The World Trade Organisations' Policy on Agriculture: Paraphernalia of Neocolonisation of African Economy?

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INTRODUCTION

The article examines the WTO policy on Agriculture. It places the policy in historical context, examines its underlining reasons, and argues that the policy systematically favors farmers in developing countries. The policy through the open market system enables farmers in developing countries to increase their productivity. The article also evaluates the effect of WTO's Agriculture policy on the indigenous agricultural programmes of the developing countries, and proposes reforms to provide developing countries with the tools to further promote the indigenous agricultural in Africa.

Globalisation has transformed the organisation of international economic relationship around; it has affected the economic, social and political sphere of societies and citizens. This is characterised by complex set on interconnectivities and interdependence with an increasing number of actors vying to influence the outcome of these relationships. They lay competing claims to resources markets and legitimacy and are engaged in activities traditionally defined as belonging to the domain of diplomacy[1]. The issue of market control, free trade and sovereignty in the international economy has been one of the major bones of contention in the activities of the World Trade Organisation since its inception.

Sovereign States remain the traditional subjects of international law, but in practice remain interdependent in the pursuit of their economic interest[2]. It is trite to note from onset that, most if not all the international organisation are subject to international law. As the concept of sovereignty is a key element of public international law, international law is thus the regulatory law of international economy. Therefore, the power to do everything in a state i.e., to make law, to

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[1] O.Okechukwu" An Examination of Economic Diplomacy in International Law" Kogi State University Bi-Annual Journal of Public law, Vol. 2, 2009, p. 43

[2] O.Okechukwu, Op.Cit.

execute, to apply them, to impose and collect taxes and levy, contribution, to make war or peace to form treaties of alliance or of commerce with foreign nations and the likes[3] all are at the jurisdiction of international law.

The major reason for the formation of the WTO was for a global effort to actualise the UN's effort in a bid to roll back hindrance to free commerce through the painstaking intervention of the GATT through UNCTAD[4]. However, in some quarters, it is now believed that the WTO'S emphases has slipped from concentrating on these public interest goals to an organization formed to exploit the less developed countries economy. In nut shell, WTO is now seeing primarily as 'an organisation for liberalising trade' and help trade flow as freely as possible' at the detriment of some member nations especially the African countries.[5] Other writers from East Africa and Asian countries were also of the same opinion[6]. To them, the WTO'S public interest and objectives remain out of reach of the Less Developed Nations.

The antagonist of the WTO's policies especially, agricultural policy argued that the organisation is just a platform where the rich and developed countries are using to further colonise African trade. These groups also criticised the mode of reaching decision at the WTO otherwise called "consensus", to them such mode was an imposition of ideas of some view developed nations over the developing ones. Thus, to them, the World Trade Organisation is today one of the most secretive international bodies on earth, established to feed the greed of the rich in the name of trade liberalisation[7].

However, due to the recent development in the activities of the organisation, i.e., the increase in the numbers of African members of the organisation and the revisit to the agricultural policy of the organisation during the 1995 New Zealand meeting, couple with the development that some of the African countries are now experiencing via collaboration of Agricultural programmes with the aid of WTOs policy, one is tempted to ask, if actually, the agricultural policy of WTO is for the exploitation of African economy. In this regard, the paper evaluates the effect of the policy on the indigenous agricultural programmes of the developing countries, and takes a stand on its true position vis-à-vis the African economy.

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[1] J. Story. *Commentaries on the Constitution of the United States of America*(Boston, 1833), p.626, see also O.C. Ejimeka, "A Critical Appraisal of the Privileges and Immunities of International Organisations and their Staff: The Nigerian Experience", Okada Law Journal, Vol. 1, No. 1, 2009. p.244

[4] J.W. David, *United Nations in the Contemporary World*, (London, Routledge,1997), p.75

[5] This was the position of Olokooba S.M in "The Relevance of Membership of the World Trade Organisation to Africa' in Olugbenga F (ed.), *Law, Politics and Development: The Challenges of An Emerging Mega-City, Essay In Honour of Babatunde Raji Fashola*. (NBA. Ikeja). He also canvassed same in Olokooba S.M, "Trade Liberalisation or Trade Colonisation? An extraction of the Politics in Policies of the World Trade Organisation.", Islamic University in Uganda, Journal of Comparative law. Vol. 3. 2009. http.www.3dthree.Org./pdf_3D/Guide_075Ch1-pdf, assessed on the 7th July, 2009. For other objectives of the formation of WTO, visit http: //www-wto.org/english/the WTO_e/whatis_e/inbrief/e/inbr01-e.htm assessed on 24th May. 2010.

[6] For example, see, Tonny, O., "To Accede or not to Accede to the WTO agreement on Government Procurement: Issues for Least Developed Countries in Africa", Islamic University in Uganda, Journal of Comparative law, Vol. 3, 2009.

[7] http://www.ify.org/wto-html, assessed on the 6th July, 2009. See also Olokooba S M, "Trade Liberalisation or Trade Colonisation? An extraction of the Politics in Policies of the World Trade Organisation.", Islamic University in Uganda, Journal of Comparative law. Vol. 3. 2009. p:200.

AGRICULTURAL SITUATION IN AFRICA

Pre WTO Agricultural situation in Africa

Even though many African countries have gotten their independence before the formation of the WTO, many of them were lacking the capacity to produce enough for their local consumption talk less of exportation. Many African societies were predominately, small scale farmer. What they produce was just for their immediate family and in some instances for the survival of the extended family. In fact, most of the African states then were

> ...agricultural countries because they rely on agriculture and have little or no industry, but their agriculture is unscientific and their yields are far less than those of the developed countries.[8]

Furthermore, the pre WTO African society was also characterised with exploitation and under value of African farm produce. This was so because what most of the African farmers produced were raw materials to feed the developed countries industries.

Further still, the farm implements used then were also crude and there was less production, less harvest and less sustenance. In fact, the pre WTO African agricultural programme was far less than the post-WTO situation.

Post-WTO Agricultural situation in Africa

Prior to the advent of the World Trade Organisation herein after called the WTO, the extent to which the global trading activities should be protected was heavily beclouded with controversies and confusions. These occurrences became the source of tension in the global international economic relations.[9] And due to series of conflict in global trade activities, the economic powerful states met and set agenda in Uruguay, it was this meeting that was later christened as Uruguay round of negotiations of 1994.[10]

While majority of the Countries opined that the generality of goods including agricultural products be internationally controlled and supervised by a reputable internationalised organisation, some opined that a blanket regulation of trade and services was in apt, hence the call for the exclusion of some agricultural products from the GATT regimes. In fact, the United States of America fought for the exclusion of milk and other agricultural products from the General Agreement on Trade and Tariff (GATT) in the late 50's[11].

The negotiations of the GPA were not part of the Uruguay round and therefore could not benefit from the 'single undertaking' principle of the round. For this, parties to the Tokyo round GPA, held further negotiations in the context of an informal working group in pursuit of Article XII of the General agreement on Trade

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[8] Rodney W, *How Europe Underdeveloped Africa*, (Abuja, Panaf Publishing Inc, 2005). pp:18-19

[9] Olokooba S.M 'The Relevance of Membership of the World Trade Organisation to Africa' in Olugbenga F (ed.), p.431.

[10] Ibid

[11] ibid

and services[12]. In nutshell, the Doha Round of negotiations for a global trade pact launched in 2001 could not be concluded because of clash of interest between rich countries and developing nations on issues like agriculture and market opening which was negotiated in the 1986-1994 Uruguay Round[13].

In an attempt to harmonised these stands, a new Internationally agreed trade rules was proposed as way to achieve peaceful trade dispute settlement system amongst the Nations of the world. Thus, the General Agreement on Tariffs and Trade (GATT) was formed and it was GATT through Uruguay Round that later metamorphosis to the World Trade Organisation(WTO)[14].

Specifically in Africa, the post WTO formation has resulted in to market expansion, free trade and higher subsidy of African agricultural produce. The post WTO formation witnessed increase revenue generation from the exportation of Agricultural produces for most African countries[15].

Furthermore, the bulk of the funds used for African development now come from agricultural produce from the continent. This agricultural economy accounted for why African countries are popularly referred to as an agrarian society. Even with the introduction of mechanised farming, majority of African farmers still employ the method of shifting cultivation.[16]

WTO POLICY ON AGRICULTURE

The Agreement on Agriculture establishes a number of generally applicable rules with regard to trade-related agricultural measures, primarily in the areas of market access, domestic support and export competition. These rules relate to country-specific commitments to improve market access and reduce trade-distorting subsidies which are contained in the individual country schedules of the WTO Members and constitute an integral part of the GATT[17].

The WTO's Agriculture Agreement was negotiated in the 1986–94 Uruguay Round and is a significant first step towards fairer competition and a less distorted sector. WTO member governments agreed to improve market access and reduce trade-distorting subsidies in agriculture[18]. Agriculture is one of the newest policies in the WTO agreement. The talk which started in 2000 and also part of the Doha agenda, is yet to be concluded.[19]

The Agreement established a Committee on Agriculture. The Committee oversees the implementation of the Agreement on Agriculture and affords Members the opportunity of consulting on any matter relating to the implementation of commitments, including rule-based commitments. For this

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[12] Tonny. O., "To Accede or not to Accede to the WTO agreement on Government Procurement: Issues for Least Developed Countries in Africa". Islamic University in Uganda, Journal of Comparative law, Vol. 3, 2009, p.15.

[13] http://economictimes.indiatimes.com news/International-business/wto-mebers-should-agree-to-scale-down-global-trade-pact-officials-assessed on the 17th July, 201.'

[14] Olokooba, Op. Cit.

[15] In the pre- and early independence Nigeria, agricultural produce accounted for the larger percentage of the Nigerian exports. Until crude oil was discovered, Nigeria was the leading exporter of groundnuts in Africa. Generally, see, C.S.P. *The Nigerian Economy: Anatomy of a traumatised economy with some proposals for stabilisation*, (Nigeria: Fourth dimension Publishing Co. Ltd., 1986)

[16] Ibid. see also. Olokooba S.M. "The Relevance of Membership of the World Trade Organisation to Africa'p.432.

[17] http://www.wto.org/english/tratop_e/agric_e/ag_intro01_intro_e.htm, accessed on 24th July, 2012

[18] http://www.wto.org/english/tratop_e/agric_e/agric_e.htm, accessed on 17th July, 2012

[19] For details visit, http://www.voanews.com/specialenglish/archive 2007-05/2007-05-31, assessed on 7th May, 2010.

purpose, the Committee usually meets four times per year. Special meetings can be convened if necessary"[20].

The major target of this policy is the effort to search for and secure the guarantee for open market and competitive grounds for agricultural produce of member state. Also amongst the underlining reason for this policy is the issue of concessions and increase international support in form of subsidies. In other words this policy is to provide for commitments by member states in the area of market access and export competition which should have less home government influence.

The implementation period for the country-specific commitments is the six-year period commencing in 1995. However, developing countries have the flexibility to implement their reduction and other specific commitments over a period of up to 10 years. Members had the choice of implementing their concessions and commitments on the basis of calendar, marketing (crop) or fiscal years[21].

EFFECT OF THE WTO'S AGRICULTURAL POLICY ON AFRICAN ECONOMY

a) Positive Effects

Opening up of the African market via free market access may lead to Economic development. Even though African market as it is now is still at the developing stage, the easy flowing of trade in agriculture will further push the limit of the market, expand the scope of market activities and further expand both the national and international scope of the African market base leading to increase economic activities.

Furthermore, since the bottom-line trade rule of WTO is for the expansion of the international frontier of the market survival, it is the opinion of the writers that, flooding member states with goods will further check the menace of exploitation. Therefore, even if the west initially thought of further subject the less developed countries to their control, it will get to a stage that the influence of the control will drastically reduced.

The WTO's agricultural programme has resulted in to market expansion, free trade and higher subsidy of African agricultural produce. African members of the WTO now experiencing zenith increase in revenue generation from the exportation of Agricultural produce to other countries. Recently, a U.S. firm plan to invest 60m pounds in to Nigerian agricultural programme[22].

b) Negative Effects

Flooding of African market with varieties of foreign agricultural product devoid of any restriction '... can render the developing nations farmers into extinction and economically unviable"[23]. Furthermore, the policy may kill the infant underdeveloped and/or developing economy of African states. The competition may further push the African domestic market to oblivion.

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[20] http://www.wto.org/english/tratop_e/agric_e/ag_intro01_intro_e.htm, accessed on 24th july, 2012
[21] ibid
[22] For detail, see, http://www.nigermasterweb.com/paperfrmes.html, accessed on 24th July, 2012
[23] K. Martin, "Why developing countries cannot afford the new issues in the WTO Seattle Conference at http://www.ifg.org/newissues.html accessed on 22nd March, 2010.

This policy is not beneficial to African agricultural and economic programme in the sense that if African market is open to global export competition, there is likelihood that it is the economic powerful nations that will be deciding the prices of African agricultural products and may even subject them to frequent reductions in the international market. As it is now, the whole import/export relationship between African and its trading partners is one of unequal exchange.[24]

African countries are still less developed industrially, scientifically and thus our agricultural programme is still developing; whereas, it is the other way round for the developed countries. According to Michael and Donald[25] Africa is:

> ...underdeveloped in comparison with the industrialised area of the world. The pattern of trade between Africa and the industrialising world in the nineteenth century is a pattern that still exists today....Europe robbed Africa of her surplus products to feed its own economy, obtaining Africa exports at low prices and using them to boost its own industrialisation, thus steadily widening the gap between itself and Africa....

Rodney further observed:

> ...In Africa, the output of food per person has been falling in recent years. Because the developed countries have a stronger industrial and agricultural economy than the rest of the world, they produce far more goods than the poor-nations....

CONCLUSION AND RECOMMENDATIONS

Conclusion

From the aforesaid, it could be gleaned that, though, there are some negative effects the WTOs policy on Agriculture may have on the indigenous African agricultural programmes and economy, however, considering the long term benefit of the WTOs programme, the position of this paper is that, the WTO policy on agriculture is beneficial to the African economy.

The belief in some quarters that the opening of the African market to foreign agricultural produce may kill the African trade and economy is unfounded. Rather, such opening will lead to competition and competition will bread genuine rivalries which will ultimately lead to increase in production and economic development.

Furthermore, the belief that WTO policy enables industrialised countries to continue exploiting agricultural produce from the domestic producers through the market openness in developing countries is also not a fact. The fact remains that the benefit African farmers stand to gain from the exchange of knowledge in farming which is part of the transparency policy in the WTO is beneficial rather than

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[24] W. Rodney, Op. Cit (n.4) p: 27. this exploitative tendencies of the developed countries as represented by US was what triggered the friction between India and US on the new agreement on Agriculture. What India had demanded for was adequate protection for farmers, while the US were soothing for market access for it farm produce in developing countries. See details in http://www. livemint com/2009/06/1920/226/India-ready -for-8220give. accessed on 17th June, 2009.

[25] Michael. T. Donald. L., *A History of Africa 1840-1914*.(London: Edward Arnold Publishers.1980),p:6

detrimental. However, for the optimum derivation of benefit from the WTO policy on agriculture, this paper recommends

Recommendations

- **African members of WTO to speak with one voice**

Since there are more African members in the WTO, African should speak with one voice now either for or against any of the WTO programme that may affect the development of Agricultural programme of the continent.

- **Increase in the African membership of WTO Implementation Committees**

Furthermore, the mode of implementing agricultural programme of the WTO should also be of zenith interest of the African member state. There is the need for the African representation on any implementation committee the organisation may put in place on agriculture.

- **Protection of Local farmers**

Since agriculture is the base of African economic sector, any policies that will affect the development of agriculture should not be condoled by the African states. The protection of local farmers should be the main stand point for African member states of WTO.

African members should vigorously pursue the WTO reform programmes to favour them. According to K. Martin ...the next stage of the WTO negotiations should be about the three Rs, to review, repair and reform the WTO agreement and system....[26] to be more beneficial to the African members of the organisation.

[26] See, K. Martin, op.cit, and Olokooba S.M, op. cit.