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We sincerely hope from the revelations contained in these series, the consequences and impact of the subject issues on the livelihood of the poor in Zambia, could generate knowledge that should stimulate appropriate responsive decisions and actions from lessons learnt by all concerned stakeholders.

**Francis S. Banda**  
Executive Director

November 2004  
Lusaka

# 1 Why a Manual on Trade for Community Based Organizations?

This Manual on Trade for Community Based Organisations joins two others we have developed under this series. These Manuals are important because they attempt to tell the story of each topic simply and in a readable manner for the ordinary person.

The Organisation Development and Community Management Trust (ODCMT) has embarked on developing and producing manuals on various issues as advocacy tools in disseminating information to poor farmers in rural areas. Other manuals already developed include the Manual on Investment and the Manual on Pesticides.

Zambia, like the rest of the world is experiencing dramatic changes in economic organization and management. Trade in goods and services are one of the areas where the changes are very dramatic. The changes involve the creation of new trading

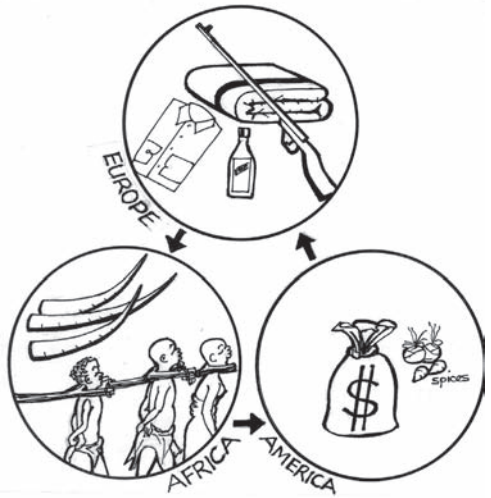
organizations, new trading rules and even new trade channels such as the Internet. Such changes affect our lives whether we live in villages or in towns, in developed or under developed countries. It is, therefore, important that we all try to understand and come to terms with these changes. The main purpose for writing this trade manual is therefore as follows:

- a) To offer community based organizations space to debate and understand what is taking place in the world and how these changes affect communities and families.
- b) To assess and explore opportunities for communities not only to understand but also to influence events taking place in the area of trade and development.
- c) To identify opportunities offered by changes in trade that could be harnessed by the poor to improve their situation and reduce poverty in their communities.

The reader is encouraged to explore the issues raised here by asking neighbours, community based organizations and your elected representatives. We have a list of organizations trying to assist small-scale farmers. This is meant to assist in discovering and understanding trade, development and poverty.

**Where are we coming from in terms of Trade?**

Third World producers of commodities such as Zambia have relied mainly on industrialized countries to provide markets for their goods. This has been the case for the last five hundred years and remains true today. About 70 per cent exports of third world countries are destined for markets in developed countries – mostly in the United States of America (USA), the European Union (EU) and Japan. These industrial superpowers are willing recipients of exports from the third world when market conditions are right.



AFRICA'S HISTORIC EXPERIENCE WITH EXTERNAL TRADE



Third world countries are also known as developing countries; less developed countries; least developed countries; countries in the south; developing world; exporters in the south; producers of primary commodities or raw materials and so on. Similarly industrialized countries are sometimes known as developed countries; importing countries in the north and so on.

## **What is Trade?**

Trade is essentially about meeting demand in the importing country. But not only the consumer determines this demand, but by the companies who help shape in through advertising campaigns. Imports from developing countries are thus tailored around the needs of importing companies such as Nestle and Unilever. This has advantages and disadvantages for exporters in the south. On the one hand, it provides them with markets for their produce and the foreign exchange they need to import goods. On the other hand, however, the commercial interests of these companies are not usually in the interests of the developing world. One example is the conflict in processing of primary commodities. The real value added in commodity trading lies in their processing. Developing countries would gain far more from their exports if they were able to process them. They would develop a manufacturing base, which would encourage investment, create employment, and

increase foreign exchange earnings. But Northern-based companies in importing countries would stand to lose if exporting countries made more through value added by processing their primary commodities. One of the ways importing companies protect their interests is through the use of escalating tariffs. Tariffs that escalate are tariffs that increase at each stage of processing.

## 2 Globalization and Africa

Globalization can be likened to a process where there is a shift from a world economy based on national markets linked together to a single borderless world economy by trade and investment.

This shift is characterized by a rapid and pervasive diffusion of world production, consumption and investments, and trade in goods and services, capital and technology. Supporters of globalization see a “win-win”



Raw deal and unfair trade rules are always given to producers in developing countries (*Living in Hell!*)

situation and welcome it as the solution to unemployment, key to high and rapid economic growth and to improvement of everyone's standard of living. By opening up their markets and "globalizing" is assumed, developing countries will gain much needed foreign currency reserves, have less need to borrow and therefore have stable economies.

But the practical implications of globalization are a far cry from the idealism and optimism expressed above. One frequently quoted example of globalization is that of a Chief Executive of a successful Transnational Company (TNC) who says:

"Thanks to Globalization, my office is in New York, my factories are in Mexico, Honduras, Haiti, and my money is in Switzerland. My technology comes from Japan and I live in Paris."

When asked where his workers live he simply replies: "In Hell". The major TNCs spearhead the process; their governments are its main supporters

and advocates while the International Monetary Fund, the World Bank and the World Trade Organization (WTO) create the enabling environment.

TNCs are described as huge conglomerates that are international by virtue of having companies all over the world, whose production and distribution of goods and services is controlled and managed by the parent company in its home country. The different aspects of their production processes are divided into countries according to the highest likelihood of profit.

The industrialized countries need new markets, cheaper production processes and labour sources for their TNCs. Most developing countries have inadequate environmental legislation. TNCs, on the other hand, do not concern themselves very much with the well being of their workers. In fact, they often adopt work ethics that they would never practice at home. Also



industrialized countries stand to benefit from the repatriation of all profit by the companies controlled by their TNCs. Therefore, many industrialized countries have introduced incentive-based aid and trade programmes which they propagate through international trade and finance institutions.

Of all the international trade institutions, the WTO is the most directly involved in the globalization process. Its role is to contribute to trade and investment liberalization with a view to increasing competition, economic growth, employment, resource allocation and people's standard of living.

But globalization is, instead, a system based on the unequal distribution of benefits and costs. It, therefore, tends to breed further inequality at different levels within and between countries the world over.

### Questions for Discussion

- i) What has Zambia and the people of the Copperbelt Province gained from the exports of copper over the last eighty or so years?
- ii) New mining houses or companies are opening up in North-Western Province of Zambia. What are likely to be the benefits of this development to the people of North-Western Province and Zambia?
- iii) How can benefits of these mining companies be maximized for the benefits of the local people?  
What role can you play in ensuring that benefits are reaped by all concerned?

### 3 What are the effects of Globalization on Africa?

The effect of globalization on Africa can be identified through many factors that include governments' loss of power, unemployment, low wages, closed local industries and dependence on agriculture.

#### Government forced to lose power and responsibility

One of the most visible effects of globalization is the apparent forced loss of power to control and determine national economic policies. In Africa generally, and Zambia in particular, it is clear that

governments no longer have the power to determine their own development policies. National companies, products, services and property are relegated to second place and those of other WTO member countries take first place.

Governments are not completely free to determine how they will treat their investors. If governments do not have say, it then follows that the people at large do not have say. This is because the people, for example, cannot



Closed Factories

individually go and represent their interests as farmers or as small exporters to the WTO.

### **Unemployment, Low Wages and Jobless Growth.**

Zambia has a population of about 10 Million people. The majority of these people are out of formal employment. Every year the education system too unleashes many thousands of school leavers into the job market. The number of those leaving tertiary education institutions is also high. The formal sector has created very few jobs leading to unemployment and low wages. In Zambia, there is, what we may call, jobless growth.

### **Local Industry Closed Because of Excessive Competition**

As Zambia liberalized her economy in the early 1990s, many companies closed down because of the huge influx of goods from South Africa and other countries. Zambia's industry was given little or no opportunity to adjust or import new machinery to be able to compete with the imported products. Besides government did not give assistance to Zambian companies to enable them face the competition from cheap imports.



## **Dependence in the Agricultural Sector**

Putting perceived benefits of trade aside, globalisation has crippled the agricultural sector. Transnational companies supply the technology, the equipment, and the chemical inputs and they benefit from the captive market in Zambia. Besides, the issue of international standards is undercutting the competitiveness of

Zambian goods and those of other developing countries. Examples of these are the use of environmental standards in the horticultural industry.

## **Globalization and Gender**

Changes in economic trends affect men and women differently. However, women in particular are at the mercy of globalization because most of the work they do is considered to be unskilled, and is often



Women usually work under uncertain and unfair terms and conditions of service

underpaid, even in the formal sector. When companies reduce their labour, women are the first to be retrenched or pushed into casual labour. Then women are forced into the informal sector where they fall deeper into the trap of unpaid labour and poverty. In Zambia women are seen weeding or harvesting in the newly started cut-flower export business. Their conditions of service are not only uncertain but also inhuman.

### **Questions for discussion:**

- i) What roles do men and women play in the production and sale of agricultural produce in your community?
- ii) What are the results of this division of labour on family household income?
- iii) Can these roles be changed to improve household income?
- iv) If so, how?
- v) If not, why not?

## 4 What is the World Trade Organisation?

The World Trade Organisation (WTO) was officially launched on the 1st of January 1995. The word officially is deliberately highlighted because the WTO is much older than the date of its official launch. When the two Bretton Woods institutions – the International Monetary Fund (IMF) and the World Bank – were created after the Second World War, there was a plan to establish an International Trade Organisation (ITO). This effort did not succeed. Instead, it was decided that trade negotiations would be conducted in an ad hoc manner under the General Agreement on Trade and Tariffs (GATT).

However, five decades later, the WTO was born. It is a successor to the General Agreement on Tariff and Trade (GATT). From 1948 to 1994 GATT has been dealing with world multilateral agreements on trade in goods. In the early days, the agreements concentrated on tariff

reduction. Officially the GATT was ad hoc and “provisional”. It was not a permanent organization although it had an administration and was a de facto organisation. Officially too, signatory governments were not called GATT members but “contracting parties”.

### **What is the work of the World Trade Organisation?**

The World Trade Organisation (WTO) provides the framework for the conduct of international trade in goods and services. It also provides a framework for the protection of intellectual property rights. It administers the implementation of a set of agreements, called the WTO agreements. These agreements include the General Agreement on Tariffs and Trade (GATT), any other agreements in the goods sector and agreements in services. Besides, the WTO has a framework for the enforcement of rights and obligations and the dispute

settlement understanding (DSU) is the framework for the enforcement. Generally the agreements contain rules for guiding governments and, in some cases, even enterprises.

### **What is the Expected Impact of the World Trade Organisation?**

As already stated above, the multilateral framework of international trade started at the end of the Second World War. The experience with the Great Depression in the late 1920s and early 1930s major trading nations imposed trade protection. This made governments realize the need for multilateral rules in international trade. With the devastation caused by the Second World War this awareness assumed a new urgency and more so because of the need for the expansion of international trade as an important tool for development and growth.

### **Questions for discussion:**

Questions for discussion

- i) Have you noticed any withdrawal of government services in your community?
- ii) What reasons has government given for withdrawing services from your community?
- iii) What can you do about the situation?



## 5 Trade Policy and Other Agreements

Zambia has signed a number of what can be termed as plurilateral trade agreements. These are trade agreements between Zambia and several countries but are not covering all countries.

### **The Cotonou Agreement**

The most commonly quoted trade agreement is the Cotonou Agreement. This has been signed between the European Union and the African, Caribbean and Pacific (ACP) countries.

The Cotonou agreement is a successor agreement to the Lome Convention. The Lome Agreement was a development-oriented framework, which allowed the ACP countries access to the European market as well as receive development assistance.

The Cotonou Agreement seeks to remove the one-sided nature apparent in the Lome Convention where only

Europe opened its market to imports from the ACP. Thus Lome arrangement was considered not compatible to WTO and in the case of Zambia also contrary to its own trade policy. Now under the Cotonou Agreement the ACP countries are also expected to open their market to imports from the European Union. This preferential regime will be maintained until December 2007. Whether Zambia benefits from the Cotonou Agreement will become clearer at the end of the negotiations.

In the meantime, the ACP countries and the European Union will negotiate 'Economic Partnership Agreements' (EPAs). These EPAs are comprehensive trade arrangements, including Free Trade Agreements (FTAs), between the European Union and regional ACP groupings and will take effect in 2008. (Illustrate 7 – Black men and women meeting – some saying we agree, a few others saying



no. Indicate various products from Africa, the Caribbean and Pacific Islands)

### **African Growth and Opportunities Act (AGOA)**

The second important trade “Agreement” is under the African Growth and Opportunities Act passed by the US Congress in 2000. This is not an agreement because it is not a result of negotiations between parties. AGOA is an offer by the United States to Sub-Saharan Africa to export duty and quota free products to that country without reciprocal requirements. However, there are conditions attached to AGOA before a country qualifies. The conditions include good governance, respect for the rule of law and not threatening US interests. Many Sub-Saharan African countries in Southern Africa such as Mauritius, South Africa and Lesotho have already benefited from this trade opportunity by expanding their textiles industries through the promotion of export processing zones (EPZ).

Zambia has also qualified to participate in AGOA. To do this, it has set up an AGOA National implementation Committee composed of representatives from various government departments and the business community. The Zambian strategy is to export semi-processed yarn to Mauritius who would in turn export to the US market. The reason for this is Zambia’s limited capacity to produce for direct export to the US market.

Small-scale producers and traders can also benefit from AGOA. They can do so if they are adequately sensitized about the opportunities this programme offers. Through out grower schemes, small-scale farmers can be involved in the production of cotton for export to Mauritius. Besides under AGOA, business houses in the US are ready to provide funds for up-grading the productive capacity of the participating companies in Sub-Saharan Africa.

However, some issues in the AGOA framework have been

a source of disquiet to both civil society organisations and governments in Sub-Sahara Africa. The first is the manner in which the programme was launched.

The AGOA programme was launched without adequate consultations between the US and the intended beneficiaries of the programme. The US Congress sat and passed the legislation and it was up to the Sub-Saharan African countries to take the offer or leave it. This, in effect, means that the US Congress, without consultations, can equally withdraw the facility.

The other concern relates to the inclusion of non-trade issues such as governance, and respect for human rights as part of the conditions to participate in the trade programme.

The third concern is about the programme's intention of promoting US interests in Sub-Saharan Africa by requiring these countries to get their raw materials from the US.



## 6 The Industrial, Commercial and Trade Policy

In view of the trade situation described above, the Zambian Government has come up with a strategy in the form of a policy framework to guide the conduct of trade in Zambia.

This policy is called the Zambia Industrial, Commercial and Trade Policies and it addresses a number of issues.

First the Industrial component of the policy looks at the local industry and how it operates. This is in terms of investment, capacity utilisation, incentives and other state obligations to the sector.

The commercial component of the policy looks at domestic trade and how the private sector can be empowered to play a more active role.

The third component is trade. The policy looks at international trade and how the Zambian economy can take advantage of the opportunities available and how it can respond to the challenges

of the international trade arrangements.

### **Is there a link between the Zambian Trade Policy and WTO?**

Zambia is a member of the World Trade Organisation. The Government, according to the Zambian Industrial, Commercial and Trade Policy, will pursue a policy of collectiveness with other members of the World Trade Organisation in seeking ways of abolishing restrictive trade practices.

But Government will maintain its membership to all other major multilateral trade organisations and will, at the same time, encourage the private sector to take advantage of trade preferences granted by the developed countries under the Generalized System of Preferences. This will enable the private sector to gain access and export

Zambian products to markets of developed countries. The Government will also ensure that these agreements are valid within the Industrial, Commercial and Trade Policy and under the World Trade Organisation. Further Government policy will ensure that industry strives to become competitive both in prices and quality without enacting preferential tariffs.

For many years this broad Government position has guided Government participation in the WTO. Its approach has been to discuss developments in the WTO with other organisations and groupings of countries such as the Least Developed Countries, Africa Group, ACP/EU and then argue for these positions at the WTO Ministerial meetings. While this strategy has merits, for example, providing a bigger voice for Zambia, it has limitations.

The main limitations are that Zambia's specific interests are not accurately reflected

in the positions adopted. In addition there is no flexibility in the actual negotiations at the WTO because consensus has to be established prior to taking any position. The other difficulty is that there are wide variations in negotiating skills in different countries. Countries with limited negotiating skills and capacity may not realize their weaknesses as they hide behind others. Thus they may fail to resolve their capacity problems.

The main reason for Zambia's participation in the WTO is to enable Zambian businesses take advantage of export opportunities in the WTO member countries. This has been difficult to realize because for a very long time up to 1991 Zambian industry has operated under protected conditions. The expectation that the creation of a competitive environment for the sector would "automatically" spur it into a frenzy of innovative productive activity has not materialized. Thus, in the face of external competition, many Zambian

industries have, instead, closed.

### **What is the Role of Small-Scale Enterprises in Trade?**

The Industrial, Commercial and Trade Policy recognized that the small-scale sector contributes significantly to the total value-added and is also a major source of employment.

However, small-scale enterprises suffer from a range of constraints. They lack access to credit facilities, technical and entrepreneurial skills, appropriate technology, physical infrastructure and supportive institutional arrangements. Furthermore, they are at a disadvantage in the market place when they compete with large enterprises. The cost of capital is higher because of the small size of loans they obtain while the small-scale nature of their production makes it hard to enter and retain markets. Further lack of financial resources, coupled with the fact that income generated from business is often used for household expenditure makes

the expansion of the business difficult. This increases risk and the innovation is inhibited.

But despite these constraints small-scale enterprises still serve the important function of a training ground where business and entrepreneurial skills are built and later linked to the large and medium scale enterprises. To the extent that it is now common to find a lot of cross-border trading activities between countries by small-scale-businessmen and women. However, these operate under very difficult conditions in a regional environment that misses to take advantage of this opportunity for the countries' economic growth in the region.

Cross-border traders have on various occasions complained of the various restrictions they face to freely trade in the region through the imposition of unfavorable duty and immigration regulations. They claim these tend to hinder economic development of the countries and people in the region. These restrictions have

to be harmonised to increase benefits, not only the small-scale businesses, but also to the neighbouring countries in the SADC/COMESA region.



Government considers the development of small-scale enterprises as an important component of its industrial and commercial policy. With the participation of the private sector the Government's aim is to devise a strategy that would encourage the growth of small-scale enterprises. In this regard Government will encourage local councils to review their infrastructural services and

licensing regulations so as to support small-scale enterprises.

### **What are Zambia's Key Trade Objectives?**

The Zambian Government has, within the context of an open and competitive market, developed major objectives for the industrial, commercial and trade sectors as follows:

- To diversify and integrate the economy. Government recognises that the commercial and industrial sectors are not well integrated with the rest of the economy. Thus the goal is to improve the links among the sub-sectors as well as other sectors, such as agriculture and mining.
- To generate productive employment opportunities: Given the high levels of unemployment, flexible wages and labour regulations, rational decision-making by enterprises will lead to labour intensive investments and therefore create more jobs,
- To balance the geographical distribution of industry and commerce: Industrial and commercial activities are concentrated in the urban areas. Here Government's goal is to promote Industrial and Commercial activities in the rural areas
- Government will use efficient incentives to strengthen domestic industry. In cases where protection is granted it will be for a fixed period of time.

## 7 What is the Impact of Liberalized Trade on the Poor?

Under the one party state parastatals and Co-operatives controlled the supply of inputs and the marketing of outputs from the agricultural sector. In November 1991, the new Government was committed to an economic recovery programme that included the promotion of the private sector based on free market principles. Government was delinked from active business and there was a sharp reduction in the size of the public sector. This was to be achieved through a comprehensive programme of privatization and parastatal reform. The impact of these changes on the livelihoods of many farmers was felt through a sudden end to easy access to subsidized fertilizers and credit and to a withdrawal of marketing systems for their agricultural produce.

One effect of liberalized trade frequently mentioned by farmers across the country is the changing role of maize

as a crop. Maize production on permanently established fields, relying on the use of fertiliser to maintain soil fertility, was a model of farming which was favoured by extension services from the 1950's. It was supported by a system of parastatals and Co-operatives, which supplied fertilizers and purchased maize for transportation to urban centres. But maize is now perceived by farmers as a low value crop because they can no longer afford the heavy dose of fertilizer necessary to make production viable and profitable.

Since liberalization the cost of inputs, particularly fertilizer has increased, while reliability of delivery has decreased. The importance of fertilizer to agriculture in Zambia cannot be overemphasized. Over most years since 1992 it is the price of fertilizer that is the most frequently mentioned as a constraint to agricultural production. It is also the most



frequently mentioned and linked to decreased food security.



*unstable and frequent fertilizer price hikes disadvantages farmers progress.*

In response to rising prices of inputs including hybrid seeds, farmers say they have been forced to plant traditional seed varieties. They also say that traditional maize seed requires less fertilizer and is seen as being more drought resistant. Diversification away from maize to millet and sorghum, which also require less fertilizer, is widely reported where problems of late delivery of inputs are most acute and compounded by rising costs.

Before liberalization and despite poor roads, inputs were delivered to farmers by parastatals and Co-operatives.

In the post-liberalization phase, it is not profitable for private traders to perform the same service. Besides rising costs of public transport mean that farmers themselves are not in a position to travel long distances to buy inputs or market their own crops.

In the case of livestock for example, before liberalization - a parastatal - the Cold Storage Board - was responsible for buying livestock from farmers at fixed prices, in order to supply meat for towns. This has since been replaced by private cattle traders who are not prepared to travel to areas

as far as the parastatal did, and who are perceived as taking advantage of livestock owners by buying animals at very low prices especially during times of difficulties.

In areas with poor infrastructure, agricultural marketing problems continue to be reported. Few farmers can reliably store produce to take advantage of price increases at the end of the marketing season. In areas of high rainfall, marketing agents (even where they have been provided with cash to purchase agricultural products) prefer to barter, offering second hand clothes and other basic commodities because the terms of trade are set by the traders. This system denies farmers liquid cash to buy other goods and services such as health care and education.

Under these circumstances, some farmers have proposed that farmers groups or fair trade associations be established to allow for collective bargaining and to create a greater degree of

parity between producers and buyers. Many have also proposed that the Department of Agriculture should once again intervene in the market on behalf of farmers, or provide an environment where farmer-controlled fair trade associations are empowered to bargain for better prices of their products. The prevailing scenario leaves the producer open for exploitation. Thereby increasing their levels of poverty despite their hard work.

After the initial shock of liberalization, private trading companies with interests in a particular cash crop like cotton or tobacco have in some areas filled the gap left by parastatals and Co-operatives. These private companies often provide credit for inputs, as well as buying agricultural products. Liberalisation of the credit market has also resulted in the entry of new agencies that sub-contract operational duties to credit co-coordinators with power to negotiate with farmers on an individual basis.

The conditions attached to agricultural loans have become more stringent. These may include the requirements for the farmer to be debt free, to pay a deposit in advance, to cultivate more than one hectare of land. Other conditions involve to assign property as collateral, to repay in full by a particular date, to pay registration fees or to be subject to an interest rate of between 20 and 35%. Further constraints may lie in the likelihood that loans are not in the form of seed and that only maize production is financed. These conditions work against the more vulnerable households that are most in need of credit.

There is a very high credit default rate in Zambia. Some reasons for this situation are that credit repayments result in not producing a surplus because of drought, late supply of inputs, lack of buyers for surplus, or not receiving payment for crops. There are, however, some farmers who default because they take multiple loans from different

credit organisations while other farmers default because they had, in the first instance, no intention of paying back the loan.

### **Questions for Discussion:**

- i) How have you and other farmers responded to the changes in marketing arrangement taking place in your community?
- ii) Do you see any opportunities to increase your production as a result of the changes in marketing systems?
- iii) What do you think producers must do to reduce the problems of access to credit markets and reduce exploitation from traders?

## 8 Who can help a Poor Farmer?

What we have described above is rather frightening! What can be done? What should be done? Indeed, something can be done and must be done to assist the small-scale farmer. Apart from Government institutions such as the Ministry of Agriculture and Cooperatives and the Food Reserve Agency, there are a number of other organisations that are devoted to assisting the small-scale poor farmers. Some of these organisations are listed below.

### **Organisation Development and Community Management Trust (ODCMT)**

ODCMT is a grassroots NGO promoting sound environmental and ethical social practices for sustainable development. It is promoting corporate responsibility and policy change for the benefit of commodity producers. ODCMT has embarked on a two-year development and advocacy programme focusing on trade, investment and the use of pesticides.

The general thrust of this programme is to eliminate poverty, hunger and unemployment. Its main objectives are:

- Promoting environmentally sustainable and socially ethical practices in farming and processing of cotton by working directly with communities as well as influencing policies;
- Promoting wise use of the land as a resource and conservation of the natural environment;
- Enhancing as well as stabilizing the level of income of small scale cotton producers by encouraging and promoting village based business centers, managed and controlled by communities which provide them better access to enhanced bargaining power in and control over markets;
- Enhancing organisation development and building capacity and confidence of small scale producers/ community leaders so that



good trade policy and timely agriculture input assistance will erase misery and cause every small scale farmer happy.

they can claim fair prices, their labour rights and improved working conditions through collective action and advocacy; The Programme Against Malnutrition (PAM)

**Programme Against Malnutrition (PAM)** is a Zambian non- profit relief and development organisation with approximately 80 NGOs around the country which historically has specialised in providing relief assistance during periods of drought.

PAM's basic aims are to ensure household food security, respond to food related disasters, and contributes to economic development of marginalized areas of Zambia.

PAM has an operational training programme directed to educational institutions, NGOs and government services.

PAM has made the strategic decision to further promote agribusiness development and entrepreneurship training among the smallholder producers.

## **Zambia Trade Network (ZTN)**

The Zambia Trade Network has been formed by interested individuals and institutions to push forward the agenda of discussing trade and trade policy. The ZTN is anchored at KEPA Zambia who facilitates its work as a secretariat.

The ZTN is composed of representatives and partners from Zambia Association for Research and development (ZARD), Friedrich Ebert Stiftung (FES), KEPA, MS-Zambia, Catholic Commission for Justice Peace and Development (CCJDP), CONASA, Consumer Unity Trust - Africa Resource Centre (CUTS-ARC), Zambia Consumer Association (ZACA), Organisation Development and Community Management Trust (ODCMT). The main thrust of the ZTN work programme is

- a) Trade research
- b) Trade policy advocacy and
- c) Trade capacity building.

## **AFRICARE**

AFRICARE has widely promoted the out-grower organisations for sunflower and it has supplied seed for the rural enterprises using Africare oil presses.

There has been a growing market in Zambia for processing sunflower seeds.

This is due to the operational problems of the then central parastatal processors and the still limited capacity of the small scale-expressers.

Thus most of the cooking oil in Zambia is imported. Local research from the research branch of the Department of Agriculture has shown that with timely planting and weed control (which have been very successful with the AFRICARE out-grower organisations) average sunflower yields and oil content is very high.

## **Co-operative League of the United States of America (CLUSA)**

The Co-operative League of the United States of America (CLUSA) works with farmer groups in Monze, Mazabuka,

Chibombo and Mumbwa and other districts. Their activities include organizing groups, provision of extensive activity-related training and agricultural extension;

CLUSA also sources and distributes inputs on loan through a financial organization; and by securing a market for the produce. The programme covers about 8,000 farmers in the four districts mentioned above.

### **Credit Unions and Savings Association (CUSA)**

The Credit Unions and Savings Association (CUSA) has been restructured. The CUSA co-operatives at the grassroots have now formed Provincial Federations in their respective Provinces, whose role is to mobilize savings, control and run central finances for loans.

The Provincial Federations form the apex organization whose role is to provide audit, financial and human resource services to CUSA's co-operative societies at grassroots level and to Provincial Federations.

CUSA aims to monetize the rural sector by mobilizing idle money in rural areas where banks do not operate. These funds can then be used for economic development.

### **The Swedish Co-operative Centre (SCC)**

The Swedish Co-operative Centre (SCC) was founded in 1958 as a non-profit organization.

The SCC offers support to people who want to develop on a self-help basis and its target groups are the under privileged people – both women and men – who are members of co-operatives, farmers' unions and informal self helping groups in developing countries.

The SCC's development objective in Zambia is to contribute to the improvement of living standards of small-scale farmers who do not have the means but have the potential to develop their farming organisations.

## 9 What is the Way Forward?

Globalization is taking root not only in Zambia but the world over. Supporters of globalization see a lot of potential and benefits in poverty reduction as poor producers are integrated in the world economy.

But for many years, the poor have been part of the world economy. They have supplied labour to mining companies and farms for the production of raw materials for export to developed countries.

However, the situation of the poor has, throughout these years not changed for the

better. So now is time for the poor, through individual efforts or collective action, to take issues of development in their own hands.

This trade manual shows that although there are problems to be faced, it is possible, and indeed necessary, for the poor to fight for their rights.

It is important to remember that the world will not wait for anyone. So if everyone can act and get involved, this can make a difference. We must, therefore, be active locally, regionally and internationally. The ball is in your court!



Collective action and awareness of trade regulations yields better results and leaves everyone happy.