

Collectif Stratégies Alimentaires and  
Plate-Forme Souveraineté Alimentaire

## **Market Regulation Internationally**

Thomas Lines  
www.tomlines.org.uk

*Can the CAP Manage without Market Regulation after 2013?*  
International Trade Union House  
Brussels  
1st April 2010

## **How can a better balance be achieved on international markets?**

What is meant by 'a better balance' ?

## **What is meant by 'a better balance' ?**

Not



But



## **What is meant by 'a better balance' ?**

1. Better economic returns to developing countries relative to rich countries
2. Better nutrition for poor people, especially in rural areas
3. Better prices for farming people generally

## **Balancing the seesaw**

1. **Balance between food and cash crops**

## **LIFDCs**

**The U.N. lists 77 Low-Income Food-Deficit Countries**

How might they improve their situation?

- Import controls, probably by quota
  - And great care where food aid is required
- Agricultural policies to promote domestic and regional production of staple foods
  - Including the use of stocks

## Balancing the seesaw

### 2. Balance between export crops going to global and regional markets

- Genuine regional organisations with common tariffs
- Facilitate cross-border trade

## Balancing the seesaw

### 3. Better prices and supply restraint for South-North exports

- Appropriate mechanism depends on the market in question

## Example 1

### Export or production quotas, e.g. in coffee 1964-89, tea 1933-55

- better proposed (and carried out) by exporting countries than EU

## Example 2

### Consider ACP Sugar Protocol and how to widen its benefits

- Requires:
  - ✓ Discriminatory import quotas
  - ✓ Flexibility to adapt to market changes
- Ruled out by the WTO!

## Form of trade access v. national income

### 1. With preferential trade access

Leading export commodity	Country	GDP per capita, US\$ (PPP)	Year
Bananas	St Lucia	5,260	2001
	St Vincent	6,398	2004
Sugar	Barbados	15,560	2001
	Fiji	4,850	2001
	Guyana	4,439	2004
	Mauritius	9,860	2001
	Swaziland	4,330	2001

## Form of trade access v. national income

### 2. Tropical crops sold on free markets

Leading export commodity	Country	GDP per capita, US\$ (PPP)	Year
Cocoa	Côte d' Ivoire	1,551	2004
	Ghana	2,240	2004
Coffee	Burundi	677	2004
	Ethiopia	756	2004
	Uganda	1,478	2004
	Rwanda	1,263	2004
	Sierra Leone	561	2004
	Honduras	2,876	2004
	Nicaragua	3,634	2004
Tea	Kenya	1,140	2004
Vanilla	Madagascar	847	2004

### Example 3

#### Improve the spread of trade between countries

- E.g. concentration of TNC buyers in coffee and bananas
- They prefer to buy in certain countries
  - Other countries lose out

□Control global market concentration

### Conclusions

- There is no 'magic bullet'
- Every situation is different
- We need the ability to address each on its merits
- What are the politics of achieving that?
- Most of what is discussed above falls outside the EU's mandate
- Much would break existing global rules at the WTO