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Debating the Multifunctionality of Agriculture: From Trade Negotiations to Development Policies by the South

BRUNO LOSCH

The process of economic liberalization that began in the late 1980s has had profound repercussions on the situation of agriculture in developing countries. Market instability, aggravated competition and asymmetry between agents linked to the emergence of big transnational companies have led to greater economic risks for farmers and disparities between countries and within every national situation. In such a context, the emergence of a debate in Europe on the multifunctional character of agriculture and on its economic, social and environmental roles may seem a far cry from the concrete situations of the countries of the South, which have no resources to pay for the other functions of their agriculture. Moreover, this difficulty is intensified by the fact that the debate has been placed within the context of the WTO negotiations, which has led to the pro- and anti-multifunctionality groups taking up a more radical stance. Nevertheless, the multifunctional view of agriculture does appear to be a plausible approach. It offers the possibility of going beyond the questions concerning productivity and market competitiveness towards establishing a debate in terms of strategies for sustainable development, in which the place and roles of agriculture can be thought out. Multifunctionality, founded on objectives negotiated at the local level, does seem to present an opportunity for numerous countries of the South to pursue their public policies on a new basis.

Keywords: agriculture, globalization, liberalization, multifunctionality, public policies

INTRODUCTION

Whatever they tell us, we know that we have been drawn into a losing battle against opponents that are far more powerful than we are. The desire

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This essay is partly from on-going research within Cirad in collaboration with INRA (Institut National de la Recherche Agronomique) and Cemagref (Centre d'Études du Machinisme Agricole, du Génie Rural et des Eaux et Forêts). A preliminary version was presented at the SFER (Société Française d'Économie Rurale) symposium 'La multifonctionnalité de l'activité agricole et sa reconnaissance par les politiques publiques', Paris, 21–22 March 2002. Thanks to Henry Bernstein for careful reading and comments on earlier drafts; flaws and failings that remain are mine.

of the strongest is to continually stiffen this competition. It is impossible for us to compete. They can cheat on us, that's all part of the game, but we cannot cheat on ourselves, unless we're looking for mass suicide. (. . .)

We want new rules of play. Do you know that the European Union has released a billion euros to support cotton production in Greece and Spain? Do you know that in the United States billions of dollars are given over to helping cotton producers? They can all sell their cotton at 1Fcf¹ per kilo because they have been paid before they have put their produce on sale. In any case, you know that we receive no support, and that on the contrary, it is we ourselves that support our impoverished states. Let's not be fooled by the speeches on productivity and competitiveness. We must attack the rules of play!

Those who defend free trade have been preparing themselves for it over the past fifty years. Thanks to appropriate policies and programmes, they have been able to create conditions facilitating the success of the stakeholders in the public and private sectors, the socio-professional and sub-regional organisations. It is important, and non-negotiable, that we benefit from the same thing in our countries.

Mamadou Cissokho
Honorary President of ROPPA
Ouagadougou, 4 October 2001

The debate over farming and agricultural policies has evolved quickly and strongly in recent years. While trade liberalization moved on to the international scale in the 1980s, the 1990s were marked by the announcement that the 'agricultural exception' would be ended. The Agricultural Agreement of the 1994 Uruguay Round opened up a new era by integrating agriculture into the field of international negotiations on trade liberalization. The programmed renegotiation of the Agreement, begun in January 2000, corresponds to a painful consolidation of the new rules, aimed at getting the instruments of agricultural policy in line with the final objective: total trade liberalization. The failure on that topic of the last World Trade Organization (WTO) Conference held in Cancun in September 2003 has given a new dimension to the agricultural issue: the symbol of world inequalities and iniquities expressed by the global asymmetries in the agricultural markets.

Behind the extremely technical debate within the WTO, what is at stake above all are models of agricultural development. WTO negotiations concern the three pillars of the Agreement, namely, the forms of market access, of export subsidies and of domestic agricultural subsidies (classified into the now notorious amber, blue and green boxes). They involve the opposition of the duo 'USA and the European Union (EU)' and the liberal agro-exporting countries of the Cairns Group (see below) over international trade. The former give hefty subsidies to

¹ Fcfa : Franc of the Communauté financière africaine, the common currency of the West African Economic and Monetary Union. 1 Fcfa = 0.0015 €.

their agriculture, and the latter hope to profit fully from their comparative advantage, while currently subject to unfair competition from the USA and EU. Other countries, including the vast majority of the countries of the ‘South’² or the so-called ‘developing’ countries, constitute a much more heterogeneous category due to the enormous differences in their economic situations. In spite of repeated and ambiguous attempts, these countries are far from forming a coalition, but they are nonetheless increasingly critical of the Agreement, since their access to the US and EU markets remains difficult while US and EU direct subsidies to agriculture have continued at more or less their historical levels over the past ten years. The last US Farm bill and an evasive but provocative US-EU agreement about the subsidies reduction agenda just before the Cancun conference sparked off a crisis and generated, at least temporarily, a new if heterogeneous bloc of Southern countries, as we will see further.

It is in this global and conflictual context that the debate on the multifunctionality of agriculture (MFA) has emerged. Imperceptible in 1994, so receiving only a passing mention in the Agricultural Agreement under the term of ‘Non trade concerns’ (NTC), it now takes up a large part of WTO discussions and is a stumbling block to most of the parties involved. Although it is never tackled head-on, it is becoming simultaneously a subject of negotiation, a foil or a reference point for the formulation of alternatives. Thus, defenders of food security or the promoters of a ‘development box’ can be added to the lists of ‘enemies’ and ‘allies’ of multifunctionality.

Nevertheless, these international discussions on multifunctionality should not mask the structural movements and reorganizations affecting the global economy. The introductory citation, which states the position of the West African Network of farmers and agricultural producers’ organizations (ROPPA),³ reminds us of the stark realities of the new power struggle induced by the changes of the past ten years. The disparities between countries, and often within countries, have increased; the status accorded to farming in all national contexts has changed. Addressing this new order leads to a better understanding of interests and positions in the negotiations, and in particular it makes it easier to appreciate the divergent preoccupations of the parties involved. It also enables a better analysis of the real issues raised by multifunctionality for public policy renewal. For, at the end of the day, and beyond the egocentricity of the ‘rich countries’, the larger challenge is indeed the future of the 1.3 billion agricultural workers of the South (who

² This term is patently ambiguous. The enormous diversity of national trajectories has largely exploded the post World War II analytical categorization and attempts at its renewal. I return to this later. The expression ‘South’ is used here for the lack of a better term, but it would be closer to the truth if it were put in the plural form to bear in mind the plurality of situations covered. An alternative would perhaps be to use other descriptive categories such as ‘elsewhere’ or ‘over there’, which would at least have the advantage of stating the reality of the international (im)balance of power.

³ Declaration from the preamble to the recommendations (translated from French) given by the ROPPA (Réseau des Organisations Paysannes et des Producteurs Agricoles de l’Afrique de l’Ouest), to the West African Economic and Monetary Union during the preparation of its common agricultural policy (ROPPA 2001).

represent 96 per cent of farm workers globally) as well as the families that they maintain directly, or a total of almost 2.5 billion people (41 per cent of the world's population) (Mazoyer 2001).⁴

Following a summary of the terms of the debate on multifunctionality, this text sets out to put the MFA back into the context of an international economy that has been profoundly restructured. The new power relations characteristic of this context raise the question of disparity in economic and social development in a completely new way. This highly pregnant context, still largely outside the range of concerns of more technical proceedings, provides some of the elements necessary to understand the positions adopted by the countries of the South regarding their agricultural transition. Finally, attention is turned to the opportunities provided by the 'multifunctional view' as a new foundation for discussions of agricultural policy in the North as well as the South.

MULTIFUNCTIONALITY⁵

How and Why the Concept Emerged

The debate on multifunctionality is situated at the crossroads of four main currents that moulded ideas and discussion during the last quarter of the twentieth century.

First are serious objections to the inherited productivist model of agricultural policy goals. This model has certainly permitted a spectacular increase in performance and productivity, but at the price of growing negative externalities: damage to natural resources, costs of managing stocks related to over-production, reduction of the number of farmers and farm workers (job loss, rural desertification, territorial handicaps). In the South, the (very uneven) spread of the green revolution's 'technological package' (hybrid seed, chemical fertilizers, pesticide treatments) soon posed problems related to erosion and pollution; it was also accompanied by the marginalization and impoverishment of part of the rural population, without solving the problem of malnutrition for all that (even though production increased markedly). Second, it relates to an increasing environmental awareness. Spurred by the oil crisis in the 1970s, this accelerated in terms of the impact of the standard growth model (urbanization, industry, productivism) on non-renewable resources, and led to a slow and delicate, but necessary, new

⁴ The demographic data, presented in Tables 1 and 2 at the end of the text, come from the FAO database. They are estimates that sometimes include a rather large margin of error. However, the scales they indicate are eminently useful for the analysis. The United Nations' category 'developing country' is itself contentious (cf. note 2). It includes: Asia, excepting Japan and Israel; Africa, excepting South Africa; the Americas, excepting Canada and the USA; and Oceania, excepting Australia and New Zealand. The whole of Europe, including the ex-USSR, is in the 'developed countries' category.

⁵ The terms of debate have been the subject of an abundant literature. I note only the main themes here. What I have to say is partly based on an initial summary published in Bonnal et al. (2000) and SOLAGRAL (1999). See also the work of the international conference 'Agriculture beyond trade. Key issues and tools for trade negotiation in the WTO' organized by SOLAGRAL and Cirad, Paris, 8–10 January 2002.

international dialogue (Rio and Kyoto conferences). The demands of food security constitute a third point of reference. This has appeared more recently, as a result of health accidents in the preparation of animal feed (the ‘mad cow’ crisis), which have shown the negative consequences of the food production model (based on the mass production of cheap food and maximum profit). In countries with strong purchasing power these demands translate into requirements for quality and traceability, stimulating a gradual segmentation of food markets including quality differentiation (labelled regional, ‘ethic’ or ‘organic’ produce). Finally, the movement towards economic liberalization at the international level highlights the scale of protection measures in the industrialized countries.

Formulated within the European framework of the early 1990s, the concept of the multifunctionality of agriculture refers to all products, amenities and services created by farming activities to the benefit of the economy and to society as a whole. Used for the first time in 1993 by the European Council for Agricultural Law (ECAL), which sought to harmonize agricultural legislation across Europe and to give legal definition to the imprecise notion of sustainable agriculture, it has since been re-examined and developed by several international and national institutions. The Council of Europe in 1996 acknowledged that ‘the countryside has a triple function: economic, social and environmental’ (CEDR 1999). The Organisation for Economic Cooperation and Development (OECD) has emphasized the need to ‘express the multifunctional character of farming in a transparent, targeted and effective way’ and to coordinate the policies of the member states in this direction (OECD 1999). Several countries (Korea, France, Japan, Switzerland) have acknowledged the multifunctional nature of farming in official policy texts. Lastly, the FAO organized the Rome and Maastricht (1999) meetings on the ‘many and various functions of agriculture and land’.

The Parties Involved

Beyond a universally agreed recognition of the principle of the MFA, the opinions expressed at the FAO meeting clearly show that ideas differ as to how it should be taken into account. These ideas have become much more important in the international debate on trade liberalization conducted within the WTO and have been in the news ever since the Seattle conference (1999). In fact, as shown again in Cancun, the negotiations on international trade, by crystallizing the contrasting positions of different countries regarding the economic role and social and political status of their agricultural sectors, have not only brought clear conflicts of individual interest to light but have also shown up the difficulty of taking into account questions of general interest.

The core of the debate concerns questions of the treatment of externalities, public goods and non-trade concerns (NTCs) in general. Supporters and opponents of trade liberalization agree that externalities related to agriculture exist, whether they be positive (amenities) – for example soil management and improvement, maintenance of the countryside – or negative, such as pollution. These externalities, by their very nature all situated outside market exchange,

contribute to or affect the production of public goods, such as the quality of underground and surface water, air quality, biodiversity and soil fertility. Discussions are consequently taken up with the definition of the NTC, especially the category of public goods, including the conditions of processing the cost of the negative externalities and the collective recognition of, or even incentives to generate, positive externalities. The positions expressed by the various countries relating to these key points vary widely, with some protagonists even enlarging the field of NTCs to include the (in)stability of agricultural prices.⁶ Nevertheless, it is possible to distinguish – even if the Cancun events confuse the issue – two main groups of opposing countries, a third far more heterogeneous group, and one country in a category of its own.

The first group defends a position based on two main arguments. Firstly, the market cannot regulate nor influence the production of public goods, nor does it guarantee their proper management. Secondly, it is for every country to define what it considers to be a public good, according to its own situation, to the relationship between farming and the rest of the economy and society, and, more generally, to its political project. This therefore is a question of national sovereignty. This line of argument explains how a common position may be reached by the European Union, Norway, Switzerland, Japan and Korea even though their motives are different. The European countries defend, among other things, their territorial harmony, including the economic and social development of their rural regions, and attach particular value to the protection of their countryside and of food quality (cultural, culinary and sanitary values). They are also concerned with price instability. For Japan, Korea or Norway, whose food is largely imported, food security is regarded as a public good. For these countries, it would be inconceivable to make public food supply totally dependent on the price fluctuations of the international market, climatic cataclysms or political or economic pressures. Those countries growing irrigated rice, such as Japan and Korea, also emphasize the relationship between agriculture and environmental protection through regulation of rice paddies. According to these countries, all these considerations justify an active role for government in the administration of externalities and the production of public goods.

The second group of countries adopts a totally opposite position. Public intervention and subsidies, for whatever reason – including, of course, multifunctionality – are *de facto* protection measures that reinforce negative externalities, particularly the degradation of natural resources. These protection measures distort market signals and contribute to overproduction and the over-exploitation of the environment, whereas trade liberalization has the effect of readjusting prices,⁷ so enabling production to be localized in those regions that

⁶ Price fluctuations for agricultural commodities are presented as an effect of market failure inherent to all agricultural markets.

⁷ Price falls in countries practising protection (as a result of ending subsidies or taxes) would reduce their production level and would enable world prices to increase. Today, prices are dragged down because of dumping. This adjustment could lead to a global improvement of farmers' incomes in other countries and open up new opportunities to their agriculture.

benefit from the best comparative advantages. This adjustment makes it possible to reduce production costs and, in consequence, permits the least advanced countries to benefit from lower supply costs. For the opponents of the MFA, made up essentially of the Cairns Group,⁸ multifunctionality is considered as legitimate but must be treated by each country independently, while respecting the rules of the trade agreement.

The third group of countries adopts more subtle positions, strongly influenced by their status in the international market and the importance of their agricultural sectors. They include most of the developing countries and the Central European countries, but are not organized into a pressure group. They are united in their opposition to an MFA concept that would imply new forms of subsidy in the 'rich countries'. In general, they adhere to trade liberalization, but emphasize that their economic and social conditions discriminate against them in favour of the industrial and agro-exporting countries with strong comparative advantages. They demand the definition of special measures that will ensure that all players can have a more even chance in the competition generated through liberalization.

Finally, the USA, because of its unique position in the global economy, is in a category of its own and adopts the most ambiguous position. It adheres to the demands of the Cairns Group (aid measures must be disconnected from commodities prices) but wishes to continue giving direct aid to its farmers. It does, however, recognize the existence of market failures, in particular concerning natural resource management, and that regulatory measures need to be defined by the expedient of rules governing eco-conditionality. These rules should consist of a set of standards for controlling farming practices, together with direct grants to farmers to compensate for any loss of competitiveness resulting from environmental regulation.

The failure of the Cancun conference has radicalized the positions on the question of the subsidies provided by the richest countries, evading temporarily the technical debates about their justifications. The USA and the EU were clearly isolated by a new group of 21 countries (G 21) launched by Brazil and joined by Argentina, South Africa and above all the two 'heavyweights', China and India. This resulted in a bigger bloc (G 90) joining the G 21 with the Least Developed Countries and ACP (Africa-Caribbean-Pacific) groups and the African Union.

MULTIFUNCTIONALITY, 'DEVELOPMENT' AND GLOBALIZATION⁹

The pathetic expression of the power struggle in the epigraph to this essay reminds us that the debate on multifunctionality must be put clearly into perspective among the general phenomena that affect the global economy. The process of liberalization has had radical effects on many national economies, and especially on agricultural economies; it has led to increased inequality and a differential

⁸ South Africa, Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Fiji, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, Philippines, Thailand and Uruguay.

⁹ Part of this analysis is taken from the arguments developed in Losch (2001a, 2001b).

reduction of the room to manoeuvre, as much for states as for certain categories of economic agents.

So, while we have been able to talk about the 'Lampedusa effect' in relation to the tactics of the debate on multifunctionality,¹⁰ it is also possible to suggest a 'Matrix effect'¹¹ regarding the reality of the new international relations. Behind the illusion of a fictional world of cooperation, in which the benefits of an efficient market would permit the optimal allocation of resources and satisfaction of the needs of the greatest number, lies a real world full of contrasts, where 'a few' profit from the chances presented by liberalization and 'the many' suffer from its harsh constraints.

A New Ambiguous Order

The process of globalization that began in the early 1970s constitutes a new order that splits from the self-centred growth phase of nation states that arose from the 1930s crisis and was consolidated after the Second World War (Giraud 1996) when for over 30 years public policies were strongly similar. In the first instance, economic development was universally conceived as promoting and managing the growth of domestic markets and self-sufficiency at home. The pillars of this strategy were the replacement of imports with home-produced goods and the quest for intersectoral linkages. It was thought that this self-centred national model, based essentially on improving standards of living, would be reproducible¹² and it justified an ideology of 'catching up' from which stemmed the view that the world was divided into 'developed' and 'under-developed' countries, to which was added the cleavage between the Cold War blocs.

Of course, this common model varied according to how different countries were endowed with production factors, the sizes of their domestic markets and their international alliances. It conferred, nonetheless, a central role on government and its policies (notably sectoral and regional policies). During this entire period governments built or rebuilt, programmed or orientated, controlled flows of merchandise and capital, and often intervened directly in the production of goods and services. And farming was, of course, on the front line of this interventionism.

It is the erosion of this growth model in the industrialized countries from the 1970s¹³ that explains the start of a crisis of many facets and components, whose international expansion led to a change in direction for economic policies, inter-

¹⁰ For most of the opponents of the MFA in international negotiations, multifunctionality is a conceptual innovation of protectionist rhetoric, destined to 'turn everything upside down in order to continue business as usual', hence my reference to the novel *The Leopard* by G. Lampedusa which illustrates a similar strategy of the Sicilian aristocracy confronted with the arrival of the Italian Republic (Laurent 2000).

¹¹ I refer to the film by L. and A. Wachowski (1999), which shows a world made up of fictive representations (the 'Matrix') under the control of a dominant group, in which a manipulated humanity exists, in a real post-apocalyptic world marked by total bondage and exploitation.

¹² Improved work productivity and redistribution of earnings via the generalization of a salaried workforce and increased wages permitting mass consumption.

¹³ Principally because maximum mass consumption had been reached.

state relations and the start of the liberalization process. The national responses to crisis were, here again, fairly uniform: internal adjustments by pressure on domestic demand on one side, the search for new export markets on the other. This configuration intensified the growth of international competition, and competitiveness became a *leitmotif* of economic policy discourse: government politicians very often became themselves the sales representatives of their national economies. The removal of various protectionist measures (tariff and non-tariff barriers, grants and direct or indirect subsidies) was a logical accompaniment to this process. Competition justified 'constantly raising the bids in the demands made by the process of liberalization' (Coussy 1994), with the result that national regulation systems (economic and social) were put into question and agreements between states on international markets were ended (especially agreements on primary commodities such as agricultural products). In this respect, the establishment of the WTO in 1996 is highly symbolic.

In brief, the past twenty years or so represent a turning point: the passage from 'development' to globalization.¹⁴ This change, which led to the erosion of the power of states, is characterized by: redeployment and generalized competition between private companies (increased mergers, take-overs and direct foreign investment), and the boom in financial markets – with these phenomena facilitated by deregulation measures and the new means of communication; the emergence of the debate on public and common goods on a global scale, dominated by environmental problems (climate, sustainability, biodiversity); and finally the appearance of multipolarity. This multipolarity – consolidated by movements of regional integration, replacing the old political blocs (Oman 1994) – tries, with difficulty, to contest a US hegemony strongly reconfirmed after the most recent international events (the '9/11 effect').¹⁵

For the 'less developed' countries, this new relationship between the national and the international within a context of crisis has had a number of consequences. Firstly, it reveals the hidden truth behind the rhetoric, that is, that each nation has followed its own trajectory and cannot be treated as a stereotype.¹⁶ Confirmation that the old way of representing the world is inadequate to new realities is provided by the successive 'face-lifts' given to the labels, according to the period and the mode of analysis: from 'under-developed' to 'developing' and from 'third world' to 'South', then more recently to a riot of choice.¹⁷

Next, as if in counterpoint, is the decisive weight of the international financial system and the multilateral aid agencies. Beyond the huge differences in growth

¹⁴ To express this McMichael (1996) uses the notion of a paradigm shift from 'development project' to 'globalization project'. On the subject of the development crisis, see Rist (1996) and Sachs (2000). On globalization, see for example Adda (1996), Hirst and Thompson (1996), Lafay (1996) and the overview by GEMDEV (1999). On Globalization in agriculture, see Goodman and Watts (1997).

¹⁵ The date of the terrorist attacks on New York and Washington in 2001.

¹⁶ See in particular the work of Manor (1991), Bayart (1996) and Leys (1996) or those of the French regulationist school, which, after initial analyses of 'peripheral Fordism' (Lipietz 1985; Ominami 1986), are now addressing national trajectories (Boyer and Saillard 1995).

¹⁷ Newly industrialized countries (NIC), least developed countries (LDC), emerging countries, but also: oil exporting countries, transition countries or again countries of central and eastern Europe (CCEE).

and savings between countries, national economies have been starved of finance due to dwindling international earnings from certain basic commodities, credit facilities (recycling petrodollars) and public aid for development. All this has led to spiralling debt. This situation has made it possible to justify stronger intervention by the Bretton Woods institutions. Their aid, conditional on the application of liberalization measures, has taken the form of structural adjustment policies. According to the balance of power between national interests and the international financial system, conditionality has often led to muscular interference in, or even the control of, the process of making decisions on economic policies. However, it is easy to see the difference between the treatment received by 'small poor countries' – held back by the 'big guns' of the international agencies (to use the expression of L'Héritau 1982) – and the regional powers, whose instability, or even risk of bankruptcy, puts the entire international financial system into peril.¹⁸

Widening Gaps and the Spread of Marginalization

The new order of globalization has nonetheless created opportunities by removing barriers to competition and by the greater transparency resulting from the development of information access. In principle, it opens up more possibilities for taking initiatives and for innovation, expressed as much on a political level as on the level of economics, on a local scale as on national or international scales. At the same time, the insertion of the countries of the 'South' into the world economy has deepened and their share of world trade has clearly increased.¹⁹ But this overall change has also been accompanied by, and masks, an increasing differentiation that confirms the ambiguity of the general process.

Several important points should be remembered if we are to understand the reorganization that is underway. Firstly, the economic environment of the developing countries has become weaker due to their intensified international insertion. This is even more patent in that the 'super powers', hypocritically, are still far from practising what they preach. Considerable internal and/or export subsidies remain, in the case of textiles for instance and of course in agriculture, which is what interests us here. In the developing countries, submission to the constraints imposed by the aid agencies coupled with the lack of independent means to maintain market protection have subjected most of them – and their producers – to increased risks related to market fluctuations (financial, basic commodities and certain services) and often to their extreme volatility made possible through the ease of capital transfer. Opening up these economies has increased competition between companies and between states, and competitiveness has become imperative to avoid marginalization.

¹⁸ Despite appropriate injunctions, the urgent and massive intervention of the IMF in Mexico in 1994, or more recently in South-East Asia and Russia, but not in Argentina in 2001 (which might indicate a change towards more harsh power relations), clearly speaks for itself.

¹⁹ Their degree of openness (external trade/GDP) went from 23 to 38 per cent and their share of world trade increased from 23 to 30 per cent between 1985 and 1997 (OMC 1998).

Secondly, the decline in government power has been accompanied by the growth of international corporate players. The mergers and take-overs between big private groups, stimulated by liberalization and privatization, are the source of new powers to the extent that some talk about 'the new global masters' whose economic power exceeds that of very many countries. According to CNUCED (1998), the largest hundred international corporations²⁰ collectively control US\$1800 billion abroad and employ over six million people outside their home countries. In 1998, direct foreign investments (DFI) reached almost US\$650 billion, of which US\$140 billion went into acquisitions.

The consequences are threefold. In the first place, the redefinition of where economic power lies, which obviously raises the question of political power, as big firms in this new liberalized context are largely outside state control (and therefore outside the influence of expressed collective choices) and establish their own private organization for planning on an international scale. Their decisions are increasingly submitted to pressure from their shareholders (often dominated by investment funds) and are primarily based on criteria relating to (rapid) profitability: so-called 'financialization'. The possible economic and social impacts of these decisions are not taken into consideration. The second consequence is that the gaps between countries and between regions is widening. This follows investment decisions taken by the big transnational groups, which lead governments to compete for inward investment. Last is the great disparity in the way public aid for development is shared out. The amounts involved are on a completely different scale to those applied previously (US\$50–60 billion per year with a net diminution in the late 1990s), and which are aimed at governments increasingly unable to set their own policy agendas. As Coussy and Gabas (1999) point out, political dialogue and issues of public aid require new foundations in these circumstances.

Thus, local and national responses to these three characteristics of the period – instability, competition, asymmetry – evidently all depend on a country's initial situation regarding production factors, human capital, the thickness and density of its institutions (the 'institutional thickness' proposed by Amin and Thrift 1993) which combine to determine the capacities for anticipation, adaptation and the management of the new context.

Although several Asian economies and a few in Latin America have registered certain if risky gains from opening up their economies, the situation of most countries in the South has degenerated. This is particularly the case in Africa, and therefore in most of the ACP countries that benefited from long-term cooperation with the EU in the past.²¹ In fact, Africa's share in net capital flows to developing

²⁰ Which are all American, European (European Union, Switzerland) and Japanese, apart from a few Korean companies.

²¹ The Africa-Caribbean-Pacific group (ACP) consists of 49 African countries, 15 Caribbean and 14 Pacific countries, with close to 660 million inhabitants. The nine non-ACP least developed countries are situated in Asia (Yemen, Afghanistan, Nepal, Bhutan, Bangladesh, Maldives, Burma, Laos and Cambodia).

countries went from 27 per cent to 8 per cent in less than twenty years (1980–96). According to Nicolas (2000), in 1998 55 per cent of the flow of DFI in the South was concentrated in five countries (Brazil, Mexico, China, Singapore, Indonesia); Malaysia receives more than the whole of Africa and, among African countries, 44 per cent of the flow goes to Nigeria alone. Africa's share of world commodity trade dropped from 7.5 per cent in 1948 to 2 per cent in 1998 (OMC 1999). Among LDCs, real GDP per head increased by only 0.9 per cent during the 1990s.²² For half of these countries, real GDP per head stagnated or decreased (CNUCED 2000). Thus, the 'poverty traps' and 'grey zones' are likely to remain and expand, with the probable consequences of spiralling economic regression, social tension and violence.

NEW CONDITIONS OF AGRICULTURAL PRODUCTION, POPULATION AND EMPLOYMENT: THE SOUTH FACED WITH 'ANOTHER TRANSITION'

New Conditions for Agricultural Production

The economic environment of agricultural production is, of course, directly conditioned by these new rules of play in the international game. Market instability and volatility, the growing disparity between different categories of agents, and the absolute necessity to be competitive from very uneven starting points, have profoundly changed the framework of agricultural production.

As pointed out earlier, this change is particularly ambiguous and the rules of the international game are rigged. In fact, the new context opposes a bloc of countries that, out of line with the times, preserve strong protection measures and subsidies, and those that play the game of liberalization either willingly or because they are compelled to do so. Thus, despite a recognizable trend towards reduced interventionism, and above all towards a change in the pattern of intervention (in particular to disconnect subsidies from production prices), the overall level of support to agriculture in the OECD countries has remained essentially the same since the 1980s. With a 'Producer Support Estimate' (PSE)²³ durably above US\$300 billion – that is to say six times the public aid for development or the GDP of all sub-Saharan Africa including South Africa – this status quo concerns first and foremost the EU, the USA and Japan. In these countries, producers are still mostly sheltered from the new international context and its consequences, at least for sub-sectors considered to be economically (or politically) strategic (wheat, sugar, milk and meat in the EU; wheat, sugar and milk in the USA; all cereals, sugar, milk and pork in Japan). Some 'heavyweights' of the Cairns Group still maintain protection measures on a few products, such as Australia and Canada for milk, while others have

²² But never greater than 0.4 per cent if growth in Bangladesh is excluded!

²³ The PSE corresponds to the monetary value of gross transfers to agricultural producers.

completely removed their protection systems, such as New Zealand (OECD 2001).²⁴

Elsewhere the confrontation is more brutal and producers can only count on themselves to face international competition in their own domestic markets as well as export markets. Government withdrawal (end of public administration of commodity chains) not only affects the prices of products and inputs, it also drastically reduces access to the various agricultural services. The budgetary austerity attendant on adjustment and the imperative to privatize have removed (or radically lowered) the service provision by public and para-public bodies, 'projects' and technical administrations. The result is that input supplies, technical advice and loans have all dried up, and marketing has become more difficult. Consequently, farms and territories have become much more differentiated as attention is turned towards profitable and therefore solvent zones or clients. Public aid for development follows the same approach, considerably widening gaps related to uneven initial shares of production factors (land and capital).

These factors of internal differentiation are also accentuated by increasing disparity linked to the growing powers of big companies that give even less room for manoeuvre at a local level. This is because agricultural markets are not excluded from the industrial reorganization associated with, or integral to, globalization. The appearance of global giants in trading, and especially in primary and secondary processing, whose market power largely exceeds that of many producing countries, has profoundly modified the agro-food panorama. On agricultural commodity markets the oligopoly of nation states that typified the previous period is now being steadily replaced by an oligopsony of global companies that is radically changing the face of markets. The phenomenon is particularly clear for certain commodities such as coffee and, to an even greater extent, cocoa, where control by a handful of corporate giants has reached a point where even the notion of an international *market* is questionable, since the commodity chains in question are so tightly integrated by these few firms (Losch 2002). In some countries of the South just two or three such firms control the market for export crops. Compared to them, producers are typically poorly organized, no longer receive much or any publicly funded support, have little access to information and even less means of action. They are totally unprepared for dealing with their new trading 'partners'.

This general movement related to new modalities of supply and market organization corresponds to a profound structural change that affects different national situations in two ways. First, the traditional links between governments and farmers, through public bodies such as marketing boards, which operated throughout practically the whole of the last century, are definitively put into

²⁴ Thus, for the countries listed, the new protection level described in the PSE ratio of gross agricultural earnings (including subsidies) is, in decreasing order, 63 per cent in Japan, 45 per cent in the EU, 22 per cent in the USA, 16 per cent in Canada, 7 per cent in Australia and 1 per cent in New Zealand (Hervieu et al. 2000). Over the period 1986–1998, Canada was the only one of these countries to reduce its protection rates effectively and strongly (from 34 to 16 per cent). In the USA, the rate has gone from 26 to 22 per cent, while that of the other countries has remained stable.

question. Some good did come of this 'marriage' between governments and farmers, although it was variable and uneven, depending on the period and the local context. In the developing countries, agriculture was considered an investment sector for financing development. In general, the producers paid dearly for state administration and protection of commodity chains, with very variable consequences.²⁵ Nonetheless, government management and the centralization of supply (through marketing) made it possible for national production standards to operate (Daviron 1999). Stemming from this, international commodity markets became oligopolies in which different nation states competed against each other. In contrast, liberalization completely modifies commodity quality standards and how markets are segmented. It has the effect of reinforcing vertical integration, with various forms of contract which can offer some advantages in terms of stability, once previous systems (with guaranteed prices and sales) are removed, but which also contain a strong risk of dependence whenever they are not compensated by political counterweights or competition regulations.

Second, the widening economic gaps between countries (see above) are also reflected in agricultural performance. A few countries have managed to do well in the liberalization game, by setting up adapted and 'pro-export' structural policies beforehand, to the point of suggesting that 'new agricultural countries' (NACs) exist, analogous to newly industrialized countries (NICs). This is the case for the countries of South East Asia and a few Latin American countries such as Brazil or Chile, in markets for fruit and vegetables, cassava or oil crops. In the case of vegetable oils, for example, soya in the Mercosur and Asian palm oil have regained appreciable world market shares (Daviron 1995). But, because differences in productivity are often colossal and have crippling effects in the game of competitiveness,²⁶ such successes imply the marginalization of many (other) developing countries in agricultural trade, not only in the case of Africa but also for once famous agro-exporters like Uruguay (Berthomé et al. 2000), with dire consequences for farmers. Above all, a phenomenon closely related to this differentiation process is that national farming is becoming increasingly segmented, including in those countries that have gained world market shares. In effect, the benefits from liberalization go first to those who can manage the increased economic risk, and because of this we can see several types of agriculture emerging in all developing countries: (i) business agriculture, arising from family farms that had initial advantages or that benefited from direct investments in the most profitable sub-sectors (particularly with capital from other sectors); and (ii) a growing fringe of marginalized agriculture that no longer has the means to reproduce itself and is on the fast track to pauperization. Between these

²⁵ This government control over agriculture has often led to major failures in terms of production, which have fuelled international aid agencies' arguments in favour of liberalization (e.g. Bates 1981); but it also produced some success stories where economic (infrastructures and services) and, at times, ideological environments were favourable. See for example Bates (1989) on Kenya and Losch (2000a) on Côte d'Ivoire.

²⁶ In relation to world gross agricultural domestic product, 96 per cent of the world agricultural workforce in the developing countries produce the same amount as the 4 per cent in the developed countries (Campagne 1998). Differences in productivity are from 1 to 1000 (Mazoyer 2001).

two are many family farms that can quickly slip into the second category as an indirect consequence of market instability or natural disasters from which it has become more difficult for them to recover. This evolution has been going on for a long time in India and in Latin America (Bonnal 2002), but has also been emerging in Africa since the 1990s. It is reinforced by the new creed of international aid, which hinges on promoting private enterprise, fighting poverty and strengthening institutions. Thus, agricultural policies are often dualistic (or schizophrenic), on one hand promoting the competitiveness of agro-export businesses and on the other advocating social action in favour of the rural poor. This is notable in large countries such as Mexico (Losch et al. 1997) or Brazil. The latter has even drawn institutional conclusions from these changes, creating two distinct ministries: one for agriculture and another for rural development. In Africa today, this movement is taken sufficiently seriously by the emerging professional organizations for them to defend family farming, a concern largely ignored until now (Mercoiret 2001; Bélières et al. 2002).

Agricultural Demography – The Challenges

Along with the widening gaps between different types of agriculture both internationally and domestically, the countries of the South also face the challenge of growing agricultural populations. During the last quarter of a century, they increased by nearly 30 per cent (that is, by some 530 million people), while in the developed countries they decreased by 44 per cent. Within the environment of the new globalized economy, what is to become of the one billion three hundred million people working in agriculture in the South, and the people they support, that is, more than half of the total working population of these countries (see Hervieu 1996; Haubert 1999)? What will be the impact of the accelerating marginalization of farmers on the economic life of rural regions, on relations between town and countryside, on internal and international migrations?

These questions are obviously of vital importance to the countries and people concerned. They are addressed as well to the entire international economic – and political – system, and to the rich countries in particular, as they shelter behind their protectionist measures and agricultural subsidies. Because even if it is ‘other countries’ that are on the front line, it would be an illusion to imagine that the dangers of instability they confront are of no consequence to the future of the world.

The scale of the challenge varies of course in different regions of the world. The ‘great mass’ of farming people is found in Asia (75 per cent of the global total) with China and India, the ‘heavyweights’, accounting for 33 per cent and 21 per cent respectively of the world total. Africa accounts for 17 per cent, and Central and South America for only 4 per cent, although Brazil has a particular effect on this aggregate figure: while its agricultural population declined between 1975 and 2000, in the rest of the continent the number of agricultural workers continued to grow in the same period by 20 per cent.

Can the South find a path to economic transition today? The process that arose from the industrial revolution, on which the economies of the North were

Table 1. Changes in the farming population from 1975 to 2000 (estimation in thousands)

	Agricultural population			Economically active population in agriculture			Total active population					
	1975	2000	Difference % Change	1975	2000	Difference % Change	1975	2000	Difference % Change			
Developing countries ^a	1,940,606	2,467,221	526,615	27.1	921,749	1,270,763	349,014	37.9	1,328,368	2,292,671	964,303	72.6
Africa	278,091	435,086	156,995	56.5	124,649	195,388	70,739	56.8	165,845	324,533	158,688	95.7
Central and South America ^b	125,899	108,192	-17,707	-14.1	42,712	44,131	1419	3.3	111,921	222,800	110,879	99.1
Of which	25,458	23,318	-2140	-8.4	7328	8741	1413	19.3	18,257	40,724	22,467	123.1
Mexico	44,981	28,066	-16,915	-37.6	16,860	13,225	-3635	-21.6	40,237	79,247	39,010	97.0
Brazil	1,533,449	1,919,079	385,630	25.1	752,947	1,029,024	276,077	36.7	1,048,618	1,741,756	693,138	66.1
Asia	707,938	853,715	145,777	20.6	376,631	510,797	134,166	35.6	495,718	766,889	271,171	54.7
of which	408,607	541,430	132,823	32.5	192,644	263,691	71,047	36.9	271,022	442,156	171,134	63.1
China	3163	4862	1699	53.7	1439	2218	779	54.1	1935	3517	1582	81.8
India	178,266	99,780	-78,486	-44.082,115	47,866	-34,249	-41,7524,389	-55.5	655,451	131,062	25,0	
Oceania	40,985	16,311	-24,674	-60.2	17,111	7607	-9504	-55.5	151,173	177,197	26,024	17.2
Developed countries ^a	9090	6290	-2800	-30.8	3879	3027	-852	-22.0	99,912	145,105	45,193	45.2
of which	16,369	4923	-11,446	-69.9	8521	2769	-5752	-67.5	55,800	68,369	12,569	22.5
EU 15	2,118,872	2,567,001	448,129	21.1	1,003,864	1,318,629	314,765	31.4	1,852,757	2,948,122	1,095,365	59.1
USA												
Japan												
World												

Notes: ^a United Nations definition; ^b including Caribbean.

Source: FAO 2002 (<http://apps.fao.org/page/collections?subset=agriculture>).

Table 2. Distribution of the farming population in 1975 and 2000 (estimation in %)

	Agricultural population		Economically active population in agriculture		Total active population		Active farm pop./tot. (%)	
	1975	2000	Difference	1975	2000	Difference	1975	2000
Developing countries ^a	91.6	96.1	117.5	91.8	96.4	110.9	71.7	77.8
Africa	13.1	16.9	35.0	12.4	14.8	22.5	9.0	11.0
Central and South America ^b	5.9	4.2	-4.0	4.3	3.3	0.5	6.0	7.6
of which Mexico	1.2	0.9	-0.5	0.7	0.7	0.4	1.0	1.4
Brazil	2.1	1.1	-3.8	1.7	1.0	-1.2	2.2	2.7
Asia	72.4	74.8	86.1	75.0	78.0	87.7	56.6	59.1
of which China	33.4	33.3	32.5	37.5	38.7	42.6	26.8	26.0
India	19.3	21.1	29.6	19.2	20.0	22.6	14.6	15.0
Oceania	0.1	0.2	0.4	0.1	0.2	0.2	0.1	0.1
Developed countries ^a	8.4	3.9	-17.5	8.2	3.6	-10.9	28.3	22.2
of which EU 15	1.9	0.6	-5.5	1.7	0.6	-3.0	8.2	6.0
USA	0.4	0.2	-0.6	0.4	0.2	-0.3	5.4	4.9
Japan	0.8	0.2	-2.6	0.8	0.2	-1.8	3.0	2.3
World	100	100	100.0	100	100	100.0	100	100
							Difference	
							88.0	
							14.5	
							10.1	
							2.1	
							3.6	
							63.3	
							24.8	
							15.6	
							0.1	
							74.4	
							15.7	
							11.3	
							3.9	
							15.3	
							54.2	
							7.3	
							4.3	
							2.1	
							4.1	
							1.1	
							100.0	
							69.4	
							75.2	
							38.2	
							40.1	
							41.9	
							71.8	
							76.0	
							71.1	
							59.6	
							63.1	

Notes: The above figures are calculated from the relevant columns in Table 1.

^a United Nations definition; ^b including Caribbean.

Source: FAO 2002 (<http://apps.fao.org/page/collections?subset=agriculture>).

founded, hinged on gains in productivity related to technical progress and the transfer of agricultural workers to other sectors. This process is hardly sustainable nowadays, and in any case it cannot be generalized. Countries with large domestic markets are in a relatively better position, but weakened public capacities and policies, coupled with market liberalization and differences in productivity, leave very little space for action, making the future of farming populations extremely uncertain. Modernizing agriculture along the lines of France or Europe in the early 1960s, and equivalent to the Common Agricultural Policy (CAP) of the European Union, which supports production, rural incomes and living standards, is not possible. The protection mechanisms, subsidies, massive capital investment and sustainable economic growth (the long post-World War II boom), which would make it possible to absorb those leaving agriculture in the industrial and urban labour force, cannot be reproduced in today's South.

There is an urgent need for new solutions for the South, in terms of public policies and technical options. The excessive liberalization reforms, most often imposed from the outside, cannot deliver a way forward. To escape the 'trade in illusions' (Rodrick 2001) and the adjustments whose frontiers are being continually pushed back (Naïm 2000), there is a need for countries to retake control of their own policies. These can only be rebuilt from within each national situation, with its own potential, its own constraints, its own history and internal struggles. In most developing countries today, the question of agricultural production is crucial. This is because global population growth must be accompanied by the generation of economic resources. Also, the realization that natural resources are under pressure implies that attention to the environmental viability and sustainability of farming technologies is crucial. Of all these concerns, however, increasing marginalization and inequality make it imperative that the problem of the distribution of wealth be given priority. In the South, the problem of agriculture is first and foremost one of employment. How can jobs, and therefore incomes, be made available to the greatest number of people, and what are the consequences for technical and organizational models of farming appropriate to creating employment and livelihoods?

MULTIFUNCTIONALITY: FROM THE COMMERCIAL TO THE POLITICAL ARENA

Stop Using Trade Negotiations as the Only Reference, and Start a Comprehensive Approach

Our review of on-going global economic reorganization, of what is at stake, and of the scale of the challenge facing the developing countries, reveals all the ambiguity surrounding the debate on agricultural multifunctionality – as presented in trade negotiations – for the countries of the South. Whereas certain industrialized countries invoke multifunctionality to justify their choice of policies favouring their own farmers, most developing countries are no longer capable of implementing their own policies because of international conditionalities and

lack of budgetary means. At times the confrontation becomes a mockery: one side concerns itself with 'life style' choices, the other has to address the survival of its rural people, life itself.²⁷

The core of the debate today, and the process of trade negotiations, are totally perverted by the facts of OECD agricultural subsidies and other protection measures, which block the way to any real progress on the central issues. Obviously, most countries of the South acknowledge that agriculture has different functions and they are the first to feel the need of renewed policies that would allow them to rise to the challenges of resource management, national development and the fight against poverty within the context of increased international competition. This is the position of those Central and South American countries, for example, which are trying to promote a type of sustainable rural development and to invent what they call the 'new rurality' (IICA 1999; Bonnal et al. 2003). In Thailand also, recent agricultural policy discourse has a similar logic and philosophy, promoting the concept of 'sufficient economy' (Ampon and Nabangchang 2002). More generally, it is clearly the question of social and economic development of the countries of the South, and the management of international disparities, that is coming back as a 'hot topic' in the trade negotiations. Beyond the 'special and differential treatment' provided for the developing countries by the Agricultural Agreement, the demands for a 'development box' – which constitutes a change regarding the references of the last twenty-five years – is a good illustration of how the debate would move. It shows that restricting the discussion to the trade arena leads nowhere and conceals the underlying structural problems. One of the Cancun delusions was to believe in a new unity recovered by the South because there is one certainty: when complete free trade is achieved, the small 'Third world' countries will be pulverized by the high level of productivity of the big agro-exporters of the Cairns Group, including the main leaders of the new G 21.

It is also necessary to campaign for a more comprehensive approach to national situations in order to reach a better understanding of international discussions and deals. Beyond the official positions struck, the reactions of different countries (including those of the South) can only be analysed if the particularities of each context are taken into account. These express the irreducibility of internal power struggles inherent in each domestic situation and the place, status and roles allotted to agriculture in the economy, society and political game. These are indicated by the general configuration of the nation-states (especially the size of the population and the territory that must be fed, managed and controlled); the weight of the agricultural sector within the larger aggregates (Gross Domestic Product and its effects in other sectors, trade balance, working population); the existence of pressure groups (producers, exporters, industrial lobbies) and the amount of political influence wielded by them (captive electorate, political networks), etc. These are all attributes of what political specialists call the 'global-sectoral relationship' (Jobert and Muller 1987; Muller 1990), or the conditions in which

²⁷ The EU's recent emphasis on arguments concerning animal well-being only reinforces this incomprehension.

relationships are maintained between a sector – in this case agriculture – and the rest of the economy and society. This relationship is the result of the absolute and relative values of the sector within the whole system, but also of the effectiveness of those people or organizations that represent its interests.

Thus, being a net importer or exporter of agricultural products, or the number of people working in agriculture, plays a part but so do many other factors. These include the place of the countryside in political struggles, including those for national liberation, or the weight of wider trade or political negotiations that call on support from other sectors (in the domain of technology transfer for example), or more directly the composition of, and balance of forces in, the coalition or party in power. The historical trajectory of each national configuration is therefore central to understanding the factors that determine positions in international negotiations and to revealing the differences that exist between official positions and real world forces. Without this perspective it is impossible to appreciate why countries such as Bolivia or Guatemala should be members of the Cairns Group. The state of their agriculture and its competitiveness compared with the big exporting countries of the group would suggest that the economic or political return they get from membership is on a different register than the (international) scale or significance of their agriculture. In the same way, the agricultural structures of other Cairns Group members, such as Brazil or even Thailand, show that the interplay of different interests at the heart of government privileges certain branches of agricultural activity and certain categories of farmers to the detriment of others. This is the case in Brazil, for example, between the *Cerrados* and their big farms on one hand, and the small family agriculture of the *Nordeste* on the other.

Analysis, then, cannot be based on the big national aggregates alone. A comprehensive approach in the register of political economy is the only means by which the ‘intrigues’ of each domestic situation can be unravelled (Losch 2000b).

Multifunctionality – A Pathway to a New Foundation for Public Policies

If the analysis of multifunctionality is confined to the arena of trade negotiations it will be hard for the concept to escape the constraints intrinsic to the international imbalance of power. On the other hand, it can provide a new foundation for public policies if it prioritizes a comprehensive approach to the issues at stake, the opportunities and the constraints found at the domestic level. However, it must not be absorbed into a new recipe for implementing farm policies and even less to a ‘ready-made’ package directly transferred from the European countries where the concept was initially developed. On the contrary, the fundamental questions posed by the ‘multifunctional view’ show it to be one possible means of generating solutions ‘tailored’ to specific conditions of agriculture, and economic development more generally, in the South. It offers the possibility of building public policies on a new basis adapted to each national situation, thus following a reasoning diametrically opposite to the (standardized) structural adjustment policies advocated for the past twenty years by the international donors.

In fact, the significance of multifunctionality is not restricted to recognizing other functions of agriculture that complement its primary function of producing food, fibre and livestock commodities, nor simply adding extra constraints or objectives. On the contrary, it represents the potential of a genuine and complete paradigm change for farming. Although the concept of agricultural progress and development has existed ever since the industrial revolution, at the level of pursuing a 'productive optimum' multifunctionality implies adopting a paradigm of 'negotiated objectives' that starts not from the 'general case' but rather the 'specific case'.²⁸ This includes the place, status, roles and functions of agriculture that are, in each separate case, the result of local challenges and the possible scope for action. Such an approach unequivocally shifts the discussion into the field of policies and politics; it implies that economic and social arrangements have to be constructed among the different protagonists within each country.

Today, food production needs to be carried out in a sustainable way, conserving natural resources and creating employment, especially in the countries of the South. It is still a matter of producing, but it is now one of producing differently and producing other things rather than just maximizing marketable agricultural products (exchange values). In order to do this, it is imperative that farming be *removed from the strict sectoral debate in which it has been confined*. It is essential to place it – redeploit it – in the global economic and social viewpoint of the development of territories. Farming must help to create rural employment. One means is through related upstream and downstream activities, such as processing and adding value to local skills. Another is by the management, development and mobilization of local resources, to which it contributes directly (cultural or natural heritages, such as the countryside, biodiversity or specialized local networks based on traditional skills and confidence between agents) and which can be supports for new activities.²⁹

This kind of approach reinserts agriculture in the broad domain of development strategies that has been gradually rehabilitated over the past few years. J. Stiglitz (2000) has clearly demonstrated that the process of elaborating development strategy – through the negotiation of arrangements and local specificity that this implies – gives it the status of a public good, and consequently it should benefit from direct involvement by, and support from, the government. Which leads back to the quality of government and to its propensity to permit free speech and dialogue.

While the wave of structural adjustments had drastically reduced the scope of policies, recognizing and promoting the multifunctionality of agriculture opens a window for farming policies to be reinstated in the South with a view to a revived national development. It also provides a new ambition for government

²⁸ Multifunctionality cannot be reduced to an optimization under constraints, that is, taking into account other objectives within that of production.

²⁹ So multifunctionality joins the other approaches based on the development of specific territorial assets. For more information on this type of approach, see Abdelmalki and Courlet (1996), Pecqueur (1996) and Benko and Lipietz (2000), and the work carried out by the Local agro-food systems network (GIS Syal: Systèmes agro-alimentaires localisés). Cf. Moity-Maïzi et al. (2001).

action and for aid agencies, moving them away from their mantra: 'promote private enterprise and democracy to overcome poverty'. Although global public goods can offer the possibility of a new foundation for development strategy (Severino 2001), they must not mask the need to reinvest in local and national public goods. To meet the new challenges brought by changes in agriculture in respective national situations, locally negotiated objectives need support. What systems of support should be given to agriculture, and what research programmes should be proposed to help achieve these objectives? From here on, what technical paths should be followed, what organizations, what types of information and training are needed to manage today's new conditions of competition and to overcome their growing instabilities and inequalities?

At the end of this review of the conditions and case for agricultural multifunctionality in the countries of the South, it is appropriate to keep in mind one obvious fact. Whatever process is chosen, whether it be a so-called positive or normative approach, the central question remains that of the values attributed by each society to the ways of operating, producing, generating resources, consuming, investing and saving for future generations. In international negotiations, the real confrontation is between different 'models' of development, that is, between different forms of domestic legitimacy. We have seen recently that these can take strongly caricatured forms and justifications, e.g. those that appeal to 'good' and 'evil'. If we do not wish to rely increasingly and permanently on the law of the jungle, including its most brutal forms, the only way out is through international cooperation. And there will be no cooperation unless the different parties involved accept the need for concessions and/or compensations, in the knowledge that the acceptance of a loss today may avoid a greater one later or become a real gain in the future. These principles for collective action should be kept in mind in the present negotiations between the Cairns countries, the EU, the USA and the countries of the South.

From the importance of the issues at stake, and notably the obvious risks that inequality poses to world stability, it is urgent that the debate on agriculture be taken beyond the exclusive dimension of trade. This dimension alone cannot meet the challenges facing the future of 'nearly half the world'. Today more than ever, it is imperative that new and imaginative strategies and policies be devised, to which the multifunctional approach has much to contribute.

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