

## **POSITION PAPER**

**March 2015**

# “Feeding the planet, energy for life: The (Italian) Fair Trade movement contribution”

## **Introduction**

The World Fair Trade Week is the sector’s most important international event. The next edition of this biennial event will be held in Milan, from May 22 to 31, 2015: for ten days the city will become “Fair Trade Capital of the world”.

The World Fair Trade Week and its contents – developed over more than 50 years of experience by the Fair Trade movement all around the world – will be of relevance in the global debate on the production and distribution of food, which risks overlooking and ignoring the point of view of small producers and of social economy.

The picking of Milan as the hosting city and of the first month of Expo2015 as the timing for the event, originates from the desire to assure more visibility to this meeting and to the whole of the Fair Trade movement. The gathering of so many people from all over the world will contribute to raise awareness about a movement that, for decades now, has been implementing in reality the utopia of a more just world in which everybody has the right, not only to food, but also to a decent life.

The Expo2015 central theme “Feeding the Planet, Energy for Life” is hence an integral part of our mission and, working on the field, we have gathered experiences and competences that we consider useful to deal with such complex topic.

We know that among the main causes of hunger – which still affects almost one in 7 inhabitants of the planet – are poverty, exploitation and social exclusion, all of which are not a result of fate but

more often rather consequences of specific political and economic policy choices. We believe that the acknowledging of such factors is the essential starting point needed for the formulation of any effective strategy on the very issues the Expo is supposed to confront.

At the heart of our concerns and of our daily work lies, in particular, the long term crisis of peasants' economies, that now affects most areas of the planet and is the result of the combination and adding up of colonial legacies, speculative agro-exploitation patterns, short-sighted national policies and striking international trade inequalities generated from the WTO's, IMF's and World Bank's neoliberal policies.

As a consequence of such processes, peasants and artisans experience today a crisis of unprecedented proportions at all latitudes. A crisis to which many different factors contribute: the unfair competition towards small farmers by global companies, the exploitation of native labour by ruthless big landlords and intermediaries, the imposition of below-cost purchasing prices, landgrabbing by big corporations and by sovereign wealth funds, expansion of biofuels, intensive livestock industrial practices, climate change, drying out of land, groundwater degradation.

## **1. Power as the central problem**

Fair Trade has been confronting these difficult issues ever since its origins, trying first and foremost to establish relationships rooted in cooperation among equals. Hence, relationships with no power imbalances in which, on the contrary, everyone is called to give an own contribution with equal dignity – in an often strenuous but essential real democracy practice.

We believe this is the key to deal with the matter of access to food and to energy for all, as preconditions for a decent life.

The current inequality in distribution of power at a global level is manifest in the imbalance which exists between the few big rich countries' buyers and the many small producers in poor countries – the latter not standing a chance of actually demanding for prices adequate enough to reward their work.

The Fair Trade movement has analysed how this power disparity impacts the commodities' value

chain – food commodities especially – pointing out how only a small fraction of such value remains in producers' hands. Such unfair distribution of produced wealth is the main cause of extreme poverty and hunger among millions of peasants around the world.

Extreme poverty and the consequential hunger are primarily result of such power imbalance and they cannot be overcome through new technologies or innovations in farming (and/or in energy production), but only if global policy-making decisions will take place in a framework of broader democratic participation and higher actual cooperation in their implementing.

We are convinced that regaining room for self-determination and food sovereignty is an essential precondition to reverse the path followed up to this point and to actually "feed the planet" with justice, fairness and in a long-term vision. Regaining room for self-determination and food sovereignty means: setting boundaries to the unlimited action range today accorded to transnational capital; putting rigorous restrictions on financial speculation on food, as well as on markets monopolization by big agro-chemical and large-scale retail corporations; introducing corporate social responsibility provisions on a global scale as well as international trading rules shaped on greater fairness and accountability; revising international legislation that today allows the sector's giants to appropriate biodiversity, by means of dispossessing farmers of their right to freely dispose of the plant assets they base their survival upon.



## **Some indications**

From such general considerations, we draw some indications on specific topics, which are particularly relevant in relation with the subjects that the Expo deals with.

### **1. MODIFYING AGRICULTURE-SUPPORTING POLICIES**

We can observe the most evident display of how the power imbalance negatively affects small producers' living conditions, by looking at the consequences of the imposition of market liberalization in poor countries, while industrial agricultural production receives subsidies and support. The Fair Trade experience has often come across such double-standard policies. Some blatant examples are represented by the subsidies accorded to large cotton producers in the US and by the production aid on cereals and more generally agricultural subsidies in the European Union...

While such aid is handed out almost exclusively in favour of big agricultural industry's productions - IMF and the World Bank, through their "rescue plans", request for the elimination of protectionist measures in favour of local producers. The effect of such biases is the destruction of local productive capacity and food sovereignty, which in turn causes poverty and dependency on industrial food supplies.

If a reduction of world hunger is to be reached - not through occasional and aid-based measures but through processes that eliminate its roots and create decent living conditions - specific interventions must be carried out on policies applied in the West supporting agricultural production and export, and a rebalancing in the liberalization processes is needed, such as to supply concrete advantages for the producers in the South also.

### **2 SOCIAL RIGHTS AND COMMON GOODS**

Another fundamental aspect is the guaranteeing of access to the essential assets for a decent life to all. To such framework belongs the right to education and health, but also the right to democratically manage common goods, which are often under the attack of market logic, that would want them privatized.

The most evident example is water, whose privatization would put the right to access the most vital asset for human life in the hands of few; but it also includes land privatization, which takes

agricultural resources away from communities and deprives them of the key power of collective participation to the managing of such resource.

The practice of grabbing of large land areas by international corporations or even by foreign countries, not only causes damage on the economical level – creating difficulties for small producers and limiting food sovereignty of affected countries – but it also undermines the real democracy level of such countries, by means of creating “enclaves” in which shared community rules do not apply.

### **3 FAIR WAGES AND PRICES**

A genuine balance of power must reflect in fair remunerations and wages for producers and workers in poor countries.

The farmers, who actually produce the food, have to face fixed and often rising costs on the one side, while not having any assurance of their produce’s value on the market at the time of sale on the other side; Fair Trade proves that the applying of fixed minimum prices to food produce goes well with trade and with quality of production and it offers assurances to producers, that improve dramatically their quality of life.

Besides, such approach is not an exclusive prerogative to Fair Trade: it was in fact suggested by the UN itself (in specific by Unctad) ever since the 1960’s, and for a certain period actually carried out by some trade regulating authorities on certain products, as an effective strategy to fight poverty and hunger – and it should be put back at the core of international trade practices.

To such choice is related the actual ability to pay and improve minimum wages for workers, whose insufficient salaries cause widespread poverty.

## **Conclusions**

We believe that any solution to the problem concerning “Feeding the Planet” always is a solution of political nature in the first place, and only secondarily a matter of change through technological innovation (such as new seeds, new fertilizers, new machinery) or of humanitarian aid (new aids).

Improved technologies and higher aids can benefit the fight against hunger, only providing that they do not further erode the already narrow room for political participation in decision-making and for

food sovereignty of local and national communities. Improved technologies and higher aids can benefit global nutrition only if they do not become mere distractions meant to impair the awareness, that poverty reduction is impossible without a political "anti-famine" pact – based on the ethical principle that the right to food constitutes the first and most undeniable of all human rights, that no government, for no reason, at any time can fail.

In order to feed the planet we need a **global farming renaissance** and we therefore must ensure to primary producers access to land, credit, health and technical assistance.

Farming renaissance means valuing and enhancing models of local self-management of common resources – such as grazing land, forestry, irrigation systems; it means safeguarding of common use rights; it means protection of farmers' right to free seed exchange and reproduction; it means rediscovering of native knowledge and of the most affective adaptive strategies during environmental crisis; it means preserving of renewable resources, biodiversity and water.

Only moving from such premises will we be able to imagine a new season of widely shared human well-being.



WFTO – Europe – Brussels

AGICES – Equogarantito

Is the General Assembly of Fair Trade Organisations in Italy.

AGICES – Equogarantito represents 85 members, Importers and Worldshops not for profit organisations daily committed in promoting Fair Trade. [www.equogarantito.org](http://www.equogarantito.org)

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