Trade liberalisation and its impact on food security in Sub-Saharan Africa

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Abstract: Developing and least developed countries, including countries in the sub-Saharan African (SSA) region, for example, are ‘collapsing’ under the pressure of the liberalised international economic environment which is characterised by the increase of food prices. For instance, it is reported in the United Nations Food and Agricultural Organisation (FAO) Food Price Index that food prices peaked in February 2011, the highest level recorded in both real and nominal terms since January 1990. It is estimated that nearly one billion people go hungry every day, and that in SSA almost one in three people suffers from hunger. Approximately about 1.5 million South African children suffer from hunger and malnutrition, and that about 14 million people are vulnerable to food insecurity with about 43% of households suffering from food insecurity. The 2012 the United Nations Development Programme (UNDP) Africa Human Development Report shows that rapid economic progress and liberalisation in Africa has not brought food security for the substantial proportion of the population still gripped by hunger.

Keywords: sub-Saharan African region; food prices; hunger; Food and Agricultural Organisation; FAO; food.


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1 Introduction

In a continent riddled by never ending humanitarian crisis, unfavourable socio-economic and political conditions, sub-Saharan African (SSA) countries have also had to deal with declining food insecurity. More worrying is the fact that food insecurity happens when the global community have unanimously acknowledged the right to food as a fundamental human right. Access to food is the internationally recognised right of every person. In terms of Article 25.1 of the Universal Declaration on Human Rights (UDHR), for example, everyone has the right to standard of living adequate for health and including food. The right to food is not only an internationally decreed obligation for State parties; it is also one of the key components of the Millennium Development Goals (MDGs). MGD Goal 1 addresses the eradication of poverty and hunger. Constitutions in a few of the SSA countries do guarantee food security as a human right. In 2012 the United Nations Development Programme (UNDP) issued its first Africa Human Development Report. The Report showed that rapid economic progress in Africa has not brought food security for the substantial proportion of the population still gripped by hunger and that “rapid economic progress in Africa has not brought food security for the substantial proportion of the [SSA] population still gripped by hunger”. The report called for fundamental change in governance, and development and exploitation of strategies to overcome food insecurity. The question therefore is whether the agricultural trade liberalisation be one of such strategies?

1.1 Objectives

This paper examines the impact of agricultural trade liberalisation in SSA on food security. According to the World Bank “GDP growth generated in agriculture ... is at least twice as effective in reducing poverty as growth generated by other sectors.” From the onset it should be acknowledged that while SSA countries share some attributes, and characteristics including the fact that these are countries in located in the area of the African continent which lies south of the Sahara, a desert land, or those African countries that are fully or partially located south of the Sahara, their general economic and political experiences are different and these will to some extend determine how trade liberalisation are affect their food security positions. Given the space constrains and the fact that SSA region consists in no less than 45 countries, reference will mainly be made to Kenya and South Africa with others referred to in passing. Second, South Africa and Kenya provides a good representation of the countries at different sides of the spectrum.

1.2 Organisation of the paper

This paper is organised as follows: Part 2 briefly describes the concept of food of security. Part 3 briefly discusses the importance of agriculture to food security in SSA countries. Part 4 sets out both the favourable and unfavourable impacts of trade liberalisation on food security. And Part 5 concludes the paper.

1.3 Methodological and information sources notes

This is the first in the series of publication on food security in selected developing countries (DCs) and least-developed countries (LDCs) in Africa. At the writing of this
paper field work was been planned and/or conducted, the approach of which employs the global simulation methodology to assess the impact of trade policy reforms on the majority of DCs and LDCs, with specific focus on food security and agriculture. And the planned analysis will utilise UNCTAD’s agricultural trade policy simulation model (ATPSM) because the Model allows a detailed specification of the most relevant agricultural trade policies to have computable economic effects, and is able to to report results for many different countries.

This paper is based on qualitative research design with literature review constituting primary tool for data collection. Thus is draws extensively on existing literature to establish a base understanding of the impact of trade liberalisation on food security in SSA. For the purposes of the review, a comprehensive search of the literature was performed including, but not limited to, searching the information databases of the Alliance for a Green Revolution in Africa (AGRA); African Association of Agricultural Economists (AAAE) and Agricultural Economists Association of South Africa (AEASA); South African Agricultural Research Council (SARC); South African Human Research Sciences Council (SAHRSC); South African Social Security Agency (SASSA); Global Agricultural Information Network; Food and Agriculture Organisation (FAO) of the United Nations; World Food Programme (WFP); the World Trade Organisation (WTO); World Health Organisation (WHO); Resources of the Southern Africa Network for Biosciences (SANBio) which is a specialised regional biosciences research and development (R&D) network established under New Economic Programme for Africa’s Development (NEPAD). Abstracts from the subject specific journals such as the Agriculture and Food Security were critically appraised and the full article sought and read if the abstract was considered robust and relevant. Some key papers are referenced in view of space limitations.

2 What is food security?

At the World Food Conference held during 1974 in Rome the term ‘food security’ was coined. In 1996 the international community defined food security as “a state when people at all times have physical and economic access to safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life”6. Put differently, food security is defined for the purpose of this paper as “the ability of a country or region to see that existing food systems provide access to a timely, stable and nutritional rich supply of food to the total population over the long term”7. Thus, food security may simply be understood in terms of availability, access, and utilisation.8 According to van Zyl and Kirsten9 this definition has the following implications:

1 The food security situation in a country should be determined through analysing the accessibility of individuals or households to a sufficient diet.

2 To ensure the accessibility of a nutritional sufficient diet it is necessary to have sufficient food available so that the individual would be able to obtain this food. Access to food is possible via production or via the earning of income which could be exchanged for food. It is therefore clear that increased self-sufficiency will not guarantee food security.
3 The majority of the poor in Africa is involved in subsistence agriculture. An increase in productivity of the production of staple crops would be one direct way of increasing income of these households as well as increasing the per capita availability of staples.

4 Food insecurity has a short term and chronic dimension. Short term food insecurity refers to temporary decline in the households’ access to sufficient food. In the most severe circumstances it leads to famine. Chronic food insecurity refers to a continued insufficient die.

Food security thus involves assuring both an adequate supply of food and access of the population to that supply, usually through generating effective demand via income growth or transfers. Food security is therefore influenced by both micro- and macro-factors, ranging from the technology and support institutions available to small farmers and merchants, to monetary, fiscal and trade policies that affect the overall rate of growth and distribution of income.10

3 The importance of agriculture and food (in)security

The African continent is generally considered to be food insecure despite its resource endowment,11 and this has become a major concern for SSA.12 It is reported that Africa represent one-fourth of underfed people in the world.13 Food insecurity has been as a results of numerous causes, including, but not limited to: bad agricultural policies, some of which are overly dependent on foreign aid;14 climate change15 (in a form of drought, low soil fertility, and crop yield, etc.), constrains, scarcity, degradation, and depletion of resources;16 rapid population growth;17 urbanisation;18 weeds and disease carrying pest that have eroding effect on food crops;19 income disparities, particularly in rural and pastoral communities20, and the variability, or volatility, of food prices21; price volatility which makes access to purchased inputs more risky for smallholders and the governments that subsidise those inputs,22 and lack of industry infrastructure. The problem is more acute in rural areas. According to Machuka, for example, there are a number of constraints to crop production in villages/rural areas such as “pests, diseases, weeds, environmental degradation, soil nutrient depletion, low fertilizer inputs, inadequate food processing amenities, and poor roads to markets, and general lack of information to make science-based decisions that underlie farming methodologies and systems”.23 The diverse production industry, such as the biofuels industry’s use of food commodities as biofuels, has also aggravated the situation. While people are dying of hunger some companies have dedicated the only source of hunger alleviation, food, to make fuel.24 Although not the focus of this study, the political set-up of some countries has had a contribution in the food insecurity status of some communities. For example, in South Africa the poverty and hunger of Black communities owes its existence to the legacy of apartheid.25

Studies show that agriculture provides employment for about 60% of the African population, accounts for about 20% of their gross domestic product (GDP) and more than 105 of their export revenues.26 Many SSA countries are highly dependent on agriculture as a source of communities’ livelihood and food security. In particular Chikuri reveals that “agriculture is a source of livelihood for 64 percent of the population in the region; the sector contributes about one-fifth of total gross domestic product, and about 12
percent of the total export earnings for the region”. On average, agriculture provides 64% of employment and represents 34% of GDP in the poorest countries. The importance of agriculture in Africa cannot be understated, and has been acknowledged by NEPAD that has implored African countries to increase spending on agriculture to 10% of national budgets. Agriculture provides employment for about 60% of the African population, and increasing agricultural productivity at both subsistence and commercial level is critical in arresting the runaway food insecurity problem. Moreover, agriculture contributes to high-value agricultural export earnings is a number of countries, for example, Kenya (floriculture and vegetables at value of 110.00 US$m in 2001); Zimbabwe (sweet corn, asparagus and French beans at value of 1.75 US$ in 1990); and South Africa (deciduous and vine fruits at value of 0.69 US$m).

3.1 Position in Kenya

Kenya’s population is estimated at over 40 million. Agriculture is known to be an important contributor to Kenya’s total employment, and the country’s GDP. Although a relatively affluent country in East-Africa, food security is a problem in Kenya. In fact the country has been classified “as one of the 20 most food-insecure countries on Earth”. This serious food insecurity problem in Kenya has been confirmed by the urban food security assessment study carried out by the Famine Early Warning Systems Network, the WFP, FAO, and the government of Kenya. A recent study reveals that “just less than one-half of the Kenyan population lives below the poverty line.” For example, more than a quarter of urban children in the country are reportedly stunted above the WHO acceptable levels of 20%, and “13 percent of high-density urban households have unacceptably low levels of food consumption”. Kenya food security status has been unstable and fluctuation seasonally, and felt not only in rural parts of Kenya, but, also in urban areas. In Kenya about 80% of the population depends directly on small scale farming for their livelihood. Kenyan exports are dominated by agricultural commodities, e.g., tea, coffee, pyrethrum and horticultural products accounting around 60% of total exports.

The study by the WFP reveals that food security in Kenya has the potential to increase. However, this expected improvement may be undermine in “south-eastern marginal agricultural and coastal lowlands could slightly be undermined by the persistence of well above average maize prices, destruction of roads by floods, political activities that could motivate conflict and cause displacements and market disruptions, or widespread water- and vector-borne diseases. Widespread maize lethal necrosis disease (MLND) in cropping areas could also lead to an extreme deterioration of food security”. This is a source of great concern in many pastoral communities. It is not surprising that some of these pastoral communities are reportedly engaging in coping strategies including but not limited to petty trading activities, and borrowing money for the upkeep of their households. In one pastoral community, Garissa, food insecurity and lack of access thereof due to high prices is said to have resulted in households “skipping meals and reducing the sizes of their meals”. It should be noted that Kenya has no enough land suitable for agricultural farming. According to the reports, only 16% of Kenya’s 569,140 km² landmass has a “high to medium agricultural potential”, and the land is “arid and semi-arid land, not suitable for rain-fed agriculture”.

O.S. Sibanda
3.2 Position in South Africa

South African population is estimated at 49 million people, 90% of whom are black. About 50% of the South African population are living at or below the poverty line. South Africa’s national Integrated Food Security Strategy (IFSS) positions food security as a priority policy issue. This is seen in advancement to the Constitution of the Republic of South Africa of 1996 which enshrines the right to food security and requires the country to put in place measures to progressively combat food insecurity including the elimination of vulnerability to food insecurity. A report by the SAHRSC suggests that approximately about 1.5 million South African children suffer from hunger and malnutrition, and that about 14 million people are vulnerable to food insecurity with about 43% of households suffering from food insecurity. Majority of Black South African are dependent on the food security grant provided by the SASA.

Domestically, South African agriculture is has traditionally had a great importance in term contribution to the GDP and also an important contributor to industrial production relevant to food security. The three main sectors of agricultural production in South Africa are field crop production, livestock production, and horticulture. A study informed by the 2007 report of Statistics South Africa highlights that in 2006, “the agriculture sector contributed about 2.8 percent of Gross Domestic Product (GDP), 8.5 percent of total employment and approximately 4 percent of total Exports.” There is of cause a documented decrease of the contribution of agriculture to the country’s GDP, caused largely by factors other than international competition and trade liberalisation since 1911 as illustrated by Figure 1.

![Figure 1](image-url) Contributing factors to drop in South Africa’s GDP between 1911–2003 (see online version for colours)

Agriculture remains significant in terms of employment, accounting for approximately 10% of the country’s jobs. According to the 2008 agricultural statistics, for example, stood at 628 000 in 2005. This is of cause a significant drop compared to 1, 6 million in 1971. Often this report on the employment rate does not include work in the informal
sector, subsistence or small-scale agriculture. Agriculture is officially also a key vehicle for job creation in terms of the Department of Agriculture’s Medium Term Strategic Framework. South Africa itself in 2004 introduced the Comprehensive Agricultural Support Programme (CASP). However, contrary to its name, CASP is not comprehensive enough because it concentrates on land reform programme. Poor small-scale household farming is largely ignored in favour of identified commercial ‘emerging farmers’ and those who are part of the land reform project.

4 Trade liberalisation and impact on food security

Consider first the ‘thinning’ argument, which grew in importance up to the 1980s but has since diminished somewhat with trade policy reform, and then the ‘insulating’ argument which has not diminished despite the trade reforms of the past three decades.

4.1 Favourable impacts

A case for favourable impacts of economic growth and trade liberalisation on food security has been argued by a number of researchers. The arguments is that openness to trade contributes to economic growth and that this can, in turn, be beneficial for poverty reduction and food security, are not uncommon to hear. Furthermore, food insecurity is seen as the manifestation of poverty, and that poverty can be eradicated by freer economic markets to increase economic growth. FAO is of the view that trade has an important role to play towards food security in developing and least developed countries. FAOs position, linked to the Ricardian Theory of Comparative Advantage which was later extended to consider several factors of production by other economist such Haberler and Viner, assumes that imports will lead to will to consumption growth due to reduced domestic prices and increased domestic market supply; and that trade liberalisation will increase per capita availability of food. A study discussing the relationship between service trade liberalisation and agriculture has argued that such liberalisation may improve food security. The argument, correct in part, is that “opening up service sectors to regional competition could improve those services, leading in turn to improvements in agricultural productivity”.

The establishment of the WTO has heralded the era of dismantling of protectionist trade regimes, and the gradual combating of trade barriers. In Africa the mineral extractive sector seem to be reaping a lot of benefits with countries like China investing heavily in minerals in Africa. Some progress has been made in the liberalisation of agriculture in SSA in line with the Uruguay Round Agreement on Agriculture (AoA). Except for the preamble to the AoA that mentions food security as a non-trade concern, a few provisions of the AoA relates to food security. For example, Article 10.4 of the AoA addresses the issue of disguised government export subsidies which are prohibited, and which must be distinguished from legitimate international food aid. It also covers export and import restrictions, which arguably, may be implemented to alleviate food insecurity in a domestic market. A number of African countries have taken the advantage of these import restriction privileges for food security. In Annex II of the AoA conditions are set out for public food stockholding and domestic food aid programmes. Moreover, Article 12 of the AoA permits as no-sanctionable policies intended to address critical shortages of foodstuffs or essential products. This provision is in line with the provisions of Article
Trade liberalisation and its impact on food security in Sub-Saharan Africa

XI/2 of the GATT that exempts temporary use of export prohibition to relieve critical shortage of food stuff from the general rule applicable under the first sub paragraph of ARTICLE XI of GATT. It proponents of trade liberalisation are of the view that it will “enhance developing countries’ food security position and reduce their food gap”.

Other relevant and related WTO agreements include the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs), Agreement on Subsidies and Countervailing Measures (SCM), and the Agreement on Trade Related Investment Measures (TRIMs). Thus, they are under some continuing obligations to liberalise agricultural trade through the elimination of trade distorting measures, and some have done so since the 1980s.

Before 1994 South Africa, for example, was characterised by a highly protected agricultural trade policy, which was subject to direct state control through a myriad of measures including quantitative restrictions, specific duties, price control, and import and export permits. But, these pre-1994 direct controls have gradually been replaced by tariffs and the gradual lowering of these tariffs. Between 1990 and 1999, South Africa reduced its number of tariff lines from 12,500 to 7,743. The maximum existing tariff was reduced from 1400% to 55%. Tariffs on agricultural products were similarly reduced and currently all agricultural tariffs are set below the 1994 Marrakech Agreement rates. As part of the implementation of the AoA, South Africa even enacted the Marketing of Agricultural Products Act (1996). One of the key highlights of this Act is that it introduced a regime to reduce state intervention in agricultural marketing and product prices which is an endeavour way beyond the AoA mandate. The objective here was to open up the agricultural market by to all industry role players, and to increase efficiency in agricultural products. To this end the viability of the agricultural sector, which is also a sector responsible for food security in South Africa, was improved. As a further example, South Africa, like many SSA countries, party to a number of preferential trade arrangements, both regionally and internationally. Standing out in this regard is the SA-EU Agreement, and the Africa Growth and Opportunity Act (AGOA).

4.2 Unfavourable impacts

In as much as there are studies that unambiguously provides account for the beneficial impact of trade liberalisation on agriculture, particular food security, there are notable unfavourable impacts of trade liberalisation on food security with specific reference to the agricultural sector in the SSA region. One of the extreme views expressed is WTO trade liberalisation regime seriously undermine the international right to food security. Hauter gives, for example, as an example the liberalisation of the corn trade under NAFTA and the WTO on Mexican farmers and consumer eroded the country food security. According to Wise, the often mentioned benefits of agricultural trade liberalisation by free trade proponents are just wind of “rhetoric that accompanies trade negotiations” and that there is strong evidence suggesting otherwise. And those there positive impacts of agricultural trade liberalisation have been ‘exaggerated’ while the ‘perils’ of such liberalisation are overlooked and/or underestimated.

4.2.1 Comparative disadvantage

Sound arguments have been made about readily implying the causality between trade and higher economic growth, in particular food security for the purposes of this study. This
argument, which in essence is the application of the Ricardian theory,\textsuperscript{58} which is the
offshoot of the 1876 with Adam Smith’s theory of absolute advantage,\textsuperscript{59} is in the context
of food security and food production interesting. Comparative advantage is said to exist
exists for an economy if the cost of producing that good or service is relatively lower for
that economy than for any other economy. The following is an example to demonstrate
the point in question: suppose South Africa has comparative advantage in the production
of maize which is also a staple food of communities in the country produced by
industrialised and technologically advanced farmers, and comparative disadvantage in the
production of rice which is produced by small subsistence and small-hold farmer. In
terms of the comparative advantage thinking South Africa should export maize and
import rice from countries like China. What the comparative theory logic really tells us is
that production specialisation is key to economic welfare, and that “despite absolute cost
disadvantages in the production of goods and services, a country can still export those
goods and services in which its absolute disadvantages are the smallest and import
products with the largest absolute disadvantage”.\textsuperscript{60} Unfortunately, and for the purposes of
this study, this is not always the case. Food security in South Africa will be undermined
because exports of maize may results in the high prices of maize sold in the country.
Moreover, the food and economic source of the small rice farmers may be displaced
and/or threatened by rice imports. With the displaced domestic production, which can
also be caused by subsidised import, domestic prices will be at higher import parity
levels.\textsuperscript{61} Food security is therefore undermined by liberalisation of both exports and
imports.

\subsection*{4.2.2 Economic partnership agreements}

Economic Partnership Agreements (EPAs) are some of the preferred instruments to
facilitate economic interaction and trade liberalisation. Unfortunately they are not always
favourable to the interests of developing and less developed countries. There are real
situations whereby EPAs have had negative effects instead of bringing into the fold
favourable conditions to improve food security, such as greater and meaningful
agricultural investment and well capacitated institutions. Instead some EPAs have
required commitments with trade policy chilling effect with consequent implications on
food security. These commitments include, for example, tariff standstill provisions, the
ban on export restrictions and export taxes, limits on the size of the remedies available
under the bilateral safeguard clause, and turning a blind eye on export subsidies by the
USA and the EU partners. Consider for example, the 1999 EU and South Africa Trade,
Development and Cooperation Agreement (TDCA), which has been provisionally in
force since January 2000. TDCA contains a provision that allows South Africa to offer an
accelerated tariff reduction compared to the agreed time schedules. But in terms of
Article 17 of the TDCA the implementation had to be decided by the EU. This is
potential bedrock for the unequal playing field between the trading partners.

\subsection*{4.2.3 Exploitation and erosion of food resource of tradition communities}

We have in the past seen disputes involving unlawful exploitation natural products, such
as turmeric, hoodia cactus and basmati rice, which have been subject to bio-piracy. A
case in point is the hoodia plant saga, in which the Kalahari San clan was not protected
from unilateral exploitation of the benefits of the hoodia plant, which has been a source
Trade liberalisation and its impact on food security in Sub-Saharan Africa

of their food security from time immemorial. *Hoodia* is a succulent plant indigenous to southern Africa and long used by the San people to stave off hunger and thirst. The Council for Scientific and Industrial Research SA (CSIR) covertly exploited and secured a local patent, *South African Patent No. 983170*, in 1995 followed in 1998 by a universal patent, GB2338235 and WO9846243: *Pharmaceutical compositions having an appetite-suppressant activity*, of the active constituents of the *Hoodia* plant without the knowledge of the San community. Moreover CSIR struck commercialisation deal with Phytopharm (UK) to develop the fat burning drugs. The latter later sold the license rights to Pfizer for $21m, and Pfizer subsequently withdrew from the agreement and was replaced by Uniliver. It was only in 2003 that this back-room deal between CSIR and Phytopharm was unearthed and CSIR agreed to pay the San people 6% of the royalties received. And the royalties were to be kept and administered by the San Hoodia Benefit Sharing Trust.

By appropriating the hoodia plant and its uses has directly destroyed the sustainability of their food resource. In simply terms this has been bio-piracy under the guise of science, technology and development. If one was to use in part the decision of the Inter-American Court of Human Rights in the case of *Comunidad Indígena Yakye Axa v. Paraguay* a case for the violation of the right to food security against South Africa may have some merit. In issue in casu was the allegation by a Paraguayan indigenous community that Paraguay had failed to acknowledge its right to property over ancestral land. Interestingly, among its findings the court concluded that Paraguay had denied the applicants “the right to life, which included standards of health, education, and food set forth in the San Salvador Protocol”.

### 4.2.4 Threats to the existence of agricultural industry

However, agricultural trade liberalisation came with its disadvantages for farmers in developing and least developed countries. Notable are unlawful subsidies still maintained by some developed countries under the guise of farm support. This has often resulted into dumping of agricultural products from European, south-East Asia, and Latin America. The case in point is the recent import of frozen fowl meat from Brazil into the South African market, which has led into a dispute between the two BRICS members. The dispute has since been resolved diplomatically. The dumped frozen chicken threatened both the economy and the South African fowl meat industry and consequent possible layoffs and rising unemployment in the affected industry.

In fact, the WTO does, however, acknowledge that there exist distortions in trade in agricultural products through domestic support measures including subsidies having a negative impact on the economies of DCs contributing to food insecurity. This is so despite the best endeavours at the Doha Round negotiations to achieve or ensure food security by member states, and the profound structural transformation of the global food economy, and of the implementation of the AoA.

The Thailand Basmati case, though more a case for bio-piracy, demonstrates the threat that comes with trading at the nerve centre of the countries’ food chain. In 1997, the Rice Tec Corporation registered a newly developed hybrid variety under the name ‘Jasmari’ with the US Patent and Trademark Office. It sale created a confusion with consumers of the impression that they are buying a product related to ‘jasmine’ rice from Thailand. Jasmine rice is high yield rice that was first discovered in Laempradoo Subdistrict, Panasnikom District of Chonburi Province in southeastern Thailand, and then taken to be cultivated in Tatonglang Subdistrict in Bangkla District of Chachoengsao.
Province, a neighbouring province of Chonburi. Jasmati name contains two variants of two rice varieties: jasmine rice from Thailand and basmati rice from the Indian subcontinent. However, ‘Jasmati’ rice had no characteristics of jasmine rice from Thailand, and was not genetically related to the Thai jasmine rice either. It should be noted that jasmine rice is the staple food in Thailand, or one of the staple food, and also a source of considerable income for Thailand rice farmers.65

4.2.5 Implementation effects

The United Nations Special Rapporteur on the right to food at the World Summit on Food Security held in Rome on 16–18 November 2009, called for a ‘compatibility review’ between relevant WTO agreements and agricultural and trade policies DCs are implementing, or are encouraged to implement as an appropriate response to food crisis. It is for this reason, which in my view is a clear admission on the unfavourable effect of trade liberalisation on agriculture, the WTO Doha Round negotiations seeks to put in place a framework in place that can improve food security. Part of this process, which is to be translated and implemented at national level, and used as one of the central questions of the investigation in this study including five issues succinctly highlighted by De Schutter, namely:

“Five issues in particular deserve attention and are explored in turn. These issues include the following: (1) reinvestment in agriculture and general support schemes to small-scale farmers; (2) safety-nets and income-insurance for the urban and rural poor; (3) the establishment of food reserves at national or regional levels to allow governments to cushion the impact of price shocks and to limit volatility of prices for agricultural commodities; (4) orderly market management, including marketing boards and supply management schemes, as another measure to combat volatility; and (5) limiting excessive reliance on international trade in the pursuit of food security.”66

Trade (and price) liberalisation may have very different effects, depending on the nature of the regulations, the interpretation of such regulations and implementation thereof, and on the status and structure of the of the economy of the structure of the economy and the trade system. These may have negative impact on agriculture and food security. Consider for example, the provision in the AoA that allows import restrictions. The problem with the provision is that it used undefined terms such as ‘critical shortages’ which when used with unfettered discretion may affect food security of countries.

Other WTO associated agreements do have unfavourable impacts in food security. The purpose of the SCM Agreement, for example, “is to impose multilateral disciplines on subsidies which distort international trade”.67 Thus, some less developed and DCs may find it difficult to protect infant agricultural industries which are future sources of food security. The TRIMs Agreement on the other hand, may limit SSA countries’ power of national governments to regulate foreign investment, and implement or carry out developmental policies. The resulting effect will be on the ability of national governments to carry out developmental policies; food security is certainly one of them. The TRIMs Agreement may also increase this monopolistic control over food trade, and thus downplaying the importance of local and regional level food security.

As far TRIPs Agreement is concerned the effects on food security will be felt on many fronts, including but not limited to intellectual property exploitation in the field of
agro-technology, and other monopolistic practices including those relating to food distribution and bio-piracy.

4.2.6 Welfare effects of tariffs, and non-tariff measures

The welfare effects of tariffs, and non-tariff import regulating measures such as quotas and policies for the country is normally realised through the gains and losses to consumers, producers, and the government. Producers in the importing country are better off as a result of the tariff. The increase in the price of their products, for example, increases producer surplus in the industry. The price increases also induce an increase in the output of existing firms (and perhaps the addition of new firms), an increase in employment, and an increase in profit, payments, or both to fixed costs. For the government the use of tariffs as import regulator also secures revenue normally used to fund and support a number of programmes but, equally there can also losses, for example, in a form of either a negative production efficiency loss or a negative consumption efficiency loss cumulatively known as deadweight losses.

As far as non-tariff barriers are concerned a number of impacts can be identified. Food standards such as labelling and scientific certifications may be used as non-tariff barriers to the disadvantage of the agricultural industry in DCs, particularly if such countries lack the scientific and institutional capacity to comply with such standards. The resultant denial of export opportunities of the agricultural industry in these countries may have a direct or indirect negative impact on the country’s food security status.

5 Conclusions

From the agricultural sector perspective the liberalisation of trade and its impact on food security have complex and unpredictable impacts depending on the specific economic conditions prevailing at the time. In as much as a case may be made for positive impacts of trade liberalisation as far as economic development of countries is concerned, there are equally important and legitimate socio-economic impacts with regard to food insecurity. It is noted, for example, that comparative advantage as an off-shoot of agricultural trade liberalisation may raise the cost of food access and food security; and may also threaten agricultural industries.

What is disconcerting is that SSA Africa has ample agricultural land, plenty of water and a generally favourable climate for growing food. Some of the countries like South Africa have highly advanced agricultural industry-based inter alia on first-generation biotechnologies and effective plant breeding capabilities. Yet, food insecurity remains one of the major problems with African communities not even been able to access food at local level. Indeed some of the problems are man-made as correctly argued by some scholars. But, trade liberalisation appears to have some overarching contribution particularly due to the lack of level playing fields and proper implementation of liberalisation. It is hoped that the soonest conclusion of the Doha Round will ensure that food security is treated and recognised as principal objectives of agricultural trade policy. And not merely as an exception to the WTO rules. Moreover, agricultural and food policies of SSA countries must be in such that they take into account not only the positive impacts of trade liberalisation, they must also take into account the negative impacts of trade liberalisation.
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Notes

5 Sub-Saharan Africa (SSA) is the geographical area of the continent of Africa that lies south of the Sahara Desert.
9 Van Zyl and Kirsten, supra note 7, p.171.
10 Van Zyl and Kirsten, ibid.
13 Sasson, ibid, p.10.
20 See generally Adunga, supra note 16.
Trade liberalisation and its impact on food security in Sub-Saharan Africa


26 Sasson, supra note 12, p.10.


31 Dolan and Sorby, supra note 29, p.13.


34 Hickey, Pelletier, Brownhill, supra note 32, p.333.


38 WFP, ibid.

39 WFP, ibid.


The Agreement has far reaching consequences.


Tregurtja, Vink and Kirsten, ibid, p.50.


Wise, ibid, p.867.


Following David Ricardo’s work, Principles of Economics (1951).

Following Adam Smith’s work, Wealth of Nations of (1986[1776]).


Hauter, supra note 53, p.1091.


De Schutter, supra note 15, p.4.
Trade liberalisation and its impact on food security in Sub-Saharan Africa

