3. Agricultural Trade Liberalisation

Introduction

Agriculture is a vital source of food and health for men, women and children in all economies, and most food that is produced is consumed locally (see box 3.1). It is also a source of livelihood and economic security for countless men and women farmers, a source of employment for farm labourers, and indirectly sustains and contributes to other sectors of the economy such as manufacturing and tourism. Agriculture is also critically important for the preservation of genetic resources and biodiversity. As such, it is key to the food security needs, rural development and environmental sustainability of many developing countries.

Women have traditionally been involved in agriculture at all levels and it continues to be a critical variable in their lives in developing countries. Many women make their livelihood from home farm production or in commercial agriculture.

Box 3.1 Snapshot of Agriculture and Agricultural Trade

Most food is produced for local consumption (90 per cent in the South), while only a small portion of world food production is traded globally:

- **17 per cent of wheat;**
- **11 per cent of coarse grain (maize, barley, oats, etc.);**
- **6 per cent of rice;**
- **30 per cent of soybean (grown mainly for processed food and animal feed).**

Only a few commodities are raised primarily for export (e.g. coffee, cocoa).

Source: Murphy, 2002

Women have traditionally been involved in agriculture at all levels and it continues to be a critical variable in their lives in developing countries. Many women make their livelihood

This period of trade liberalisation in agriculture foreshadows dramatic change in the lives of men and women in developing countries. The changes may be most dramatic for those in the least developed countries (LDCs), as well as for women as a group relative to men as a group.

from home farm production or in commercial agriculture. In Africa agriculture is of particular importance to improving women's lives and "the agricultural export sector (plantation and small farms) accounts for the bulk of women's trade-related activity" (Fontana *et al.*, 1998).

Cross-border trade in agriculture has a long history. It can contribute to the food security needs of some economies by complementing local production as well as providing alternative sources of nutrition and dietary choices. It can also improve the opportunity for employment. Because of the special nature of agriculture, it was not subjected to the discipline of global trade rules until 1994 with the Agreement on Agriculture (AOA), part of the Uruguay Round of trade agreements. Even before that, though, the agriculture sector and its relationship to trade had been the subject of intense reform under structural adjustment programmes (SAPs) over the last two decades. The AOA is also associated with a set of sanitary and phytosanitary (SPS)[2] and technical barriers to trade (TBT) rules as well as numerous regional trade agreements. The combined effect of these has been a trend towards the lessening of preference for some agricultural products previously protected under plurilateral agreements such as the Lomé Convention. This period of trade liberalisation in agriculture foreshadows dramatic change in the lives of men and women in developing countries. The changes may be most dramatic for those in the least developed countries (LDCs), as well as for women as a group relative to men as a group.

Agricultural trade liberalisation, especially as enshrined in the AOA, involves the systematic reduction or elimination of non-tariff barriers such as import quotas and disciplines on government support of both exports and domestically consumed production. This process of reducing or eliminating these traditional pillars of agricultural protection will be further intensified with the conclusion of the continuing AOA negotiations.

In theory, agricultural trade liberalisation should increase growth and income within each country and result in a wide range of assorted benefits. These include increased employment, lower food prices and enhanced access to technology.

2 These refer to food safety and animal and plant health measures.

A farmer picks cabbage leaves on a family plot in Zimbabwe

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However, more often than not, liberalisation in developing countries means an infusion of cheap imports that compete with domestically produced food. In addition, new regulations and standards on food safety that are used restrictively affect access to foreign markets as well as resource utilisation. Access to the markets of developed countries depends on the capacity to produce large quantities of a given product that meet very specific standards. It also depends on having access to a supply chain, usually controlled by large transnational corporations (TNCs). In practice, reducing trade barriers has not been sufficient to generate new demand for developing country exports. At the same time, there are no significant changes in the capital base of small farmers (access to land, water, credit, seeds and animal stock). Thus in many countries access to food is seriously threatened and concerns around food security and food self-sufficiency are heightened.

Many economies suffer from over-reliance on a few products, under-capitalisation of the agricultural sector, inadequately trained farmers and lack of access to technology and inputs. In many places where women have been the dominant food producers, their needs have been ignored in favour of export-oriented farmers.

This chapter focuses on the specific ways in which current agricultural trade liberalisation policies impact women and men in their differing cultural, economic and social circumstances. Through a selective review of current practices and policies, it tries to differentiate those approaches that are likely to produce gender equality outcomes from those that are not.

The Nature of Agricultural Trade Liberalisation

Although agriculture is the lifeblood of many developing countries' economies and a significant source of income and foreign exchange in the economies of others, it is often not treated with the same level of attention as manufacturing and services. This has meant that many economies suffer from over-reliance on a few products, under-capitalisation of the agricultural sector, inadequately trained farmers and lack of access to technology and inputs. Agricultural trade has been facilitated by extra-territorial agreements that allow agricultural imports into developed markets with little or no border taxes or on a privileged basis. This has been so, for example, with a number of export items under aid, trade and development co-operation agreements between former European colonial powers and many developing countries. In many places where women have been the dominant food producers, their needs have been ignored in favour of export-oriented farmers.

In other parts of the world, however, a great deal of attention is paid to a powerful farming sector that commands a large share of government resources in the form of domestic and export subsidies. These farmers are then able to sell their products on the global market at minimal cost, undermining the price structure and domestic and foreign market shares of developing countries. This has engendered a tug of war over preferences and support for agriculture between trading partners. This war continues quite independent of the recognition that the majority of agricultural trade is dominated by TNCs that exercise undue market power.

Today the main problems in agriculture trade from a negotiating point of view are:

- export subsidies by developed countries such as the EU, Japan and the US;

- restrictions on inflows of agricultural product;
- agricultural market distortion;
- food security;
- earning a decent livelihood from the land;
- use of natural and genetic resources.

In principle, any attempt to generate rules for improving trade in agriculture should be expected to directly address these problems. That was presumably the intent behind the first comprehensive attempt to expand the global trade discipline to agriculture. However, because of the conflicting nature and complex domestic and international power dynamics of agricultural trade, much of what was actually achieved in the AOA did not go far enough in ending the most restrictive and negative practices in the North.

Table 3.1 **Patterns of Trade for Grain Production/ Export**

Grain	Share of world production	Export dominance
Wheat	China – 109 metric million (mm) EU – 99 mm India – 70 mm US – 63 mm	US is largest exporter
Corn	US – 2/3 of world production China – 14% (2nd largest) EU – 12% Argentina – 12% Hungary – 2% South Africa – 1%	
Rice	Asia – 90%	Largest exporters are: Thailand Vietnam US India Pakistan
Transnational corporations (TNCs)	Grain production is dominated by the big three: Cargill, Continental and Louis Dreyfus (increasingly ADM is emerging as an important player, at least in coarse grains). These companies dominate 85–90% of global trade.	

After six years of agricultural liberalisation attempts, the lives of many farmers in developing countries have become increasingly difficult. Their ability to make a decent living from the land is under threat, with widespread and rising food insecurity.

TNCs hold dominant market power over much of the grain market and farm interests in the US, EU and Japan (see table 3.1). They exert a powerful influence over government policies in the sector. The multitudinous small farmers in the South, however, do not have a similar history or similar levers of control. In addition, many of the mechanisms in place such as the amber, blue and green boxes (see box 3.2) simply maintained the status quo. The net result is that after six years of agricultural liberalisation attempts, the lives of many farmers in developing countries have become increasingly difficult. Their ability to make a decent living from the land is under threat, with widespread and rising food insecurity.

Global Agricultural Trade and the Agreement on Agriculture (AOA)

The AOA focuses on reducing the so-called three pillars of trade protection: (1) market access; (2) export support; and (3) domestic support. There are different types of legal rights and obligations concerning these areas according to whether a country falls into the category of 'developed' or 'developing', with sub-categories of LDC (29 WTO members) and net food importing countries (NFICs).

Market access

Market access is blocked by measures that either restrict the amount of a product that can enter a foreign market or impose a penalty on the price. These measures include quotas, variable import levies and voluntary export restraints. Measures promoting market access under the AOA include:

- Tariffication (conversion of non-tariff market access barriers into tariffs). The new tariff rates were to generate levels of protection equivalent to or less than the levels of protection achieved under previous market access restrictions. They were to be bound as maximums and targeted reductions were set in place.
- Tariff rate quotas (TRQs). This is a compromise in place of full tariffication when that would have led to prohibitively

high tariffs (and no imports). Instead, a fixed minimum quantity of imports are allowed in at an accessible rate in order to keep them to at least the pre-tariffication levels. Quantities above this so-called 'TRQ threshold' are taxed at a higher rate. TRQs are usually set for the most domestically sensitive products. Hidden protectionism in the administration of TRQs, however, has led to under-filled quotas.

Market barrier access ploys in play with the implementation of the AOA include:

- Tariff dispersion (the variations of different levels of tariffs across products) and tariff escalation (tariff peaks and mega tariffs on particular goods and commodities groups). For example, the EU targets grains, sugar and dairy products, which have tariff peaks of 500 per cent. The US targets sugar, peanuts and dairy products that may have tariff peaks of up to 350 per cent. Tariffication may thus end up as even more protective than the old measures being replaced.

- Use of safety valves such as the special agricultural safeguard (SASG) mechanism of the AOA. SASG is meant to protect certain products from floods of imports. In such a case a government can raise tariffs on an emergency basis. 38 WTO members have the right to use SASG, but the EU and the US are the heaviest users.

In general, developing countries are said to have the highest bound average tariff rates. South Asia, the Caribbean and sub-Saharan and North Africa are all reported to be above the global average of 62 per cent. However, this must be weighted against the tariff peaks of the EU and the US and their utilisation of the market access barriers highlighted above.

Developed countries committed to cutting average unweighted tariff levels by 35 per cent over six years and developing countries by 24 per cent over ten years. LDCs were not required to undertake reduction commitments.

Export support

Export subsidies in agriculture are payments that make up the difference between the world price and some guaranteed price for domestic farmers. These, along with export credit and food aid, generally distort world commodity prices. Because of this problem, the AOA attempted to define and impose disciplines on the use of such subsidies.

A sort of dual track system has emerged with: (i) actionable subsidies (that generate challenges under the dispute settlement mechanism); and (ii) non-actionable (quasi-legitimate) subsidies. About 25 countries have been allowed to subsidise exports, though developing countries were largely restricted to subsidies for marketing and transportation. The understanding is that export support expenditures were to be capped and would be cut over the implementation period. However, existing export support payments were kept in place through the use of the green box (see box 3.2).

There is a commitment to reducing targets based on a 1986–1988 baseline. Developed countries have to cut expenditure outlays by 36 per cent and quantities of subsidised exports by 21 per cent over six years. Developing countries are committed to 24 per cent and 14 per cent over ten years. LDCs are not required to reduce subsidies. However, few developing countries can provide export subsidies and domestic support.

Domestic support

Domestic support consists of direct payments to farmers for crops that are exported or consumed domestically. Under the AOA, domestic support was reduced over the six-year implementation period by a specific percentage. Programmes that were designated for reduction were classified in the so-called amber box (see box 3.2), and the total amount of money involved is referred to as the aggregate measure of support (AMS). However, a number of domestic support programmes were excluded from any reduction commitment. These were classified in either green or blue boxes.

Domestic support is often accompanied by export subsidies and tariffs that keep domestic prices high. The impact of these subsidies on trade depends on the types used. They range from discretionary policy, the most restrictive, to decoupled payment (i.e. paying farmers to stay on the land, enhance environmental quality, etc.), the least restrictive.

Under the special and differential treatment (S&DT)

Box 3.2 AOA Domestic Support and Export Subsidy Categories

Different types of domestic support to agriculture are placed under the AOA in one of three 'boxes' depending on what effect they are seen to have on trade.

Amber box: policies that are viewed as trade distorting and are subject to reduction commitments under the Uruguay Round Agreements. They include payments directly linked to prices or quantities such as market price supports, input subsidies and direct per unit payments. Reduction commitments are 20 per cent over six years for developed countries (1986–88 baseline) and 13.3 per cent over ten years for developing countries (with no reduction requirement for LDCs). Examples include US support for dairy, peanuts and sugar programmes; exemption of investment subsidies for low income or resource poor producers; and support for reducing market costs and to provide subsidies for internal and external transportation of exports. (The second and third examples are part of S&DT.)

Blue box: policies designed to limit production. These include crop set-asides or payments linked to fixed areas of production or numbers of livestock. The big users of the blue box are the EU and a handful of others, including Norway, Switzerland and Japan. A very few developing countries have blue box programmes in place. The US ended its use of production-limiting incentives with its 1996 farm legislation.

Green box: policies that supposedly do not distort trade or are minimally distorting. They are of two kinds:

(i) decoupled payments to farmers and domestic food aid programmes; and

(ii) programmes that pursue policy goals laid out in the AOA such as environmental protection, research and disaster relief.

framework, developing countries received special time frames, different target reductions and different exemptions. They can subsidise transportation and marketing of exports. They can also maintain tariffs on certain products of particular importance for food security. Subsidies for foodstuffs to the rural and urban poor are also exempted from domestic support provisions (Beierle, 2002). LDCs are required to bind AMS support levels but not required to reduce them.

AOA negotiations

Article 20 (AOA) mandates a review of agricultural negotiation and a continued process of reform. Current issues on the agenda include:

- Reduction and elimination of export subsidies, export credit and state trading enterprises (STEs).
- More rigorous discipline on domestic support and possible expansion of green box policies.
- Furthering the expansion of market access by:
  - discipline on food aid (to control its use as a promotional tool);
  - conversion of non-tariff barriers into tariffs;
  - minimum access/reform of tariff rate quota;
  - comprehensive binding ('bound' tariffs are duty rates that are committed in the WTO and are difficult to raise);
  - more tariff reductions;
  - elimination of tariff escalation;
  - elimination of transitional safeguards.
- Better operationalisation and strong S&DT for developing countries.
- Focused discussion on the so-called cross-cutting (non-trade concern) issue of food security. Some developing countries are arguing for the creation of a development and/or food security box that would exempt certain measures and policies from WTO discipline. This would include those aimed at enhancing food security and production

capacity, sustaining employment for rural people, regulating cheap imports and stopping the dumping of cheap subsidised imports on developing countries.

Many of these issues were addressed at the Doha Ministerial Conference (see box 3.3).

In the real world of WTO trade politics, developing countries usually find that they have accepted commitments to reduce their own market access barriers . . . but in return do not receive significant changes in the market access barriers of the major players.

Box 3.3 Agricultural Liberalisation and the Doha Ministerial Declaration

The Doha Ministerial Declaration (paragraphs 13 and 14) reconfirmed the commitment to agricultural liberalisation programmes in terms of: (a) substantial improvement in market access; (b) the phasing out of all forms of export subsidies; and (c) substantial reduction in trade-distorting subsidies. The Declaration further agreed that special and differential treatment (S&DT) for developing countries "shall be an integral part of all elements of the negotiations". It also confirmed that non-trade concerns "will be taken into account in the AOA negotiations". Finally, Doha established a time-table for the AOA negotiations: modalities for further commitments, including provisions for S&DT to be established no later than 31 March 2000, comprehensive draft schedules based on those modalities to be established no later than the Fifth Session of the Ministerial (the Cancun Meeting) and conclusion of the Doha Agenda by 31 December 2004.

The AOA and Developing Countries

Currently, developing country negotiators focus their strategy around gaining access to developed countries' markets. To this end they push for reduction of market access barriers such as quotas. Market access is a double-edged sword, however, since in the trade game based on reciprocity there has to be some exchange. In an ideal world any resulting exchange would be even-handed and mutually beneficial to both sides. However, in the real world of WTO trade politics, developing countries usually find that they have accepted commitments to reduce

The AOA impacts on a broad subset of factors including price, employment, government services, food security, gender equality and women's empowerment.

their own market access barriers (mainly reduction of tariffs and elimination of quotas), but in return do not receive significant changes in the market access barriers of the major players.

A very sharp and unfavourable distinction to the majority of developing countries is that developed members of the WTO were able to inflate the baseline from which cuts to support and tariffs were made. The result is that, for example, the EU final tariff binding for 2000 is almost 66 per cent above the actual tariff equivalent for 1989–93. For the US it is 75 per cent higher.

The other distinction is in the area of special and differential treatment (S&DT). Developing countries received special time frames, different reduction targets and different exemptions. However, they face a host of problems with implementing the agreement even within the context of their five and ten year implementation lag. This is because many of them had already been locked into a process of agricultural liberalisation under SAPs that the AOA simply accelerated and deepened. By the end of the 1990s, many developing countries economies were already being inundated with cheap heavily subsidised agricultural imports from the North.

For many developing countries, the AOA impacts on a broad subset of factors including price, employment, government services, food security, gender equality and women's empowerment. Table 3.2 presents a snapshot overview of some of the most widespread impacts as documented in a number of research case studies, most importantly the FAO 14 country case study and others surveyed by Madeley (2001). The box presents a summary of the seven most distinct results for which there are numerous similar outcomes (food security and gender equality are dealt with separately below).

There are other impacts, however, for which the evidence is not yet consolidated. These include:

- little change in the volume of exports;
- little diversification of exports;
- little change in the destination of exports;
- undermining of the goal of providing reliable and affordable food supplies;

African women with their maize crop

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- exacerbation of volatility;
- decrease in public stockholding;
- dumping.

With regard to diversification of exports, an FAO study conducted in 1999 revealed that 12 of the countries experienced an increase in the value of exports while five experienced a

Table 3.2 **Agricultural Trade Liberalisation: Nature of Changes and Case Study Examples**

Areas	Nature of changes	Examples
1. Prices	a. Decreased price of domestic crops (reasons: imports and dumping) b. Increased price of farm inputs c. Increased price of food crops d. Decline in world price of exports	a. Ghana b. India – edible oils c. Madagascar – rise in the price of major food crops especially rice d. Kenya, Sierra Leone and Uganda – decline in price of export crops
2. Terms of Trade (TOT)	Worsened between outputs and inputs	Uganda – TOT for food producers fell
3. Export promotion/ food security	Shift away from food crops to cash crops	Benin – increase in land for cotton > food insecurity Uganda – emphasis on traditional and non-traditional agricultural exports (NTAE) > decline in food production (undermined food security)
4. Corporatisation/ concentration of agriculture	a. Increased penetration by TNCs b. Concentration of farms c. Marginalisation of small producers d. Loss of land of local farmers/rising landlessness	India, Philippines, Uruguay, Cambodia and Mexico Cambodia – ten years after liberalisation 10–15% of farmers are landless Uganda – market power concentrated in the hands of a few traders
5. Employment/ livelihood/ unemployment	Widespread job losses (estimated at 30 million in developing countries) that seem to outweigh job gains	India – 3 million edible oil producers Sri Lanka – about 300,000 (due to drop in the production of onions and potatoes) Zimbabwe
6. Environment	Soil degradation/loss of biodiversity (due to agro chemicals) Increased vulnerability of watershed/ depletion of water resources	Philippines
7. Government services	Reduction of government support for farmers: investment in agriculture, research and extension, control of prices, marketing assistance and subsidies on imports	Philippines – reduced support for irrigation, post harvest facility and farm to market roads Uganda – eliminated government extension programmes, non-support for crops, etc.

decline. For most countries there was no significant diversification of products or destination. FAO (2000) has argued that this could be due to supply constraints that limited countries' ability to respond to new market opportunities. However, additional explanations can be found in: (a) the gendered nature of supply response; (b) the lag in the implementation of market access commitments by the North; and (c) the fact that the trade liberalisation model failed to factor into the equations the overwhelming dominance and market power of TNCs that control agricultural trade.

Food Security

The issue of food security has figured prominently in discussions around trade liberalisation since the development of the AOA. Food security used to mean 'avoiding hunger' but today it has taken on other dimensions. There are at least two different views on how it relates to trade and how best to ensure it:

1. Food security is about the availability and accessibility of food and the stability of food supply, food safety and preference. It can be ensured by relying on foreign agricultural products. These are available in most cases at much lower cost (including food aid, often used as a promotional tool). In this view there is no automatic need for national food self sufficiency or security.

2. Food security is a very broad issue involving questions of self-sufficiency and national security. In this view, it should be ensured through the use of S&DT and policy flexibility in order to increase domestic capacity in the production of food. Furthermore, food staples should be exempted from liberalisation.

Trade impacts directly on food security since it brings in food that cannot be locally grown. It is also a source of foreign exchange that can be used to buy imports. It impacts indirectly on food security because agriculture contributes to export revenue. Trade also expands agricultural production, attracts new investments and drives productivity, all leading to economic growth. In the long run, however, a drop in prices may lead to a decrease in local production, ultimately resulting in prices reverting to higher levels. Rising world prices require an increased share of foreign exchange expenditure on imported goods. Low prices and farm support by the QUAD generate surplus production. A reduction in price supports and other forms of trade liberalisation may dry up food aid supplies.

Numerous case studies on the impact of liberalisation of agriculture in developing countries show that it is increasing food insecurity.

Reduction of tariffs may lead to lower domestic prices for food, making those whose livelihoods depend on strong prices for agricultural products the most vulnerable to food insecurity.

Numerous case studies on the impact of liberalisation of agriculture in developing countries show that it is increasing food insecurity. In the FAO study mentioned earlier, the cost of food imports in all 14 of the countries rose significantly (ranging from 30 per cent to 168 per cent). The increase in the cost of food imports outweighed the benefits of increased export sales, leaving 11 of the 14 countries reviewed worse off from a food security (and balance of payments) perspective. India, for example, which had been self sufficient in edible oils, became a large importer of these oils (1998–99). In Kenya, trade liberalisation led to increased food imports, food dumping and increases in the price of farm inputs. In Uganda, where subsistence crops such as millet were replaced by cash crops such as bananas and maize, malnutrition is increasing. In Zimbabwe also, cash crops substituted for food crops, creating food shortages. Similar results obtained in Ghana.

Indirect and cross sector impacts of liberalisation were also observed to have a negative impact on food security. For example, in countries where textiles and footwear were liberalised and imports flowed into the domestic market, domestic producers of resources such as cotton lost market share. Food insecurity tended to increase among workers in both areas.

Gender Issues in Agricultural Trade Liberalisation

Women are responsible for half of the world's food production and produce between 60 and 80 per cent of the food in developing countries (see box 3.4). They often manage this on marginal land, with simple or no tools and with very little access to fertiliser or extension training. Up until the early 1990s, most women were still able to make a decent livelihood in subsistence agriculture. However, countless numbers of women are increasingly losing ground to the encroachment of cheap food imports from the North. Evidence of this can be seen in the WTO EU-US Banana dispute (see box 4.3) and the impact of EU, US and Canadian imports on the livelihood of African, Asian and Caribbean women farmers in the vegetable and dairy sectors. In addition, the privatisation and transformation of land to cash crop export agriculture is affecting women's access to land and land tenure in many countries. The increasing role of TNCs in food and agriculture is creating serious survival and sustainable livelihood issues for women farmers and women in family farming entities.

The increasing role of TNCs in food and agriculture is creating serious survival and sustainable livelihood issues for women farmers and women in family farming entities.

Box 3.4 Women's Dominant Role in Agriculture

In South-East Asia women provide up to 90 per cent of labour in rice cultivation. In Thailand women are extensively engaged in agriculture, including about 50 per cent of field crop cultivation, horticulture, plant protection and harvesting. Almost 80 per cent of soil improvement is undertaken by women (Rengam, 2001). Almost all the work in food processing, mulberry tree cultivation and silkworm raising is carried out by women. In Pakistan 80 per cent of livestock is managed by women. In Kenya women are 75–89 per cent of the agricultural labour force (receiving about 40–60 per cent of the benefit). Women are also responsible for roughly three-quarters of the food production.

Thus cross-border trade, which was expected to promote food security and the economic empowerment and survival of the poor and women, may actually be more of a threat in some cases. Many women cannot afford adequate chemicals, fertiliser and other farm inputs. In Kenya, for example, increased food imports and dumping, coupled with an increase in the price of farm inputs, left women worse off at the end of the 1980s than they had been in 1981. Fortunately, some rural women had been integrated under SAPS into micro- and small enterprise in village markets where they bought and sold farm products like milk, maize, beans and vegetables.

In Uganda trade liberalisation policies led to the closing of local state trading enterprise (STE) depots. Although lack of access to the STEs impacted on both men and women, it had a disproportionately detrimental effect on women. Due to their greater mobility, men were able to travel outside their villages to sell products. Women's domestic responsibilities and lesser

The extent to which policy-makers integrate a gender perspective and analysis into the trade policy decision-making process is nowhere more critical than in the agricultural sector.

mobility, however, meant they were captives to their local markets where they were forced to sell products at lower prices. Trade liberalisation also led to switching into export crops, which caused land speculation and loss of common property resources. Women as a group have a higher dependence on such resources than men.

Women thus have much at stake in the conceptualisation, design and implementation of agricultural trade reform and trade policy. If and how trade liberalisation is implemented can have dire short-term and long-term consequences for both their immediate survival and their strategic interests. The extent to which policy-makers integrate a gender perspective and analysis into the trade policy decision-making process is nowhere more critical than in the agricultural sector.

The tentative framework for a sectoral analysis presented at the end of Chapter 2 can be applied in the case of agricultural liberalisation. In particular, the three gender realities and the related guideline questions they raise can be discussed under four broad areas of concern: (1) gender roles and responsibility for social reproduction; (2) gender disparities in access/control and ownership of assets; (3) the gendered nature of agricultural production, processing and marketing/sales; and (4) gender-based constraints of liberalisation.

Gender roles and responsibility for social reproduction

Women in many countries still have the disproportionate responsibility for childcare, functioning of the household, and elder and community care. This responsibility imposes a tremendous burden on women's time, health and morbidity.

Gender disparities in access to and control and ownership of assets

Women's and men's access to and control and ownership of tangible resources (such as capital, machinery, land, transportation and storage facilities) as well as intangible ones (such as extension services, training and information about marketing and production) are critically important. These determine their ability to expand production, switch into more high value crops or areas as well as increase productivity in existing sectors and sub-sectors.

In many countries women's control and use of land is determined by their relationship to males in terms of marriage, divorce or widowhood. This also impacts on their social security. Where women's access to land is conditioned on customary rights, this access is at best uncertain, shifting with changes in women's martial status and life cycle changes. Even when women have access to land as in Togo, for example, they tend to have smaller plots – on average 0.96 hectares as compared to 2.16 for men (FAO, 1995). Women in sub-Saharan Africa farm smaller plots of land, of poorer quality and at a greater distance from home. This also seems to be true in South and South-East Asia.

Women's ability to exploit land use for productivity improvements is constrained by lack of access to credit, machinery and technology. Female-run farms are . . . less well capitalised, receive smaller allocations of fertilisers and equipment . . . and are virtually excluded from most formal credit markets.

Women's ability to exploit land use for productivity improvements is constrained by lack of access to credit, machinery and technology. Female-run farms are also less well capitalised, receive smaller allocations of fertilisers and equipment (92 per cent of women farmers in Kenya use only hand cultivation, compared to 62 per cent of men) and are virtually excluded from most formal credit markets. In Burkina Faso all fertilisers were found to be concentrated in male-controlled crops.

In the case of agricultural extension services and training, the World Bank found significant gender bias against women in Africa, especially sub-Saharan Africa, and parts of Asia. Findings from Kenya, Malawi, Nigeria, Tanzania and Zimbabwe show that there is a greater likelihood that extension workers will provide services to male than female farmers. Also, 93 per cent of extension workers in Africa are men. Extension services are particularly important as they are the way that poor farmers acquire productivity-enhancing training and information. Researchers posit that a possible reason for this gender bias may be the fact that women have less education and have smaller plots and poorer quality land. This situation highlights a vicious cycle wherein gender inequality generates and perpetuates gender bias and asymmetries.

In Africa, where agricultural exports dominate total exports, asset deprivation is injurious to women. Irrigation, potable water and electrification are assets that have high rates of

Women . . . tend to be found in labour-intensive activities where simple tools are more pervasive.

return but most women do not have access to or control over them. Limited property rights to land prevent women from benefiting directly from export production. Women may also be less equipped to enter significantly into export production due to lack of knowledge of changes in demand, inability to undertake investment in new seeds and cultivation methods and inability to adopt new technology.

The gendered nature of agricultural production, processing and marketing

The gender division of labour in agriculture has three important aspects related to trade liberalisation: (i) production; (ii) processing; and (iii) marketing and sale of agricultural commodities.

In the area of agricultural production, a typical (though not necessarily endemic) feature is that men in many developing countries specialise in the production of cash crops while women are to be found mainly in the production of domestic staples. It is not unusual to find that women are in food production, household maintenance and care provision services. This is typically true in Tanzania, for example, where women constitute 80 per cent of unpaid family workers (FAO, 1994). Thus women may spend up to 16 hours a day in the combined work of agriculture and household production. In Kenya and Zaire, although there is no neat dichotomy between men's cash crops and women's food crops, women farmers are disadvantaged in relation to men because they focus on own food production and have less access to farm support services and crucial inputs. In Uganda, the female intensity of production in agriculture has been estimated at 75 per cent (Elson, Evers and Gideon, 1997).

In many countries in North and East Africa and in Asia, men are found in capital-intensive mechanised production and activities such a land preparation, harvesting and irrigation. Women, on the other hand, tend to be found in labour-intensive activities where simple tools are more pervasive: broadcasting seeds, fertilising, weeding, harvesting, processing and transportation. Women also tend to be more involved in manual activities such as threshing, winnowing, cleaning, sorting,

Harvesting peanuts in India

INTERNATIONAL LABOUR ORGANIZATION/ M. CROZET

grading and bagging (FAO, 1994). In parts of Africa women do 90 per cent of hoeing and weeding and 60 per cent of harvesting and marketing (Blackden and Bhanu, 1998).

Women also tend to have a greater involvement in processing and sale of domestic food items. In addition, there is a definite gender pattern in marketing and sale of agricultural products. In Tanzania, for example, while men tend to dominate in maize, wholesale and intermediate trade, women are to be found in retail, where there are small margins and the volume of trade is lower (Gammage *et al.*, 2002). Women also tend to produce vegetables and fruits while men produce grains (which have a higher value and are more durable).

Women … may be unable to increase labour input and productivity in response to price changes due to constraints that limit their supply response.

Gender-based constraints associated with liberalisation

It is generally argued that trade liberalisation will generate a positive supply response in agriculture. However, the empirical data does not support this. It is speculated that the reason for the weak (inelastic) supply response lies in the net impact of liberalisation (removal of price support and erosion of tariffs and non-tariffs barriers) on food prices. These are generally lowered in relative terms, leading to a decline in the supply of food. Gender inequalities within households and in food production are potentially powerful explanatory variables. Specifically, it is believed that women (especially in Africa where this has been disproportionately observed) may be unable to increase labour input and productivity in response to price changes due to constraints that limit their supply response. Researchers suggest at least four distinct sets of constraints at work here:

1. Gender inequalities in access to productive resources limit the scale of women's response.
2. Rigidities in time and task allocation limit the elasticity of female labour supply.
3. There are weaker producer incentives for women, who are unable to control the proceeds of their labour.
4. Women lack access to credit, storage and transport facilities for foodstuffs. This means that they sometimes have to sell products at lower prices than men who can speculate on regional and temporal price fluctuations, selling in more distant markets and at times of relative shortage.

Gender Implications of the AOA Provisions

Undoubtedly, previous attempts at liberalising agricultural trade have had tremendous impacts on the lives of women and men. It remains to be seen whether the issues on the agenda of the current round of negotiations and the consequent implementation results will exacerbate the negative effects or improve the positive ones. Under the AOA, agricultural liberalisation turns on a number of key issues:

- the three pillars of protection (market access, export subsidy and domestic support);
- tariff reduction and reductions in related government support services such as STEs;
- the scope for export promotion measures in the sector in terms of extension services and price controls;
- non-food concerns and food security, which are critical entry points for improving women's livelihood options.

It is important to understand the gender implications of these variables if one is to devise policies and programmes that promote women's economic empowerment and gender equality. The rest of this section will therefore attempt to highlight some of these implications.

From the perspective of women farmers and other small farmers, market access is at best illusory and at worst detrimental to their economic livelihood.

Gender and market access

From the perspective of women farmers and other small farmers, market access is at best illusory and at worst detrimental to their economic livelihood. Therefore it needs to be qualified by careful assessment of the domestic economy and the different constraints, needs and interests of men and women, and of small farmers *versus* large farmers. This may also include the need to develop ways of supporting and fostering the continued sustainability of women and small farmers, as well as a viable policy on food security.

There is also a need to undertake a gender mapping of the institutional framework for market access (at international, national and production and export levels) across and within all the sectors (agriculture, services, etc.) and the nature and scope of its gender sensitivity.

Gender and domestic support

The provision on reducing domestic support to agriculture will present problems for small farmers and women farmers who rely on, or could benefit from, some kind of assistance from government. Some governments have provided subsidies for credit, fertilisers and water. Women are disproportionately

The provision on reducing domestic support to agriculture will present problems for small farmers and women farmers who rely on, or could benefit from, some kind of assistance from government . . . Women are disproportionately affected by the elimination of subsidies, the drying up of credit and import surge.

affected by the elimination of subsidies, the drying up of credit and import surge (underwritten by domestic subsidy in exporting countries). For example, when South Africa promoted subsidies for its food producers, hence lowering the cost of production in the country, this resulted in cheap imports such as eggs flooding the Kenyan market. While consumers – including housewives – benefited from the cheap imports, the many Kenyan women who raised and sold poultry and eggs lost markets and income (Sparr, 2002a).

Tariff reduction

There are two broad effects of tariff reduction that have a disproportionately negative impact on women relative to men. The first is the budgetary impact of loss in tax revenue, which may be a significant proportion of government revenue. This loss is likely to be offset by cuts in government expenditures or increased taxes elsewhere. In the former case, the social sector will probably be the target for a lopsided amount of cuts. As noted elsewhere in this manual, women have a high dependence on social services. In the latter case of tax increases, the trend is toward value added taxes (VAT). These have been shown to have a stronger impact on the poor, the majority of whom are women.

The second impact of tariff reduction is on the domestic product market as it will encourage import surge. For example, due to market conditions in Senegal, women had switched from growing subsistence crops to exclusively growing tomatoes. They had also taken out micro-credit loans to start tomato paste businesses. However, when the government lowered tariffs on food imports as part of trade liberalisation, cheap foreign tomatoes flooded the market. The women could not pay back the loans and did not have their traditional food to feed their families. They thus ended up in worse economic shape than when they had started out (Women's Eyes on the Bank; cited in Sparr, 2002b).

Reduction in government services

State trading enterprises (STEs): When the government closed STE depots in Uganda, for example, producers had to go outside their villages to secure better prices. Due to their workload, women were unable to do this and so had to sell products at lower prices in their home village.

Extension services: As noted above, these are critically important for women farmers who are in need of information, counselling and training in farming and irrigation techniques to increase yields and minimise labour input into production. They could also benefit from training in quality standards and opportunities in the export market.

Prices support for inputs: Support for fertilisers, irrigation systems and water is critical for women farmers. Access to such support needs to be broadened, and the ability of developing countries to use such tools should not be narrowly circumscribed by trade agreements.

Price controls on food: Likewise, governments must be able to introduce and maintain price controls on essential food items that are critical to the needs of the poor.

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The promotion of export crops

Export promotion policies and programmes that are not gender-sensitive may have a negative impact on women's access to resources such as land, credit, extension services, information and technology. Focusing on export crop promotion and reallocating resources into this area may leave domestic food production at risk. In addition, since many export crops require intensive capital and land usage, women producers may be marginalised or face loss of land or water unless adequate attention is paid to ensure that this is not the case. In Kenya, for example, "smallholders growing export vegetables were found to own twice as much and better quality land those that did not, and their land was also more likely to be irrigated" (Kabeer, 2003).

On the other hand, it should be noted that women in Latin America seem to have gained in terms of the opening up of employment in non-traditional, commercial agriculture in areas such as horticulture, fruits, ornamental plants, shellfish, etc. The consequent modernisation of agriculture with new technological features has "created a large demand for female

A smallholder waters her plot in Ghana
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labour in activities such as reaping, harvesting, processing and packing" (Bifani-Richard, 1999). Women also make up a large proportion of the workforce in non-traditional agricultural exports (NTAEs) in sub-Saharan Africa.

Non-trade concerns

The widening of the agriculture trade discussion to include the so-called non-trade concerns – food security, sustainable livelihoods, rural development, etc. – presents a key entry point for the integration of a gender analysis. These areas are generally of critical importance to women in their multiple roles as farmers, farm workers, unpaid farm labourers and caretakers of households and communities.

Gender and technical requirements

The widening of the agriculture trade discussion to include … non-trade concerns – food security, sustainable livelihoods, rural development, etc. – presents a key entry point for the integration of a gender analysis.

There are potential employment issues arising from loss of market associated with a change in or newly imposed sanitary and phytosanitary (SPS) requirements on an export sector. However, the main challenges of SPS and technical barriers to trade (TBT) from the point of view of gender equality are:

- differences in access to local and international marketing information;
- additional cost to production of implementing SPS and TBT requirements;
- differences in access to investment funds for upgrading to meet technical standards;
- women producers may be constrained by problems of information flow (see box 2.5).

Women in Uganda, for example, tend to rely on male counterparts as a way of engaging in organic farming because of its highly technical nature and the need for intensive training, as well as the high cost of formal certification of a farm as organic (Sengendo and Tumushabe, 2002).

It is fair to say that the initial responses of governments in many developing countries to SPS and TBT will be to emphasise the regulatory aspects. It is rarely the case that an empowerment approach, which would be more likely to be beneficial to women, will be attempted.

Pointers for Further Discussion

As with most other sectors, a gender-aware and gender-sensitive approach to agricultural trade liberalisation identifies the key mechanisms and pathways through which trade liberalisation impacts on women and men differently. These must necessarily include attention to the following:

- social and reproductive adjustment;
- employment/wage levels;
- poverty eradication;

- economic power – profitability and market share;
- overall economic and social well-being.

Given this initial perspective, it is important to identify the differential benefits, costs, challenges and constraints of agricultural trade liberalisation. Focus should be placed on:

- gender inequalities and reciprocities in labour;
- the role of existing bias;
- structural inequality and discrimination in relation to women's and men's roles in the household;
- women's and men's location in the labour market;
- gender inequalities in access to productive resources: land, credit and technology.