

ECOFAIR TRADE DIALOGUE

# SLOW TRADE - SOUND FARMING

A Multilateral Framework for Sustainable Markets in Agriculture

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# Objectives

- **Develop a new normative framework for international trade**
- **Re-Valorization of Agriculture:**
  - Food production is essential for human life
  - Healthy environment is critical for the planet
  - Rural / agricultural livelihood is the foundation of society

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- Human Rights
- Environmental Integrity
- Democratic Sovereignty
- Extra-territorial Responsibility
- Trade Justice

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- In disregard of livelihoods
- Forgetful of nature
- Leeway for corporations
- Enduring asymmetries

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- Enlarging national policy space
- Investing in multi-functionality
- Stabilizing prices to protect farmer livelihoods
- Setting standards for quality trade
- Democratizing the food chain
- Redressing asymmetries

# Enlarging national policy space

- **Problem:** Influx of cheap imports from the world market devastates local farm and livestock production and renders smallholders bankrupt.
- **Perspective:** The management of imports is more important for the well-being of a society than the facilitation of exports.
- **Solution:** Countries need more policy space, to set tariffs and quotas, introduce quality standards, engage in domestic support and control the activities of foreign corporations.

# Investing in multi-functionality

- **Problem:** Ensuring the multi-functionality of agriculture calls for domestic support. Yet present systems of domestic support in fact promote privilege and degradation.
- **Perspective:** Not the elimination of public support, but its proper level and structure should move into the center of attention. In particular, domestic support shall not harm producers abroad.
- **Solution:** Introduce a “Dumping-Alert-Mechanism“ that warns governments when dumped exports may undercut farmer livelihoods in importing countries.

# Stablizing prices to protect farmer livelihoods

- **Problem:** In agricultural markets, neither supply nor demand correct itself properly. Farm gate prices are highly volatile and have been on a constant downward trend.
- **Perspective:** International trade negotiations must address the problem of world price volatility and farm gate price decline as a matter of highest priority.
- **Solution:** Set up flexible supply management schemes, to avoid excess supply. Negotiate a “Multilateral Framework for Balancing the World Market Supply” to transfer production capacity from North to South.

# Setting standards for quality trade

- **Problem:** Unregulated trade is a driving force of the worldwide industrialization of agriculture. Trade liberalization enables corporations to relocate where social and environmental standards are weakest.
- **Perspective:** Trading internationally must be understood as a privilege to be offset by internalizing social and environmental costs.
- **Solution:** Encourage “Qualified Market Access” schemes that give a trading advantage to sustainably produced goods. Establish “Meta-Standards” for the standard-setting process to ensure a set of common rules in a diverse world.

# Democratizing the food chain

- **Problem:** While liberalization aimed to dismantle border protection, it had the effect of strengthening transnational cartels.
- **Perspective:** Strengthen small-scale producers and local economies vis-a-vis transnational corporations.
- **Solution:** Establish an independent multilateral “Anti-trust Body” to scrutinize mergers and acquisitions. Promote “Development Contracts” along transnational commodity chains. Regionalize production chains where possible and appropriate.

# Redressing asymmetries

- **Problem:** Taking exception for themselves to the free trade standards they impose on others, Northern countries refuse to play by their own rules.
- **Perspective:** Under conditions of drastic economic and social inequality, trade rules are only fair if they favor the weak over the strong.
- **Solution:** Elevate the Special and Differential Treatment to become a “Systemic Differential Treatment“ of the trade regime. Promote trade agreements for the purpose of cooperation, and not for the purpose of competition.

# Towards a post-WTO

## Architecture of Agricultural Trade

A new trade institution would be comprised of five branches:

### Coordination

between collective preferences and extra-territorial responsibility

### Quality Control

of trade flows, and negotiations over meta-standards

### Price Management

through supply management, and price control in development contracts

### Anti-trust

through an anti-trust body, and negotiations on competition policy

### Dispute Settlement

but relocate court of appeal to an independent institution

**Thank you !**

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