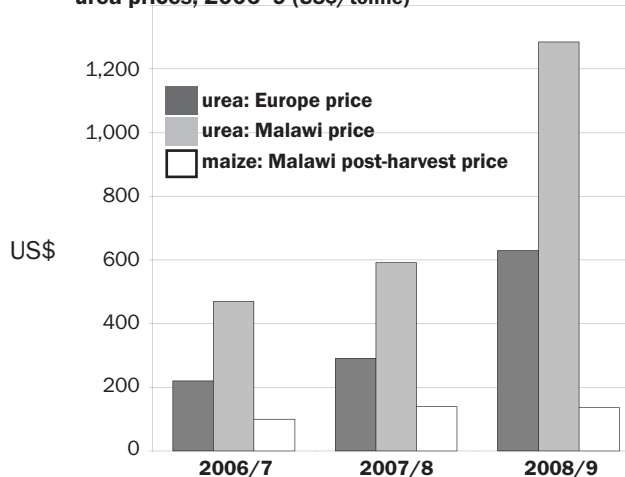
6 *Nyasa Times*, 7 September 2009: <http://www.nyasatimes.com/national/malawi-%E2%80%98sitting-on-time-bomb%E2%80%99-campaigners-want-land-policy-to-promote-citizens-interest.html/comment-page-3>

Malawi over the past few decades, and the problem is not population growth, of which Malawi has a relatively low rate, while it has a relatively high rate of rural exodus. By far the most important factor behind inadequate access to land is inequitable distribution of land. Only Brazil and Namibia have more unequal land distribution than Malawi. Today, half of Malawi's arable land is controlled by some 30,000 estates of 10–500 hectares.

It is simply impossible to imagine how a programme that provides costly seeds and fertilisers to small farmers who have so little land is ever going to work. These farmers, who account for the vast majority of the farmers in Malawi, can hardly produce enough for their own families' food needs, let alone enough to pay off their input costs. There is a real risk therefore that any green-revolution-style programme is going to benefit only the bigger, commercial farmers over the long term. AGRA and the other funders now promoting Malawi's success story have a not-so-secret agenda to promote the concentration of land into bigger farms in Africa. The Bill and Melinda Gates Foundation makes this quite clear: "Over time, this [strategy] will require some degree of land mobility and a lower percentage of total employment involved in direct agricultural production."<sup>5</sup>

An increasing number of these bigger farms in Malawi are ending up in foreign hands. "It is not a secret that foreign nationals have acquired land in our districts, towns and cities and built at the expense of poor Malawians," says Undule Mwakasungula, the director of the Centre for Human Rights and Rehabilitation. "At the rate we are giving up our land, one wonders whether there will be any land left for the future generation."<sup>6</sup>

**Graph 1: Malawian maize price compared to changing urea prices, 2006–9 (US\$/tonne)**



Source: A. Dorward and C. Poulton, *The Global Fertiliser Crisis and Africa*, Future Agricultures Briefing, June 2008. [www.future-agricultures.org](http://www.future-agricultures.org)  
2009 figures from FEWSNET, June 2009.



## Box 2: Agribusiness sees green

The private sector was initially up in arms about the fertiliser programme, out of concerns that it would be left out. During the 2005–6 programme, the government parastatal companies handled all of the procurement and distribution of fertilisers. But because of pressure from the World Bank, the government agreed to allow the private sector to take over a quarter of the retail distribution of fertilisers.<sup>1</sup> Moreover, the subsidies have given a tremendous boost to overall sales of fertilisers. In 2007–8 the programme distributed 217 million tonnes of subsidised fertiliser, which, on its own, is higher than an average year of total fertiliser sales in the country.

“There is no doubt that the programme is a success,” says Dimitri Giannakis, chairman of the Fertiliser Association of Malawi and director of Malawi’s biggest fertiliser company, Farmers’ World. “Initially we thought it would be devastating to the fertiliser industry and that the government would dominate the whole process. But with dialogue between ourselves and government, we worked together and came up with a formula that will promote our business and assist government at the same time.”

The seed companies are also satisfied. Seed sales are up dramatically because of the programme. In the 2007–8 season, 5,500 tonnes of subsidised maize seed were sold in the country. The Seed Traders’ Association of Malawi (STAM) says that seed sales by its companies have increased by about 40 per cent since the start of the subsidy programme.<sup>2</sup> The big winner here is Monsanto, which holds more than 50 per cent of the hybrid seed market in Malawi.

1 Andrew Dorward, “Fertiliser Subsidies: Potential, Pitfalls and Practice”, 3 March 2009: [http://siteresources.worldbank.org/INTARD/Resources/335807-1236361651968/DorwardFertiliserSubsidyPPWBMAR\\_2009.pdf](http://siteresources.worldbank.org/INTARD/Resources/335807-1236361651968/DorwardFertiliserSubsidyPPWBMAR_2009.pdf)

2 B. Bafana, “Going Against the Grain on Subsidies”, IPS news, 5 September 2008: <http://ipsnews.net/news.asp?idnews=43815>

Some foreign land grabs in Malawi are very large. The Government of Djibouti signed a deal in 2009 with the Government of Malawi for a 55,000-ha concession of irrigated farmland. China is negotiating for a similar amount.<sup>7</sup> The UK farmland fund Cru Investment Management PLC recently purchased a 2,000-ha estate in Malawi to produce paprika and other crops for export to Europe. It forecasts a 30–40 per cent return from its farms and outgrower schemes in Malawi.<sup>8</sup> Another UK-based company, Lonrho, says that it is negotiating a deal covering tens of thousands of hectares bordering Lake Malawi where it plans to grow rice.<sup>9</sup> The sugar industry is in major expansion mode as well. Villagers in Chikwawa District were recently kicked off their land without compensation by the Illovo sugar company, a subsidiary of Associated British Foods.<sup>10</sup>

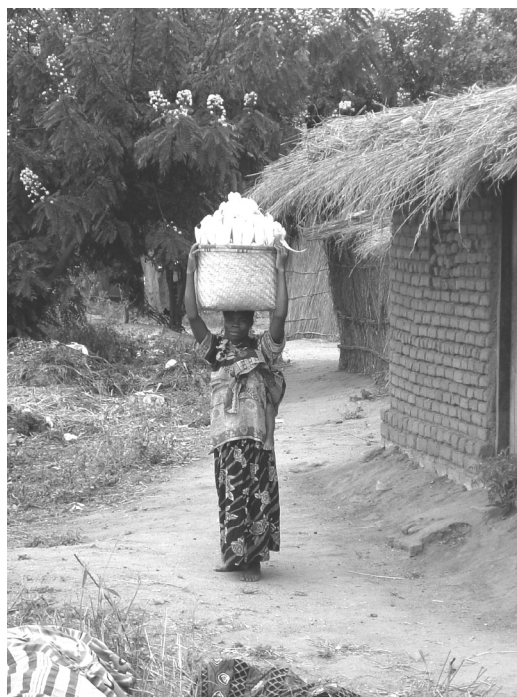
The future of Malawi’s millions of farmers cannot be built with fertilisers alone. They need access to land. A genuine agrarian reform, which redistributes land to the poor, has to precede national programmes to boost food production, whatever their form – otherwise only the big farmers will benefit.

### The price of the revolution

Beyond the land question, there are also serious concerns about how sustainable this “revolution”

is. Financially, how long can Malawi afford the subsidies? And environmentally, won’t all this exclusive attention on chemical fertiliser further erode Malawi’s already fragile soils?

Malawi does not produce chemical fertiliser. It imports all of it from the international market.



*A woman near Nkhotakota, Central Malawi, carries home her harvest of maize to feed her family*

Photo: GRAIN

7 <http://farmlandgrab.org/5111>

8 <http://farmlandgrab.org/2814>

9 R. Moody, “Lonrho secures rice land deal; farmers will be removed”, Nostromo Research, 2009: <http://londonminingnetwork.org/2009/02/angola>

10 <http://farmlandgrab.org/5578>



### Box 3: What has tobacco got to do with food security?

In Malawi there are two important crops: tobacco and maize. And for a Malawian smallholder farmer there is a constant tension between growing tobacco or growing maize. Most of Malawi's tobacco used to be grown on big estates, and for decades these estate owners enjoyed favoured policies because of both the political power of the industry and the international donors' policy of encouraging exports.

Under Banda, another class of tobacco grower emerged: tenant farmers. Under this scheme the estate provides the farmer with seeds and fertiliser and then at the end of the season buys the tobacco from the farmer, deducting the cost of these inputs. Tenant farmers have no control over the production process and most of them have remained trapped in poverty. In 1994 the ban on growing tobacco by smallholder farmers was lifted. Since then, workers and tenants have been even more heavily exploited.<sup>1</sup> Indeed, the Tobacco and Tenant Workers of Malawi says that tobacco workers and tenants are getting poorer; it is estimated that Malawi has 1.4 million child labourers, many of them working on tobacco farms, exposed to the poisonous effects of nicotine from the age of five.

Small-scale tobacco farmers also exist on the margins, sometimes having a good year, sometimes not. In a good year, tobacco is a high-value crop, and there is a chance of making real money. However, buyers exploit small-scale growers: in 2009, for example, small-scale producers were paid as little as US\$0.90 per kilo compared to the government's recommended price of US\$2.19.<sup>2</sup>

Malawi is the world's biggest grower of burley tobacco, and its economy has been dependent on tobacco since the late 1800s.<sup>3</sup> Tobacco provides 70–80 per cent of Malawi's foreign income, with US-based companies Alliance One and Universal Corporation the powerhouses behind the industry. Together these companies purchase over 95 per cent of the tobacco crop and sell it to global cigarette manufacturers such as Philip Morris and British American Tobacco. The tobacco industry makes up 10 per cent of the country's GDP. Tobacco earned Malawi US\$472 million in the 2007–8 season.

In the early 1990s Malawi was in debt, and the country set about earning more foreign currency through additional tobacco exports. In alliance with the tobacco industry, USAID implemented a five-year plan with the strategic objective of increasing production by 40 per cent by 2000. To make it easier to implement the plan, USAID provided the funding to set up the National Association of Small Farmers in Malawi (NASFAM), which encouraged farmers to switch from food crops to tobacco. The policy of the US and the World Bank has always been – and still is – that farmers should grow cash crops and buy their food on the market. They argue that in a good year farmers will make more than enough money from tobacco to cover the cost of buying the maize they need.

The tobacco industry imposes a huge human and environmental cost. According to a study by the tobacco industry, it takes 7.8 kg of wood to cure 1 kg of tobacco; or, to put it differently, every fortnight a tree is chopped down to support an average smoker's cigarette consumption.<sup>4</sup> Moreover, such heavy reliance on one export crop is a very risky strategy for any country; for instance, tobacco prices fell by 37 per cent on the world market in 2009. This had a huge knock-on effect in Malawi, with foreign earnings falling heavily and small farmers who had invested in growing tobacco at the expense of food finding it difficult to cover their families' food bills.

1 M. Nyekanyeka and A. Daudi, Malawi: Renewed Maize Surplus, Government of Malawi report, October 2008, p. 21.

2 F. Jomo, "Malawi's Burley Tobacco Trading 39% Below State Price", 7 May 2009:

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aWjbXSYz5hQ>

See also Raphael Tenthani, "Malawi expels tobacco buyers for price undercuts", *Mail & Guardian* online

<http://www.mg.co.za/article/2009-09-11-malawi-expels-tobacco-buyers-for-price-undercuts>

3 F. Potani, "Growing Tobacco without puffing the benefits", posted 7 August 2009: <http://www.tobacco.org/news/288292.html>

4 "Malawi tobacco industry and the environment": <http://www1.american.edu/projects/mandala/TED/maltobac.htm>



11 See GRAIN's analysis of the food and financial crisis: <http://www.grain.org/foodcrisis/>

12 I. Minde et al., *Promoting Fertilizer Use in Africa: Current Issues and Empirical Evidence from Malawi, Zambia, and Kenya*, 2008, accessed 5 August 2009: [www.aec.msu.edu/fs2/inputs/.../ReSAKSS\\_Fert\\_report\\_final.pdf](http://www.aec.msu.edu/fs2/inputs/.../ReSAKSS_Fert_report_final.pdf)

This means that the country is highly susceptible to currency and commodity price fluctuations, as well as profit-taking by the few multinational corporations that dominate the global fertiliser industry.<sup>11</sup> The government tried to address this in part by by-passing the companies that dominate the Malawian market, mainly Yara (Norway) and Farmers' World (Malawi), and procuring and distributing fertilisers through its parastatals. But the private sector still holds the reins, and the price

of fertilisers has skyrocketed over the past few years.

Rising international prices have had a huge impact on the ability of Malawian farmers to afford fertilisers and on the government's ability to continue with the subsidy programme at the same level. Graph 1 illustrates the tremendous increase in fertiliser prices, in relation to the price of maize.<sup>12</sup>



Cartoon by Khalil Bendib. Thanks to Corpwatch, see <http://www.corpwatch.org/article.php?id=14947>

While it may be honourable for a government to provide direct support to small farmers, more dollars spent on fertilisers means less money for other public expenditure, and with the continuing high international fertiliser prices the strain on the budget can be severe.

The cost of the programme doubled – to nearly 9 per cent of the overall national budget – in 2008 because of the jump in fertiliser prices.<sup>13</sup> Signs that Malawi's fertiliser programme might not last are already showing. In the 2009 budget the government announced that only food crops, not cash crops, will be subsidised, and that there will be a 39 per cent reduction in the subsidy, with a budget of MK 17.8 billion (US\$127 million).<sup>14</sup>

The cost of the fertiliser programme is not only financial. There is a high environmental cost as well. Healthy soil is vital to farming. Declining soil fertility in Africa is increasingly recognised as one of the biggest reasons for low production and hunger. In Malawi, maize productivity in 1997 was only 84 per cent of what it had been in 1988. Local maize grown on fertile soil produces twice the yield that hybrids can on poor soil. Therefore the constraint for farmers was not necessarily related

to seed, but rather to soil fertility.<sup>15</sup> Owing to land pressures, farmers have been forced to deplete the soils on their farms, and because there has never been a concerted national effort to support farmers in replenishing soil organic matter, the soils have now become very poor, which means that their water-holding capacity is much lower than it once was. Continual focus on inorganic fertilisers not only deprives the soil of organic matter but also has a very detrimental effect on soil and water in the long term. Soils become hard and too acidic, and excessive nitrogen leaking into rivers and lakes eventually destroys their ecosystems.

Sub-Saharan soil is generally not very fertile, with low soil organic matter and poor land cover and soil structure, making it susceptible to erosion. In Africa, soil fertility was traditionally managed through a system of leaving the land fallow for a few years. The basis of traditional shifting cultivation is nutrient recycling, and intercropping also plays a role. There is a great deal of skill and traditional knowledge involved in this system. A large body of scientific literature on soil fertility agrees that without traditional and organic methods such as agro-forestry, legumes, integration of crop residue and manure to increase the organic matter in

13 [http://siteresources.worldbank.org/INTARD/Resources/335807-1236361651968/DorwardFertiliserSubsidyPPPWBMar\\_2009.pdf](http://siteresources.worldbank.org/INTARD/Resources/335807-1236361651968/DorwardFertiliserSubsidyPPPWBMar_2009.pdf); Nicolas Minot, IFPRI, "Smart fertiliser subsidies in Sub-Saharan Africa," 24 July 2009: <http://www.slideshare.net/ifpri/minot-presentation-july-24-2009>

14 *Nyasa Times*, 3 July 2009. <http://www.nyasatimes.com/national/kandondo-unveils-k257-billion-malawi-budget.html/comment-page-2>

15 A. Orr, "Green Gold? Burley Tobacco, smallholder agriculture and poverty alleviation in Malawi", *World Development*, Vol. 28, No. 2, 2000, 347–63.

16 Personal communication, CAPS Msukwa, May 2009. See also a press release from the recent World Agroforestry Congress, <http://www.worldagroforestry.org/af/node/390> about the Acacia (Mgunga) tree, which could dramatically increase crop yields in Africa





## Box 4: The politics of maize

For Malawians maize = food, maize is life (*chimango ndi moyo*). Malawi has the highest per capita maize consumption in Africa. But it was not always so, as maize was introduced only during the colonial era; as elsewhere in southern Africa, the key staples used to be millet and sorghum. For decades there has been a constant effort to displace these crops with maize and then to displace farmers' varieties with hybrid maize, but the adoption rates of hybrid maize have been very erratic, going up mainly when there is a subsidy, and going down as soon as there is none. Today farmers still maintain some of their own varieties because they prefer the taste and because weevils do not attack them as much. Up to 40 per cent of hybrid maize can be destroyed post-harvest.<sup>1</sup>

In a rain-fed system like that in Malawi, there is only one season of maize production, and because of low per capita production and little diversification, farmers experience a hungry season from October to March, when they become consumers of maize.<sup>2</sup> Before liberalisation, many African governments had policies to deal with the price and the supply gap during the hungry season, and had state marketing institutions in place, which kept strategic grain reserves. This allowed it to sell grain again at a ceiling price. "Unfortunately for poor rural Africans, these policies contradicted the basic principles of neo-liberal 'Washington consensus' thinking, which declared institutions like parastatals and grain reserves to be inefficient and corrupt, and policies like producer and consumer price subsidies to be fiscally unaffordable in poor countries. More generally, the Bretton Woods agencies decreed that public interventions in markets undermine incentives for private traders."<sup>3</sup>

Currently the government again controls the maize market by restricting exports, and the Agricultural Development and Marketing Corporation (ADMARC) is contracted by government to buy enough maize to distribute during the hungry season at a ceiling price. Malawians are still subject to extreme price fluctuations, the volatility of which is sometimes much greater than in neighbouring countries or even on the world market. In January 2009 maize sold for up to MK90 (US\$0.71) per kg, but once the harvest came in and there was clearly a surplus, the price dropped in June 2009 to MK30 per kg.<sup>4</sup>

Malawi has been able to export maize, but there is also evidence that official crop estimates are too high.<sup>5</sup> Cross-border imports from Mozambique and Tanzania have been continuous, at 59,000 tons in 2007–8 and 40,000 tons in 2008–9. In October 2008 the Malawi Vulnerability Assessment Committee (MVAC) announced that 1.5 million people were vulnerable to food insecurity; subsequent speculation that the food may be scarce drove prices high.<sup>6</sup>

1 Personal interview, CAPS Msukwa, May 2009.

2 S. Devereaux, "Seasonality: four seasons, four solutions?" 2008:

[http://www.future-agricultures.org/EN/Hot%20Topics/news\\_hottopic\\_archive\\_seasonality.html](http://www.future-agricultures.org/EN/Hot%20Topics/news_hottopic_archive_seasonality.html)

3 Ibid.

4 FEWSNET, Malawi food security update, June 2009; USAID,

[http://www.reliefweb.int/rw/RWFiles2009.nsf/FilesByRWDUnidFilename/MYAI-7TR2H9-full\\_report.pdf/\\$File/full\\_report.pdf](http://www.reliefweb.int/rw/RWFiles2009.nsf/FilesByRWDUnidFilename/MYAI-7TR2H9-full_report.pdf/$File/full_report.pdf)

5 FEWSNET 2008

6 T.S. Jayne et al., The 2008/09 Food price and food security situation in Eastern and Southern Africa: Implications for immediate and longer run responses, International Development Working Paper, Michigan State University, 7 November 2008.



soil, the soil will not regain its fertility, and even inorganic fertilisers cannot perform optimally. There is clear evidence that the starting point for improving soil fertility and productivity should be organic fertiliser technologies. Among other advantages, organic approaches to soil fertility are cheaper, the cost stays constant, and the soil stays fertile for longer, so it can be seen as a long-term investment.

Malawi cannot use large amounts of animal manure in compost as it has very little livestock. Poverty, lack of grazing, and lack of security are the main reasons why most livestock ownership is limited to chickens. On the other hand, there is considerable potential for using legumes and agro-forestry, and it is common knowledge among farmers that crops grow well near a certain species of Acacia tree.<sup>16</sup>

Intercropping has always been widely practised in Malawi, and in the 1980s it was still found on more than 90 per cent of Malawi's small farms. Farmers practise intercropping because it mitigates the risks of disease, market fluctuation and weather disaster. It is also a strategy that farmers use to diversify crops for dietary purposes, to reduce labour, to improve yields and to stabilise crop production.<sup>17</sup>

There is a clear realisation in Malawi that farmers have to move beyond fertiliser dependency and that integrated soil fertility management would be a much more viable option in terms of cost and yield.<sup>18</sup> Malawi's government acknowledges that fertilisers are not sustainable, and encourages farmers to make compost. But for this to work, the government needs to apply much more political will, on the same scale as for the

17 S.R. Waddington et al., "Research lessons for cereal-legume intercropping", proceedings of a workshop on a research methodology for cereal-legume intercropping for Eastern and Southern Africa, CIMMYT, 1990.

18 Johannes Sauer and Hardwick Tchale, "Alternative Soil Fertility Management Options in Malawi – An Economic Analysis", International Association of Agricultural Economists, Annual Meeting, 12–18 August 2006, Queensland, Australia. This was also a recurring theme in interviews with farmers and other stakeholders in Malawi in May 2009.

## Box 5: Soils, food and healthy communities

**Lizzie Shumba and Rachel Bezner Kerr, *Soils, Food and Healthy Communities (SFHC), Malawi***

Enoch Chione is a 50-year-old smallholder who has been experimenting with different agro-ecological methods over the past five years. He intercroops different combinations to improve his soils, diversify his crops and get income for his family. This year he is trying pigeon pea and sorghum, Tephrosia, different varieties of banana, pigeon pea and maize, and pigeon pea and soya. Enoch has seen dramatic improvements in his soils, in part because he is burying the legume crop residue immediately following harvest. Enoch's food security has greatly improved from using these techniques. He estimates that he has enough food to last for two years, if the rains stopped completely. He is also teaching other farmers in his village. As the group village headman, he has tremendous influence, and the villagers also use these methods extensively.

Enoch is a member of the Soils, Food and Healthy Communities project (SFHC). Working with more than 4,000 farmers, SFHC uses agro-ecological and participatory methods to improve farmers' livelihoods in northern Malawi. Initiated by Ekwendeni hospital in order to address child malnutrition, the project has as its main objectives the improvement of soil fertility, food security and child nutrition of farming families in the region. Farmers test intercropping different leguminous plants such as groundnut, soya, pigeon pea and mucuna.

Ekwendeni catchment area is situated in northern Malawi, with a population of about 70,000 and an area of about 600 sq km. The economy is based on smallholder farming with an average landholding of less than one hectare. Approximately 60 per cent of Malawians live below the poverty line. The soil type is largely sandy loam, and the main crops grown are maize (the staple food) and tobacco, along with minor crops such as cassava, sweet potato, common beans and groundnut. The climate in Ekwendeni is semi-tropical, with annual rainfall of 600–1000 mm, falling primarily between November and April. In the past the rains came in October, and there were also rains in July. Nowadays the rains are much less reliable, which has made it difficult for farmers to plan and means that they cannot depend on a reasonable harvest. During the dry season some farmers have gardens by the rivers or wetlands, where they grow maize and vegetables. Those without access to rivers or wetlands grow vegetables in small kitchen gardens by their homes.

In the late 1990s there were increasing numbers of malnourished children admitted to the nutrition rehabilitation unit (NRU) of Ekwendeni hospital. Interviews conducted with the families of these children revealed that they were experiencing severe food insecurity. Farmers were struggling with rising fertiliser costs; they relied heavily on maize and had lost knowledge of how to grow crops without fertiliser. To address this problem, legume intercroops were introduced to the farmers as one potential solution. The legumes are intercropped so as to have short- and long-duration crops, some of which are deep-rooted and add more organic matter to the soil (e.g. pigeon pea) while others are high-yielding and provide more food (e.g. groundnut). The legumes favoured by the farmers are the edible ones, particularly pigeon pea, groundnut and soya. Farmers test different legumes on their own fields to determine whether they improve soil fertility and nutrition. Legume intercropping began in 2000, and it is how the SFHC project was born.

Farmers do more than test legume combinations on their fields. There is a Farmer Research Team that provides support and training to participating farmers. There are recipe days and crop residue burial days. There is also a community seed legume bank, where seed is "paid back" by participating farmers and managed by the Farmer Research Team. In the following planting season the seed is distributed to new participants and to those farmers who have lost their seeds. Another initiative is the Agriculture and Nutrition Discussion Groups, which are intergenerational discussion groups about gender, agriculture and nutrition. In these discussions, facilitated by community members, people are free to share beliefs and experiences, and analyse community and family problems. Issues such as men using the money from legume sales to buy alcohol are discussed and debated, and solutions proposed. These groups have proved to teach very effectively. "We are researchers because of this project. There is no malnutrition with SFHC farmers", Enoch says proudly.

As farmers have increased their use of legumes, they have found that their soils have improved, along with nutrition and food security. They've shared different recipes within their communities to show how families can prepare their local foods and legumes for nutrition. Today, admissions to the NRU of children under five has been dramatically reduced, and children in families involved in the project have improved growth. The farmers have formed an Ekwendeni Farmer Association to work together and to try to get fair prices for their crops, and have increased their incomes through the sale of legumes as a farmer group. As Enoch says, "We farmers in this project are not just growing to sell, like tobacco farmers. We are growing for the soil, for food, for seed and for sale. So we don't worry if we can't sell the crop. They can't compete with us!"

(continued on page 12)



(from page 11)

Since land degradation and climate change have become major challenges in Malawi and sub-Saharan Africa as a whole, it is the project's wish to extend its activities into other areas. Apart from providing legume seed to farmers, there is also a need to distribute drought-tolerant seeds for crops such as sorghum, millet, cowpea and cassava. SFHC is beginning to focus on climate-change adaptation, with several hundred farmers testing different drought-tolerant crops this coming season. Despite the challenges of a global financial crisis, climate change, HIV and government policies that work against the SFHC, farmers are rising to meet these challenges. Enoch notes proudly that lots of people are "coming and admiring here" and even the government extension workers have visited his fields to learn what he is doing. "We hope they take it and apply it", he adds.

19 M. Nyekanyeka and A. Daudi, *Malawi: Renewed Maize Surplus*, Government of Malawi report, October 2008. p. 21.

Agriculture Subsidy Input Programme (AISP). It would be feasible, for this approach would be much cheaper to implement. Andrew Daudi, Malawi's permanent secretary for agriculture and food security, concludes his report on the AISP not with a call for more fertilisers but by saying: "As the rural areas are full of materials that can be turned into manure (compost), farmers are encouraged to make compost and plant agro-forestry trees which retains fertility of the soil over

a long period of time, hence reducing the need for high-cost inorganic fertilisers."<sup>19</sup>

### The revolution that's needed

Malawi's Green Revolution success story is being oversold, and this not only does Malawi a disservice but also shifts the focus for investment in agriculture in Africa in the wrong direction. While it is great to see a government investing in local food production, this government has elected to pursue the tried and unsustainable policies of the past. This round of subsidies will also fail small farmers and the country if nothing is done to redistribute land to ensure that farmers have enough land to produce surpluses, and if it does not move away from its narrow focus on chemical fertilisers and hybrid maize seeds, for both financial and ecological reasons.


At this point, importing fertilisers is cheaper than importing maize, but this is not where the debate lies, as dependency on any import can transform Malawi into a begging country in an instant. Malawi and many other countries in Africa need a revolutionary approach to agriculture. Investment and subsidies are needed. But they should not be of the type that is now being promoted. What is needed is a massive programme – across Africa and in the rest of the world – to improve soils, to increase organic matter and soil fertility, to support biodiversity, and to invest in the capacity of small farmers everywhere to produce food sustainably while making a decent living. That requires looking beyond the technical quick fixes. It requires developing radical policies that give small farmers access to land, protects them from market imbalances and commodity fluctuations, and helps them to produce sustainably now and in the future. 



Photo: GRAIN

*Directly after harvest, a small-scale farmer has his maize weighed by private traders, who will store the maize to sell at a higher price later in the season*



Over the years many Big Ideas have been imposed on Africa from outside. The latest is that the region should sell or lease millions of hectares of land to foreign investors, who will bring resources and up-to-date technology. None of the blueprints has worked, and African farmers have become increasingly impoverished. It is time for Africans to turn to their own histories, knowledge and resources.

# Africa's land and family farms – up for grabs?

JOAN BAXTER\*

In the early 1990s, when I was living in northern Ghana, an elderly woman farmer decided that I needed some education. In a rather long lecture, she detailed the devastating effects that the Green Revolution – the first one, which outside experts and donors launched in Africa in the 1960s and 70s – had had on farmers' crops, soils, trees and lives. She said that the imported seeds, fertilisers, pesticides and tractors, the instructions to plant row after row of imported hybrid maize and cut down precious trees that protected the soils and nourished the people – even the invaluable shea nut trees – had ruined the diverse, productive farming systems that had always sustained her people. When she finished, she cocked an eye at me and asked, with a cagey grin, "Why do you bring your mistakes here?" By "you" I think she meant the people – foreigners and Africans in their employ – who tramp all over the continent implementing big development ideas. These great schemes are generally concocted even higher up the decision-making chain in distant world financial capitals, often by free-market economists, bankers and billionaire philanthropists who wouldn't know a shea nut from a peanut.

At the time, I had no answer to her question. But now, two decades later, I think I do. It's taken

years of patient teaching by African farmers from Zambia to Uganda, from Kenya to Cameroon and Mali. And, most recently, it was all summed up clearly for me by members of COPAGEN, a coalition of African farmer associations, scientists, civil society groups and activists who work to protect Africa's genetic heritage, farmers' rights, and their sovereignty over their land, seeds and food. These knowledgeable people have shown me that the answer is quite straightforward: many of those imported mistakes, disguised as solutions for Africa, are very, very profitable, at least for those who design and make them.

Not, however, for the average African farming family or even the average African whose interests, they would have us believe, are being served by the big plans for progress and development. There have been many such schemes over the years, nearly all of them promoting the unfettered free market and the re-regulation of the private sector; that is, the regulations that curtailed their cowboy capitalism had to be lassoed and put down so that new ones to protect their profitable stampede over the public sector could be put in place.

Hence all those years of structural adjustment programmes in Africa, poverty reduction or alleviation schemes, the first Green Revolution and

\* JOAN BAXTER is a Canadian journalist and writer who has been reporting on Africa for over two decades.



Photo: Nubian remedies



*The Shea nut tree is an integral part of the lives of the people in northern Ghana, particularly the women. It has helped conserve the ecosystems in the semi-arid regions of the north of Ghana. Traditionally, the Shea nut tree belongs to the entire community and cannot be owned by individuals even when found on private property. It is a critical income source for the people when everything else fails, and recognised as the provider of succour and relief.*



Photo: BUSAC

liberalised trade that cranked open Africa's doors to the dumping on the continent of cheap imports and subsidised foodstuffs, which stifled African industries and undermined African farmers who, the same free-market gurus paradoxically said, should not be subsidised.

### Triple whammy

These monetarist schemes have helped to make Africa poorer and ever more dependent on foreign donor and investor capital, and thus more vulnerable to still more of the Big Ideas and never-ending plans to profit from Africa while pretending to develop it. So that now, even as Africans struggle to confront the triple whammy of the global food crisis, the financial crisis and climate change – all offspring of the unfettered free-market financial system – the same big planners are at it again with more of the same mistakes disguised as solutions for Africa.

These days, they're blowing a perfectly awful storm all the way across Africa, this one designed to strike right at the heart of the continent – its farms and the families and communities that work them, who account for 70 per cent of Africa's population. If left to blow itself out, African farmers may find themselves, one day in the not-so-distant future, without land to cultivate, their social structures and communities destroyed. They may find themselves without seed to call their own to share with each other. The crop varieties their forefathers

had developed will have been "improved" and then privatised by foreigners who claim exclusive rights over their use. Crucial water catchment areas and vast tracts of woodland needed to combat climate change will have been converted to vast water- and fossil-fuel-guzzling industrial plantations for food and agrofuels, all run by giant agribusinesses and foreign investors, absent landlords and bosses who may never in their lavish lives have soiled their soft hands in a farm field.

The latest Big Idea is for massive "foreign direct investment" (FDI) in Africa, and especially African agriculture, by countries, donors, financial institutions, corporations, everyone who's anyone in the upper echelons of the world's financial architecture, anyone awash with capital on the look-out for high returns. The spin on FDI is that it offers Africa wondrous "opportunities", a "win-win" situation, the only way to eradicate hunger and poverty. And just to make sure there's absolutely nothing impeding the onslaught of investment, so-called donor nations, working in cahoots with their corporate partners, international financial institutions and development banks, are busy helping African governments to "harmonise" laws across the continent to "improve the legal framework for business", to set up "one-stop shops" for investors, to "secure" landholdings by privatising them, and to open the doors for genetically modified (GM) crops and for the patenting of crop and tree varieties.



Across the continent, presidents are toeing the line, going along with the spin, pleading for still more foreign investment, literally putting their countries up for auction. The Tony Blair Foundation, and indeed the former British prime minister himself, invited rich and powerful investors to a meeting of the special Consultative Group on Sierra Leone in November 2009, at which the impoverished West African nation was, in essence, offering up its resources on a silver platter to foreign investors interested in land, diamonds, bauxite ... whatever the war-ravaged country still has left to sell. Apparently, however, the investors didn't need to come to Sierra Leone to stake out their claims; rather than hold the Great Sierra Leone Sale in Freetown, the Tony Blair Foundation decided to host it in London.

### School of neoliberal dogma

As if there were no tomorrow, African leaders, well schooled in the neoliberal dogma of the World Bank and Wall Street, are welcoming the land-grabbing "investors" who are flocking to Africa to acquire vast tracts of land to produce food crops or agrofuels, depending on which would be most profitable at any given moment in the market. Some are just speculators, plain and simple, grabbing chunks of Africa as an investment, the new favourite hedge fund.

It is almost impossible to know just how much of Africa has been sold or leased out in the past two years because the deals are shrouded in secrecy and happening at such a pace that GRAIN works daily to try to keep up with the deals on its farmlandgrab website.<sup>1</sup> More than US\$100 billion has been mobilised in the past two years for investing in land, the trick being, according to one analyst "not to harvest food but to harvest money".<sup>2</sup> There are estimates that in this period, 30 million hectares (an area the size of Senegal and Benin together) have been grabbed, in at least 28 countries in Africa.<sup>3</sup> Ethiopia is offering more than a million hectares of what it calls "virgin" land to foreign investors. Almost a third of Mozambique is, quite literally, up for grabs. It was just such a land investment deal between the South Korean company, Daewoo, and the former president of Madagascar, which would have accorded Daewoo about half of the country's arable land for industrial monoculture – production of food and agrofuels for export to Korea – that contributed to the political turbulence and the overthrow of President Ravalomanana, and the apparent cancellation of that particular deal. There is sure to be more political turbulence and conflict, neither of which Africa needs, as Africans realise what is happening to their land and farms.

Along with the African governments and chiefs who are happily and quietly selling or leasing the land out from under their own people, those running the show at the global level include the World Bank, its International Finance Corporation (IFC), the International Rice Research Institute (IRRI) of the Consultative Group on International Agricultural Research (CGIAR), the European Bank for Reconstruction and Development (EBRD), and many other powerful nations and institutions. The US Millennium Challenge Corporation (MCC) is busy reforming landownership laws in its member countries and proud to be doing so, as I found out in their Benin office. Such privatisation threatens to destroy traditional communal approaches to land ownership in Africa, but it will make it easier to sell or lease land to foreign investors.

Jacques Diouf, Director General of the UN Food and Agriculture Organisation (FAO), originally called the land-grabbing a system of "neo-colonialism",<sup>4</sup> but since then the FAO appears to have joined the ranks of the World Bank et al., who support the land-grabbing and are working towards a "framework" that will promote "responsible" investment to make it a "win-win" situation.<sup>5</sup> Which means, of course, that there will be lots of fancy rhetoric, lofty promises, high-level meetings and conferences, and business will continue as usual. Africans lose–lose, investors win–win.

Investors never have been, are not, and never will be in the business of helping hungry Africans to feed themselves and to solve the problem of food insecurity, which has been so aggravated by earlier Big Ideas to liberalise trade and revolutionise agriculture. The offshore farming of food or of agrofuels for export, or just as investment, is big business. For profit.

### The greenwash factor

GRAIN and COPAGEN say that those grabbing Africa's farmland are as diverse as they are numerous. They note the complicity of African governments and say that some African "barons" are also snapping up land. Some grabbers are countries anxious to secure their own future food supplies, such as China, India, Japan and other Asian countries, Saudi Arabia and other Gulf States and Libya. Other land-grabbers are buying and leasing vast tracts of land in Africa as a lucrative investment, or, as one analyst puts it, "an asset like gold, only better".<sup>6</sup> Among them are multinational agribusinesses, and investment houses, such as Goldman Sachs and Morgan Stanley, that cater to the super-rich. Others getting in on the new land rush are energy and mining companies, who

1 <http://www.farmlandgrab.org>

2 <http://www.grain.org/briefings/?id=212>

3 Patrick Piro, "La course aux terres ne faillit pas", *Politis*, No. 1029, 17 September 2009.

4 Javier Blas, "UN warns of food neo-colonialism", *Financial Times*, 19 August 2008.

5 Japan Ministry of Foreign Affairs, "Promoting responsible international investment in agriculture", 29 September 2009: <http://www.mofa.go.jp/policy/economy/fishery/agriculture/investment.html>

6 Chris Mayer, "This asset is like gold, only better", *DailyWealth*, 4 October 2009: <http://www.stockhouse.com/Columnists/2009/Oct/4/This-asset-is-like-gold-only-better>







greenwash their fuel-guzzling industrial plantation schemes in an attempt to cash in on public goodwill to try to tackle climate change with large-scale production of agrofuels from food crops such as palm oil, sugarcane and maize, or non-food crops such as jatropha. All of these require enormous amounts of water – and fossil fuels that cause climate change – to produce. And this on land that should be in the hands of farming families.


Ah yes, Africa's farm families. Those are the people for whom there is another Very Big Idea going on. It's the Alliance for a Green Revolution in Africa (AGRA), which claims to be working in smallholder farmers' interests by "catalysing" a green revolution in Africa. Yes, another one. AGRA's Green Revolution Number Two is being bankrolled primarily by the Bill & Melinda Gates Foundation, along with the Rockefeller Foundation, which bankrolled Green Revolution Number One. But it has roped in many major development banks, UN agencies and the CGIAR (among others) for the massive undertaking of revolutionising African agriculture. AGRA is run by several people with close ties to the biotech monster Monsanto, and, just like Green Revolution Number One, it recommends "modern" technological solutions such as imported fertilisers and purchased seeds. While it denies that GM crops are necessarily involved, the Gates Foundation has also offered US\$5.4 million to the Donald Danforth Plant Science Center, a US institute funded heavily by Monsanto, to expedite the acceptance by African governments of GM crops for field testing.<sup>7</sup> One does want to ask the worshippers of modern technology and proponents of industrial models of commercial agriculture and agribusiness why, when these are supposedly so productive, they are so heavily subsidised in Europe and the US. To render African agriculture commercially profitable, as AGRA aims to do, the Gates Foundation admits (not publicly, but in a leaked document) that it may eventually be necessary to promote "land mobility", doublespeak for smallholder farmers being removed from their land.<sup>8</sup>

### AGRA closes the gates

Before it set out to re-invent the African farm, did AGRA revisit liberalised trade policies that have suppressed prices for African produce and hurt Africa's farmers? Did it examine the economic dogma imposed on Africa that destroyed agricultural extension programmes and reduced government spending on agricultural investment, research and infrastructure? Did it do its homework and take stock of the countless studies of the myriad advantages of resilient, holistic, small-scale farms

that rely on the sharing of local seed varieties and traditional knowledge and crop/tree diversity and that reduce risks? Did it examine ways to promote and improve these environmentally sustainable systems? Did it pay more than lip service to the landmark study, the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), carried out by dozens of scientists over many years and initiated by the World Bank itself, which in April 2009 concluded that agro-ecological agriculture by smallholder farmers was the best solution of all? The answer to all of these questions is: No.

More importantly, did AGRA even engage with Africa's farmers and involve them in its big plans? Not according to Simon Mwamba of the Eastern and Southern Africa Small-Scale Farmers' Forum. Speaking at a dialogue on AGRA organised by Olivier De Schutter, the UN Special Rapporteur on the Right to Food, Mwamba quipped, "You come. You buy the land. You make a plan. You build a house. Now you ask me, what colour do I want to paint the kitchen? This is not participation!"<sup>9</sup>

The experts and billionaires with Big Ideas that are bound to profit multinational agribusinesses, foreign investors, hunger-profiters and greenwashers – all of whom masquerade as Africa's saviours and mentors – have already drawn budget lines and battle lines in Africa's soils, without bothering to inform Africa's farmers of the intended fate of their land and their livelihoods. By any stretch of the imagination, it's hardly a fair fight. On one side, many of the richest and most powerful people, institutions and nations on earth, working in alliance with African governments that toe the line. On the other, some of the poorest people on earth, African farmers' associations and coalitions such as COPAGEN, and NGOs such as GRAIN, Friends of the Earth in Africa and the African Biosafety Network, who are struggling to inform African governments about the high stakes of these schemes that threaten not just their food and seed sovereignty, but the sovereignty of their land and even African nations themselves. These groups would like African leaders to stop believing that wads of foreign cash and Big Ideas are the solution for the continent, and look instead to their own histories, knowledge and resources to promote family farming systems that offer a range of social, economic and environmental advantages over all those imported notions and plans spawned by free-market dogma and riding tsunamis of foreign capital. Put forward as solutions even though – as I learned all those years ago – they are often just very big and very dangerous mistakes for Africa. 

7 Friends of the Earth (FOE) Ghana; Togo; Nigeria; Cameroon; Sierra Leone; Tunisia; Swaziland; South Africa; Mauritius, AGRA & Monsanto & Gates, Green Washing and Poor Washing, 6 April 2009: <http://crossedcrocodiles.wordpress.com/2009/04/06/agra-monsanto-gates-green-washing-poor-washing/>

8 Raj Patel, Eric Holt-Gimenez & Annie Shattuck, "Ending Africa's Hunger", *The Nation*, 21 September 2009: <http://crossedcrocodiles.wordpress.com/2009/04/06/agra-monsanto-gates-green-washing-poor-washing/>

9 Ibid.

More than one billion people in the world are employed in agriculture, and most work in extremely precarious conditions. They cannot guarantee the food security of their families. Improvements will come only if these workers are better organised and better able to engage in collective bargaining. The IUF is working with its affiliates to make this happen.

# Agricultural workers still struggle for their rights

SUE LONGLEY\*

“We grow it, we reap it, we can't afford to eat it” – those were the words of the pay campaign of the British agricultural workers' union in the 1980s.

Thirty years later it is still as pertinent as it was then, and rings as true across the globe as it does in the UK. Agricultural workers remain at the bottom of the pay league, with wages well below the poverty line.

Low pay, however, is not the only problem facing agricultural workers. Agriculture is one of the most dangerous industries to work in, alongside construction and mining. Indeed, it is the sector with the most fatal accidents. Agricultural workers face many hazards: dangerous machinery, livestock, extremes of temperature and inclement weather, dehydration due to lack of access to potable water, and exposure to biological hazards arising from pesticides and other agro-chemicals.

Losing a breadwinner to a fatal accident or having a family member with a disability or illness caused by their work plunges many agricultural workers'

families deep into poverty, from which they cannot escape and which, in turn, pushes them into escalating food insecurity.

Agriculture is the single biggest user of child labour, accounting for 70 per cent of all child workers. Around 130 million girls and boys under 15 work in agriculture, often starting early, sometimes as young as five. They work long hours and can be involved in forms of labour that puts their health, safety and education at risk. Indeed, child slavery and child bonded labour still exist. Child labour is often hidden, when adults employed on task rates or piece rate take their children along to help them to complete the job.

Children work mostly because their parents are poor and the family needs the income they bring home to survive. Yet child labour undermines the ability of trade unions to negotiate living wages, and thus helps to maintain the cycle of poverty that traps many rural families.

The agricultural sector is also heavily dependent on migrant, temporary and seasonal workers;

\* Sue Longley is the IUF's agricultural coordinator, based in their head office in Geneva. The IUF (International union of food agricultural, hotel, restaurant, catering, tobacco and allied workers) is the global trade union representing workers throughout the food chain. The IUF has 363 affiliated trade unions in 120 countries.



## Box 1: Moving forward in India

Lack of employment and lack of rights are the daily reality for millions of agricultural workers in India. In 2005 the Indian parliament passed historic legislation, the National Rural Employment Guarantee Act (NREGA), which guarantees 100 days of employment for rural households across the country. Initially focused on 200 districts, it was extended to 330 districts the following year and, from 1 April 2008, it has covered all rural districts in the country.

The potential benefits of the NREGA are significant:

- its employment guarantee goes some way towards securing livelihoods for the most marginalised section of the workforce and contributes to a reduction in extreme levels of hunger and poverty;
- it can help to sustain livelihoods in the countryside and thus to reduce urbanisation;
- it can deliver greater employment opportunities to women;
- it can develop necessary basic infrastructure in rural areas, including education, health and environmental sustainability;
- it can deliver social justice in areas of significant inequality.

The NREGA guarantees payment of the legal minimum daily wage and is specifically geared towards unskilled labourers working in water conservation, drought proofing, irrigation, repair (for example, de-silting), land development, flood control and road works. During employment, workers are entitled to drinking water, access to shade, medical kits and childcare. If workers are unable to obtain employment through the scheme, they are entitled to unemployment benefit. The act also specifies that records of funds received and projects carried out through the NREGA are publicly available at district level and can also be obtained through Right to Information legislation.

Following implementation during 2006–7, the average number of days worked per household was 17. This covered a very significant range across different states, however: from 77 days in Rajasthan to 3 days in Kerala. In the initial stages of the NREGA schemes, concerns were raised about the take-up rate and problems of corruption.

By organising workers, trade unions have managed to achieve much greater adherence to the payment of the minimum wage and to get more workers participating in the scheme. For example, members of the IUF-affiliated Andhra Pradesh Vyavasaya Vruthidarula Union (APVVU) in the south of India were able to achieve three times as many work-days than the state average. In addition, while in 2006–7 40 per cent of workers in the scheme at a national level were women, in those schemes where APVVU members participated, women's participation reached 52 per cent. While the average wages earned by agricultural workers before the introduction of NREGA in Andhra Pradesh ranged from Rs. 30 to a maximum of Rs. 60 per day, after the introduction of NREGA, the average wages earned have been between Rs. 81 and Rs. 93 per day. Similarly, the rate of distress migration of agricultural workers has fallen by 70 per cent in several districts of Andhra Pradesh.

In Bihar, in the north of India, where the state-wide average work per household in 2006–7 was 8 days, members of the IUF-affiliated Hind Khet Mazdoor Panchayat (HKMP) were able to obtain 60–70 days' employment. In the North Bengal district of West Bengal, in eastern India, following interventions from IUF affiliate Paschim Banga Khet Majoor Samity (PBKMS), rural workers in one area were able to get 45 days' work per household in 2006, while the district average was 12.7 days per household.

The NREGA is a major improvement in social protection for agricultural workers. It shows that by intervening actively trade unions can monitor and fight corruption and ensure that social justice is delivered to rural workers.



1 International Labour Organisation, Report IV, *Promotion of Rural Employment for Poverty Reduction*, 97th Session, 2008, International Labour Conference, Geneva [http://www.ilo.org/global/What\\_we\\_do/Officialmeetings/ilc/ILCSessions/97thSession/reports/lang-en/docName-WCMS\\_091721/index.htm](http://www.ilo.org/global/What_we_do/Officialmeetings/ilc/ILCSessions/97thSession/reports/lang-en/docName-WCMS_091721/index.htm)

2 *Ibid.*, p. 29.

the precarious conditions in which these workers labour often rob them and their families of food security.

In a 2008 report,<sup>1</sup> the International Labour Organisation (ILO) estimated that more than one billion people were employed in agriculture – often in very precarious conditions. Asia accounted for the largest share (some 70 per cent of the world total), with over 700 million agricultural workers, while sub-Saharan Africa, with 192 million

workers, came second (about 20 per cent). Even so, the proportion of workers employed in agriculture is falling: while in 1991 45.2 per cent of the global workforce was employed in agriculture, by 2007 its share had fallen to 34.9 per cent. The ILO has noted, however, using information from relevant government ministries, that despite the decline, the actual number of people working in the sector has remained fairly constant and is forecast to remain so over the next 10 years.<sup>2</sup> In many countries



agriculture still employs more women than any other sector.<sup>3</sup>

Many millions of these workers in the agricultural sector are among the world's one billion chronically hungry. In a report published in 2008, the ILO noted:

Landless people are often among the chronically poor, especially in South Asia. Among the rural chronically poor in India, casual labour was the largest single occupational group. Income insecurity in migrant and seasonal labour constitutes a key factor leading to a decent work deficit. Casual labour provides few opportunities for households to invest in developing skills and building assets and unequal power relations with employers limit households' capacity to improve their security and working conditions.<sup>4</sup>

Yet if you look at UN policies to address food security and sustainable agriculture, you will find little, if any, recognition either of the needs of these workers or of their contribution to ensuring the global supply of food. The Comprehensive Framework for Action of the UN High Level Task Force on the Global Food Security crisis has nothing to say about the role of employed agricultural workers, although it does acknowledge the role of smallholders and their potential contribution to ensuring global food security.

The recent Declaration from the World Summit on Food Security also had nothing to say on agricultural workers. In the IUF's opinion, the failure of governments and inter-governmental organisations to understand both the contribution and the situation of agricultural workers means that both agricultural development policies and poverty elimination strategies are missing a vital element, and their effectiveness is reduced.

In 2001, after many years of campaigning by agricultural trade unions, the ILO developed and adopted a new convention on safety and health in agriculture.<sup>5</sup> This gives agricultural workers the same rights in international law as other workers. Getting governments to ratify the Convention and then implement its provisions is the next big challenge. By the end of 2009, only 11 countries had ratified the Convention.

In many countries, agricultural workers are excluded from the labour code and other legislation that protects workers. In other countries, lower standards apply to them: for example, health and safety legislation often allows agricultural workers to lift heavier weights or to work longer hours than other workers. In many countries, labour inspection in agriculture is virtually non-existent.

The heart of the challenge of ensuring food security for agricultural workers is to help them to confront the restrictions they face in their attempts

3 *Ibid.*

4 *Ibid.*, p. 69.

5 International Labour Organisation, Convention no. 184, "Convention Concerning health and Safety in Agriculture", Geneva, 2001. <http://www.ilo.org/public/english/standards/relm/ilc/ilc89/pdf/c184.pdf>



*A nine-year-old Kyrgyz boy in Shymkent region, southern Kazakhstan, prepares tobacco leaves for drying. The tobacco sector in Kazakhstan is heavily dependent on migrant labour from neighbouring Kyrgyzstan. Many Kyrgyz children migrate with their parents and work alongside them in the fields.*



## Extract from the speech of IUF general secretary, Ron Oswald, to the International Labour Conference 2008

"It has been estimated that every percentage point increase in the price of staple foodstuffs can send an additional 16 million people into hunger. The first question to ask, therefore, is why are so many millions already on the edge, and why are so many of them employed in agriculture?"

"Where is the linkage between commodity prices, retail prices, wages and purchasing power the WTO assured us liberalised trade would achieve through the 'optimal utilisation of resources'? Dependence on volatile global commodity prices has pushed entire populations to the brink of starvation.

"How can we rush to a faster conclusion of the Doha Round when it was the WTO regime – and the Agreement on Agriculture in particular – that facilitated import surges that have devastated vital systems of local and national food production. Between 1995 and 2000, the price of maize in Mexico fell by 70 per cent while the price of tortillas, the staple maize bread, increased by 300 per cent, and quadrupled in the space of a few months last year. In these five years, an estimated 1.3 million workers and small farmers were forced to abandon the countryside in search of work.

"Commodity prices in themselves tell us nothing about the capacity of the world's agricultural workers to feed themselves, or the urban poor. The key issues are vulnerability, volatility, and the extraction of value along the food chain.

"In 2008, while an additional 100 million people face possible starvation as a result of rapidly rising cereal and oilseed prices, corporate profits for the traders and primary processors are at record levels. Cargill, the world's leading trader, registered an 86 per cent increase in profits from commodity trading in the first quarter of this year. 2007 profits for ADM, the second global trader, were up 67 per cent per cent last year. Bunge, riding the wave of demand for oilseed for biodiesel, enjoyed a 77 per cent increase in first quarter profits this year. Nestlé, the world's largest food corporation, posted exceptional 2007 profits and launched a 25 billion dollar share buyback programme – while telling its workers that higher input prices mean they should brace themselves for layoffs and wage cuts.....

"The missing link between investment, production and decent work – the title of this panel – is social regulation. No matter how many billions or even trillions flow into agriculture, this investment fails to deliver decent work and fails to advance the right to food. What we see instead is more volatility and therefore more vulnerability. Social regulation at national and sub-national level, including the implementation of ILO standards, is necessary to ensure that these capital flows are channeled into decent work, poverty alleviation and sustainable food security. Governments must have and be able to exercise the right to protect food and food workers."




to form associations and to carry out collective bargaining. Apart from the legal barriers outlined above, another impediment they face is the feudal attitude of landowners and employers who treat agricultural workers as serfs. If workers attempt to join or form a union, they are sacked; this often means losing not only their job but also their home and access to a school for their children. Physical isolation due to distances from population centres also make it hard for trade unions to reach rural workers.

So for the IUF our priority is to work with our affiliates to ensure that agricultural workers have the same rights as other workers so that they can organise and bargain and thus ensure their own and their families' food rights. This involves:

- setting up training programmes at plantation and national level to increase the capacity of trade unions to represent rural workers;
- building trade union influence within the major transnational companies that dominate

the food sector (for example, negotiating international framework agreements with TNCs that ensure they respect an agreed package of rights within the company);

- trying to influence national and international policy-makers to take into account the needs of agricultural workers and to acknowledge the contribution they make.

At the January 2008 Madrid summit on the food crisis, UN Secretary General Ban Ki-moon called for a "third track" in the response to global hunger: "the right to food, as a basis for analysis, action and accountability". This is to be welcomed, but he was only reaffirming something that is already anchored in international law and the Charter of the United Nations. Governments have an obligation to protect, defend, and advance the right to food. The IUF understands the dual nature of food rights as both the right to food and rights for those who produce food, thus achieving decent work in agriculture is, for us, fundamental to advancing the fight against hunger. 

Over the last couple of decades there has been a huge swelling in the importance of the financial sector in the world economy. Investors now demand the same elevated returns in all economic sectors – including food and agriculture. As a result, even manufacturing and service corporations have been “financialised”. The dominant financial logic places little value on real production, productivity or jobs. This is extremely harmful to the vast majority of the world’s population, and it has enormous implications for the billions of people involved in food production.

# What “financialisation” means for food workers

**PETER ROSSMAN**

The “financialisation” of the global economy is today both real and meaningful. There has been a significant growth in the specific weight of finance, whether measured as a share of GDP or as a rising share of overall profits. The banks have increasingly turned away from financing corporate investment themselves to doing so by directly tapping into wage earners’ revenue through mortgage, credit card and other forms of consumer debt. The swelling of the financial sector has been accompanied by sluggish growth in output and employment, a stagnating or declining share of wages in the national income, and widening inequality. Crises have become more frequent and more severe. The global financial system increasingly resembles a giant Ponzi scheme,<sup>1</sup> based on continuous asset inflation and the need for continuous injections of new cash to finance the payouts.

One direct consequence of this financialisation for workers in manufacturing and services has been the demand for these sectors to deliver rates of return equal to those that were formerly obtained only in global financial markets. In 2006, Deutsche Bank chief Josef Ackermann declared that investors should aim for a 20 per cent return. In 2007, at the last pre-crisis shareholders’ meeting, the keynote theme of his address was, literally, “25 per cent is not enough”. In fact, it was claimed that the big private equity funds were delivering annual returns of the order of 30 per cent and more. There are, however, only two ways that profits like this can be regularly generated: through high leverage (that is, debt); and/or by cranking up the rate of exploitation.

Indeed, loading up on debt has been one vehicle for generating super returns. Between fourth quarter 2004 and fourth quarter 2008, the

**Peter Rossman** is Communications Director of the IUF (see page 17). This is a shortened version of a presentation given at ILO/GLU International Conference on Financialisation of Capital: Deterioration of Working Conditions – TISS, Mumbai, 22–24 February 2009.



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<sup>1</sup> A Ponzi scheme is a type of illegal pyramid scheme named after Charles Ponzi, who in 1921 duped thousands of New England residents in the USA by telling them he could provide a 40 per cent return on their investments in 40 days. Ponzi was deluged with funds, taking US\$1 million in one three-hour period! The promised returns were clearly unsustainable. Though some early investors were paid off, most lost their money when the whole scheme eventually collapsed.



companies in the S&P 500<sup>2</sup> paid out US\$900 billion in dividends to their shareholders and spent US\$1.7 trillion buying back their own shares. This means that US\$2.6 trillion were paid out to shareholders on earnings of US\$2.4 trillion. And this leaves to one side the enormous amounts of leveraged buyout debt generated during the credit boom, which saw US\$1 trillion spent by private equity funds buying companies between summer 2006 and summer 2007 for the sole purpose of buying out the existing shareholders, loading the companies with more debt to finance dividend payments to shareholders, and then selling them on. And it must be remembered that high levels of debt are not simply a means of increasing profits: they amplify volatility, and transfer risk from investors to workers. As a consequence, workers in virtually all sectors are harmed by rapidly changing ownership, permanent restructuring and targets for rates of return (profit), as they are based on a financial logic that places little or no value on real production, productivity or jobs.

<sup>2</sup> Standard & Poor's 500 is an index of 500 large publicly-held companies that trade on the two largest US stock markets. It is considered a bellwether for the US economy

Stock markets today directly reward companies which eliminate productive capacity and destroy jobs. Layoffs and closures feed a financial market that thrives on shifting wealth away from productive

investment, which in the food sector has steadily declined as a percentage of corporate resources. At Kraft, for example, the world's second largest food corporation, capital expenditure in 2008 was barely 3 per cent of operating revenue – about half the norm of 20 years ago. Even investment in research and development (R&D) has tended to decline as a percentage of cash flow. R&D is increasingly outsourced, either to universities, or, in the case of Nestlé, through a proprietary hedge fund on the prowl for start-ups. If “downsize and distribute” became a trend in the 1990s, when the phrase was coined, it later became a steamroller, particularly in the years following the dot.com and stock market crashes of 2000–2002.

In the European Union, food processing is the largest employer in the manufacturing sector, and it adds more value to its raw materials than any other industry. In the growth years 2000–2005 (the last for which I have figures, but the trend has intensified), over 15 per cent of jobs were eliminated in this industry – ahead of textiles, and behind only agriculture. These jobs were not lost to foreign imports: they were lost to pressure to pay out more to shareholders.



*PG Tips' famous monkey joins the Casual-T campaign*

*Photo: IUF*

## “Dream come true” for workers in Pakistan

Unilever pushed its “Path to Growth” to extremes in Pakistan. The company claimed to give work to more than 7,000 people, directly or indirectly, but of these only 323 were employed by Unilever on permanent contracts. Lipton is one of Unilever’s “billion dollar brands” – the two dozen brand products that generate 75 per cent of corporate revenue. Unilever’s Lipton tea factory in Khanewal used to employ directly only 22 workers, but another 723 workers were hired through six contract labour agencies.

These precarious workers were legally excluded from joining a union of Unilever workers and from participating in a collective bargaining relationship with Unilever as their real employer. They were, in principle, allowed by law to form a trade union and negotiate with their employer, but their employer was the labour hire agency, not Unilever. These workers received one-third the wage of the permanent workers, had no employment security, no benefits and no pension.

Until 31 August 2008, Unilever had a second Lipton factory, in Karachi. That plant employed 122 permanent workers, and 450 casuals. But that was too many permanent workers for Unilever, so the plant was abruptly closed and production transferred to a former warehouse nearby – with 100 per cent outsourced, temporary staff.

In early 2009 the workers at the Khanewal plant launched a series of local and national actions in support of their struggle for permanent, direct employment. The IUF organised an international “Casual-T” campaign to support their cause. Unilever’s “No work, no pay” system became a powerful symbol of the denial of fundamental trade union rights through massive casualisation. In November 2009 the campaign won a major victory.<sup>1</sup> Under the terms of the settlement, Unilever agreed to create 200 additional direct, permanent jobs, retroactive to 15 October 2009, with job selection to be based on seniority, and priority given to the members of the Khanewal workers’ Action Committee, which led the struggle locally. The selection and employment process will be jointly monitored and implemented by the IUF and Unilever at national level.

The Khanewal workers’ Action Committee warmly thanked the many trade unionists and human rights defenders around the world who had supported their struggle and whose support they considered crucial. Action Committee chairman Siddiq Aassi said: “I have been working at Unilever Khanewal for more than 20 years but never imagined I would one day enter the factory as a permanent worker.” “It was dream for us to get permanent jobs”, said Mukhtar Ahmed, Action Committee secretary. Shahzad Saleem, Action Committee joint secretary, added: “Nobody in the factory and even in Khanewal can believe it. [When we began the struggle], people told us we would just hit a rock and be crushed.”

1 See <http://cms.iuf.org/?q=node/76>

Increased profits and sales were not achieved through productivity-enhancing technological change, which in recent years has barely affected the production process as such, as corporations focus on delivering instant cash to shareholders rather than investing in productive capacity. The companies simply squeezed more out of less. Mergers, acquisitions, and financially mandated reductions in “head count” meant that medium-sized facilities were closed and production centralised in fewer units transporting products over longer distances, deepening and widening the industry’s already substantial carbon footprint.

Those companies now employ fewer and fewer workers to produce their branded products. Outsourcing and casualisation have become key tools for enhancing exploitation in the quest for super-profits. Precarious work<sup>3</sup> not only allows employers to achieve massive reductions in the wages bill, but also has a chilling effect on the

bargaining power of the workers who remain directly employed. The organising task for unions now goes beyond winning global recognition, organising and gaining bargaining rights from transnational employers. It also involves uniting into a single bargaining power those directly employed by the company and the growing numbers of precarious workers producing within the same TNC systems.

In 2000, Unilever, the world’s third largest food company, launched a “Path to Growth” strategy aimed at funnelling €16 billion to shareholders in 2000–2004 and €30 billion in 2005–2010. In 2000, when Path to Growth was launched, the company employed 300,000 workers. Today it has a workforce of 148,000. In the first three years of the Path to Growth, net profit increased by 166 per cent. New worldwide job cuts were announced in July 2007, simultaneously with a 16 per cent increase in second-quarter profits. When

<sup>3</sup> Precarious work is a term used to describe non-standard employment which is poorly paid, insecure, unprotected, and cannot support a household.



## World Food Day 2009: This crisis is an opportunity to roll back the rising tide of world hunger

*The following statement was adopted by trade unions representing food workers from Japan, South Korea, Hong Kong, Thailand, the Philippines, Malaysia, Indonesia, Fiji, Pakistan, India and Sweden at the IUF-Asia/Pacific Food & Beverages Sector meeting, held on 15 October 2009 in Bangkok, Thailand.*

The shock of sky-rocketing food prices in 2007 and 2008, which led to food riots around the world and in our region, exposes the failure of the current global food system. More than one billion people are now in the grip of hunger and the food crisis confirms that many of us are, in fact, food insecure.

Although food prices have fallen as a result of the October 2008 global financial meltdown and the current deep recession, the ranks of the hungry have not diminished and the underlying system requires immediate change.

However, the present crisis offers an opportunity for a fresh approach to policy making.

In March this year, the ILO at a Geneva tripartite workshop addressing the global food crisis responded to IUF criticism regarding the long absence of labour in global policy-making related to food security. The ILO tripartite workshop, among other things, recommended that unions to be involved in international and national plans to deliver food security for all. The workshop also recommended that the ILO work in partnership with the UN High Level Task Force (UN HLTf) on the Food Security Crisis to ensure that decent work, and in particular decent work in agriculture, is treated as an integral part of the global response.

The IUF has also welcomed the UN's Special Rapporteur on the Right to Food, Professor Olivier de Schutter, who has recognised that labour rights are crucial for finding solutions to the food crisis, in particular for strengthening the purchasing power of the poor. He has correctly pointed out: *"we may not be able to legislate against hunger. But because hunger and malnutrition stem from discrimination and disempowerment of the poor, strengthening the legal entitlements of these victims is a first and vital step towards real change."*

We hold that universal recognition of the "Right to Food" is necessary but not enough. In 1996, the World Food Summit in Rome reaffirmed the right to food for all – yet this changed nothing. The situation is worse today.

Without a clear capacity for workers to access the right to food, there is little possibility of the global problem of hunger fundamentally changing.

This is why governments or companies that suppress workers from organising independent trade unions to protect their rights and interests, contribute to the entrenchment of world hunger.

The crucial link between unemployment, low wages, job insecurity, lack of bargaining rights and hunger must be recognised. Talk by donor agencies of simply increasing food production is utterly misdirected. We live in a global economic system where powerful corporations whose interests are profit-driven and self-serving determine how most of the world's food is produced and consumed.

Trade liberalisation in food commodities allows powerful transnational agri-food companies to destroy the livelihoods of millions.

The large-scale cross border land grabs of late, following the realisation that "free trade" is not a reliable basis for food security, should be stopped as an unsustainable response which can only exacerbate the problem of hunger.

We consider the most critical observation and recommendation made by Professor Olivier de Schutter to be: *"the expansion of global supply chain only shall work in favor of human development if this does not pressure States to lower their social and environmental standards in order to become "competitive" states, attractive to foreign investors and buyers. All too often at the end of agri-food supply chain, agricultural workers do not receive a wage enabling them a decent livelihood. The ILO estimates that the waged work force in agriculture is made up of 700 million women and men producing the food we eat but who are often unable to afford it. This is unacceptable."*

We welcome his recommendation to the UN Commission on Sustainable Development that we need to regulate TNCs to ensure that they contribute to sustainable development.

Similarly, we need regulation to reverse the expansion of precarious forms of employment.

If a "contract worker" (employed through a labour hire agency) in a food factory in the developing world, owned by one of the world's largest food companies, earns less than enough to feed a family two meals a day, how can there be any justice or possibility of food security for workers in agriculture? The expansion of contract work in the world today is creating millions of food insecure families.

IUF-A/P is committed to stepping up the campaign for Job Security and Food Rights for all in the region.

For members of the IUF in Asia/Pacific and for workers in IUF sectors generally, hunger is a daily reality stalking their lives.

Successfully achieving food security in the long term, ultimately, can only be done through food rights and food workers' unions.





20,000 additional job cuts in Europe were decreed in 2008, Unilever claimed this “shake-up” would generate €1.5 billion in cost savings that would deliver even greater “shareholder value”. When he retired at the end of 2004, the CEO who initiated this programme received a £17 million golden handshake.

The “Path to Growth” saw not only profits, executive compensation, and “shareholder value” grow at the expense of jobs: outsourcing and casualisation grew as well. A Unilever presentation to investors in 2003 includes a slide entitled “Improving asset efficiency, releasing cash”, where increased outsourcing of production from an average 15 per cent to “25 per cent plus” is listed as an “achievement”. Yet, as was demonstrated by the resolution in October 2009 of a long and difficult conflict over the rights of precarious workers at Unilever’s tea factory in Khanewal in Pakistan, determined and organised workers can be victorious in their struggle against the system (see box).


The path to growth that transfers additional billions annually to investors involves not only absolute reductions in the number of permanent jobs, but also growth in the number of non-union workplaces and disposable jobs. The Unilever dynamic is at work in all the companies confronting the IUF and unions around the world, rolling back collective bargaining gains which took decades to achieve. The fate of agricultural workers, a large percentage of the nearly 1 billion women and men who are now chronically hungry and malnourished, is increasingly linked to movements on commodity exchanges thousands of kilometres from the farms and plantations on which they work. This is the reality of financialisation.

In the current crisis, defending jobs and working conditions is, for unions, the first order of the day. Yet workplace action alone is clearly no defence against the ravages of a global financial meltdown, just as it could not defend against the system’s daily workings. Regulation and political action are clearly needed, but what kind of regulation? Lending has to resume, but lending for what? So that employers can return to the day of the 20 per

cent return and continue to buy back their shares, speed up, downsize and outsource jobs while cutting investment? Lending for growth, but what kind of growth? The growth that leads Unilever Pakistan to rely on agency labour for 98 per cent of its tea packing in a nation of tea drinkers? The growth which leaves farm-workers without clean water for drinking or washing up in some of the richest countries of the world?

If, to answer Deutsche Bank’s Herr Ackermann, we know that a 25 per cent return on investment is neither environmentally nor socially sustainable, how much is enough? Singling out, for example, derivative markets or private equity or hedge funds detaches them from the wider environment in which they are embedded. The institutional investors who dominate world capital flows form a single investment pool – what matters is the global return, not the nature of the investment.

When we talk about restoring the flow of investment from finance to the real economy, this can obscure the extent to which the real economy’s individual corporate units are themselves thoroughly financialised. How real is real when a company like Porsche last year earned seven times more from exercising derivative contracts than it did from car sales? The Financial Times recently asked, rhetorically, “Is Porsche a Carmaker or a Hedge Fund?” The answer is that it is both, and the same applies, for example, to Cargill, the world’s largest grain trader and primary products processor, as well as to numerous other industry leaders.

Our regulatory response to the current crisis and our political agenda depend on the questions we ask. Regulation is an ongoing task, since regulations and taxes are the mother of financial innovation. It is a social project, not an act of legislation. In the final analysis, the fundamental issue we face is how to organise unparalleled accumulated global wealth so that it starts feeding the hungry and providing potable water to the millions who have no access to it, as well as restoring vanishing topsoil, halting and reversing climate change and putting the right to work – decent work at a living wage – at the centre of the rights we demand. 



## GOING FURTHER

Peter Rossman’s presentation on climate change is available at:

[http://](http://www.iuf.org/buyoutwatch/)

<http://www.iuf.org/buyoutwatch/>

## Indian farmers organise to stop Bt brinjal

GRAIN

On 14 October 2009 an Indian governmental agency – the Genetic Engineering Approval Committee (GEAC), part of the Environment Ministry – gave its approval for the environmental release of Bt brinjal.<sup>1</sup> This means that the crop is considered safe for use in an open space, which includes planting on a commercial scale. Its decision followed lobbying by Maharashtra Hybrid Seeds Company Ltd (Mahyco), Monsanto's partner in India, which has been largely responsible for the development of Bt brinjal. Shortly before GEAC announced its decision, Mahyco's managing director, Raju Barware, said on the company's website: "We look forward to a positive decision because it will help millions of our brinjal farmers who have been suffering from the havoc caused by the brinjal fruit and shoot borer (BFSB)". He also claimed that Bt brinjal "has the same nutritional value and is compositionally identical to non-Bt brinjal, except for the additional Bt protein which is specific in its action against the BFSB". This mirrors the US Department of Agriculture's official stand that genetically modified (GM) crops are substantially equivalent to natural non-GM crops.

Bt brinjal would be the first genetically engineered food crop to be approved for commercial cultivation in India, and the government sees it as the first of many. "In the near future we expect many GM crops that have been modified for better availability of vitamins, iron, micronutrients, quality proteins and oils, which would secure nutritional security to the masses", said Minister of State for Agriculture, K.V. Thomas. The importance of this first authorisation was not lost on farmers' and consumers' organisations, along with a wide spectrum of other groups, who immediately organised protests. Faced with this reaction, the Environment Ministry decided just a day after the go-ahead to put the decision on hold for several months. It gave organisations until 31 December 2009 to comment on the report of the expert committee, which formed the basis of the GEAC's decision,<sup>2</sup> and it has said that it will consult "all stakeholders",<sup>3</sup> including scientists, agriculture experts, farmers' organisations, consumer groups and

NGOs, in January and February 2010.

Groups are lobbying strongly to force the Indian government to reverse its decision permanently. According to G. Nammalvar from Vanagam, a non-profit-making organisation in Tamil Nadu that campaigns in favour of ecological farming, "there is no necessity for the introduction of a Bt brinjal in India, which holds the merit of having huge biodiversity. We have 2,500 traditional brinjal varieties in India. Every community is used to consuming a particular variety, i.e. locally produced. Introduction of Bt brinjal with false claims for its advantages will contaminate the local varieties and erode the biodiversity of the vegetable that is consumed by millions." He says that environmental activists, women's collectives, consumers' movements, farmers' associations and traders' associations would join together to resist the introduction of Bt brinjal in Tamil Nadu.

His voice of protest has been echoed across the country. On 7 November 2009 a conference on genetic engineering, farming and food, held in Mysore, called on the state government to declare Karnataka a GM-free region. "We do not want GM crops which can prove apocalyptic for mankind", declared the conference statement. "Let us say never to Bt brinjal." In Trivandrum on 3 December groups organised a Brinjal Festival with, among other activities, a display of local brinjal varieties from the farmers of Tamil Nadu, Kerala and Karnataka. A seven-day festival was held elsewhere in Kerala from 27 December to create awareness of the dangers of Bt brinjal. Over 50 scientists and about 100 delegates from various universities and scientific institutions across the country, besides farmers, policy-makers and representatives of government and non-governmental organisations, participated. Farmers' groups are also threatening to take "direct action" if the government goes ahead with the authorisation.

Meanwhile, at national level, a legal battle is pending before the Supreme Court of India, in which the petitioners are demanding a ban on the release of any GM crops until adequate scientific testing has been carried out and a credible biosafety regulatory system has been put in place. At the same time the government is proposing to set up a National Biotechnology Regulatory

Authority to oversee the testing of biotech crops. Department of Biotechnology Director S.R. Rao said that this will make sure that biotech policies are "based on scientific assessments of risk and not on any sloganeering and campaigning by public interest groups".

Mahyco was the first company to sell genetically engineered Bt cotton – Bollgard – in 2002, and it has faced constant criticism since then. This time it has acted more cautiously and will not itself be selling the GM seeds directly. The promoters of the technology have deftly packaged the release of this Bt crop as an output of a public-private partnership. The partnership – designed by the US government, funded by the USAID and led by Cornell University – comprises Mahyco Hybrid Seed Company Ltd, Tamil Nadu Agriculture University (TNAU) in Coimbatore, the University of Agricultural Sciences (UAS) in Dharwad, and the Indian Institute of Vegetable Research in Varanasi. USAID's Agricultural Biotechnology Support Project II is supporting Mahyco's efforts to gain regulatory approval for the technology.

Many aspects of the development of Bt brinjal are shrouded in mystery, and activists are using Right to Information legislation to try and untangle the complex sequence of events. It is clear that the process started with Mahyco using Monsanto-licensed technology to genetically modify brinjal in its lab in India. The GM brinjal was then crossed with "material" from TNAU. One material transfer agreement (MTA), signed between TNAU and Mahyco, clearly states that "TNAU has supplied to MHSC [Mahyco] eggplant germplasm developed, owned, controlled and/or in-licensed by TNAU".

Indian farmers have good reason to be particularly concerned about this. They have for years in good faith allowed scientists to gather genetic material from their crops and store it in agricultural universities and research institutes. All this cross-sector, transborder and cross-institute movement of plant material is making many ask some very fundamental questions: to whom do seed and crop materials really belong? Does the public sector National Agricultural Research System (NARS), entrusted with farmers' varieties, have the power to pass on the material to private corporations? And even if there is acknowledgement of the

1 In other parts of the English-speaking world, brinjal is known as aubergine or eggplant.

2 <http://tinyurl.com/ydlhmum>

3 [http://ceeindia.org/cee/bt\\_brinjal.html](http://ceeindia.org/cee/bt_brinjal.html)




years of local farming knowledge behind the folk varieties of brinjal by sharing any “benefits”, can the loss of pure, natural, genetically untampered-with indigenous varieties be reversed or recompensed? Most of all, can large corporations backed by their governments be allowed to take over farming?

There was also a series of “transfers” and “approvals”, which happened with characteristic lack of transparency. In 2007, India’s National Biodiversity Authority (NBA), which became the main decision-making authority under India’s Biological Diversity Act, 2002, gave clearance to Mahyco to import parental

lines from Bangladesh and then to send back the material to East West Seeds Bangladesh Ltd for seed distribution. The company has operations in Thailand, Indonesia, Vietnam and the Philippines. In other words, the NBA actually authorised a multinational company to use Indian germplasm to develop a GM product that would not only be used in India but also exported to India’s neighbours, endangering Asia’s biodiversity.

Some farmers believe that Mahyco’s offer to “provide the technology free of cost” to the NARS is nothing less than a ploy by the GM industry to penetrate the NARS and to leave farmers with little

option but accept Mahyco’s products. For all the talk of the benefits of Bt brinjal, farmers clearly see that the introduction of this first GM food crop would start a process that would seriously jeopardise India’s food and farm systems and the biodiversity that sustains them. They are determined to struggle against it. 

**Update:** On 9 February 2010, in response to the widespread concern expressed by the public and some scientists, Jairam Ramesh, Minister of Environment and Forests, announced an indefinite moratorium on the release of Bt-brinjal.

## Contaminated Canadian flax barred from Europe

In September 2009, farmers in Canada were shocked to learn that their flax (linseed) exports were contaminated with genetically modified (GM) flax. The timing could not have been worse: just as farmers began their harvest, companies in Europe began detecting GM flax contamination, and the European market was closed to Canadian flax. It is not unusual to have crops contaminated by their GM equivalents, but this particular contamination was wholly unexpected because it has been illegal to sell GM flax seed in Canada since 2001.

Flax seeds are used in food products such as baked goods and muesli, and for animal feed. On 8 September, a German cereals company reported contamination through the European Commission’s Rapid Alert System for Food and Feed. Contamination reports multiplied in the following weeks, and by mid-November Japan became the 35th country where contaminated flax was found or where products containing contaminated flax were reported to have been distributed. (Canada and the US are the only countries in the world that have approved GM flax for growing and eating.)

Eight years ago, Canadian farmers themselves fought to have GM flax seed taken off the market, knowing that their European sales – Europe takes 60 per cent of Canada’s flax exports – would be destroyed if GM contamination occurred. The situation is complicated in Canada because GM flax is not actually banned on the domestic market.

As there is no mechanism in Canada by which farmers can get a GM crop taken off the approved list or removed from


the market on economic grounds, the farmers had to find another way to stop GM flax. Flax is one of the crops in Canada that requires variety registration prior to commercial sale of seeds, so in 2001 flax farmers sought – and obtained – the deregistration of GM flax seeds. At the time, 40 seed growers were multiplying 200,000 bushels of GM seed for future demand. As this seed could no longer be sold legally, the authorities ordered the crushing of all the seeds. Despite their efforts, eight years later the farmers’ worst fears have come true. “This is an absolute nightmare for flax growers; it’s why we worked so hard to have GM flax removed”, said Terry Boehm, a flax grower and President of the National Farmers Union in Canada.

The GM flax (tolerant to herbicide residues in soil) was developed in the 1990s by controversial scientist and industry proponent Alan McHughen, when he worked for the Crop Development Centre (CDC) at the University of Saskatchewan. McHughen called GM flax “CDC Triffid”, in reference to John Wyndham’s 1951 horror novel, *The Day of the Triffids*, which features terrifying flesh-eating plants farmed for oil. The flax was developed with public money through provincial government funding to the CDC – obviously without a mandate from farmers. However, the CDC halted its GM research after the flax controversy, which included a public fight with farmers over McHughen’s practice of passing out GM flax seed packets at public presentations.

Canada is the world’s leader in the production and export of flax, which is one of Canada’s five major cash crops, along with wheat, barley, oats and canola. The

price of flax fell 32 per cent before GM contamination had even been confirmed. Farmers don’t yet know how widespread the contamination is or how it happened. It’s likely, however, as in all cases of contamination, that farmers will bear the costs of the clean-up. Canadian farmers are now having to send their flax seed for testing – at C\$105 (US\$100) per test.

Canadian industry continues to see Europe’s zero-tolerance policy as the problem, not the contamination itself. Industry and the government are using the contamination incident to press again for an end to zero-tolerance.

The Canadian government has remained silent about the contamination domestically, not wanting to draw attention to the issue, but in February 2010 a Bill will be debated in Canada’s Parliament that would require an assessment of export-market harm before GM seeds are sold in Canada. 

1 GM flax contamination has reached the following countries: Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Luxembourg, Mauritius, Netherlands, Norway, Poland, Portugal, Republic of Korea, Romania, Singapore, Slovakia, Slovenia, Spain, Sri Lanka, Sweden, Switzerland, Thailand, United Kingdom.

You can see a profile of Alan McHughen at: [www.spinprofiles.org/index.php/Alan\\_McHughen](http://www.spinprofiles.org/index.php/Alan_McHughen)

For updates and more information: [www.cban.ca/flax](http://www.cban.ca/flax)

\* **Lucy Sharratt** is the Coordinator for the Canadian Biotechnology Action Network (CBAN), a campaign coalition of 17 farmer, international development, environmental and grassroots groups ([www.cban.ca](http://www.cban.ca))





*Raúl Zibechi is a Uruguayan journalist, writer and activist, who has travelled widely in Latin America, particularly in the Andean countries. He is especially interested in social movements and has written extensively on them, notably in Argentina, Paraguay, Bolivia, Chile and Colombia.*

A Farida  
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Zibechi

How do you see the emergence of the so-called “progressive” governments in Latin America?

I think there has been an important change in Latin America over the last five to ten years. The neoliberal model had a huge impact on Latin America in the 1990s, and at the end of that decade and at the beginning of the new century the social movements organised a large-scale mobilisation against this model, which was successful to a greater or lesser degree, depending on the country. Overall, the movements managed to de-legitimise the model in most of the continent, and this facilitated the emergence of so-called “progressive” or “left-wing” governments. At the time, the level of commitment to real change in these governments varied from country to country. In the most advanced cases – which were Bolivia, without a shadow of doubt, Venezuela, Ecuador and, to some extent, Argentina – the power of the mobilisations drove from power the most extreme defenders of neoliberalism. In some cases, such as Bolivia, the movements achieved radical change – imposing it from the grassroots, which is very important – and

this permitted Evo Morales and the organised popular sectors from the indigenous communities – the Aymara, the Quechua and those from the lowlands (Guaraní, Chiquitanos and others) – to become the government.

The left throughout the world is very interested in Latin America’s social movements. The governments that have arisen with the support of these movements, in Bolivia for instance, are the cause of much optimism. Do people from outside the region have a romantic view of these movements? Or are they, in fact, very important for the future of the global left?

I don’t think the view from outside is romantic, although there is perhaps some exaggeration or undue optimism. But people are right in seeing these movements as important, because they have the capacity both to de-legitimise the elites and to construct small “other worlds”, experiences that are different from the hegemonic ones and that can be the source of great inspiration when the time comes to build a new society. But this is not to say that all progressive governments emerge from



these movements. That may well be the case in Bolivia, Ecuador and Venezuela, but in other countries progressive governments are the product of precisely the opposite – the wish to defeat these movements.

Would you say social movements in Latin America are different from social movements in other regions of the world?

They are very different. They are territorial movements that are firmly rooted in their own space, a space where people live, work, are educated, look after their health, and so on. And in this space they develop social relations of another type, different from capitalist ones. In Latin America there are millions of hectares in the hands of movements which have different economies and different societies. The best known of these movements are the Zapatistas, but there are numerous other examples.

More than a decade ago the Marxist historian Eric Hobsbawm spoke of the “death of the peasantry” on a world scale. Was he right? Or does what is happening in Latin America with indigenous movements and peasant movements, such as the MST in Brazil, provide overwhelming proof that the peasantry is still alive and kicking? And perhaps, with the pressing need to move away from a carbon economy, the peasant option of ecological agriculture offers a way out of the crisis?

Hobsbawm was largely right to say that the world’s peasantry is dying, because social movements in Latin America today are not largely peasant movements but movements of indigenous communities or of people who live on the outskirts of large cities (which is the case even with the MST). A new reality is appearing, the “rururban”, which is something intermediary that exists both in the countryside and in large cities, with people moving a lot between the two worlds. This is very clear in El Alto [the city that has spread on the altiplano above the capital, La Paz] in Bolivia. It is a process that is taking us into uncharted territory, something that no one predicted. But the peasant who lives exclusively from what he produces on the land is in clear retreat.

How do you see the future? Is there space for real advances by progressive governments?

Or are we just seeing a new configuration of capitalism, with perhaps Brazil emerging as the new regional power but with no real changes in the structure of the old capitalist system?

I think there is everything to play for in a country like Bolivia, where there is a real possibility of constructing something new. There is also an interesting process under way in Venezuela. It’s got a bit stuck at the moment but maybe it can break free and move forward. The other countries, including Ecuador, are, to a greater or lesser degree, carrying on with neoliberalism. Even so, in almost all countries there are movements that are pushing governments to go further. It is clear that there has been a change in the balance of power. We are witnessing a loss in US hegemony across the whole continent, or at least a weakening in the absolute hegemony it held for so many decades. The country that is benefiting most is Brazil, the seventh-largest economy in the world, a key country in the continent, which under the Lula government has greatly strengthened Brazilian multinationals that export capital to the region and have established crude ways of exploiting the environment and exploiting people. Indeed, Brazil is becoming a big problem. Its capitalism, successful in its own terms, is demobilising social movements, buying them off with its enormous resources, like the untold riches the government is predicting from the recently discovered oil reserves. Of course, Brazil is not the only problem. The USA and the global multinationals are trying to regain the initiative. It’s a complex situation. Even so, I think we are living through a period of change. The forces for change are getting stronger. I’m not referring to political parties or to governments but to the forces for change from below. So I am cautiously optimistic, not for Brazil but for most of the rest of the continent.

How do you see the various processes of South American integration? ALBA? Unasur?

I see ALBA as something very positive, necessary even. It’s a way of taking advantage of the space in the present system, pushing it to its limits. Unasur is very different. It is promoting integration capitalist-style. In some ways, it is positive because it is setting limits to US expansionism. But it comes at a price: the growing power of Brazil.

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## A farmer but no friend to farmers



Photo: Paysan Breton hebdo

In November 2009 Luc Guyau, a French farmer, was elected chair of the FAO Council. He will act in tandem with the FAO secretary general Jacques Diouf. The election was greeted by dismay by the European Coordination of Via Campesina, which said that Luc Guyau had long been a representative of industrial agriculture and was a known advocate of GMOs and agrofuels. In a statement, VC said that Guyau had been a strong advocate of the inclusion of agriculture into the WTO, a most unfortunate development which had "globalised agricultural trade instead of guaranteeing food security" and had "blocked policies for food sovereignty".

## A Mexican horror movie

A remarkable Swiss documentary<sup>1</sup> has revealed strong circumstantial evidence linking the emergence of swine flu in March 2009 to industrial farming. The first verified case was that of a five-year-old boy, Edgar Hernández from the village of La Gloria in the state of Vera Cruz, central Mexico. The villagers, who had been suffering from flu-like symptoms long before Edgar was taken ill, had associated their ill-health with the proximity of huge pig farms run by the world's largest pork producer, the US company Smithfield. Time and again they had complained to the authorities, who had done nothing.<sup>2</sup>

The Swiss TV team, however, took their complaints seriously. With the assistance of a Mexican economics lecturer, Octavio Rosas Landa, and of many of the villagers themselves, who agreed to help despite threats, the Swiss TV team unearthed a really shocking story. The team located on local maps 65 huge pig factories in the region around La Gloria. Each of the factories has the capacity to house about 100,000 pigs (albeit in very cramped conditions). As the piglets are injected

with growth hormones and antibiotics, they take only three months to reach the weight needed for slaughter (compared with 18 months when reared by the local farmers), so each factory handles about 400,000 pigs a year.

Altogether, the pigs in the farms produce huge amounts of slurry (excrement), which is then scattered on the fields. No wonder the villagers complain of a constant stench in the air. And no wonder the villagers are fearful that their drinking water has been contaminated.

Worse still, the villagers took the filmmakers to an area near the factories where untreated dead pigs were being buried in concrete pits. The film shows thousands of flies gathering around these pits, and the film crew said that the smell of putrefaction was overwhelming. Although Smithfield refused to give the team an interview, one can assume that it was disposing of its pigs in this way to save the cost of incineration. Used syringes were also found scattered on the ground.

The pigs were fed not on Mexican maize (though Mexico is where maize originated), but on genetically modified maize imported from the USA and mixed with the ground-up remains of chickens. This is apparently a common practice on pig farms, and is reportedly safe even if the chickens are infected with bird flu, provided the feed has been sterilised by heating to a very high temperature. Smithfield has assured the Mexican government that this is the case, but, as only Smithfield employees are allowed inside the plants, there has been no independent verification.

No one has yet proved that swine flu emerged in one of these big factories, but the risks of new viruses appearing when animals are kept in close concentration are known to be significant. It is for this reason that many countries – including Brazil – have established a maximum size for animal factories.



Intensively farmed pigs in batch pens

One of the most worrying aspects of the story is the lack of independent verification of the safety of the factories. Only vets employed by Smithfield checked the pigs' health. And only doctors employed by Smithfield tested the local population for swine flu. All the tests (except the one for Edgar Hernández, carried out in Mexico City) proved negative. Not surprisingly, the villagers of La Gloria remain sceptical.

1 To see the film in English, go to <http://blip.tv/file/3062019> for the French version, see <http://www.youtube.com/watch?v=zbr361fxXPQ> See also *Against the Grain*, "Remembering La Gloria", January 2010 <http://www.grain.org/articles/?id=58>

2 See *Against the Grain*, "A Food System that Kills", April 2009, <http://www.grain.org/articles/?id=48>; and *GRAIN*, "An Update on Swine Flu", *Seedling*, July 2009, <http://www.grain.org/seedling/?id=619>

## Farmer suicides continue in India<sup>1</sup>

As the cotton-growing season drew to a close in the Indian state of Andhra Pradesh, farmer suicides once again became almost daily occurrences. Officially, the total number of suicides within a six-week period between July and August 2009 stood at 15, but opposition parties and farmers' groups said that the true total was more than 150.

By November, similar reports were coming from Maharashtra, another cotton-growing state. Farmers of Katpur village in Amravati district sowed Bt cotton four years ago. Instead of the promised miracle yields, huge debts have driven many to suicide, and cattle were reported dying after feeding on the plants. Successive studies in Maharashtra have concluded that indebtedness was a major cause of the suicides among the farmers.

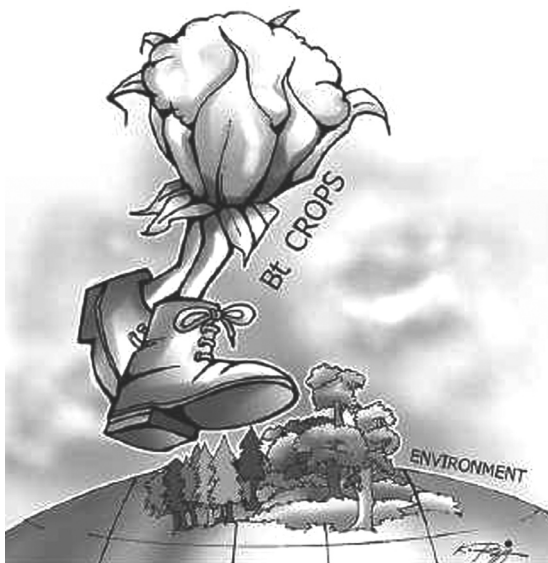
"We were cheated by the seed companies. We did not get the yield promised by them, not even half of it. And the expenditure involved was so high that we incurred huge debts. We have heard that the government is now planning commercial cultivation of Bt brinjal. But we do not want Bt seeds of any crop any more", said farmer Sahebrao Yawiliker.

Within a week, two farmers in neighbouring villages in Wardha district killed themselves. Their Bt cotton crops were devastated by *lalya*, a disease that caused the cotton plants to redden and

Photo: Wikipedia







wilt. The first farmer, 55-year-old Laxman Chelpelviar in Mukutban, consumed the pesticide Endoulfan when the first picking from his six-acre farm returned a mere five quintals and an income of Rs 15,000, way below his expenses of Rs 50,000. The second farmer, 45-year-old Daulat Majure in Jhamkola, was discovered by his mother hanging dead from the ceiling. The cotton yield from his seven-acre farm was a miserable one quintal, worth Rs 3,000.

Agricultural scientists said *lalya* develops with pest attacks, moisture stress and lack of micronutrients in the soil. The plant's chlorophyll decreases with nitrogen deficiency, resulting in another pigment, anthocyanin, which turns the foliage red. If reddening starts before boll formation, it results in a 25 per cent drop in yield, said a scientist from the Central Institute of Cotton Research at Nagpur, who wished to remain anonymous. "Lalya is here to stay", he declared.

According to the agricultural scientists, the disease has its roots in the US Bt technology that India imported. Almost all of the 500-plus Bt seed varieties sold in India in 2009 are of the same parentage, the US variety Coker312 Bt cotton, a top CICR scientist said. They are F1 hybrids, crossed with Indian varieties.

Coker-312 (initially from Monsanto) showed high susceptibility to attacks by sucking pests like jassids and thrips. The thrips disperse within plant cells, while jassids suck the sap as they multiply under a leaf's surface, forcing the plant to draw more nutrients from the soil, aggravating the soil's nutritional deficiency.

Another characteristic of Bt cotton that

depletes the soil is that the bolls come to fruition simultaneously, draining the soil all at once. In a region like Vidarbha, plants wilt in two or three days. "It is like drawing blood from an anaemic woman." "If such a technology mismatch continues, soil health and farmers' economy will take a further hit", a top ICAR scientist with years of experience in cotton research was reported to have said.

1 This item is based on Institute of Science in Society (ISIS) report, *Farmers Suicides and Bt Nightmare in India*, 6 January 2010, <http://www.i-sis.org.uk/farmersSuicidesBtCottonIndia.php>

## Monsanto calls time for its competitors

A recent report<sup>1</sup> by Associated Press journalist Christopher Leonard shows how Monsanto, having bullied and bribed its way to a near-monopoly control of the GMO seed market, is now tightening its grip over both smaller seed companies and the farmers who use its products. Leonard says: "Confidential contracts detailing Monsanto Co.'s business practices reveal how the world's biggest seed developer is squeezing competitors, controlling smaller seed companies and protecting its dominance over the multibillion-dollar market for genetically altered crops."

Leonard continues: "With Monsanto's patented genes being inserted into roughly 95 percent of all soya and 80 percent of all maize grown in the US, the company also is using its wide reach to control the ability of new biotech firms to get wide distribution for their products."

Monsanto's methods are spelled out

in a series of confidential commercial licensing agreements obtained by AP. The contracts include basic terms for the selling of engineered crops resistant to Monsanto's Roundup herbicide, along with supplementary agreements that address new Monsanto traits. The company has used the agreements to spread its technology – giving some 200 smaller companies the right to insert Monsanto's genes into their separate strains of maize and soya plants. But access to Monsanto's genes, AP found, comes at a cost, and with plenty of strings attached.

It goes on: "For example, one contract provision bans independent companies from breeding plants that contain both Monsanto's genes and the genes of any of its competitors, unless Monsanto gives prior written permission – giving Monsanto the ability to effectively lock out competitors from inserting their patented traits into the vast share of US crops that already contain Monsanto's genes." Monsanto's business strategy agreements are being investigated by the US Department of Justice and at least two state attorneys general, who are trying to determine if the practices violate US anti-trust laws.

Leonard spoke to Neil Harl, agricultural economist at Iowa State University, who has studied the seed industry for decades. He said: "We now believe that Monsanto has control over as much as 90 percent of (seed genetics). This level of control is almost unbelievable. The upshot of that is that it's tightening Monsanto's control, and makes it possible for them to increase their prices long-term. And we've seen this happening the last five years, and the end is not in sight."

Monsanto increased some maize seed prices last year by 25 per cent, with an additional 7 per cent increase planned for 2010. The cost of Monsanto brand soya seeds rose 28 per cent. "It's just like I got hit with bad weather and got a poor yield. It just means I've got less in the bottom line", Markus Reinke, a maize and soya farmer near Concordia, Missouri, who took over his family's farm in 1965, told AP. "They can charge because they can get away with it. And us farmers just complain, and shake our heads and go along with it."

1 Christopher Leonard, AP investigation, "Monsanto seed biz role revealed", *Atlanta Business News*, 14 December 2009, <http://www.ajc.com/business/ap-investigation-monsanto-seed-240072.html>



# The Tyranny of Rights

Brewster Kneen

The Ram's Horn, Ottawa, Canada, 2009, 180 pp, ISBN: 978 0 9813411 0 1

review by GRAIN

For several years now, GRAIN has been concerned by the emergence of a cruel paradox: as those struggling for justice and dignity turn more and more to concepts of peoples' rights to defend against corporate control, the very concept of rights is being used to impose and expand neoliberalism. In the October 2007 issue of *Seedling*, GRAIN invited a group of people around the world to reflect on their concepts of rights and how they affect people's lives and welfare. While the overall view was that the evolution of rights regimes has been harmful to communities and that struggles for rights have, in general, not yielded a positive balance, no clear picture emerged as to the way forward. Whereas some people were highly sceptical about the prospects of continuing to walk along the old road of appealing to governmental and state processes, others felt that it was possible to reform the formal rights systems. For GRAIN, it was evident that the key issues – the link between rights and responsibilities, the precise nature of collective rights, the multiple links between the effective exercise of rights and the concrete conditions of everyday life, and others – needed much more discussion.

In his latest book, *The Tyranny of Rights*, Brewster Kneen makes his contribution to this important discussion. Through years of engagement with social movements, as an activist and researcher, and his many conversations with people everywhere, Kneen has become increasingly convinced that the expansion of the use of the "rights" discourse, by both activists and corporations, is a central problem facing global struggles for social justice. In this book, he explains why.

Kneen's entry point in talking about rights is food – and for good reason. Over the years the term "rights" has assumed a more and more prominent place on the agricultural landscape. The most glaring example is of corporations

now claiming property rights over seeds and strands of plant DNA. The age-old and open systems of sharing and cooperation that characterise both farmers' seed systems and public plant breeding have been largely destroyed to make way for a corporate seed system that criminalises such practices in order to protect the "intellectual property rights" of corporations. One response to this attack has been to call for rights to be given to farmers.

Kneen has worked closely with many people and groups that support or have supported the concept of farmers' rights. He probably once argued for them himself. But after a decade or so of getting nowhere with the concept, Kneen feels that it is time to question whether we are on the right path. As he now sees it, such "reactive claims" for rights are never going to work because they are, necessarily, appeals to states that are interested in protecting corporations not farmers. Plus, if you get right down to it, why should farmers all of a sudden need the state to protect their seed saving? Corporations need the state to stop farmers saving seeds, but farmers have never needed the state to help them to save seeds.

As Kneen points out, "Without the state there would be no Plant Breeders' Rights, no copyrights and no patents. Farmers who select and save their own seeds neither have nor require such state 'protection' to go about their work."

The problem, for Kneen, is not a lack of rights. Farmers' rights are a distraction that takes us away from the urgent matter of abolishing patents over seeds and re-establishing the conditions for farmers to save seeds.

Kneen takes this same line of thinking into his discussion of the "right to food" – another rights claim emerging from the deep social inequities of the current food system. He likens it to an empty bowl: an abstract concept that avoids a clear political agenda for action. Like farmers' rights, it is an appeal to the state when

what we need are concrete plans on how to feed ourselves.

"A direct moral appeal to the public for the construction of an equitable and ecological food system", he writes, "might, actually, be more politically effective and morally satisfying – though much harder – than appealing to governments for the right to food. Such a direct, public approach is captured by the term 'food sovereignty' which has rapidly gained usage around the world."

Kneen goes on to explore how the rights framework feeds into a more generalised expansion of rights claims, which is clearly favouring corporations and the powerful. The global push for intellectual property rights, for example, is strangling our capacity for collective work and creativity, whether we be farmers, writers, musicians or software developers, and turning everything into commodities. Moreover, Kneen warns that the rights language provides a slippery slope towards military intervention. In a late chapter, he describes how rights, in this case the "right to intervene", are being invoked to justify military invasions. He does not dispute that human rights violations are going on and need to be stopped, but for him the "right to intervene" creates a loose framework that is easily manipulated to serve power, overriding the long-standing notion of state sovereignty in the process.

All in all, the book is very effective in pointing at and illustrating the many weaknesses in the current discourse and use of the concept of rights. It clearly shows how the concept of rights is currently being used to justify the unjustifiable (such as the privatisation of life, water, air, and so on) and promote some sort of extreme individualism. It also provides some interesting and thought-provoking insights on how culturally determined the concept of rights is.

Kneen follows this line of critique to conclude that all fights for rights, whether they be for the right to food,



water or seeds, ultimately support a narrow Western framework of human rights that is part and parcel of today's globalised capitalism. For Kneen, the rights language inevitably privileges the individual over the collective and leads us away from other notions, such as responsibility and gratitude, which are central to many non-Western societies and which provide, in his view, a better footing for social transformation.

My conclusion is that social and individual justice is not furthered by the language of rights. Justice would be much better served not by making claims and demands, but by stating what is being done and what must be done by those that otherwise might be making a claim for the right to do something. ... It is time to consider whether the language of rights actually serves the intents of social justice or has become just an illusion of intent – good intent, to be sure – behind which individualisation and privatisation are carried on unimpeded.

This is a very strong statement that is sure to elicit equally strong reactions

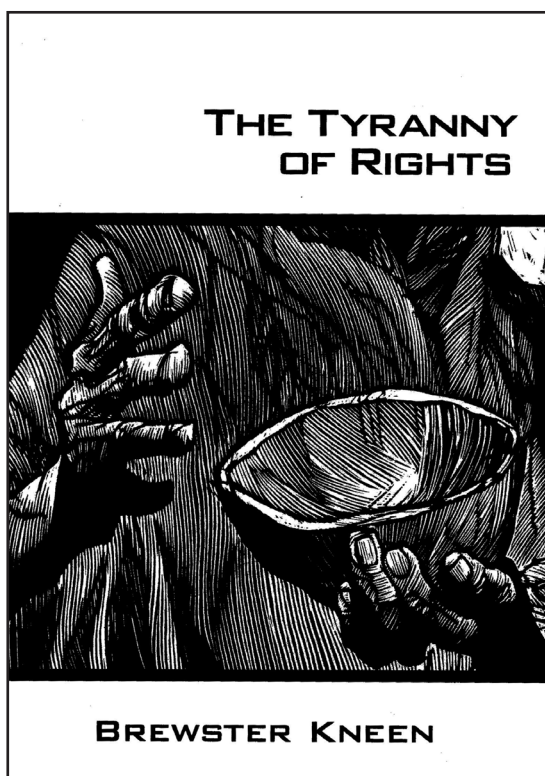
from many who have been involved in struggles for rights that also seek to challenge the Western individualism and state and corporate power that Kneen decries. It is unfortunate, therefore, that he does not look more carefully and closely at the difference in the social processes and struggles around rights. It is in part because he does not take sufficiently into account the sometimes radical differences between these processes and struggles that he is able to conclude that all such processes are fundamentally infiltrated by, and hence doomed by, individualism and the conception that rights are granted by the state or some other power.

Historically, the struggles for social rights in some regions of the world were so far from individualism that they were even understood as a step towards ending privileges and classes, and in many ways were based upon limiting personal "rights" (such as the right to property). Also, most of those struggles did not and still do not ask the state to grant rights, but demanded and demand their recognition and respect (which includes guaranteeing the necessary conditions for their implementation).

This limitation in Kneen's critique is compounded by a lack of analysis of how political, social and cultural contexts have evolved. Movements, struggles, power relations, concepts, ideologies, forms of repression and control have changed dramatically over the last hundred years, but that evolution is seldom analysed. The aberrations currently imposed on behalf of purported rights are not taking place just because we have all lost clarity of mind; they are taking place because those that are imposing them have – by many different means – been able to concentrate power to an extreme. If we have lost clarity of mind, it is not out of some sort of intellectual laziness that has overcome us; it is due to a global suppression of political debate and deliberation after generalised fear and insecurity (provoked by dictatorships, unemployment, sudden poverty, "soft" repression, and so on) were installed by neoliberalism and used to instil messianic, non-critical thinking.

The lack of contextual analysis deprives Kneen's critique of what could have been some of its sharpest contributions. A more detailed and careful look at the evolution of the historical, cultural and social contexts could have not only rescued many of the undeniable contributions of so many struggles for rights, but could have also shed some light on why so many current struggles are going nowhere or going terribly wrong. For instance, a historical analysis of the increasing distance between those that define rights and those that bear the implications of those definitions could help to explain the failure (or perversion) of one international convention after another, one law after another, and could also help us to understand some of the most meaningful contributions of the struggles of indigenous peoples for self-determination.

Brewster Kneen has launched this book as a contribution to a discussion. As the conversation continues, and more contextual analysis is brought in, his book will make an even stronger contribution to the building of sharper views and approaches on how to strive effectively for the collective dignity, justice, respect, peace, solidarity, responsibility and so many other ideals that we have wrapped up (perhaps wrongly) in the name of social and collective rights.



To obtain a copy of *The Tyranny of Rights*, go to <http://www.ramshorn.ca/node/180>





