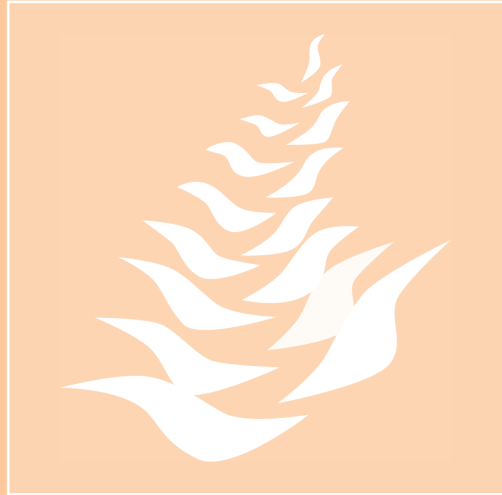


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TRADE JUSTICE
READER 2

GLOBALISATION, TRADE AND JUSTICE

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GLOBALISATION, TRADE AND JUSTICE: FOCUS ON HUMAN RIGHTS

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Introduction

They say free trade is the answer to world poverty, but all too often it benefits the richest and deprives the poorest. This is the second of four Pambazuka News Special Reports to be published during 2006 on trade and justice. The articles in this special report examine the point where trade meets the rights of people and communities. If free trade is the answer, these articles seem to ask, why is healthcare a luxury for millions in Kenya? Why does the oil trade wreak havoc in the Niger Delta? How is it that informal traders have virtually no rights? Why are local communities excluded from development projects driven by multinational companies? Why is it that

cotton farmers in West Africa suffer because of a grossly unfair subsidy racket? The last article in this edition asks how trade and business can be conducted in a more humane way.

Global trade policy agreements are often felt hardest far from the boardrooms where they are thrashed out. Often, they act to strip people of basic rights like water and electricity. In the five boxes in this special report, Karoline Kemp looks at examples where communities are claiming their rights.

Please send comments on these articles to editor@pambazuka.org or comment online at <http://www.pambazuka.org>

South Africa: Soweto fights Eskom

Eskom, the country's electricity provider, has featured predominantly in recent South African news because of continuing power outages in various parts of the country. But these power outages have not affected many in the townships that house the majority of the nation's black population. Soweto, in Johannesburg, is the largest of these townships, and is home to several million working-class people, most of whom struggle to make ends meet. Electricity is simply too expensive for many, and as a result, they make do with alternative forms of lighting, heating and cooking.

In 1996 the African National Congress (ANC) adopted neoliberal policies, turning their back on a proposed reconstruction and development programme (RDP), and opting instead for the GEAR programme. The GEAR programme was developed by economists and World Bank officials and, as a neoliberal programme, emphasised growth, adding that redistribution would come only after growth. Meant to drive this growth, targets were set to reduce inflation, boost the private sector and liberalise formerly government-run agencies, including Eskom. In order to attract investors and offer a return on investment, Eskom set about increasing profits through a strict system of cost recovery.

In places like Soweto this meant that electricity cut-offs were made as a means of recouping debt and making sure people paid for their electricity use. According to activist Trevor Ngwane, at one point Eskom was cutting off over 20,000 homes a month and over 70 per cent of Soweto's population had increasing debts to the company. The Soweto Electricity Crisis Committee, co-founded by Ngwane, was formed to unite Soweto against electricity cut-offs. It claimed as its slogan: 'Electricity is a right, not a privilege.' The group lobbies government and other policy groups and, significantly, reconnects those homes that have been cut off, providing residents with the electricity they need. Their work has spread beyond Soweto, and they are active all over South Africa, campaigning now not only for electricity, but also water. Their approach is one of participatory democracy: they call for policies that respond to the needs of the people - that is, the poor, who make up the majority of South Africa - and demand free services, including electricity, water, housing, healthcare and education, for all. The Soweto Electricity Crisis Committee sees itself as a part of a larger anti-globalisation, anti-capitalist movement, and calls for people around the movement to join hands to fight against imperialism and anti-poor policies.

Source

Article based on an interview between Trevor Ngwane and Walter Turner on KPFA's 'Africa Today' <<http://www.warprofiteers.com/article.php?id=11501>>.



1 Preserving disorder: IMF policies and Kenya's healthcare crisis

Soren Ambrose

Compared to 20 years ago, people in Kenya live for ten years fewer on average, more children die in infancy and a greater proportion of those who survive face stunting. Why? Soren Ambrose makes a case for holding the International Monetary Fund (IMF) responsible, arguing that the institution's obsession with low inflation rates – one of the foundations of trade liberalisation – starves economies and hurts the poor.

ON 6 MARCH 2006 Kenya's assistant minister for health, Enock Kibunguchy, told the press that Kenya urgently needs to hire 10,000 additional professionals in the public health sector, blurting out: 'We have to put our foot down and employ. We can tell the International Monetary Fund and the World Bank to go to hell.'¹

These are strong words for a high-ranking government official to put on record regarding the most powerful international financial institutions (IFIs), and in particular the IMF, a body whose power extends to being able to call for the withdrawal of virtually all external assistance to a country.

Minister of Health Charity Ngilu had in fact been rumoured to have made similar accusations in meetings with IMF officials and civil society representatives; since Kibunguchy's declaration she has confirmed she shares his view. Similar allegations have also been made by several civil society organisations, focused on the IMF and on health rights. Indeed, in the last two years a number of organisations have identified IMF restrictions as a serious disincentive to hiring desperately needed health professionals not only in Kenya but in many other African and global South countries as well.

As in most African countries, Kenya's healthcare system was hit hard by the 'structural adjustment' policies imposed by the IMF and World Bank as conditions on loans and as prerequisites for getting IFI approval of the country's economic policies. Those policies were introduced in the 1980s, and have left a lasting mark on Kenya's health.

Specific IMF policies, in particular the low ceilings it sets for inflation rates and wage expenditure in borrowing countries, are demonstrably illogical and detrimental. Together with the dubious defence the IMF mounts for maintaining such restrictions, cases like Kenya's provide a strong argument that those controlling the IMF should re-examine the restrictions it places on borrowing governments. The logic of demanding continual decreases in public wage bills is likewise suspect, as are the IMF's routine inflation targets. With increased funding from new sources, improved standards of living are within reach of even the most impoverished countries, if only the IMF would allow it.

The healthcare crisis

Kenya's healthcare crisis has been 20 years in the making. Its dimensions are spelled out in the 2004 poverty reduction strategy paper (PRSP) – a government document written in consultation with the IMF and World Bank and approved by both bodies' boards. Life expectancy declined from 57 years in 1986 to 47 in 2000; infant mortality increased from 62 per thousand in 1993 to 78 per thousand in 2003; and under-five mortality rose from 96 per thousand births to 114 per thousand in the same period. The percentage of children with stunted growth increased from 29 per cent in 1993 to 31 per cent in 2003, and the percentage of Kenya's children who are fully vaccinated dropped from 79 per cent in 1993 to 52 per cent in 2003.²

Why this deterioration? As in most African countries, Kenya's healthcare system was hit hard by the 'structural adjustment' policies imposed by the IMF and World Bank as conditions on loans and as prerequisites for getting IFI approval of the country's economic policies. Those policies were introduced in the 1980s, and have left a lasting mark on Kenya's health. As usual with such programmes, the emphasis was on

cutting budget expenditure. As a result, local health clinics and dispensaries had fewer supplies and medicines, and user fees became more common. The public hospitals saw their standard of care deteriorate, increasing pressure on the largest public facility, Kenyatta National Hospital in Nairobi. As a consequence, that hospital, once the leading health facility in East Africa, began, like so many other African hospitals, to ask patients' families to provide outside food, medicine and medical supplies. Most beds at Kenyatta and the regional and local hospitals accommodate two patients. Professional staff have taken jobs - some part-time, some full-time - at private healthcare facilities, or migrated to Europe or North America in search of better pay.

An October 2005 communication from an NGO coalition to the November 2005 High Level Forum on Health MDGs (Millennium Development Goals) notes that 'between 1991 and 2003, the [Kenyan] government reduced its work force by 30 per cent' - cuts that hit the health sector particularly hard.³ For the period between 2000 and 2002 alone, the government was scheduled to lay off 5,300 health staff.

Those requirements were externally imposed. A World Bank Group document from November 2003, written to justify waiving a loan condition calling for a workforce reduction, notes: 'This condition required retrenching 32,000 personnel from civil service over a period of two years. In practice, 23,448 civil servants were retrenched in 2000/01 before the programme was interrupted by lawsuits. ... A specific commitment in the updated [agreement] is to reduce the size of the civil service by 5,000 per year through natural attrition.'⁴ The very same document supports Assistant Minister Kibunguchi's assessment of the sector's current needs: 'the health sector currently experiences a staff shortage of about 10,000 health workers.' The document, however, draws no connection between the shortage and the insistence on cutting more workers.

The impact of the layoffs and budget slashing in the health sector over the last 15 years was cited recently by Member of Parliament Alfred Nderitu as the primary motivation for his motion of censure against the IMF and World Bank in the Kenyan parliament. His initiative would insist that any future loans from the institutions would need parliamentary approval.⁵

Clinics without nurses

Many African countries have shortages of medical staff because of a lack of training capacity; in Kenya this is not the case. Thousands are unemployed or underemployed, eager to take up full time positions.

Both the Kenyan government and the IFIs regularly announce that health spending will increase substan-

tially.^{6, 7} With all these promises of increased resources for healthcare, with the World Bank's acknowledgment of a staff shortage, and with all those unemployed nurses, one might expect that the government would waste no time in hiring the thousands of nurses Kenya so desperately needs. And indeed, frequent promises are made by government officials to that effect. But the promises are almost never kept.

According to the chief economist in the Ministry of Health, S.N. Muchiri, the reason is that while the IFIs support increased expenditure on health, they forbid spending that money on staff wages. This is accomplished through insisting on a ceiling on wage expenditure; in Kenya, the targets are 8.5 per cent of GDP in 2006 and 7.2 per cent by 2008.⁸ The IMF does not specify that hiring in the health sector must be limited, but when the entire wage bill must be suppressed, the chances of hiring the personnel needed are slim indeed.

So when IFI staffers call for more funding for clinics, as they do in their critique of the government's draft PRSP, they mean buildings, equipment, and medicine.⁹ Unfortunately, personnel are required to run the clinics. It is the choice by those institutions to prioritise targets for reduced spending on public salaries and on inflation, says Muchiri, that prevents Kenya from hiring health workers.¹⁰

Muchiri provides valuable 'inside' confirmation of charges made with increasing intensity by civil society organisations over the last two years. Advocates point out that while recent funding initiatives like the Global Fund for AIDS, Tuberculosis and Malaria (GFTAM) and President Bush's Emergency Plan for AIDS Relief (PEPFAR) have made stemming the most critical health crises in Africa more possible, the IMF's power over borrowers' economic policy and its narrow focus on keeping inflation and payrolls as low as possible is actively discouraging governments from putting the available funds to use.

Numbers, not people

On one level, it seems like commonsense for an organisation like the IMF to seek out ways in which governments can reduce the amount spent on salaries, especially in countries like Kenya, which have had trouble with 'ghost employees' on public payrolls in the past. But the self-defeating nature of this quest quickly becomes apparent. If the government were simply expected to identify and eliminate ghost employees, that would obviously lighten the government's burden and enable it to target its resources more wisely.

But the IMF's conditions deal with bottom-line expenditure, not with going to the root of the problem. Kenya's PRSP spells out the implications: '...achieving



the 8.5 percent target by 2005/06 will require that any awards to be provided to the civil servants or any additional awards ... will be matched by a proportionate downsizing of the civil service.’¹¹ Any hiring of nurses, for example, would require that some other public employees be eliminated - regardless of how much the nurses may be needed, or how vital the other positions may be. Indiscriminate targeting like this only demonstrates the prioritising of abstract economic statistical standards over real-life outcomes, including those most likely to have a positive material impact on poverty and on contributing to the overall health of both Kenya’s population and the economy.

So if the health budget is to rise - as both the IFIs and the government often repeat - then the PRSP must remind us that: ‘The fiscal strategy assumes that these health expenditures will be focused on non-wage non-transfer expenditures and will thus enable the rapid increase in basic health services.’¹² Indeed, Muchiri reports that funds are often available for facilities or supplies, but not for staff. The result is that more people may seek out health services, but the ministry will actually be less able to provide them because of lack of personnel to administer the drugs or operate the machinery.

Inflation, inflation, inflation

But why does the IMF, with its power to exclude a country from the global economy by declaring it ‘off-track,’ insist on reducing government payrolls? Adding employees to the government payroll, especially if accomplished with aid money, is considered by orthodox economists like those at the IMF to increase inflationary pressures in a developing country. And an increase in inflation is anathema to the IMF.

The IMF quite openly prioritises inflation targeting over almost any other factor in the countries where it works. Pressed on the question, as they have been in the debate over health spending, its officials will invariably respond that inflation is a ‘tax’ that hits the poor the hardest.

But is that true? Anis Chowdhury points out that:

The poor have very limited financial assets; they are largely net financial debtors. Thus inflation can benefit the poor by reducing the real value of their financial debt. Meanwhile, the IMF’s cure for inflation - raising interest rates - can actually harm the poor because this increases the servicing costs of their current debts. ... The poor fare worse when unemployment rises and persists, especially when there is no adequate

safety net or social security system. At the same time, the real value of their household debt rises with falling inflation rates. Hence the poor have more reason to be averse to unemployment and less averse to inflation than the elite in society.¹³

After this seemingly obvious point is made, it seems only too easy to point out that those who stand to lose the most from inflation are those who hold large amounts of money - financiers, investors, bankers. Yes, there are risks to the poor in high and/or persistent inflation, but increases in inflation below a certain point are far more likely to cause pain to those whose incomes depend on relatively minor fluctuations in currency values. For the impoverished, as Chowdhury explains, such increases in inflation are likely to be more beneficial than harmful.

As is so often the case, it is easiest to discern the interests of policy-makers not from their rhetoric, but from whose interests are most vigorously protected by their policies - by who ‘wins’ as a result. The IMF’s long-time prioritisation of inflation over all else lends weight to those who accuse it of using its powers to protect the interests of the wealthy over those of the impoverished, regardless of their rhetoric that maintains the reverse.

IMF official Andy Berg recently admitted as much: ‘Higher inflation ... tax[es] people who hold cash or whose nominal incomes are fixed.’ But Berg’s next sentence restores IMF ideology, and at the same time exposes its flimsiness: ‘And this tax discourages private investment and tends to fall on those least able to adapt - in other words the poor.’¹⁴ Berg relocates the pain from the rich to the poor, but offers no logic for that move.

Drawing a reasonable line on inflation

To challenge the IMF, the question must be where to draw the line - at what point, to use Berg’s phrase, is ‘inflation out of control’, or at risk of spinning out of control? Berg says ‘in poor countries the danger point is somewhere between 5 and 10 per cent’. The good news is that this figure is actually less conservative than the standard used in most IMF programmes. In most countries with IMF loans, the conditions call for inflation to decline and stay below five per cent.¹⁵

Few economists outside the IMF opt for a level as low even as 10 per cent in defining a healthy rate of inflation for a growing economy in a developing country. Terry McKinley, an economist with the United Nations Development Programme (UNDP), declares: ‘As long as current revenue covers current expenditures,



governments can usefully borrow to finance [social] investment. ... Fiscal deficits should remain sustainable as ensuing growth boosts revenue collection. The resultant growth of productive capacities will keep inflation moderate - namely, within a 15 per cent rate per year.’¹⁶

There is no room for neutrality in this debate. Adhering to IMF standards in order to avoid trouble will, according to McKinley, likely sabotage any hope of genuine development:

Moderate inflation can, in fact, be compatible with growth. But low inflation can be as harmful as high inflation. When low-inflation policies keep the economy mired in stagnation or drive it into recession, the poor lose out, often for years thereafter, as their meager stocks of wealth are wiped out or their human capabilities seriously impaired. ... Without jobs and income, people cannot benefit from price stability.’¹⁷

Ghana: The fight for water

World Water Day 2005 saw Biwater - one of the multinational firms bidding for the privatisation of Ghana's water sector - withdraw its bid, reported Ghana's *Business News*. Ghana's government has been fighting, with the support of the World Bank and International Monetary Fund, for several years to privatise the nation's water in attempts to gain access to external assistance and loans. Ghana currently faces inadequate water provision, blamed on years of poor management, lack of investment and poor technical capacity. The government argues that the only way to improve the situation is to inject fresh income into Ghana Water and that the only way to do this is to privatise. Critics and activist organisations, such as the National Coalition Against Privatisation of Water, have been active in opposing the initiatives. They argue that, contrary to government assurances that the scheme will make water cheaper and more accessible, the plan will in fact only undermine access to safe water for all Ghanaians.

While Biwater withdrew its application to partner with the government, numerous other multinational corporations are still seeking involvement in the project, and the government has gone ahead and secured a grant of \$103 million from the World Bank, reports *Irin News*. According to the consumer advocacy organisation Public Citizen, the mere prospect of the privatisation of water has had the effect of doubling tariffs, in order to 'condition' the water market for international competition. World Bank conditions also stipulate that no subsidies will be given to low-income houses and that water must be sold at full market rates.

Public Citizen brings to light some of the startling statistics: in a country where over half the population earns less than \$1 a day, and 40 per cent of people fall below the national poverty line, over 35 per cent of Ghanaian's lack access to safe water, and almost 70 per cent have no sanitation services. Water related illnesses are the cause of over 70 per cent of diseases in Ghana. Studies in the early 2000s showed poor households spent between 18 and 25 per cent of their income on water alone. In these conditions water vendors can charge up to 10 times more than the official water provider.

In the light of these statistics, IMF and World Bank policies of 'increased cost recovery' and 'automatic tariff adjustment mechanisms' are considered by activists to deny basic human rights. With civil society locked out of any of the decision-making processes, many are concerned that Ghana's need for financial resources has inhibited any alternative water options, and that the government's action goes further to undermine access to one of the world's most basic rights.

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Tactfully avoiding mentioning the IMF by name, McKinley argues:

The new 'politically correct' justification for minimising inflation is that it hurts the poor. However, this misreads the facts: very high, destabilising inflation (above 40 per cent) definitely hurts the poor; and very low inflation (below 5 per cent) can also harm their interests when it impedes growth and employment.¹⁸

Rick Rowden points out that Latin American countries and 'East Asian tigers' like South Korea grew rapidly despite inflation rates of around 20 per cent.¹⁹ But that was before the IMF moved into the development world in the 1980s, and re-wrote the rules - without any definitive evidence to support their claim that doing so was advantageous to the poor.

The IMF appears to be caught in a classic case of 'fighting the last battle'. When the IMF started lending to developing countries in the early 1980s, they were afflicted with astronomical, runaway inflation. It still apparently believes that hyperinflation is the most dangerous threat. But hyperinflation has been eliminated almost everywhere (apart from crisis or pariah countries like Zimbabwe); indeed, most developing countries now have inflation rates well below 10 per cent, and many below 5 per cent.²⁰ This is largely as a result of the IMF's hyper-vigilance over the last 25 years. The problem today is not hyperinflation, but IMF-induced stagnation.

More and more economists - outside the IMF - are taking a more complex view of growth and inflation. Rather than insisting that a country has a demonstrated 'absorptive capacity' before increasing the flow of revenues, they look at the likely impact of increased flows. In the case of increased spending on healthcare, not only is employment created (if wage ceilings are set aside), but the population's overall economic capacity improves. Private-sector activity, rather than being discouraged by public funds, is spurred by the increasing availability of resources.

Muchiri, in Kenya's health ministry, concurs with McKinley's positions on inflation targeting, and with the view that public spending, especially on healthcare, will encourage growth. He acknowledges that his government has committed to a low inflation target - its 'Letter of Intent' to the IMF states: 'The monetary programme for 2004/05 is designed to reduce underlying inflation to 3.5 per cent.'²¹ And thus far Kenya seems to be meeting that goal.

But, says Muchiri: '3.5 per cent is too low for an economy that is supposed to grow by 5 per cent. A certain level of inflation is healthy - you can't grow otherwise.' This recognition moves Muchiri to criticise

officials of a nearby country who have told him they must limit expenditure on healthcare - even refusing funds from the GFTAM - in order to prevent any risk of inflation rising. That line of thinking is clearly reflected in the recent statements by Kibunguchy and Ngilu.

But finance ministers who have committed to the IMF's inflation targets, and in many cases made those targets the centrepiece of their macroeconomic policy, are deeply reluctant to do anything that might raise that rate. Not only would doing so risk IMF disapproval and blacklisting, but it would also be seen as reversing a position they have publicly, and politically, committed to. Until this logjam is broken, a higher quality of life - even life itself - will continue to elude many thousands.

Muchiri counts as a significant victory the recent concession made by the IMF, after substantial negotiations, that Kenya could hire more health professionals if it could find donors willing to provide extra funds who themselves were comfortable with the impacts - economic and otherwise - that hiring additional health staff might have. It is this concession that

the IMF and World Bank could reasonably be charged with genocide. The only difference from what happened in Rwanda is they don't use pangas [machetes]. They use policies.

recently allowed Kenya to announce that it will use funds from the Clinton Foundation, PEPFAR, and the GFATM to hire upwards of 2,000 new nurses and other health professionals.²² Unlike with previous pledges, advertisements for the positions are now appearing in newspapers.

But the very existence of these policies, and the fact that he must invest so much in winning exceptions to them, cause Muchiri to reflect on his experiences of watching mothers and children die in hospitals for lack of surgeons or a lack of capacity to offer preventive care, and speculate that the IMF and World Bank could reasonably be charged with genocide. 'The only difference from what happened in Rwanda is they don't use pangas [machetes]. They use policies.'²³

Soren Ambrose is coordinator of Solidarity Africa Network, Nairobi, Kenya. He is also associated with the Washington-based 50 Years Is Enough Network, which is involved in an international campaign to shrink or eliminate the IMF.



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2 Trade and human rights in the Niger Delta

Nnimmo Bassey

The Niger Delta has been described as ‘exploited, misused, abused, polluted, underdeveloped, and almost completely dead; like a cherry fruit sucked and discarded’.¹ Nnimmo Bassey looks at the crude oil trade in the Niger Delta and finds it is anything but sweet for local communities.

THE NIGER DELTA of Nigeria has been in the news so repeatedly that the issues merit little introduction. In one sense the issues are a mesh of politics, trade and resource exploitation. All these work to gravely undermine the rights of people to protection against the exploitation of their natural environment.

The Niger Delta is the treasure base of Nigeria, since successive governments have decided to ignore the other sustainable income sources that supported the nation before the discovery of oil in commercial quantities. Today, according to official counts, oil contributes about 95 per cent of the country’s foreign exchange earnings from the production of 2.2 million

Trade has remained the major precursor of destruction in the Niger Delta. We can go right back to trade practices where highly valuable goods were exchanged for bottles of whisky, beads and mirrors, or to the days during which the Niger Delta lost human resources through the slave trade.

barrels of crude per day. An additional chunk is extracted illegally into private and corporate pockets through crude oil bunkering. These all lead to the milking of the Niger Delta to the point of near death. The area suffers from a dearth of social amenities, high unemployment, environmental degradation and social malaise.

Oil corporations such as Shell and Chevron, who are major players in the Niger Delta, have admitted to contributing to corruption, violence and civil unrest in the Niger Delta. In Shell’s ‘Peace and security’ report (published in 2003) as well as Chevron’s double page ads in Nigerian newspapers in May 2005, the corporations admit that by their actions they have contributed to the state of conflict, corruption and distortion

in both the Niger Delta environment and by extension the Nigerian state.

According to the Shell report:

Annual casualties from fighting already place the Niger Delta in the ‘high intensity conflict’ category (over 1,000 fatalities a year), alongside better known cases such as Chechnya and Colombia. The criminalisation and political economy of conflicts in the region mean that the basis for escalated, protracted and entrenched violence is rapidly being established. This not only threatens SCIN’s (Shell Companies in Nigeria) future ability to operate, but also Nigerian national security.²

Trade has remained the major precursor of destruction in the Niger Delta. We can go right back to trade practices where highly valuable goods were exchanged for bottles of whisky, beads and mirrors, or to the days during which the Niger Delta lost human resources through the slave trade. Before the advent of the crude oil trade in the Niger Delta, we have it on record that on 22 February 1895 the trading city, Brass, located here, was attacked and levelled by British naval forces at the behest of the Royal Niger Company to ensure that the company had a monopoly over the palm oil trade for which the town was famous. Over 2,000 persons, mostly women and children, lost their lives in that attack.

In modern times, it has been said that since Shell arrived in the Niger Delta the tale has been one of desolation. Much of the activity in the Niger Delta surrounding crude oil and its exploitation involves rights abuses - as the world learnt from the struggles of Ken Saro-Wiwa and the Ogoni people and the subsequent hanging of Saro-Wiwa.

Unending horrors

There is an unending story of horrors coming out of the Niger Delta. Oil spills and pipeline fires are regular features; according to official estimates there are at least 300 incidents each year. Clean-up exercises are



spade and shovel jobs. Capping off of the leaks often sets the remaining crude oil on fire. In this way forests and even rivers have been set ablaze. These crude oil spills poison the land, pollute water bodies and expose the people to untold hardship. Consider also the response to communities attempting to protect their rights:

- In 1990, the Umuechem community was visited by contingents of the Nigerian police. Eighty community members were murdered in the unprovoked attack. Houses were burnt down or looted. The people of Umuechem had been engaged in peaceful protests at the gates of the Shell flow station in their community.³
- On 10 November 1995, the Nigerian military regime of General Sani Abacha murdered Ken Saro-Wiwa and eight other leaders of the Ogoni people in the Niger Delta after a kangaroo tribunal set up by the regime convicted them on trumped up charges of murder. The world responded with outrage. The Ogoni had started peaceful protests in 1993 against the destruction of their natural environment and livelihoods.
- For the people of Ilaje community, in Nigeria's Ondo state, 28 May 1998 is a day they will not forget. Ilaje youths had occupied Chevron's oil platform in an attempt to persuade Chevron to talk with them. The Nigerian military and police swooped down on the young protestors in helicopters. Reports have it that the attackers were shooting as they landed, Rambo style, killing two youths on the spot.⁴ A lawsuit about this is currently being heard in San Francisco, USA.
- On 20 November 1999, barely six months into his first term as civilian president of Nigeria, President Obasanjo ordered soldiers into Odi, a town in the Niger Delta. By the time they left, the destruction of the town was complete and 2,483 people had been slain. The dead included women, children and the elderly and infirm.⁵
- About 50 members of the Odioma community in Bayelsa state were reported massacred on Saturday 19 February 2005 during a military raid by a joint task force of the Nigerian army and navy.⁶ The soldiers also destroyed the whole community, with houses bombed and burnt in a manner reminiscent of the Odi massacre of 1999. Again, those killed were mostly women, children and the elderly. Odioma community, located in Brass local government area of Bayelsa state, is one of the many communities in the Niger Delta with oil in their land. They had been in conflict with the neighbouring Bassambri community over the

Gas flaring has been going on in the Niger Delta for close to 50 years and has been estimated to constitute a waste of \$2.5 billion annually. Besides being an economic waste, the flares release a cocktail of toxic and greenhouse gases into the atmosphere and greatly endanger the lives of people.

ownership of a fishing settlement where Shell has some oil wells. Shell planned to build an oil flow station at Obioku and had actually mobilised its contractors to start work on the site from 20 January 2005. Work on the project was stopped by protesting youths from the Odioma community because of the lack of an environmental impact assessment.

Gas flaring

In addition to the vigorous protests by communities, the struggle for human rights was given a boost on 14 November 2005 when a high court sitting in Benin City ruled that the practice of flaring gas, associated with crude oil extraction, was an infringement of the fundamental human rights of the people living in the communities where the flaring is carried out. The judge subsequently ordered that the top guns of Shell and the Nigeria National Petroleum Corporation (NNPC) should appear before him to show a clear step by step plan for stopping gas flaring a year from that date. This and other gas flare cases have been filed by communities with the collaboration of Environmental Rights Action (ERA) (Friends of the Earth Nigeria) as well as the Climate Justice Programme.

Gas flaring has been going on in the Niger Delta for close to 50 years and has been estimated to constitute a waste of \$2.5 billion annually. Besides being an economic waste, the flares release a cocktail of toxic and greenhouse gases into the atmosphere and greatly endanger the lives of people. Health problems associated with gas flares include respiratory diseases, cancer, acute nonlymphocytic leukemia and a variety of other blood-related disorders. The environmental problems, including acid rain and damage to water bodies and farms, are no less horrendous.

The government and Chevron, who are the project executors of the West African Gas Pipeline project (WAGP), plan to harvest and pipe liquefied natural gas



As long as the trade booms, respect for rights will remain elusive. It is this realisation which appears to form the bedrock of the local people's insistence that there should be community control over community resources.

from new gas fields in Escravos in the Niger Delta to industrial complexes in Benin, Togo and Ghana. They have been presenting it as an answer to the gas flaring problem. They also present the WAGP as a clean development mechanism project in order to claim carbon credits.

The truth, however, is that the project has nothing to do with ending or reducing gas flaring in the Niger Delta because a huge proportion of the gas it would convey would only be harvested from gas fields as opposed to being associated gas. Communities affected by this project have sent a petition to the inspection panel of the World Bank, claiming that many rules of the bank have been flouted in the project and that their rights are not respected. Indeed, the local communities in the firing lines of this project have rejected the scheme and insist that decisions have been made without first conducting the necessary environmental, social and other impact assessments. The WAGP is emblematic of the rape of the Niger Delta by transnational corporations and collaborating governments. Projects and trade decisions are made without regard to the rights of the people.

But as the oil wells begin to run dry, the competition is getting more acute. The Chinese are making bold grabs for the oil fields of the Niger Delta. The USA sees the region as being of critical strategic interest. The World Bank and the Paris Club eye the petrodollars coming into the region as theirs for the taking. All these combine to make the future of the region more precarious. With growing resistance in the region it is anyone's guess how things will play out.

As long as the trade booms, respect for rights will remain elusive. It is this realisation which appears to form the bedrock of the local people's insistence that there should be community control over community resources. They reckon that this would enable them

to decide whether they wanted any mineral in their environment to be exploited. And when they did, they would be able to ensure that their rights were respected and that benefits from exploitation would accrue to them.

It is conceivable that the refusal of the state to accept this proposition is the trigger to the present conflagration in the Niger Delta. Another growing demand among environmentalists such as those in the Oilwatch International network is that there should be a moratorium on new oil explorations for, say, ten years. The intervening time would be used to make an audit of the pollution and abuses that have accumulated over the years, commence clean-up and remediation actions and decide how the vulnerable communities would fare in a post-petroleum economy when they would be left with nothing but a polluted environment.

Nnimmo Bassey is executive director of Environmental Rights Action and Friends of the Earth Africa campaign coordinator.

Notes

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3 Street vendors and informal trading: struggling for the right to trade

Winnie Mitullah

Negotiations about international trade tend to have relevance for large firms or formal enterprises. But, asks Winnie Mitullah, what about the rights of the large number of workers in African cities involved in informal trade?

WHEN ONE HEARS the word ‘trade’ what comes to mind is the large-scale formal traders, international trade organisations such as the World Trade Organisation (WTO) and regional organisations such as the Common Market for Eastern and Southern Africa (COMESA). While such traders and institutions are important, street vendors and informal trade, which provides employment and incomes to a significant percentage of people in Africa, in particular in urban areas, are hardly ever thought of.

Street and informal traders are part of the informal economy. The informal sector comprise half to three-quarters of non-agricultural employment in developing countries. These traders make up 48 per cent of non-agricultural employment in Africa, 51 per cent in Latin America, 65 per cent in Asia, and 72 per cent in sub-Saharan Africa, excluding South Africa. Employment in this sector operates without contracts, worker benefits or social protection, and most employees and individuals have no rights to organise and be represented.

The theme of the UN-HABITAT Global Campaign on good urban governance is the ‘inclusive city’. The campaign advances the position that an inclusive approach must be used to balance, reconcile and trade off competing interests and priorities. In most cities the interests of micro and small enterprises such as street and informal traders compete with those of medium and large-scale enterprises, with the former being disadvantaged. All types of enterprises in urban areas, whether micro, small, medium or large, should have the right not only to access the central business district (CBD) but all urban goods and services. The global campaign has noted that the notion of inclusion resonates differently in each region with exclusion of specific groups being most significant in some regions and exclusion of the poor majority more important in others. The campaign urges actors to discuss the question of ‘who’ in a particular city is excluded from ‘what’ and ‘how’. This article demonstrates how street and informal traders are not integrated into urban planning and development.

Concepts such as participation, empowerment and

social inclusion have become buzzwords, and yet to the poor who are engaged in informal economic activities these concepts do not make much sense. When these concepts are used, emphasis is often placed on participatory development and participatory political processes, rather than on participatory market processes. Further, the proponents of democratic practices tend to focus on political democracy to the neglect of economic democracy, while the proponents of empowerment and voice tend to focus on the individual rather than the collective. Street and informal traders have still to fully adopt joint action in dealing with urban authorities.

The human rights organisations responsible for the clamour for rights have still to adequately specify what they mean by economic rights or adequately strategise about how to claim or enforce worker rights. Even the micro-financial institutions, whose clients work mainly within the informal economy, have focused on financial services to the neglect of other business services and how the wider policy and regulatory environment affects their clients. Most vendors rely on moneylenders or informal sources of credit in order to buy their merchandise. As a result, they pay exorbitant interest rates and their businesses rarely grow beyond subsistence levels.

The Bellagio International Declaration of Street Vendors of November 1995 urged governments to develop national policies for hawkers and vendors which would improve their standards of living. This could be done by giving street traders legal status, issuing

The human rights organisations responsible for the clamour for rights have still to adequately specify what they mean by economic rights or adequately strategise about how to claim or enforce worker rights.



them with licences and providing appropriate hawking zones in urban areas. The declaration further called on governments to integrate vendors into urban development plans. Since then, a number of global, regional and local associations have been established to protect the rights of street and informal traders. The global networks include Women in Informal Employment Globalising and Organising (WIEGO), with a secretariat at Harvard University in the USA, and StreetNet International, with headquarters in Durban, South Africa. StreetNet has regional and local networks which have begun engaging urban authorities in policy dialogues on issues such as the right to trade in urban space.

Street vending and informal trade is spreading rapidly in the cities of most developing countries and is a source of employment and income to a large percentage of urban households. The trade takes place at strategic points where there is heavy human traffic - along main roads, in parks, on pavements, within shopping centres and at street and road junctions where traders are visible to pedestrians and motorists. The traders use different means to display their goods, including mats, gunny bags, tables, racks, wheelbarrows, handcarts and bicycle seats. Some traders simply carry their commodities on their hands, heads and shoulders, while others hang their goods on walls, trees and fences. An advanced but numerically insignificant group of traders construct temporary shades with stands for displaying their goods.

Challenges of trade

The greatest challenge facing street and informal traders is their right to trading space. Most of the spaces traders occupy are considered illegal since they have not been set aside for trade. Where they are allowed to operate, the spaces are considered to be temporary and eviction occurs at the will of urban authorities. Major conflict often arises when the vendors are required to move in order to give way for planned development. This brings them into direct confrontation with urban authorities and land developers. Most of the spaces the traders occupy have no tenure and are not allocated and sanctioned by urban authorities. At the same time, the traders are also in conflict with formal shop owners and landlords, who contend that the traders infringe on their businesses and/or premises.

The spaces occupied by traders are in the open and leave them vulnerable to the weather. Most of the commodities they trade in such as fruit, vegetables and clothes are damaged by the harsh environmental conditions, which means a loss of earnings for the traders. Overall, it has been noted that street vendors

The greatest challenge facing street and informal traders is their right to trading space. Most of the spaces traders occupy are considered illegal since they have not been set aside for trade.

and informal traders are perhaps the most regulated and least protected. They trade illegally because they are not recognised and have no licences. The traders are known to identify trading sites on their own, leaving the urban authorities with few options other than to evict them, tolerate them or charge them a daily fee without providing any legal protection.

When they are evicted, the traders are often given the option of a site outside the CBD where there are hardly any customers. This option is based on an exclusion framework that reserves the CBD for large-scale traders and businesses, which urban authorities argue pay taxes unlike the street vendors and informal traders. This argument is false: research has shown that when both daily fees and bribes to urban authorities are taken into consideration, the urban authorities collect more from traders than they need. Research has further shown that daily fee charges are more expensive than a lump sum payment for a licence. However, the street and informal traders make minimal profit and are not able to make lump sum payments.

The lack of a street trading licence exposes traders to harassment and punitive measures, including confiscation of goods. After losing the goods in which their capital is tied, some traders have to close their businesses. Research in a number of African cities reveals that having a licence does not guarantee safety and recognition by the urban authorities. In most cases, vendors are not issued with any identification that shows they have a legitimate right to sell their goods in urban streets. This exposes them to harassment, including confiscation of goods, assault and demands for bribes.

Until the dawn of governance reform programmes in Africa, licences were largely commodities of trade, peddled by either urban authority officials or those who had access to the urban authorities. This was an outcome of the planning laws, which do not take into account the existence of street vendors and informal traders. Most urban plans locate the traders, without any consultation, in the peripheral areas of the city where there is no business. Experience across Africa shows that traders never stick to such areas. They drift back to the centre, resulting in punitive measures from the city authorities. Most of the policies and



regulations being enforced on street and market traders owe their origin to colonial policies, which did not favour small-scale local enterprises. Street and informal traders require laws that recognise their economic activities as an important component of the urban economy, and ensure their right to trading space.

An insecure environment

Apart from the right to trading space, street and informal traders are also disadvantaged in the area of security, transport and municipal services. A secure working environment is a prerequisite for any type of business and a major concern for many people engaged in economic activities on the streets. Municipal authorities have been the major source of insecurity for these traders. The authorities harass and beat street vendors and confiscate their goods without any warning. This threatens not only vendors but also their customers. A study of cities in South Africa has noted that an insecure environment results in loss of customers, frightens tourists, cripples business, reduces incomes and generally interferes with trading.

The insecurity in the streets is sometimes used as an excuse for evicting street traders. In many cities in Africa, street trading sites are viewed by urban authorities as dens for thugs and robbers. In 2001 the Kampala city authority used an increase in city theft and insecurity as grounds for evicting vendors from the streets. While it may be true that criminals mingle with traders, an assumption that the informal traders are criminals is part of a scheme by urban elites to exclude them from the benefits of operating in the developed areas of cities. A rights perspective requires urban authorities to identify and deal with culprits as opposed to condemning a whole sector of an urban economy.

Most vendors find it difficult to transport their goods from their homes and markets to their trading sites. This is because most transport systems do not service the areas where vendors live. Where they do, the vendors can barely afford the service. In some cases, there are restrictions on what an individual can take on the bus, mini-bus or train. This forces vendors to carry their goods on their backs or to hire handcarts or human carriers to transport their goods. This is complicated further by lack of storage facilities, which means the traders have to carry the unsold goods back to their homes.

Other basic services are also not available to ven-

dors and consumers. Apart from a few cities in South Africa, street and informal traders operate without access to water and sanitation. A few of them use services from neighbouring formal markets, hotels and bars while the majority rely on unsafe water sources, unsanitary methods of refuse disposal and the use of open spaces for sanitary facilities. Others obtain services from their homes or nearby residential areas. Municipal cleansing services are inadequate and do not cover informal trading areas, nor do the urban authorities facilitate the provision of services by traders and other stakeholders. In cases where traders are organised, they clean their sites of operation or hire people to collect and dispose garbage.

The poor, in particular street and informal traders, are disadvantaged in trade at global, regional and local levels. Under pressure from rich countries, the barriers to international trade in goods and financial services and investment flows have been lowered to the advantage of capital over labour and of large firms over small and micro firms.

The poor, in particular street and informal traders, are disadvantaged in trade at global, regional and local levels. Under pressure from rich countries, the barriers to international trade in goods and financial services and investment flows have been lowered to the advantage of capital over labour and of large firms over small and micro firms. The negative trade and policy processes largely disadvantage the wage-workers and own account producers in the informal economy, and yet they are the majority poor who are the focus of current policies and development processes. The neglect of micro and small traders has to be reversed if African countries are to change existing poverty trends.

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4 Community rights and foreign direct investment

Patrick Ochieng

An environmentally sensitive wetland, a multinational company and a local community that feels sidelined. Sound familiar? Patrick Ochieng introduces the Yala Swamp region in Kenya and asks if foreign direct investment is really the answer to Africa's development problems.

THE YALA SWAMP is a wetland in western Kenya bounded to the north by the Nzoia river and the south by the Yala river. The swampland covers an area of about 17,500 hectares (ha) in Siaya, Bondo and Busia districts that is home to nearly 1.2 million people. This is Kenya's largest wetland, a very delicate ecosystem, and the habitat of some rare flora and fauna, including endangered fish species. The swamp serves the adjacent communities as a source of fish, water, agricultural land, pastures, wild animals, plants for constructing houses, source of wood fuel and medicinal plants.

Dominion Farms Ltd, an affiliate of the USA-based Dominion Group, based in Oklahoma, USA moved into the swamp through an arrangement with the Lake Basin Development Authority (LBDA). Dominion Group controls investments across the globe. The company has businesses spanning several countries including operating luxury corporate hotels, constructing houses and offices to be leased by the US government, sportswear manufacturing and running correctional services.

The initial proposal was that Dominion would engage in rice production in part of the swamp covering about 2,300 ha. This land had been reclaimed before 1970, and had previously been farmed by LBDA. Dominion embarked on large-scale agricultural activity in the swamp following the signing of a memorandum of understanding with Siaya and Bondo councils in May 2003.

Although the rice for which the lease was executed has not been planted, the firm has engaged in activi-

ties beyond agriculture, including constructing irrigation dykes and weirs, an airstrip and a road and drilling for water. Dominion has further proposed a multi-faceted new development project within the Yala Swamp. For this purpose it is proposing that part of 9,200 ha will be reclaimed from the swamp area to meet the needs of new projects. This would leave only 6,000 ha (35 per cent) of the current wetland to act as a buffer zone.

The proposed project is extensive and specifically seeks to: implement a highly mechanised irrigation and dry farming project; construct fishponds for aquaculture; construct a fish-processing plant to process about 20 tons of fish per day, mainly for export; and construct a rice mill, feed mill, ginnery, fuel storage, dispensing station, turbine for electricity production, barrier dyke, weir and reservoir.

Under Kenyan law, the proposed project requires an environmental impact assessment (EIA). The EIA report submitted by Dominion consultants has concluded that:

- The project will bring into productive use a high potential resource that has been underutilised and which has cost the government and the people of Kenya huge amounts of money with few appreciable returns
- The proposed project will create employment both directly and indirectly for thousands of people through primary and secondary activities
- The project will make a positive impact on increasing incomes and meeting basic needs
- The project will act as a growth pole around which other commercial activities will gravitate
- The local communities support the proposed project, which they see as a boost to the development of the region
- The local communities are enthusiastic about the project.

But the EIA did not deal with the impact of the project on the soils, water quality, vegetation and wildlife. It did not deal conclusively with environmental,

But the environmental impact assessment did not deal with the impact of the project on the soils, water quality, vegetation and wildlife. It did not deal conclusively with environmental, ecological, socio-economic and management issues related to the swamp.



These export-led growth strategies subordinate human needs and human rights to corporate greed and corporate profit. Big business can never be part of a progressive and sustainable earth. Despotism and corruption have been at the core of Kenya's engagement with foreign investors.

ecological, socio-economic and management issues related to the swamp. The impact of the project on water, vegetation, habitat and human activity was also not addressed. The community feels that they have not been properly consulted, and while communities were asked to form groups so that individuals did not dominate the process, this has not happened.

The consultants who carried out the EIA were employees of LBDA and thus were compromised by a conflict of interest. The sticky issue of compensation for

families displaced by the project has refused to go away. Existing fish processing plants and a fishmeal plant in the area are operating below their capacity, raising the question of why it is necessary to build further plants.

Negative impacts

The EIA report has aimed to justify the project on the basis of its economic importance, components, design, choice of location and implementation strategy and the mitigation measures put in place. The report has, however, recognised that the proposed projects will have a number of negative impacts at various stages of implementation. This list is long and some of the items will have very serious consequences. They include: flooding and altered water flow patterns; contamination of soil and water by oil leakages and spillage; pollution of the Yala river by solid and liquid waste from project activities; the possibility of respiratory ailments from inhaling dust and fumes from construction equipment; loss of grazing land for the local community; water-borne and vector-borne diseases; the displacement of local communities; the

Cameroon: Logging industry destroying environment and livelihoods

Cameroon's logging industry is well known for its lax laws, unsustainability and environmental destruction. According to a Global Forest Watch report, at the end of the 1990s there were almost 500 logging companies registered with the government, most of which were foreign owned. The same report reveals that over 76 per cent of the country's forests have been logged, or are allocated as concessions. As one of the few sectors that has remained profitable in Cameroon, the logging industry offers short-term profits to foreign multinationals, who benefit from few government control mechanisms to protect the environment and social needs of the population.

Logging, both legal and illegal, has led to the decrease in forest cover by over 2 million hectares, and primary forest cover is quickly diminishing, argues the Global Forest Watch report. The Cameroonian forests are some of the most species rich in the entire Congo Basin, and some trees take over a hundred years to grow. In addition to the huge environmental impacts, the social effects of logging have also been significant. Cameroon boasts a large indigenous population, most of whom are dependent on the forest for shelter, food and medicine. With ancestral and spiritual ties to the land they inhabit, most know no other way of life, and logging has disrupted not only their ability to maintain healthy, safe lifestyles, but also their right to the land. According to Friends of the Earth Cameroon, those who have protested against the logging companies have been violently repressed. With their rights barely recognised, most have no recourse against or protection from the multinational corporations who are exploiting their land.

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displacement of fauna and the loss of flora; reduced production of subsistence crops leading to food deficits in the region; and the introduction of foreign crops and genetically modified crops that may introduce new pests into the area.

At a meeting convened on 8 November 2005, we asked members of the affected communities to identify the problems the project posed for them. These included denial of access to water and land; denial of fishing rights; blocking of direct routes between communities used for trading; wage reductions; and threats of flooding as a result of dyke construction.

The community members felt that the project should be halted so that proper consultation could take place to iron out issues that had not been attended to. These include the issuing of title deeds to people whose land had been surveyed, construction only on the land that was earmarked and open discussions between the local administration, the firm, the LBDA and the community. Despite these concerns the members of parliament from the region have turned a deaf ear to the people's pleas.

There is therefore urgent need to examine, from the accounts, opinions and experiences of the different stakeholders, the socio-economic dimensions of the proposed activities. Such an independent study would inform the advocacy processes being carried out by the Friends of Yala Swamp, a loose coalition of social justice institutions, advocates and members of the affected communities who have come together to oppose the Dominion project. It would provide factual data that could help raise the stakes in negotiations with the company. It would also sharpen awareness and inform Kenya's future engagements with foreign direct investments. The study would contribute to research that will facilitate a planned court injunction to stop Dominion activities until the issues raised are addressed.

Concerns about policy

The Yala Swamp issue raises broader concerns over government economic policy. Successive governments in Kenya have expressed a commitment to eradicate poverty in all its forms. The latest anti-poverty rhetoric

is the NARC government's framework 'economic recovery for wealth creation and employment', whose central feature is anchored in the belief that foreign exchange and foreign direct investment are the solutions to Kenya's development woes. Therefore, as a country we have set out to woo foreign investors. This is despite the fact that private operators and mega projects are not accountable to the public and principally concern themselves with cost recovery and profit before anything else.

These export-led growth strategies subordinate human needs and human rights to corporate greed and corporate profit. Big business can never be part of a progressive and sustainable earth. Despotism and corruption have been at the core of Kenya's engagement with foreign investors. Compromised political elites, who are often tempted to act as stewards of imperialist interests, have continued to give away the rights to mineral exploration, fisheries, forests and forest products, biological resources and coastal biodiversity to multinationals. The Dominion Group ventures fall into this category and there are doubts as to the extent they will enhance food security, increase crop and fish production for domestic consumption and reduce poverty.

Organised resistance to these government policies is mounting. Examples include the case of Canadian company Tiomin's bid to mine titanium on the coast of Kenya, which has been stalled now for over 10 years; the boycott of Delmonte products, which saw reforms to working practices in the firm's pineapple fields in Kenya; the advocacy by Kenyan human rights organisations against flower farms in Naivasha over unethical work practices and the use of dangerous chemicals; and now the Dominion advocacy. So far this has been grossly underestimated but in the fullness of time it will prove potent and fierce.

Patrick Ochieng is the founder and executive director of the Ujamaa Centre, which was set up in 2001 as a direct response to the continuing exploitation and exclusion of the coastal peoples of Kenya over the last 40 years. Ujamaa is a key member of the Friends of Yala Swamp.



5 Trading food rights

Genetically modified (GM) crops are touted by some as the answer to world hunger; by others as a dangerous intervention by multinational agribusiness that will have far-reaching impacts on all aspects of human life. Pambazuka News asked Mariam Mayet from the African Centre for Biodiversity for her views on the implications of GM crops for Africa.

Pambazuka News: What are the implications of GM crops for human life generally, including the human rights of populations and farmers?

Mariam Mayet: The risks posed by GM food are extremely contentious in current scientific discourse, primarily because the GM industry has failed, to date, to provide conclusive evidence that GM foods are safe. Amidst the enthusiasm for genetic engineering, there has been little space for critical reflection. Leaping into genetic engineering brings with it a wide range of biosafety issues including health and environmental risks, and broader socio-economic impacts. It requires the acceptance of intellectual property rights on living organisms, the privatisation of public research, and costly research and development at the expense of farmer-based innovation. Amid all the complexities of the legal and scientific arguments, decisions must be made in Africa about the measures to be taken to protect human health, agricultural biodiversity and farming systems.

Pambazuka News: So what decisions are being taken? Have governments introduced laws to govern this area?

Mariam Mayet: Very recently, the African Centre for Biodiversity did an analysis of the draft bio-safety law of Mozambique. Mozambique views genetic engineering as having a role to play in agriculture, food security and human healthcare, but believes that the risks have to be managed by the creation of an enabling legislative environment. In other words, Mozambique will follow the route taken by South Africa and permit the entry of GM crops into its agriculture systems after an evaluation of the risk assessment data provided by an applicant.

Currently, Mozambique's seed law prohibits the import and planting of GM seed. But Mozambique does accept GM food aid, including and especially from the United States of America. USAID's Food for Progress (FFP) has provided 15,500 tonnes of Public Law 480 (a US law relating to food aid) emergency food assistance valued at \$11.6 million to Mozambique through the World Food Programme.¹

Without dwelling on the politics of hunger and

food aid, it is worth pointing out that the opening or maintaining of markets is a key objective of Public Law 480. This law clearly asserts that the purpose of US food aid programmes is to 'develop and expand export markets for US agricultural commodities'.² A position repeatedly stated by US government officials is that the opening of new markets is immensely important for the future of US agriculture.³ Moreover, US agribusiness has been the main beneficiary of US food aid programmes.

Therefore, in considering the Mozambique law, it is worth warning that countries should not be pushed into believing that GM food aid is the only alternative to consider during emergencies. Countries should be careful when developing legislation that their laws will not subsequently be used as a conduit to push GM food aid into the rest of Africa.

Pambazuka News: So there are definitely some vested interests operating in the trade in GM crops. What role does the World Trade Organisation (WTO) play?

Mariam Mayet: The US, the world's largest producer of GM crops, has effectively used the threat of WTO sanctions against developing countries such as Sri Lanka, Bolivia, South Korea and Thailand when these countries tried to ban or restrict imports of GM crops and adopt biosafety measures.

Countries in Africa have also been the target of US-style pressure: one of the main reasons given for Egypt's initial support of the US, Argentina and Canada WTO complaint against the EU (on 13 May 2003 the US, along with Canada, Argentina and Egypt, filed a complaint in the WTO against the EU's de facto moratorium on genetically modified organisms) was that Egypt would be rewarded with a free trade agreement in 2004; an offer retracted with indecent speed when Egypt subsequently withdrew from the complaint, stating that their decision was in recognition of 'the need to preserve adequate and effective consumer and environmental protection'.⁴

Similarly, in May 2003, when Sudan banned the import of GM food aid, it was forced to issue a series of temporary waivers enabling food aid shipments to the country to continue while alternatives were found. The US response was to suspend food aid shipments



Africa: Stop economic partnership agreements!

Beyond what is required of African countries by the World Trade Organisation, economic partnership agreements (EPAs) have been set up between the European Union (EU) and African, Caribbean and Pacific countries (ACP) in order to enable Europe to have market access to goods and services in Africa. These negotiations, which began in 2002, are meant to promote sustainable development and contribute to poverty eradication in the ACP countries through the liberalisation of trade and tariffs.

But critics, including those academics and activists who form the Global Call for Action to Stop EPAs campaign, argue that these 'partnerships' are in fact unequal: the EU has overwhelming economic and political power and as such, can impose its interests, agenda and stipulations on ACP countries, which as a whole are fragile, both politically and economically, and dependent to a large extent on external funders. This vulnerability has the potential to increase poverty and debt and destabilise the economies of these nations.

Critics argue that these EPAs conspire to de-industrialise African countries, simply making them suppliers of raw materials and ensuring their markets are wholly dependent on Europe, which inhibits their already limited capacity, reports Third World Network Africa.

That EPA negotiations are taking place away from any public monitoring means that the large civil society base that has assembled around this issue has had little say in the discussion. Civil society organisations argue that EPAs will have negative effects, leading to deeper inequalities, greater unemployment, the loss of livelihoods, insecurity of food and other resources and will undermine social and human rights. They call for the EU and ACP negotiators to affirm the principles of non-reciprocity, protect ACP producers, reverse trade and investment liberalisation, and perhaps most importantly, allow that alternatives be found for ACP countries to pursue their own development strategies that work best for them.

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to Sudan and exert enormous pressure on the government to rescind the ban. The government relented and ended up extending the waiver for six months, allowing the distribution of GM food aid to continue.

Hence, the extent to which African countries and indeed, developing countries, will be given opportunities to take biosafety measures aimed at banning or severely restricting the trade in GM crops will be greatly influenced by the outcome of the complaint submitted during May 2003, by the United States, Canada and Argentina to the WTO, against the EU Measures Affecting the Approval and Marketing of Biotech Products (EC-Biotech).⁵ For those of us in Africa, reliant on trade and aid from the US, the WTO challenge most certainly has conveyed a lasting message that either we open our markets for GM food and seeds or face reprisals.

Pambazuka News: You mention GM food aid. Should food aid not be welcomed?

Mariam Mayet: The most frequent criticism of food aid is that it impacts on local food security. Food aid acts as a disincentive to local production by driving down domestic prices. Local farmers may withdraw from producing a surplus, forcing governments to import to cover the growing deficit. Alternatively, it may lead a government to neglect its own agricultural sector, relying on aid or imports rather than facilitating local agricultural development. It may also introduce a taste for a particular food which is not produced locally, therefore undermining the long-term potential for self-sufficiency. Crucially, the provision of food aid is intimately tied to the disposal of highly subsidised surplus food to the planet's poorest and most vulnerable people.

Already, controversy over the shipment of GM food aid has twice erupted in Africa. During the Southern African food crisis in 2001/2002, Zambia imposed a ban on GM food aid, and several other Southern African countries imposed various restrictions. Last year, Angola and Sudan introduced restrictions on GM food aid. These countries are almost always presented with a false choice between accepting GM food or facing dire consequences, whereas there are almost always non-GM alternatives available nationally, regionally and internationally.

Pambazuka News: What has been the role of civil society in Africa? Does it have a say in any parts of the decision-

making process about GM crops? Has civil society been active in opposing GM crops coming into Africa?

Mariam Mayet: Civil society in Africa is active - alive and kicking - but quietly. The fact that African countries (except for South Africa) have not taken any decisions on biosafety grounds to permit the commercial import and growing of GMOs is a huge victory for us. In the rest of Africa, over the last five years, only eight other countries have conducted field trials of GM crops: Burkina Faso, Egypt, Kenya, Morocco, Senegal, Tanzania, Zambia and Zimbabwe, on small plots of land.

The key target countries for USAID, the World Bank and the gene giants are the cotton markets in West Africa. However, some farmers here have already rejected GM crops. Recently, in an unprecedented move, farmers in Mali voted not to grow GM crops on their land. In a 'farmers' jury', cotton growers and other farmers debated the issue and came to the conclusion that their government should reject GM crops. The citizens' jury was hosted by the regional government (Assemblée Régionale de Sikasso) and was designed and facilitated by the London-based International Institute for Environment and Development and RIBios, the University of Geneva's Biosafety Interdisciplinary Network, together with a wide range of local partners in Mali.

Mariam Mayet is with the African Centre for Biodiversity.

Notes

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6 International trade (in)justice or the survival of the fattest

Tope Akinwande

Trade justice, or injustice, has been on the international agenda 'like never before'. Academics and activists are campaigning for just trade and even rich countries are giving the impression that they are willing to address injustices in the global system. Tope Akinwande looks at what the reality is for West African cotton farmers.

While 70 per cent of the population of Africa work in agriculture, only a few per cent do so in rich countries. Yet rich countries support their agriculture to the tune of a staggering \$279 billion a year. That's over ten times current aid to Africa. That's a sum comparable to the income of the whole of sub-Saharan Africa. Market barriers keep out developing countries that have a natural advantage in producing agricultural goods. Average tariffs between rich countries are only 3 per cent, but can rise to over 200 per cent in the US for fruits and nuts, or to 300 per cent in the EU for meat ...

Hilary Benn, UK Secretary of State for
International Development¹

DURING THE 2005 Global Week for Action organised to campaign against trade injustice, I saw a sculpture by Jens Galschiot, a controversial Danish sculptor. Titled the 'Survival of the Fattest', the bronze sculpture depicted a very skinny man - with protruding ribs - carrying fat and well-fed Justitia, the Western goddess of justice, on his bent back. Justitia had a scale in her right hand and a long pole in her left hand on which was inscribed: 'I'm sitting on the back of a man - He is sinking under the burden - I would do anything to help him - Except stepping down from his back.'

Some people might genuinely wonder how there could be injustice in trade between two consenting people or sovereign countries who have goods to sell or exchange with one another. Since trade is not meant to be a donor-recipient relationship but one in which one country has something to sell to another to meet the needs of its populace, you might wonder how injustice could come into it or why a country could not move on to another buyer if it was not getting a good deal somewhere. If trade - as it has been simply defined by the *Cambridge International Dictionary* - is 'the activity of buying and selling, or

exchanging, goods and/or services between people or countries', why should there be any injustice?

One of the most contentious issues in international politics and trade in recent times has been the issue of trade (in)justice. There have been systematic mobilisations around trade justice, particularly for Africa, like never before. Non-governmental organisations (NGOs), world leaders, academics and activists around the world are leading the campaign to ensure fair trade. In the UK, the Justice Movement, an umbrella campaign organisation of over 70 NGOs, is campaigning and lobbying the UK government in various ways for trade justice - not free trade - with compassionate rules to benefit poor people and the environment.²

In the face of these campaigns, richer countries have also given the impression that they are willing to redress the seeming 'trade injustice' through various world trade negotiations. These negotiations are known as 'rounds' and are named after the places where they were initiated, hence the Tokyo, Uruguay and Doha rounds. Apart from these 'rounds', rich countries are apparently doing everything humanly possible (international development aid, structural adjustment policies turned poverty reduction strategy papers, the Millennium Development Goals, America's Africa Growth and Opportunity Act (AGOA) ...) to eradicate (the less pretentious ones use the word 'alleviate') poverty in poor countries like Mali and Burkina Faso.

However, the reality is something else. The reality of international trade - like any other form of activity with vested interests to protect - is that there have

*The reality of international trade
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been some trading practices that are deemed unfair. The most prominent of these 'sharp practices' is the provision of subsidies to Western farmers by their governments. These subsidies encourage farmers to produce irrespective of the market and the beauty of it all is that they are sure of a minimal income.

There are different types of agricultural subsidies. While some are directly linked to the level of production others, such as subsidies for water irrigation, are indirectly linked. Others, such as export subsidies, are used to promote exports of agricultural products. The surplus production is put on the world market which, because there is high availability of a particular commodity, can force a decrease in price. This has been happening for years in the international agricultural trade sector. Developed countries, led by the European Union (EU) and the United States (USA), significantly subsidise their agriculture, which allows their farmers and related industries to sell their products at a lower rate than the cost of production.³

In 2001/02, the US, Chinese, Spanish and Greek governments subsidised their cotton producers by over \$6 billion dollars. US farmers alone are said to receive almost \$4 billion in subsidies. US and European subsidies to domestic producers continue to impose enormous costs on poor countries. The welfare costs of the EU's Common Agricultural Policy (CAP) have been well over the development aid given to all sub-Saharan Africa.

In 'Cultivating poverty: the impact of US cotton subsidies in Africa', Oxfam argues that the rock-bottom cotton price can be blamed directly on enormous subsidies paid to US cotton farmers as they are first among equals in the harvesting of subsidies. These subsidies are destroying livelihoods in Africa and other developing countries, with rural communities being the worst hit.⁴

Killing Burkina Faso and Mali softly

The cost of cotton production in west and central Africa is very low compared to other cotton-producing countries. African cotton farmers could compete with their counterparts from developed countries if they were not enjoying the massive subsidies of their governments. This has been succinctly expressed by a West African minister who said that his country was 'happy to compete with US farmers but not with the US Treasury'.⁵ Sahel countries like Burkina Faso and Mali have a comparative 'advantage'⁶ in the production of cotton and the rapid increase in their productivity has shown that they could make considerable developmental gains over time.

In the 1990s, the World Bank encouraged Mali to cultivate cotton because that was its comparative advantage. The West African country threw all its energy

Since the 'international community' led by the US is aware of the predicament of African countries such as Burkina Faso and Mali, why do they continue to subsidise their domestic farmers?

and meagre resources into cotton production, rapidly becoming the second largest cotton producer in Africa ahead of Egypt. Despite this Malian 'success story', it could not sell its produce at reasonable rates as American producers with lower comparative advantage enjoyed a record harvest.

The only plausible reason for this bumper harvest of cotton by American farmers was the subsidies they received. It is said that 25,000 American cotton producers received US\$13.9 billion between 1999 and 2005, which represents a subsidy rate of 89.5 per cent.⁷ Annually, this represents about US\$3.2 billion of subsidies for American cotton producers, plus US\$1.6 billion in export aid.⁸

These subsidies had a disastrous effect on the Malian economy as its cotton farmers could not compete with their American counterparts. Indeed Mali lost the equivalent of 1.7 per cent of GDP and 8 per cent of export earnings. These losses are bigger than the US\$37.7 million Mali received from USAID in 2001. It is on record that the Malian finance minister at the time made this disturbing statement: 'The money that those countries put into agricultural subsidies is five times what they give as development assistance. And we've always said to rich countries, "You are hypocrites. You tell us to play the rules of open market at the same time you subsidise your farmers and kill our farmers".'⁹

Burkina Faso is one of the poorest countries in the world. Though it has significant reserves of gold, its almost non-existing industrial base has left its mining in the hands of dubious businessmen. Cotton is the mainstay for 90 per cent of Burkinabes.

According to a study carried out by WHO in Burkina Faso, the expansion of cotton farming painted a positive future for development in the country. However, continuous subvention of Western farmers has made it impossible for Burkinabe farmers to compete in the international market. Like many countries in the Sahel, Burkina Faso cannot prepare adequately for the food crises it experiences. It is perpetually locked in a vicious cycle of international aid.

This dire situation made President Blaise Compaore of Burkina Faso, a rather shrewd talker and 'great friend of the West', cry out recently in frustration



that: 'Several central and west African countries are victims of injustice by the US and EU. These countries subsidise their agricultural producers, ignoring the rules of WTO. Such practices are undermining the fragile national economies of countries that depend on cotton.'¹⁰ This situation is not peculiar to these two countries. It is the same for many African countries whose economies are mainly agricultural based.

When signing the US Farm Bill in May 2002, Presi-

dent George Bush made a very revealing statement about his choices concerning international agricultural trade:

I told the people, I said if you give me a chance to be President, we are not going to treat our agricultural industry as a secondary citizen when it comes to opening markets. And I mean that ...

Kenya: Women workers turn to flower power

Kenya is covered by numerous trade agreements, including the African Growth and Opportunity Act (AGOA), the African, Caribbean and Pacific - European Union (ACP-EU) Trade Agreement and the Common Market of Eastern and Southern Africa (COMESA). According to the Export Processing Zones Authority of Kenya, all these open the region up to trade and allow for preferential treatment, including duty and quota free benefits and regional free trade. In addition to these trade agreements, Kenya has received financial assistance from the World Bank and USAID to get its agricultural industries off the ground, reports the International Labour Rights Fund.

The agricultural sector falls under all of these trade agreements and accounts for almost a quarter of Kenya's GDP. Almost 75 per cent of the population relies on agriculture, whether directly or indirectly, and the flower industry employs at least 50,000 Kenyans directly and another 70,000 in related industries. According to the Export Processing Zones Authority of Kenya, cut flowers dominate the horticulture exports, and this crop has overtaken both coffee and tourism as a source of foreign exchange. The EU currently receives the largest portion of Kenya's cut flowers, but the country's flowers end up as far as Asia, Australia and the US.

While Kenya's government benefits economically from this industry, critics argue that people, and women especially, are suffering as a result of lax laws, environmental hazards, dangerous working conditions and harmful power dynamics. According to the report by the International Labour Rights Fund, over half of Kenyan flower workers are employed only as 'casuals,' and as such, they do not receive benefits, cannot join unions and have no job security. Further, the Kenya Human Rights Commission reveals that workers are often forced to do unpaid overtime, working as long as 12 hours a day, with few breaks. Many employees have been exposed to dangerous toxins from the fertilisers and pesticides that are used on the crops, which often lead to skin irritations, problems with sight and many more unknown effects, according to an article entitled 'Cut flower industry accused of human rights abuse'.

As a result of these human rights violations, local groups are letting the industry know that the working conditions they are forced into are not acceptable. With the help of Women Working Worldwide, the Kenya Women Workers Organisation has highlighted the plight of flower workers. They undertake various projects, including non-violent campaigns for workers' rights, lobbying and advocacy, community development projects, capacity building and the encouragement of women's participation in decision-making processes. Through their work they raise awareness and offer support to women exploited in Kenya's flower industry.

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The farm bill is important legislation ... It will promote farmer independence, and preserve the farm way of life. It helps America's farmers and therefore it helps America.¹¹

This agricultural bill, which sharply increased subsidies and protections for US producers, was passed while the 'international community' was pushing for a Doha round of trade talks that would deal with agriculture.

Since the 'international community' led by the US is aware of the predicament of African countries such as Burkina Faso and Mali, why do they continue to subsidise their domestic farmers? Why cannot the US stop subsidising its farmers and allow poor countries like Mali to earn a decent income and stop 'pan-handling', year in, year out, for development aid? Why are the rich countries advocating free trade and open markets in developing countries while European and US subsidies to their farmers are destroying markets for vulnerable farmers in sub-Saharan Africa?

The answer is easy and lies in the 'national interest' of Western countries. Much as the notion of 'national interest' is a shifting one, it reveals the true motives of powerful world leaders. It also guards us against two popular misconceptions about the determination of a state's foreign policy - the motives of leaders and ideological preferences.

While political leaders will cast their policies in ideological terms (free trade, democracy, human rights, justice, etc), they are inevitably confronted by what is desirable and what is possible. There is no room for moral or ethical concerns, prejudice, political philosophy or individual preference in the determination of foreign policy because actions are constrained by the interests of the state and its power to enforce them. The 'national interest', which ought to be the sole pursuit of political leadership, is always defined in terms of strategic and economic capability.

Conclusion

In international politics, no government will risk its national interest, whatever it happens to be at any given time. It is 'sacrosanct' for the survival of the nation.

In the light of this basic reality, the EU and US will continue to protect their farmers as long as it is politically expedient. This is not an issue of justice or injustice. It is simply that the survival of their states (and the political ambitions of their leaders) requires

the protection of their 'national interests', of which subsidies to domestic farmers are just one part. If that cannot be achieved, then these leaders would be considered incompetent or forced to leave.

The onus is on the governments at the receiving end of these 'sharp' trade practices to raise their games and find a strong negotiating platform. It is not going to be easy, as we have seen with Brazil and the WTO saga. It is either for these countries, and those who are campaigning along with them for fair trade, to find a way of putting fat Justitia down in order to have serious negotiations or to carry her on their bent backs for a long time to come. Nothing can be more certain than that Justitia will not want to get off the back of the skinny man for as long as it is possible. Who would, except when compassion for others surpasses passion for self?

Tope Akinwande is a desk officer at the West Africa department of Tearfund, a UK relief and development NGO working in partnership with Christian agencies and churches in over 70 countries to tackle the causes and effects of poverty.

Notes

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