Business as Usual is Not an Option: Trade and Markets

Underinvestment in developing coun-
try agriculture—including in local and re-
gional market infrastructure, agricul-
ture and related production and mar-
tation and services—has weakened the small-
scale farm sector in many coun-
tries. Trade liberalization that opened de-
veloping country markets to inter-
national competition too quickly or too ex-
tensively, further undermined the ru-
sional and rural livelihoods. Many coun-
tries have been left with weakened na-
tional food production capacity, mak-
ing the rural sector more vulnerable to interna-
tional food price and supply volatility and redu-
cing food security.

Developments in agriculture over the last fifty years have increased yields sufficiently to provide enough food for every person on the planet. Yet approxi-
ately 850 million people around the world are not able to obtain enough food to lead healthy and pro-
ductive lives. The recent volatility in food supply and price, which led to food riots in the summer of 2008, has placed some 100 million additional people at risk of food insecurity. Ongoing energy, financial and climatic crises make it likely that food price volatility will persist in the future. Enhancing national food production capacity will help countries better with-
stand international food price shocks.

Over 70% of the world’s poor in developing coun-
tries live in rural areas and are directly or indirectly dependent on agriculture for their livelihoods. Histori-
cally, agricultural sector development and rising farm incomes have driven increased economic de-
velopment across other sectors of the economy. A sharp decline in the overall rate of growth in ag-
icultural research and development investment in developing countries since the late 1980s, espe-
cially in sub-Saharan Africa, has limited agricultural technology development targeted to local needs. This decline has also impeded the development of local and regional market infrastructure (from roads to information technologies) that could benefit the rural sector and enable agriculture to better fulfill its role as an engine of development. Developing economies often suffer when they open up to international trade before basic institutions and
rules that permit flexibility on national agricul-
tural and trade policy on the grounds of food security, farmers’ livelihoods and rural develop-
ment.

• Generalizing the principle of non-reciprocal market access, i.e. that industrialized countries and wealthier developing countries should grant non-reciprocal access to countries that are less developed, and allow different levels of inclusion in the international trading system based on the level of development of a country.

• Facilitating adequate remuneration and a minimum level of price stability for the small-
scale farm sector in developing countries to encourage investment in increased production and improved agricultural and environmental practices. Policy options include regulation of middlemen and a renewed direct role for gov-
ernment in providing credit and marketing op-
portunities for the small-scale sector. For some lower income countries, the only available pol-
cy tools to help provide adequate remuneration and price stability may be tariffs as embraced by the Doha framework agreement.

• Integrating development requirements into in-
tellectual property regimes.

• Removing trade barriers for products in which developing countries have a comparative ad-
vantage, and providing deeper preferential ac-
cess to markets for least developed countries.

• Eliminating or reducing tariff escalation on pro-
cessed agricultural products to encourage in-
vestment in local, value-added processing in
processed agricultural products to encourage in-

• Supporting the development of fair trade and certified organic agriculture to offer alternative trading channels to mainstream commodity markets that can help improve the social and environmental performance of agriculture, and provide more favorable and stable returns to farmers and agricultural workers.

• Supporting the development of fair trade and certified organic agriculture to offer alternative trading channels to mainstream commodity markets that can help improve the social and environmental performance of agriculture, and provide more favorable and stable returns to farmers and agricultural workers.

• Implementing programs to provide payments and rewards for environmental services and promote adoption of sustainable agricultural practices such as low-input production, conser-

vative tillage, watershed management, agro-
forestry practices and carbon sequestration.

The International Assessment of Ag-
gricultural Knowledge, Science and Technology For Development (IAASTD) provides information on how agricultural knowl-
dge, science and technology can be used to re-
duce hunger and poverty, improve rural livelihoods and human health, and facilitate equitable envi-
ronmentally, socially and economically sustainable development. The full set of IAASTD reports in-
cludes a Global and five sub-Global reports and their respective summaries for Decision makers as well as a Synthesis Report, including an Executive Summary. The reports were accepted at an inter-

governmental Plenary in Johannesburg in April 2008.

The assessment was sponsored by the United Na-
tions, the World Bank and the Global Environment Facility (GEF). Five UN agencies were involved: the Food and Agriculture Organization (FAO), the UN Development Programme (UNDP), the UN En-
vironment Programme (UNEP), the UN Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO).

IAASTD Issues in Brief are taken directly from the IAASTD Reports published in 2008 by Island Press.

For more information on IAASTD, please see www.agassessment.org; to order go to www.islandpress.org/iaastd.
infrastructure are in place, as large-scale imports out-compete small-scale producers in the domestic market. This situation undermines the livelihoods of many small-scale producers, and without these markets, many small-scale producers are unable to access new international market opportunities.

More Equitable Trade Policy
Reforming the international trading system to make it more equitable will enable agriculture to contribute more to sustainable and development goals, especially the goal of reducing poverty.

International trade in agricultural products offers some opportunities for developing countries to benefit from larger-scale production for global markets; acquire some commodities cheaper than would be possible through domestic production; and gain access to AKST that is not available domestically. However, current trade regimes have major distributive consequences. Among the many developing countries, many have not been favorable for countries at an earlier stage of industrialization or for small-scale farmers and rural livelihoods in general.

Policy Flexibility
For many developing countries, sustainable food security depends on national food production. These countries would benefit from policy flexibility in agricultural decision-making, paired with significantly increased international support and investment. This flexibility would allow for increased domestic production for national food security, which would buffer the devastating impact of global price volatility on their populations. It is especially important to ensure policy flexibility so that countries may maintain remunerative prices for crops that are important to food security and rural livelihoods.

Flexibility to allow developing countries to designate “special products,” i.e., commodities that are critical to food security and livelihoods and for which agreed tariff reductions will not be fully applied, giving developing countries an important tool to protect small-scale producers from import competition until enhanced AKST infrastructure and institutional capacity are in place to allow the sector to market internationally competitively. Similarly, the special safeguard mechanism designed to counter adverse effects of price reductions resulting from import surges, is an important trade-policy tool for avoiding possible damage to domestic productive capacity.

Non-reciprocal access is another important approach that could help developing countries, and it has historically been part of the international trading system, whether between metropolitan countries and colonies, or between the US and Europe and Japan during the 1950s reconstructions. In many cases, there are many such non-reciprocal arrangements, e.g., between the US and many sub-Saharan African countries in the African Growth Opportunity Act and the European Union’s Everything But Arms Act. To further development and sustainability goals such non-reciprocal access should be systematized and made part of the international trading system.

Developing countries need to be able to link the pace of market opening with the pacing at which they can reallocate surplus labor from agriculture to manufacturing or services, as has been done by a number of Asian countries. Forcing developing countries to open their economies before such transition capacities can only continue to put the livelihoods of small-scale producers at risk.

Improving Market Opportunities for the Small-Scale Farm Sector
Investment in developing country agriculture has focused largely on export crops to generate foreign exchange, forcing countries to rely on continued low international food prices to meet national food demand. Although the IAASTD was approved by governments before the recent round of food price volatility, the report prefigured the emerging consensus that trade and market strategies must be broadened and made more equitable to provide greater food security for developing countries.

There has been insufficient investment attention to the needs of the small-scale farm sector, e.g., investment in AKST focused on local food staples, local and regional market infrastructure, post-harvest facilities, local value-added processing, and harvest facilities, local value-added processing, and marketing and information services. Opening markets without investing in new opportunities for the small-scale farm sector has had a negative effect on the livelihoods of producers in many small-scale producing countries. Examples are diverse, including increased exports of non-traditional forest products from unnegligible commons, leading to a rapid depletion of the resources; sales of basic grains on the international market at below the cost of production; and loss of local processing and marketing arrangements under the influence of large-scale producers in Africa, while local producers are unable to compete because of poor infrastructure; and an emphasis on infrastructure development for export to the international market at the expense of local market feeder roads, postharvest facilities and regional market integration.

Value Chains and IPRs
Trade, investment, production, and marketing are linked in global value chains. Developed country firms dominate processing and marketing, and thus capture a larger share of the overall value added in processed agricultural products. More value is captured in the processing, packaging and marketing of agricultural products than in the raw material production. The elimination of tariff and non-tariff protection for processed products could enable developing country firms and small-scale producers to move up the chain and increase their share of the overall value added in a commodity.

For such movement up the value chain, intellectual property rights (IPRs) systems also need to be tailored to the development needs of each country. The World Trade Organization (WTO) Trade Related Intellectual Property Rights (TRIPs) recognizes that there can be a need for autarkic intellectual property protection. The benefits received from freely sharing data and information are restricted by patenting. Strong IPRs that provide financial incentives for innovation also increasingly undermine knowledge generation and prevent change. For developing countries there is a need to put in place systems that promote the generation, diffusion and local adaptation of data, information and technologies.

Payments and Rewards for Environmental Services
Modern agriculture generates large environmental externalities, including accelerated loss of biodiversity and ecosystem services, as well as high energy consumption and pollution. Policy options for consideration include:

- Ensuring sufficient policy flexibility in trade regimes for developing countries so that they may reap agriculture’s potential to drive development. Differences in tradition, history, context and resource endowments argue for Adequate pricing of such negative externalities would also help drive research in the direction of reducing their production. For instance, livestock systems that reduce methane gas emissions or rice cultivation that reduces the need for flooding in rice fields, could contribute to mitigating climate change.

One option to reduce the environmental footprint of agriculture is to provide incentives for sustainable practices in the development of rewards and payments for agro-environmental services, including the development of agri-environmental Services (PES) should be designed to generate stable revenue flows for local communities and farmers, thus improving rural livelihoods as well as helping to ensure long-term ecosystem sustainability.

Agriculture could increase its contribution to climate mitigation, for example, if a number of the positive externalities were also rewarded or paid for as environmental services. For instance, deforestation reforestation can increase the livelihoods of small-scale farmers and forest dwellers (among the poorest people on the planet) and reduce their need to extract income by transforming forest into agricultural lands. Similarly, payments to those who live upstream for improved water quality could also contribute to arresting the deterioration of water quality.

The Way Forward: Policy Options
Trade and market policy reforms aimed at creating a more equitable trading system and improving market opportunities for small-scale farmers can make a significant contribution to the alleviation of poverty and hunger. These include:

- Ensuring sufficient policy flexibility in trade regimes for developing countries so that they may reap agriculture’s potential to drive development. Differences in tradition, history, context and resource endowments argue for...
infrastructure are in place, as large-scale imports out-compete small-scale producers in the domestic market. This situation undermines the livelihoods of many small-scale producers, and within many cases, have not been favorable for countries at an earlier stage of industrialization or for small-scale farmers and rural livelihoods in general.

Policy Flexibility
For many developing countries, sustainable food security depends on national food production. These countries would benefit from policy flexibility in agricultural decision-making, paired with significantly increased international support and investment. This flexibility would allow for increased domestic production for national food security, which would buffer the devastating impact of global price volatility on their populations. It is especially important to ensure policy flexibility so that countries may maintain their populations. It is especially important to ensure policy flexibility so that countries may maintain their food security and livelihoods and for which agreed tariff reductions will not be fully applied, giving developing countries an important tool to protect small-scale producers from import competition until enhanced AKST infrastructure and institutional capacity are in place to allow the sector to compete on the international market. This situation undermines the livelihoods of producers in many countries. Examples are diverse, including increased exports of non-timber forest products from unmanaged commons, leading to a rapid depletion of the resources; sales of basic grains on the international market at below the cost of production; and the imports of dressed chickens into sub-Saharan Africa, while local producers are unable to compete because of poor infrastructure; and an emphasis on infrastructure development for export to the international market at the expense of local market feeder systems, postharvest facilities, and regional market integration.

Non-reciprocal access is another important approach that could help developing countries, and it has historically been part of the international trading system, whether between metropolitan countries and colonies, or between the US and Europe and Japan during the 1950s reconstruction. Today there are many such non-reciprocal arrangements, e.g., between the US and many small-Sahanian African countries in the African Growth Opportunity Act and the European Union’s Everything But Arms Act. To further develop and sustainability goals such non-reciprocal access should be systematized and made part of the international trading system.

Developing countries need to be able to link the pace of market opening with the pacing at which they can restructure surplus labor from agriculture to manufacturing or services, as has been done by a number of Asian countries. Forcing developing countries to open their economies beyond such transition capacities would only continue to put the livelihoods of small-scale producers at risk.

Improving Market Opportunities for the Small-Scale Farm Sector
Investment in developing country agriculture has focused largely on export crops to generate foreign exchange, forcing countries to rely on continued low international food prices to meet national food demand. Although the IAASTD was agreed by governments before the recent round of food price volatility, the report presaged the emerging consensus that trade and market strategies must be approved and made more equitable to provide greater food security for developing countries.

There has been insufficient investment targeted at the needs of the small-scale farm sector, e.g., investment in AKST focused on local food staple production and local and regional market infrastructure, postharvest facilities, local value-added processing, and marketing and information services. Opening markets without investing in new opportunities for the small-scale farm sector has had a negative effect on the livelihoods of producers in many countries. Examples are diverse, including increased exports of non-timber forest products from unmanaged commons, leading to a rapid depletion of the resources; sales of basic grains on the international market at below the cost of production; and the imports of dressed chickens into sub-Saharan Africa, while local producers are unable to compete because of poor infrastructure; and an emphasis on infrastructure development for export to the international market at the expense of local market feeder systems, postharvest facilities and regional market integration.

Value Chains and IPRs
Today, the benefits of production, processing and marketing are linked in global value chains. Developed country firms dominate processing and marketing, and thus capture a larger share of the overall value added in processed agricultural products. More value is captured in the processing, packaging and marketing of agricultural products than in the raw material products. The elimination of tariff protection for processed products could enable developing country firms and small-scale producers to move up the chain and increase their share of the overall value added in a commodity.

For such movement up the value chain, intellectual property rights (IPR) systems also need to be tailored to the development needs of each country. The World Trade Organization’s Trade Related Aspects of Intellectual Property Rights (TRIPS) recognizes that there can be a need for country-specific IPR protection. For developing countries there is a need to put in place systems that promote the generation, diffusion and local adaptation of data, information and technologies.

Payments and Rewards for Environmental Services
Modern agriculture generates large environmental externalities, including accelerated loss of biodiversity and ecosystem services, as those that are important to food security and rural livelihoods.

Payments and Rewards for Environmental Services
Modern agriculture generates large environmental externalities, including accelerated loss of biodiversity and ecosystem services, as those that are important to food security and rural livelihoods.

Adequate pricing of such negative externalities would also help drive research in the direction of reducing their production. For instance, livestock systems that reduce methane gas emissions or rice cultivation that reduces the need for flooding in rice fields, could contribute to mitigating climate change. One option to reduce the environmental footprint of agriculture is for trade regimes and incentives for sustainable practices in the development of rewards and payments for agro-environmental services, including the extension of carbon financing. Payment for Environmental Services (PES) should be designed to generate stable revenue flows for local communities and farmers, thus improving rural livelihoods as well as helping to ensure long-term ecosystem sustainability.

Agriculture could increase its contribution to climate mitigation, for example, if a number of the positive externalities were also rewarded or paid for as environmental services. Such a contract could improve the livelihoods of small-scale farmers and forest dwellers (among the poorest people on the planet) and reduce their need to extract income by transforming forest into agricultural lands. Similarly, payments to those who live upstream for improved water quality could also contribute to arresting the deterioration of water quality.

The Way Forward: Policy Options
Traditionally, trade policy reforms aimed at creating a more equitable trading system and improving market opportunities for small-scale farmers can make a significant contribution to the alleviation of poverty and hunger. Policy options for consideration include:

• Ensuring sufficient policy flexibility in trade regimes for developing countries so that they may develop agriculture’s potential to drive development. Differences in tradition, history, context and resource endowments argue for
More Equitable Trade Policy

Reforming the international trading system to make it more equitable will enable agriculture to serve more to sustainable development goals, especially the goal of reducing poverty.

International trade in agricultural products offers some opportunities for developing countries to benefit from larger scale production for global markets, acquire some commodities cheaper than would be possible through domestic production, and gain access to AKST that is not available domestically. However, current trade regimes have major distributive impacts among and within countries, which in many cases have not been favorable for countries at an earlier stage of industrialization or for small-scale farmers and rural livelihoods in general.

Policy Flexibility

For many developing countries, sustainable food security depends on national food production. These countries would benefit from policy flexibility in agricultural decision-making, paired with significantly increased international support and investment. This flexibility would allow for increased domestic production for national food security, which would buffer the devastating impact of global price volatility on their populations. It is especially important to ensure policy flexibility so that countries may maintain remunerative prices for crops that are important to food security and rural livelihoods.

Flexibility to allow developing countries to designate “special products,” i.e., commodities that are critical to food security and livelihoods and for which agreed tariff reductions will not be fully applied, giving developing countries an important tool to protect small-scale producers from import competition until enhanced AKST infrastructure and institutional capacity are in place to make the sector internationally competitive. Similarly, the special safeguard mechanism in the WTO is designed to counter supposed price swings resulting from import surges, and is an important trade policy tool to avoid losing domestic market share for food security.

Non-reciprocal market access is another important approach that could help developing countries, and it has historically been part of the international trading system, whether between metropolitan countries and colonies, or between the US and Europe and Japan during the 1950s reconstruction. Today, there are many non-reciprocal arrangements, e.g., between the US and many sub-Saharan African countries in the African Growth Opportunity Act and the European Union’s Everything But Arms Act. To further develop and sustainability goals such non-reciprocal access should be systematized and made part of the international trading system.

Developing countries need to be able to link the pace of market opening with the opening at which they can make adjustment and labor from agriculture to manufac- turing or services, as has been done by a number of Asian countries. Forcing developing countries to open their economies too soon after such transition would put them at risk.

Improving Market Opportunities for the Small-Scale Farm Sector

Investment in developing country agriculture has focused largely on export crops to generate foreign exchange, forcing countries to rely on continued low international food prices to meet national food demand. Although the IAASTD was approved by governments before the recent round of food price volatility, the report presaged the emerging consensus that trade and market strategies must be improved and made more equitable to provide greater food security for developing countries.

There has been insufficient investment targeted at the needs of the small-scale farm sector, e.g., investment in AKST focused on local food staple crops, local and regional market infrastructure, post-harvest facilities, local value-added processing, and information services. Opening markets for processed products could enable developing countries to gain some opportunities for developing countries.

Value Chains and IPs

Today, agricultural production, processing, and marketing are linked in global value chains. Developed country firms dominate processing and marketing, and thus capture a larger share of the overall value added in processed agricultural products. More value is captured in the processing, packaging and marketing of agricultural products than in the raw material processing. The elimination of tariff and non-tariff protection for processed products could enable developing country firms and small-scale producers to move up the chain and increase their share of the overall value added in a commodity.

For such movement up the value chain, intellectual property rights (IPRs) systems also need to be tailored to the development needs of each country. The World Trade Organization’s Agreement on Trade-Related Intellectual Property Rights (TRIPS) recognizes that there can be a need for a sui generis intellectual property rights. The benefits received from freely sharing data and information are restricted by patenting. Strong IPRs that provide financial incentives for innovation also increase the cost and knowledge generation for innovation change. For developing countries there is a need to put in place systems that promote the generation, diffusion and local adaptation of data, information and technologies.

Payments and Rewards for Environmental Services

Modern agriculture generates large environmental externalities, including accelerated loss of biodiversity and ecosystem services, such as those caused by transforming forest into agricultural lands. Adequate pricing of such negative externalities may maximize agriculture’s potential to drive poverty reduction and environmental sustainability. However, current market forces, in the absence of strong property rights (IPRs) systems also need to be tailored to the development needs of each country.

Payments and Rewards for Environmental Services (PES) should be designed to generate stable revenue flows for local communities and farmers, thus improving rural livelihoods as well as helping to ensure long-term ecosystem sustainability.

Agriculture could increase its contribution to climate mitigation, for example, if a number of the positive externalities were also rewarded or paid for as environmental services. PES could also move agriculture from fossil fuel based energy to renewable energy, which could also help drive research in the direction of reducing their production. For instance, livestock systems that reduce methane gas emissions or rice cultivation that reduces the need for flooding in rice fields, could contribute to mitigation climate change. One option to reduce the environmental footprint of agriculture are payments for environmental services. The development of the IPRs, payments for environmental services (PES) systems helps to drive sustainable use of ecosystem services. PES programs may include payments for carbon, payments for maintaining water quality in agricultural watersheds, or payments for maintaining and restoring the deterioration of water quality.

The Way Forward: Policy Options

Trade and market policy reforms aimed at creating a more equitable trading system and improving market opportunities for small-scale farmers can make a significant contribution to the alleviation of poverty and environmental sustainability. The following options could be considered:

- Ensuring sufficient policy flexibility in trade regimes for developing countries so that they may maximize agriculture’s potential to drive development. Differences in tradition, history, context and resource endowments argue for
rules that permit flexibility on national agricul- tural and trade policy on the grounds of food security, farmers’ livelihoods and rural develop- ment.

- Generalizing the principle of non-reciprocal market access, i.e. that industrialized countries and wealthier developing countries should grant non-reciprocal access to countries that are less developed, and allow different levels of inclusion in the international trading system based on the level of development of a country.

- Facilitating adequate remuneration and a minimum level of price stability for the small-scale farm sector in developing countries to encourage investment in increased production and improved agricultural and environmental practices. Policy options include regulation of middlemen and a renewed direct role for govern- ment in providing credit and marketing oppor- tunities for the small-scale sector. For some lower income countries, the only available poli- cy tools to help provide adequate remuneration and price stability may be tariffs as embraced by the Doha framework agreement.

- Integrating development requirements into in- tellectual property regimes.

- Removing trade barriers for products in which developing countries have a comparative ad- vantage, and providing deeper preferential ac- cess to markets for least developed countries.

- Eliminating or reducing tariff escalation on pro- cessed agricultural products to encourage in- vestment in increased production and improved agricultural and environmental practices. Policy options include regulation of middlemen and a renewed direct role for government in providing credit and marketing opportunities for the small-scale sector. For some lower income countries, the only available policy tools to help provide adequate remuneration and price stability may be tariffs as embraced by the Doha framework agreement.

- Integrating development requirements into intellectual property regimes.

- Removing trade barriers for products in which developing countries have a comparative ad- vantage, and providing deeper preferential ac- cess to markets for least developed countries.

- Eliminating or reducing tariff escalation on pro- cessed agricultural products to encourage in- vestment in increased production and improved agricultural and environmental practices. Policy options include regulation of middlemen and a renewed direct role for government in providing credit and marketing opportunities for the small-scale sector. For some lower income countries, the only available policy tools to help provide adequate remuneration and price stability may be tariffs as embraced by the Doha framework agreement.

- Implementing programs to provide payments and rewards for environmental services and promote adoption of sustainable agricultural practices such as low-input production, conser- vation tillage, watershed management, agro- forestry practices and carbon sequestration.

Underinvestment in developing coun- try agriculture—including in local and regional market infrastructure, technology development and production capacity—will help countries to better withstand price volatility and reducing food security.

Developments in agriculture over the last fifty years have increased yields sufficiently to provide enough food for every person on the planet. Yet approxi- mately 850 million people around the world are not able to obtain enough food to lead healthy and pro- ductive lives. The recent volatility in food supply and price, which led to food riots in the summer of 2008, has displaced some 100 million additional people at risk of food insecurity. Ongoing energy, financial and climate crises make it likely that food price volatility will persist in the future. Enhancing national food production capacity will help countries to better withstand international food price shocks.

Over 70% of the world’s poor in developing coun- tries live in rural areas and are directly or indirectly dependent on agriculture for their livelihoods. Histori- cally, agricultural sector development and rising farm incomes have driven increased economic de- velopment across other sectors of the economy. A sharp decline in the overall rate of growth in agric- cultural research and development investment in developing countries since the late 1980s, espe- cially in sub-Saharan Africa, has limited agricultural technology development targeted to local needs. This decline has also hampered the development of local and regional market infrastructure (from roads to information technologies) that could benefit the rural sector and enable agriculture to better ful- fill its role as an engine of development.

Developing economies often suffer when they open up to international trade before basic institutions and
rules that permit flexibility on national agricul-
tural and trade policy on the grounds of food
security, farmers’ livelihoods and rural develop-
ment.
• Generalizing the principle of non-reciprocal
market access, i.e. that industrialized countries
should grant non-reciprocal access to countries
that are less developed, and allow different levels
of inclusion in the international trading system
based on the level of development of a country.
• Facilitating adequate remuneration and a
minimum level of price stability for the small-
scale farmer in developing countries to
encourage investment in increased production
and improved agricultural and environmental
practices. Policy options include regulation of
mid-levels and a renewed direct role for gov-
ernment in providing credit and marketing op-
tonality for the small-scale sector. For some
lower income countries, the only available poli-
cy tools to help provide adequate remuneration
and price stability may be tariffs as embraced
by the Doha framework agreement.
• Integrating development requirements into in-
tellectual property regimes.
• Removing trade barriers for products in which
developing countries have a comparative ad-
vantage, and providing deeper preferential ac-
ticipation in the international trading system
such as low-input production, conser-
vative tillage, watershed management, agro-
forestry practices and carbon sequestration.

The International Assessment of Ag-
ricultural Knowledge, Science and
Technology For Development (IAASTD)
provides information on how agricultural knowl-
edge, science and technology can be used to re-
duce hunger and poverty, improve rural livelihoods
and human health, and facilitate equitable envi-
ronmentally, socially and economically sustainable
development. The full set of IAASTD reports
includes a Global and five sub-global reports and
their respective summaries for Decision makers as
well as a Syntheses Report, including an Executive
Summary. The reports were accepted at an Inter-
governmental Plenary in Johannesburg in April
2008.

The assessment was sponsored by the United Na-
tions, the World Bank and the Global Environment
Facility (GEF). Five UN agencies were involved: the
Food and Agriculture Organization (FAO), the
UN Development Programme (UNDP), the UN Envi-
ronmental Programme (UNEP), the UN Educational,
Scientific and Cultural Organization (UNESCO) and
the World Health Organization (WHO).

IAASTD issues in Brief are taken directly from the
IAASTD Reports published in 2008 by Island Press.

Underinvestment in developing coun-
try agriculture—including in local and
regional market infrastructure, produc-
tion and services—has weakened the
small-scale farm sector in many coun-
tries. Trade liberalization that opened
developing country markets to inter-
national competition too quickly or too ex-
tensively, further undermined the rur-
al sector and rural livelihoods. Many
countries have been left with weakened
national food production capacity, mak-
ing them more vulnerable to interna-
tional food price and supply volatility
and reducing food security.

Developments in agriculture over the last fifty years
have increased yields sufficiently to provide enough
food for every person on the planet. Yet approx-
imately 850 million people around the world are not
able to obtain enough food to lead healthy and pro-
ductive lives. The recent volatility in food supply and
price, which led to food riots in the summer of 2008,
has placed some 100 million additional people at
risk of food insecurity. Ongoing energy, financial and
climate crises make it likely that food price volatil-
ity will persist in the future. Enhancing national food
production capacity will help countries better with-
stand international food price shocks.

Over 70% of the world’s poor in developing coun-
tries live in rural areas and are directly or indirectly
dependent on agriculture for their livelihoods. Histori-
cally, agricultural sector development and rising
farm incomes have driven increased economic de-
velopment across other sectors of the economy.

A sharp decline in the overall rate of growth in ag-
ricultural research and development investment in
developing countries since the late 1980s, espe-
cially in sub-Saharan Africa, has limited agricultural
technology development targeted to local needs.
This decline has also hampered the development of
local and regional market infrastructure (from roads
to information technologies) that could benefit the rural sector and enable agriculture to better fulfill its role as an engine of development.

Developing economies often suffer when they open up to international trade before basic institutions and

For more information on IAASTD, please see www.agassessment.org;
to order go to www.islandpress.org/iaastd.

Business as Usual is Not an Option: Trade and Markets

Issues in Brief

Source FAO/Giulio Napolitano

For more information on IAASTD, please see www.agassessment.org;
to order go to www.islandpress.org/iaastd.

Business as Usual is Not an Option: Trade and Markets

Issues in Brief

Source FAO/Giulio Napolitano

For more information on IAASTD, please see www.agassessment.org;
to order go to www.islandpress.org/iaastd.

Business as Usual is Not an Option: Trade and Markets

Issues in Brief

Source FAO/Giulio Napolitano

For more information on IAASTD, please see www.agassessment.org;
to order go to www.islandpress.org/iaastd.