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Editorial: Changing everything so that nothing changes?

Issue 24 - Summer 2020, Friday 26 June 2020, by Harribey Jean-Marie, Jean Tosti

Will Italian writer Giuseppe Tomasi di Lampedusa's formula "if we want everything to stay the same, everything must change", in his novel The Cheetah (1958), made famous by Luchino Visconti's film, be the hallmark of the alternative between the world before the coronavirus pandemic and the world after? The risk is real, because we can see the world's ruling classes and their representatives at the head of States doing their utmost to freeze any desire to learn the lessons of the economic breakdown resulting from the containment imposed to stem the pandemic.

The confrontation of two development strategies, particularly agricultural development, in Africa after COVID-19

Friday 26 June 2020, by Jacques Berthelot

https://france.attac.org/nos-publications/les-possibles/numero-24-ete-2020/dossier-latransformation-du-systeme-productif/article/l-affrontement-de-deux-strategies-de-developpement-notamment-agricole-en

The ongoing global COVID-19 pandemic has affected all countries differently, both from a health and an economic perspective, but it has created profoundly contrasting visions of what policies should be pursued once the health aspects of the pandemic have been brought under control. In the North as well as in the South, particularly in Africa, the winners and losers of the globalized capitalist system clash.

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The winners of the global neo-liberal system want to make up very quickly for lost production and profits, and to do so they want to continue negotiating bilateral free trade agreements since the World Trade Organization (WTO) has broken down, forgetting that it is neo-liberal globalization which, by having pushed them to abandon the production of medicines and sanitary equipment to the more competitive China and India, has greatly aggravated the pandemic in the West. And by ignoring that this neoliberal system will continue to generate internal and North-South social inequalities and destroy the global environment.

It is distressing to note that the African Union (AU) itself sees its salvation only in increased extraverted growth, so much so that its development has so far depended on it. Fortunately, profound social movements have woken up, denouncing the collusion of African governments with the dominant system and saying: "We cannot return to normal. We have to envision a

different world, a different Africa, so that this moment can be a turning point for our region and the world".

After an analysis of the health and economic impacts of the pandemic in Africa, this article identifies the confrontation of the two strategies at work and details the four pillars needed to rebuild its agricultural policies on food sovereignty.

I - The COVID-19 pandemic and its health and economic impacts in Africa

1.1 - The health impact of COVID-19

While the health impact of COVID-19 in Africa, particularly in West Africa (WA), seems limited – according to the WHO, Africa had 74,256 cases and 2,040 deaths (including 425 in the Economic Community of West African States, ECOWAS) as of 23 May 2020, but surely underestimated – the total health impact is huge because the mobilization of health services against COVID-19 has greatly reduced the fight against the other three scourges - malaria and AIDS, for which there is also no vaccine, and tuberculosis. So much so that, according to WHO, malaria deaths in sub-Saharan Africa (SSA) could double to 769,000.

1.2 - The economic impact of COVID-19

The economic impact is much more disastrous in SSA than in Western countries because of the collapse of commodity prices, starting with oil, linked to the collapse of demand in Western countries in recession and the paralysis of international and domestic transport. The International Monetary Fund (IMF) anticipates a 1.6 % decline in SSA GDP in 2020 (after +3.1 % in 2019), including a 3.4 % decline in Nigeria after +2.1 % in 2019, and a 5.8 % decline in South Africa after +0.2 % in 2019, the continent's two largest economies, but the decline anticipated by the World Bank for SSA would range from -2.1 % to -5.1 %. As Broulaye Bagayoko, Permanent Secretary of the Africa CADTM, points out, Africa's external debt is \$365 billion dollars, of which 35 % is multilateral public debt, 32 % bilateral public debt, 20 % to China and 13 % to other private creditors. The moratorium granted by the G20 until the end of December 2020 on the payment of the \$12 billion of SSA's bilateral public debt service – the Maghreb countries will not benefit from it, nor will South Africa, because it is a member of the G20, even though it is by far the African country with the heaviest debt service, of \$11.9 billion in 2018, including \$10.5 billion to private creditors – and not its cancellation, will not make a big difference since the servicing of multilateral debt of \$8 billion and private debt of \$12 billion are not affected by moratoria. While the repayment of the \$12 billion of bilateral public debt service for 2020 will be spread over 3 years, interest will be added on late payments.

The IMF adds that the pandemic has accelerated capital outflows from developing countries by \$90 billion from early February to mid-April, including from Africa, while foreign direct investments have dropped a lot. Conversely, remittances from Africans migrating to SSA, who are confined and/or have lost their jobs in Western countries, are estimated to have fallen by 23 %, from \$48 billion in 2019 to \$37 billion in 2020, even though these funds are traditionally larger than official development assistance from Western countries. These transfers accounted for 5.7 % of GDP in Nigeria in 2019, 9.1 % in Togo and 9.9 % in Senegal.

For the international cereals trade, contradictory influences of supply and demand have played on prices. For rice and wheat, export restrictions by exporting countries favouring their own food security, also linked to the confinement of logistics workers in India, have led to significant increases in international prices (7 % from March to April 2020 for rice and 2.5 % for wheat) but these are not expected to last due to an expected sharp increase in production. Conversely, the rise in prices has been limited in Africa by the depreciation of the currencies of major importers such as Nigeria, which have reduced their purchases, by transport difficulties and the sharp drop in consumers' purchasing power, with the World Bank anticipating a 13 % to 25 % drop in food imports in 2020, while production could fall by 2.6 % to 7 %.

However the FAO had estimated that 237 million people were chronically undernourished in SSA in 2018, and the WHO that 73 million more were food insecure in 2019, and "The coronavirus pandemic is likely to worsen the situation of populations on the verge of starvation in 2020, already on the rise in 2019, and which could double in 2020 because of the coronavirus, according to a UN report and projection. Some 135 million people in 55 conflict-and climate-affected countries were 'acutely food-insecure' in 2019, according to the Global Food Crisis Report 2020... However, this figure could double to 265 million people in 2020 due to the 'economic impact' of the coronavirus pandemic". COVID-19 has exacerbated food shortages because containment measures and physical remoteness have hampered the storage, processing and transport of products. Low-income households were the most affected by movement restrictions due to loss of income and inability to access local markets. For example, many ECOWAS countries have closed their borders with their neighbours, e.g. between Liberia and Guinea, and Senegal has even banned transport between Casamance and the rest of the country, with the result that avocados, pineapples and mangoes are rotting for lack of buyers, causing prices to collapse in export areas and to rise in those that can no longer obtain supplies.

These difficulties in food supply are compounded by difficulties in exporting tropical products, such as cocoa and cashew nuts in WA, leading to falling prices and budget revenues, particularly in Côte d'Ivoire, Ghana, Guinea-Bissau and Senegal. While some WA States, o which Senegal, Nigeria and Côte d'Ivoire, have taken some measures to distribute food to the poorest, this has been at a very inadequate level.

II - The confrontation of two opposing post-COVID-19 strategies in Africa

In Africa as in the West, two opposing orientations for the post-pandemic are in conflict. The governments in power, the African Union (AU), Western countries, multinationals and the international institutions at their service want to resume the extraverted growth of the past very quickly, while, conversely, the hitherto marginalized civil society wants to radically overhaul the dominant paradigm.

2.1 - The African Union's option of a rapid return to extraverted growth

Although the African Union (AU) report on the impact of COVID-19 on the African economy stresses the need to "increase agricultural production and improve food value chains to meet domestic and continental consumption" because "Sub-Saharan Africa has spent nearly US\$48.7 billion on food imports (US\$17.5 billion on cereals, US\$4.8 billion on fish)", the AU maintains a general outward orientation evidenced by three recommendations: 1) that the fiscal stimulus packages of OECD countries "should not have a global impact on the restoration of global value chains within the OECD, thereby undermining African production transformation strategies"; 2) that African countries "accelerate the establishment of the continental free trade area... to achieve industrialisation as quickly as possible"; 3) and that they follow the recommendations of the joint AU-OECD report on Development Dynamics in Africa, Making a Success of Productive Transformation which is a plea for increased extraversion of African

economies. Thus, "In Southern Africa, countries face the risk of premature deindustrialization. The share of manufacturing value added in total GDP has been declining since 2000. The industrialization strategy... intends to take advantage of South Africa's participation in global value chains and the presence of multinationals to help small and medium-sized enterprises prosper."

The AU-OECD report stresses the attractiveness of FDI and recommends promoting "business clusters (or 'special economic zones', SEZs) that 'allow governments with limited resources to maximise their strengths by investing in a dedicated area, rather than dispersing their resources. By attracting FDI and promoting technology transfer in this way, they move closer to the global technological frontier. The higher relative density of firms, suppliers, service providers and related institutions in this ecosystem can lead to greater spillovers and knowledge transfer and thus enhance the impact of policies... Most African countries may not have sufficient economies of scale and lack the fundamentals to attract as much FDI as their international competitors... To increase economies of scale, African countries need to think 'globally' and act 'regionally'".

The recession in Western countries linked to COVID-19 and their desire to relocate their activities pose threats to their plans to relocate to low-wage countries. Even if there is no immediate risk of relocating already relocated activities, especially those linked to free trade agreements (FTAs), their extension is compromised. The development of the automotive industry in free zones has been a success in Morocco since it is the country's leading exporter (27 % of exports in 2019 with export sales of over €7 billion) and employs 180,000 people (including subcontractors), of which 11,000 for Renault and 1,700 for PSA, the two main manufacturers (400,000 vehicles for Renault in 2018 and 100,000 for Peugeot in 2019, which only started up in mid-2018). 90 % of their production is exported, of which more than 80 % is exported to the EU, mainly to France (31 %), Spain (11 %), Germany (9 %) and Italy (9 %), at zero customs duty, given the association agreement with Morocco, whereas the normal MFN duty is 10 %. Moreover, Renault and Peugeot do not pay corporate tax, as Oxfam-Maroc points out. On May 26, 2020 President Macron announced an €8 billion aid plan for the automotive industry with an injunction to French manufacturers to maintain production of high value-added vehicles in France. On May 28 Renault announced the elimination of 15,000 jobs worldwide (8 % of its workforce), including 4,600 in France, with a reduction in its worldwide production capacity from 4 to 3.3 million vehicles and the "suspension of planned capacity increase projects in Morocco and Romania". The plan to safeguard the French aeronautics industry, which will be announced in a few days time, could pose the same risks to the extension of its relocations to Morocco, and Trump's relocation policy is also putting a damper on Boeing's projects in Morocco. Given the enormous infrastructure expenditure borne by Morocco to set up these free zones, while it does not receive any tax revenue from them, has reduced social expenditures and aids to disadvantaged populations, particularly rural ones. In this context, the necessary reorientation of the Moroccan economy could be a lesser evil.

The AU-OECD report also cites a SEZ project in the rural area of WA: "Creating SEZs can enhance the potential between countries producing the same goods. Prospects are envisaged between Côte d'Ivoire, Burkina Faso and Mali to boost agriculture in the region. The Sikasso-Korhogo-Bobo Dioulasso SEZ (SKBO) project was signed in January 2017 to coordinate and strengthen cooperation between these three countries. The process has been underway since May 2018, encouraging the creation and strengthening of public and private industrial projects' and an article adds that 'the institutional framework will offer significant fiscal advantages to investors, especially foreign ones".

It should be noted that, when the report addresses the issue of intra-AU and extra-AU trade, it stresses the need to reduce customs duties as well as non-tariff measures. With one implicit exception, however, when it writes: "In some cases, policies have failed to develop strong regional value chains. This is the case, for example, of the mining sector in southern Africa, which has traditionally relied on South Africa as a hub for capital goods. In recent years, however, the arrival of more competitive inputs from China has undermined South Africa's position."

Lowering customs duties is the credo of the AfCFTA (African Continental Free Trade Area) since, according to the United Nations Commission for Africa (UNECA or ECA), with the Continental Customs Union (CCU), which has not yet been adopted, "This is reflected in a greater openness to the rest of the world than the AfCFTA in the sense that the average protection imposed by Africa on its imports from the rest of the world would decrease to a level of 9.8 %, compared to a level of 13.6 % with the AfCFTA alone. This corresponds to a 27.9 % improvement in market access granted by Africa to the rest of the world when a CCU is implemented. Non-African economies would benefit from greater access to African markets in the industrial sectors than in the agricultural and food sectors. As a result, and compared to the creation of an AfCFTA, not only would African imports be boosted (+3.4 % or US\$21.6 billion) with the implementation of a CCU – thanks to the lowering of average tariffs imposed by African countries on their imports from the rest of the world – but African exports would increase even more (+4.2 % or US\$27.6 billion) with trade reform".

As the reduction in customs duties would largely benefit imports of intermediate consumption and equipment, the report concludes that Africa will become more competitive in manufactured products than industrialized countries (including emerging countries such as China) since labour costs are much lower, particularly in SSA. This reasoning overlooks the fact that labour productivity is much lower there than in countries where labour costs are higher, in particular because of a whole set of constraints specific to SSA will long hinder its integration and development: deficiencies in infrastructure, especially on transport; access to energy and water; technical skills; the functioning of administrations, especially customs; access to credit at reasonable rates; wide disparity in monetary policies and exchange rates, in particular the absurdity of maintaining the CFA franc in the WAEMU and CEMAC, whose new name 'ECO' does not change the parity with the euro; huge disparities in customs duties, living standards, political regimes and their weak democratisation, etc. For example, transporting industrial products from China to Lagos is cheaper than transporting them from North to South Nigeria, and the same applies to maize from the United States compared to that from Northern Nigeria. As long as these constraints are not lifted, the AfCFTA, a fortiori if complemented by the CCU, will lead to a further loss of customs revenue and competitiveness, hence of jobs. Even if the AfCFTA is really not the solution, at least the World Bank recommends "fostering intra-African value chains within the framework of the Continental African Free Trade Agreement for import substitution".

Strangely, neither the AU-OECD report nor the multiple AU reports on the AfCFTA make any reference to the EPAs (Economic Partnership Agreements) between the EU and ACP countries, nor to the dumping of EU agricultural exports linked to its high domestic subsidies. It is true that the ACP Council of Ministers of 30 May 2018, which set out the negotiating mandate for the successor agreement to the Cotonou Agreement which expired on 28 February 2020, simply called for "improved preferential trade arrangements for both goods and services and development cooperation provisions of the interim EPAs/EPAs to ensure that ACP states, inter alia, derive greater trade and development benefits from the EPAs". This is not surprising given

that much of the ACP budget is funded by the European Commission, which also politically and financially supports the implementation of the AfCFTA. Indeed the planned 90 % reduction in tariffs in intra-African trade will greatly benefit the subsidiaries of EU multinationals and banks with a strong presence in all African countries, especially as this reduction is greater than the 80 % reduction imposed on its exports to countries that have signed EPAs. Not surprisingly, the European Commission's (leaked) proposal for a new agreement confirms the merits of EPAs, in Article 2 of Chapter 4 of Title 4: "4. Taking into account the need to build on their preferential trade agreements and on the existing Economic Partnership Agreements (EPAs) as instruments of their trade cooperation, the Parties recognise that cooperation will mainly be enhanced to support the practical implementation of these existing instruments. 5. In so doing, the signatories to the Economic Partnership Agreements (EPAs) reaffirm their commitment to take all necessary measures to ensure their full implementation which should be conducive to their growth and economic development while contributing to the deepening of regional integration processes within the ACP".

Another marker of this neo-liberal orientation of the AU-OECD report is the old-fashioned emphasis on the need to promote the registration of agricultural land by obtaining individual land titles to facilitate access to credit: "In Ethiopia and Rwanda, the certification of agricultural property rights has increased farmers' propensity to invest and, consequently, the productivity of the sector. In Ethiopia, the propensity to invest in soil and water conservation measures increased by 20-30 percentage points. In Rwanda, registered households are twice as likely (10 per cent) to invest as those with unregistered land". This is why the same recommendation is made for WA: "In West Africa, access to land is fundamental for the productive transformation of agricultural economies. Access to land can also facilitate the stability needed for investment, as in Ghana, where land has been available on a large scale since the 1900s (Frankema and Van Waijenburg, 2018). It is also a crucial pillar in the consolidation of peace and security. Cadastre or land registry systems have yet to be established to facilitate the collection of data on land income and even the certification of property transfers in a context where customary law remains predominant. This aspect would benefit from greater prominence in the continued implementation of the National Agricultural Investment Programmes (PNIA) and the Regional Agricultural Investment Programme (PRIA) as well as the regional offensive for food production and the fight against hunger. Just over 10 per cent of rural land is registered in the region (AUC/OECD, 2018)".

<u>2.2 – Disconnecting African economic policies from neo-liberalism and rebuilding agricultural policies on food sovereignty</u>

According to the Declaration of African Groups for Climate Justice on COVID-19 of 14 May 2020 entitled A New Africa is Possible!: "Unfortunately, the climate crisis will not stop as long as the world focuses on the health crisis of Covid-19... The projected rise in global temperatures for Africa is a harbinger of human, societal and ecological collapse... Both crises are human-induced and have their origins in the way our political and economic systems treat the Earth and its people, driven by the thirst for profit. Transnational corporations (TNCs), in collusion with African governments and other elites, operating with impunity and with contempt for people and the planet, are among the main culprits of the current energy, climate, food and ecological crises... We cannot return to normal. We cannot go back to normal. We have to envision a different world, a different Africa, so that this moment can mark a turning point for our region and the world".

As many contributions in this issue of Les Possibles focus on the new economic policies to be implemented, we focus here to those relating to agricultural policies that will hopefully be in harmony with those proposed by the majority of farmers' organizations in both the South and the North. This agricultural refoundation involves four stages: a radical reform of agricultural land; guaranteeing remunerative agricultural prices in the long run; promoting agro-ecological production systems; compensating consumers for agricultural price increases and changing their eating habits. Before, let us make short comments on agricultural processing industries.

2.2.1 – No longer dreaming of industrial integration into global value chains

Nothing has really changed since Samir Amin wrote in 1980, in *The Industrial Future of Africa*: "Until now the industrialization of the Third World has not been envisaged to serve the progress of agriculture. Unlike the countries of the centre, where the 'agricultural revolution' preceded the 'industrial revolution', the countries of the periphery have imported the latter without having initiated the first stage... Until now, Third World industry has been parasitic, in the sense that it feeds its accumulation by punishing the rural world in real terms (it obtains its labour from the rural exodus) and in financial terms (tax collection, internal terms of trade unfavourable to peasants, etc.), without any counterpart supporting the take-off of agriculture."

This observation was echoed in 2018 by Kako Nubukpo: "In relation to the strong influence of agriculture in sub-Saharan African countries, it is safe to say that in order to be on a sustainable, inclusive and resilient growth trajectory, Africa must initiate a process of structural transformation based on its untapped agricultural potential".

According to Gaëlle Balineau and Ysaline Padieu: "Food processing accounts for 60% of total manufacturing employment in Niger and Nigeria, between 30% and 40% in Ghana, Burkina Faso and Mali... The poverty reduction capacity of the manufacturing sector is mainly due to agro-industry in Malawi, Tanzania and Zambia. The growing demand for high quality food products could be the driving force behind the development of high value-added and labour-intensive agriculture".

To this should be added the textile industry to supply the domestic market, given that it has been the basis for the industrialization of most countries in the South, starting with India, which would be a good way of adding value to African cotton to protect it from the vagaries of fluctuating world prices and dumping by the US and the EU. Provided that this production is effectively protected from imports of cheap second-hand clothing exported mainly by the EU - \$675 million in 2018 for 581,000 tonnes - 8 times more than that exported by the United States (\$86 million), which has threatened to remove the countries of the East African Community (EAC) from the list of countries benefiting from AGOA¹ if they suspend their imports of second-hand clothing, which has caused Kenya to fold, and Rwanda has been excluded from AGOA. However, while SSA imports of second-hand clothing from China were intermediate (\$287 million), new clothing imports from China accounted for 57 % of its total imports (\$3 billion out of \$5.3 billion) while those from the EU were 12 times lower and those from the US 149 times lower. SSA's political capacity to protect its textile sector from Chinese pressure will be severely tested, but it is not impossible that it will show more understanding of its long-term political interests than the EU and the US, which are totally subject to the blind will of private capital.

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¹ The African Growth Opportunity Act is a preferential US agreement for the majority of SSA countries (excluding countries considered not to respect human rights), signed in May 2000 and renewed for 10 years in 2015 with the unanimous consensus of the WTO, including the EU, and whose exports to the US are exempt from customs duties.

In this context, there is a temptation to advocate a modest industrialization strategy for SSA that foregoes competitiveness in global value chains, as suggested by Fatou Gueye and Alimadou Aly Mbaye: "The creation of decent jobs in Africa will instead come through the millions of nano-enterprises (family, individual) that employ almost the entire African population... More than 80% of jobs in French-speaking Africa are self-employment situations... Left to themselves, they could hardly strengthen and grow... They face a multitude of constraints. A third way could be to create ecosystems in which these nano-enterprises could be grouped together as social and solidarity-based enterprises, in a value chain logic, in order to facilitate their progressive access to a formal status, thus promoting inclusive growth"

<u>2.2.2 – Rebuilding agricultural development on four pillars</u>

The rebuilding of agricultural development on food sovereignty will be based on four pillars: a radical reform of agricultural land tenure; a guarantee of remunerative agricultural prices in the long run; the promotion of agro-ecological production systems; the compensation of agricultural price increases for consumers and the change of their eating habits.

A radical reform of agricultural land

An agricultural policy based on food sovereignty, remunerative agricultural prices and agroecological production systems cannot be based on food sovereignty without a prior radical reform of a guaranteed access to agricultural land that distributes production rights among a large number of peasants gathered in village communities. For land is part of the *commons*. This is a proposal that is valid for the North as well as for the South, for the EU as well as for Africa. But it is a reform that is much easier to implement in SSA given traditional land rights. Even though the land laws of most countries have recognised the State as the eminent legal owner of land with use rights to village communities, the presidents of the Republic have generally arrogated to themselves the right to grant very long-term concessions to speculators in an opaque manner, moreover to re-export food products or agrofuels.

The sociologist Denise Paulme reported in 1963 that, according to a traditional Nigerien chief: "In my opinion, the land belongs to a large family, many of whose members are dead, a few are alive, and most of whom are still unborn," and she added: "In my opinion, the land belongs to a large family, many of whose members are dead, a few are alive, and most of whom are still unborn... Ultimately, land rights are part of the status of people, they are an aspect of it: to be without land would be to be without parents, an inconceivable situation... African land tenure systems are nonetheless marked by significant differences between them... But everywhere, the ties between people count more than the rights to things. Yesterday's political leaders listened willingly to the demands of their subjects, and tried to satisfy them as long as the area that each person might wish to cultivate was the same for all. The emergence of a mercantile economy, leading on the one hand to a desire for unlimited enrichment and the acquisition of hitherto unknown goods, and on the other to the possibility of making a profit from the work others do for you, shakes up the whole system of land tenure and social structures. Planners and agronomists insist on the need for profound reforms to avoid chaos. Planners and agronomists insist on the need for far-reaching reforms to avoid chaos. Sociologists and, with them, many Africans, will respond that legislation oriented by purely economic motives would inevitably lead to social chaos and impoverishment".

The denunciation of individual land ownership was widely shared by eminent economists beyond Marx. Thus for the Draft Universal Declaration for the Common Good of Humanity inspired by François Houtart: "The appropriation of the means of production and circulation by individuals or companies for the purposes of private capitalist accumulation is contrary to the common good of humanity and the good life (Buen Vivir) and is therefore prohibited". Similarly for François Partant, "The right of ownership, which is a means of individual enrichment, is replaced by a right of perpetual enjoyment, i.e. hereditary and transmissible to children who wish to continue their father's activity. This right, which is obviously recognized only to those who exercise it (the peasant who stops cultivating his land renounces it and loses it), assures the members the security that comes from property, in addition to the security that comes from belonging to a community based on solidarity". In Sur la crise, Samir Amin recalled that "China and Vietnam provide the unique example of a system of land access management that is neither based on private property nor on 'custom', but on a new revolutionary right, ignored everywhere else, which is the right of all peasants (defined as the inhabitants of a village) to equal access to land. Ideally, the model implies the double affirmation of the rights of the State (sole owner) and the usufructuary (the peasant family). The State guarantees the equal sharing of village land among all families. It prohibits any use other than family cultivation, such as renting. It guarantees that the proceeds of the investments made by the usufructuary return to him immediately through his right of ownership of all the farm's production ... in the longer term through the inheritance of the usufruct for the exclusive benefit of the children remaining on the farm (the final emigrant loses his right of access to the land, which falls back into the basket of land to be redistributed)". It is a fact that the guarantee for Chinese peasants to have a permanent access to their plot of land in the village explains both why they did not hesitate to go and work for a large part of the year, or even several years in a row, in the big cities, especially in the east of the country, while being assured of finding their plot of land in returning to the village.

Zihan Ren explains the importance of the Rural revitalization programme in reducing the Chinese economy's dependence on the world market: "In 2009, 25 million people returned from the coastal cities to the countryside because of unemployment. Due to the high demand for new labour in the countryside, which had received huge investments, the return of these migrant workers not only did not cause serious social problems, but also made people fully aware of the economic usefulness of rural investments and greatly promoted economic growth... That is why we believe that in the context of Sino-American competition, rediscovering the potential of the rural economy is the most sensible and important choice. History has proven that whenever the Chinese economy faces a crisis, exploiting the potential of the rural economy is the only way to achieve a 'soft landing'... of the crisis". This is also true for contemporary Africa.

Guaranteeing remunerative agricultural prices in the long run

In view of the growing food deficit in Africa, particularly in SSA if we exclude products that are not basic foodstuffs and are mainly exported – coffee, cocoa, tea, spices, cotton, flowers – and the forthcoming population explosion, the priority is to promote the production of basic foodstuffs, which implies guaranteeing remunerative prices for producers in the long run. This can be done by applying the tools that were so effective for EU farmers before the 1992 CAP (Common Agricultural Policy) reform: variable import levies represented by the difference between the remunerative prices retained for the crop year at the wholesale stage in a representative area and the CIF (cost-coverage-freight) prices in one of the main ports (or airports or railway stations) of arrival on national or macro-regional territory. Since variable levies are set in national (or regional) currency, this provides much better protection than ad

valorem customs duties representing a percentage of the CIF import price generally denominated in dollars or euros, given the sharp fluctuation in world prices in dollars and exchange rates. The rebuttal of objections to the implementation of variable levies is set out in the book Réguler les prix agricoles.

It goes without saying that the establishment of remunerative agricultural prices is not credible at the level of the AU, but should be done if possible at the level of each regional economic community (REC) such as ECOWAS in West Africa or the EAC in East Africa, which in principle have a CET (common external tariff) even if it is not well respected. Raising agricultural prices to a remunerative level would be spread over a period of 5 to 10 years, along with measures to protect the purchasing power of disadvantaged households.

In order for remunerative agricultural prices to stimulate individual producer production, all the necessary accompanying measures need to be financed by the State and/or local authorities upstream and downstream of production: access to agricultural credit at reasonable rates, road improvements, dissuasive penalties for illegal levies by law enforcement agencies on the marketing of products, minimum infrastructure and monitoring of the proper functioning of local markets, aid for the constitution of village stocks of food products and monitoring of speculation by traders, etc.

Promoting agro-ecological production systems

While, under the guise of *double green agriculture*, multinational agribusiness firms and even the African Development Bank are trying to promote the dominant conventional model of production systems that are intensive in chemical fertilizers, pesticides and heavy motorization, or even GMOs, it is essential to promote labour-intensive <u>agroecological production systems</u> on small farms in order to combat the greenhouse effect and to maintain biodiversity and sustainably increased yields. The best and cheapest means of extension is to finance exchanges of experience between farmers.

Compensating consumers for agricultural price increases and changing their eating habits

Just as it is essential to increase and stabilise producer prices, this must not penalise the vast majority of consumers with very limited purchasing power who already spend a large part of their budget on food. All the more so as this would then give rise to food riots, as we have seen on many occasions, particularly during the soaring food prices of 2008-09.

There are, of course, solutions to this problem, but they involve substantial international aid over a decade or so to fund domestic food aid programmes modelled on the policies of India, the United States and Brazil (at the time of President Lula). Households would receive vouchers to buy local food products available in approved shops according to their standard of living, and the availability of food products would be enhanced by helping to build up village (or rural commune) stocks paid at minimum prices to producers, as in India, but avoiding the building up of massive stocks that are difficult to maintain in good condition and involve bureaucratic management. India's National Food Security Act of 2013 provides for an allocation of 5 kg/month, or 60 kg per year, of basic grains (mainly wheat and rice) per person for 75 % of the rural population and 50 % of the urban population, with additional allocations to certain disadvantaged groups including pregnant women and young children and subsidized school lunches. Incidentally, India has granted an additional 5 kg for 3 months to 80 % of the population to alleviate the cost of COVID-19.

Based on the example of India, this would imply for SSA, where 60% of the population was rural in 2018, to subsidize 42.5 Mt of local food products (cereals, dried beans, vegetable oil, tubers, even plantains) per year. However, the dysfunctions of the Indian system have led to recent improvements, including the introduction of cash payments on electronic cards per household (involving a bank account) allowing them to buy in approved shops or even on the market under certain conditions. For SSA, funding would need to be accurately assessed, but a first approximation is around \$15 billion per year, as India has notified \$16.3 billion in domestic food aid to the WTO for 2016-17 (last notification). This aid could be mobilised through concessional loans from the IDA, a subsidiary of the World Bank, with a 35-year maturity and a 10-year grace period. This may sound very high, but it would be very cost-effective in reducing Africa's food deficit, combating the greenhouse effect, improving biodiversity while creating the tens of millions of jobs each year for young people entering the labour market.

Finally, it is necessary to change the eating habits of Africans by diverting them from the consumption of basic foodstuffs that Africa's climate does not allow for sufficient production and which are therefore imported. These are mainly wheat and, to a lesser extent, rice. In SSA, wheat production - limited to East Africa from Eritrea to South Africa because the climate in WA and Central Africa prohibits its production – has increased from 4, 535 million tonnes (Mt) in 1999-2000 to 7.938 Mt in 2019-20, an increase of 2.70 % per year and, as the population grew by 2.62 % per year (from 637 million in 2000 to 1.094 billion in 2020), per capita production was practically stagnant (+ 0.08 %)². On the other hand, rice production increased from 7.150 Mt to 19.151 Mt, i.e. by 4.80% per year and 2.10 % per capita per year. But wheat imports increased faster than rice imports: from 7.9 Mt in 1999-2000 to 26.2 Mt in 2019-20, i.e. by 5.9 % per year, compared to 4.9 Mt to 13.5 Mt for rice, i.e. by 4.9 % per year. As wheat exports rose from 257 000 t to 960 000 t, consumption (equal to production + imports - exports) rose from 12.1 Mt to 33.1 Mt, an increase of 4.9 % per year, and per capita consumption rose by 2.3 % per year. As rice exports increased from 18 000 t to 365 000 t, consumption rose from 12.1 Mt to 32.3 Mt, an increase of 4.8 % per year, or 2.2 % per head per year, practically at the same rate as for wheat. In total, the consumption of wheat + rice rose from 24.2 Mt to 65.5 Mt, while that of local cereals (millet + sorghum + maize) rose from 67.8 Mt to 85.60 Mt, reflecting a 64 % increase (from 26.4 % to 43.3 %) in the share of wheat + rice in total cereal consumption.

This is because local cereal yields have increased very little in 20 years: by 0.14 % per year for millet (from 694 kg/ha to 715 kg) and 0.82 % for sorghum (from 820 to 973 kg) even though they increased by 1.18 % for maize (from 1,590 kg to 2,033 kg, as it benefited from fertilizers on cotton in WA). As the United Nations anticipate a population of 2.168 billion in SSA in 2050, up 2.22 % per year from 2020, maintaining the annual rate of increase in per capita consumption from 1999-2000 to 2019-20 would rise wheat imports to 130.4 Mt and rice imports to 50.9 Mt. With wheat prices expected to rise sharply (see below), SSA will not be able to finance imports so that there is an urgent need to change eating habits.

Indeed, the price of wheat will inevitably increase because yields have been plateauing for 15 years in exporting countries – although not limited in their use of chemical fertilizers and pesticides – and that they will decrease in developed countries, especially in Europe, given the decrease in the use of chemical pesticides and fertilizers desired by the population and the promotion of organic agriculture with lower yields. As Arab and West Asian countries with arid climates do not have the alternative of consuming tropical cereals like in SSA, and will be better able to afford higher wheat prices, SSA countries will face an uninsurable import bill.

 $^{^2\,}USDA\,PS\&D\,\,online\,\,database:\,https://apps.fas.usda.gov/psdonline/app/index.html\#/app/advQuery$

This is why the WA regional EPA and the IEPAs of Côte d'Ivoire and Ghana are criminal, as they provide for a reduction in the tariff on wheat imports from the EU from 5 % to 0 %. This could only lead to more imports of heavily subsidised EU wheat and more bread, pasta and couscous being consumed, delaying the day when consumers will not be able to buy them. Current projects to introduce local cereal flour or cassava flour into bread are a lesser evil in the very short term as the percentage of such flour is limited to 15 % (in the World Bank-CNCR project in Senegal) or at best 30 % (in the AFD-SOL project in Senegal). What is absolutely necessary is to promote Latin American food models based on corn tortillas and large cassava pancakes. But these recipes can also be extended to millet and sorghum, for which significant yield increases are possible, following the example of Ethiopia, where they have increased from 840 kg/ha to 2,440 kg for millet and from 910 kg to 2,810 kg for sorghum.

Conclusion

The outcome of the struggle between the two strategies – the return in force of the dominant neo-liberal capitalist paradigm based on the primacy of money or its radical challenge through unified social forces in the North and South defending the primacy of human rights, democracy and the environment – is not known because man is free and history is not written. As in other important turning points in history, particularly in the aftermath of the Second World War, the capitalist system will have to make major concessions to reduce both internal and North-South inequalities and to better protect the environment on which its survival and human health depend more than ever.

But the outcome of this struggle, particularly that of the inequalities between the EU and Africa and the latter's access to food autonomy, will depend mainly on EU policies and in particular on the refounding of its Common Agricultural Policy (CAP) on food sovereignty without dumping. The incomes of European farmers will then be based on remunerative prices, as they were from 1962 to 1992, and no longer on massive direct aids which, through dumped exports, are killing African farmers and ruining ASS development efforts, since they represent two-thirds of the active population in SSA and one-third in North Africa.

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