

To: Cyril Ramaphosa, President of South Africa

From: TC Stephens, Head of Harvests

Re: The Markets Must Grow Like the Farms; Agriculture and the WTO

Hello Mr. President

My name is TC Stephens, and I am the Herald of Harvests from the Ministry of Agriculture, Land Reform and Rural Development. I would like to brief you on the essential function of the WTO in the advancement of equity in the agricultural sector across the world. South Africa's commitments to equity and high quality of life implores the ministry to address the current inequalities within our country and acknowledge those faced by developing countries. When agriculture is the topic of discussion, food security is also the topic of discussion. Markets must stay open in the agricultural sector to ensure that all countries can export the items that they produce, and their citizens have access to diverse nutrition options in the global market. The WTO assists developing countries in raising trade disputes and holding major powers accountable to trade agreements (WTO, 2023). It is not, however, a perfect institution. The WTO and institutions like it that promote liberal views on trade frequently exacerbate major class inequalities that exist throughout the world, especially in South Africa. Therefore, these institutions can only realize the furtherment of equity in agricultural sectors while actively accounting for their contributions to class inequalities.

When developing policy, the Ministry of Agriculture, Land Reform, and Rural Development believes the most important actors are markets, institutions, and classes. Agriculture is a very region-specific sector where trade must flow freely and easily to ensure global food security and diverse diets. Food security and equitable development are the focus of the ministry's viewpoint, and we believe these goals can be accomplished through institutions

like the WTO. Not only should food materials be traded freely, but agricultural technologies and skill sharing should be as well. These liberal ideas have deep roots. Adam Smith advises “never to attempt to make at home what it will cost him more to make than to buy” (Smith, 1910). South Africa and developing countries must follow this principle as they create trade policy within their agricultural sectors. It is especially important to keep these ideas in mind as climate change continues to take hold on the world. Within those countries, poor farming communities will “face an instantaneous risk of crop failure and loss of livestock” (Mugambiwa, 2017). Cooperation is the only option in the future of the world, yet, unfortunately, major inequalities have historically come along with it. These inequalities are clearly seen in our country of South Africa, where, despite rapid economic growth, we are the most unequal country in the world with a gini coefficient of 63 (The World Factbook, 2023). Thus, it is essential to combine a framework of free trade with slight interventions to accommodate for the class inequalities that arise in many countries as they develop. We need to set a positive example for other developing countries, especially those in Africa, who will follow our example in development. The WTO is frequently used by South Africa, and it is a great institution to help developing countries express their grievances and ensure that they do not get taken advantage of by developed countries. It provides a “guarantee of trust among member states” (Makokera, 2020) which leads to a more open trade network. The WTO in its current state, however, does not account for claims that like those of the Stolper-Samuelson theory, which states that “trade creates absolute losses for a segment of society” (Rodrik, 2021). It appears that trade liberalization always makes class inequalities larger. However, under our ministry’s framework, these inequalities are recognized and “need not [be] aggravate[d] ... if the beneficiaries are the less fortunate in society” (Rodrik, 2021). With a more active and mindful stance towards redistribution, the inequalities that appear as inherent

within liberal perspectives quickly turn to a mechanism for closing the gap. The Ministry urges this stance be taken in the agricultural sector so that food security is guaranteed for the entire world.

The Ministry of Agriculture, Land Reform, and Rural Development anticipates that there may be pushback to such a new trade framework. We anticipate counter arguments from the realists, other intersectional perspectives, and Marxists. The realists will disagree the strongest with our position. They do not believe the WTO helps developing countries in the agricultural sector and hold that developing countries should focus on domestic agricultural production and innovation to advance their economies and become players on the world stage. Economic development can only happen through “the power of machinery, combined with the perfection of transport facilities” (List, 2000) in their eyes. Developing countries should create “industrial policy ... to bolster the development and growth of their economies” (Aggarwal, 2021). They do not trust open markets and believe that only through industrial development can developing countries gain power on the global stage. The realist prescription is to focus domestically until the country in question has developed enough to have negotiating power in institutions like the WTO. While it may sound appealing, this perspective does not reflect the realities of developing countries. It is important for developing countries to industrialize to an extent, but many developing countries have historically been in dependent relationships with major powers that they cannot simply break out of. To appeal to the realists’ lust for industry, the Ministry has developed the NAMPO harvest day. This event “enables producers ... to experience the latest technology and products on offer in the farming industry” (Grainsa, 2023). It inspires developing countries to adopt the industry of the times but does so through collaboration and transparency. It

is not beneficial for developing states to cut themselves off from the rest of the world, but instead open their markets to new technologies and processes that will benefit them in the long run.

Those with an intersectional perspective will argue that our approach is beneficial in addressing class but must look to the identities and viewpoints of those producing agriculture (farmers) to ensure the success of trade in the sector. They believe that for institutions like the WTO to benefit developing countries, they must deeply understand the culture of each country. For example, for our country of South Africa they would argue that the identity of the African Farmer has not been properly examined and is not addressed in talks about agricultural trade within the WTO. They claim that “articulating who the ‘good farmer’ is – exert[s] influence” (Beumer, 2021). Those that conduct trade in the agriculture sector have an idea about what proper farming looks like, yet they rarely see the farms themselves. Their comments about farmers without understanding the proper identities and culture disadvantages both the country that trades and the farmer that produced what will be traded. With the proper identities in mind, South Africa can understand more deeply what is best for its farmers and therefore make more informed decisions about its trading patterns. The Ministry of Agriculture, Land Reform, and Rural Development does not disagree with this intersectional perspective. We believe that the identities of farmers are important, yet they typically fall into the lower class that our perspective identifies (Beumer, 2021). In accounting for class, our perspective advances the voices of farmers and informs South Africa’s trade negotiations within the WTO.

Finally, Marxists will argue that dependency is so institutionalized in trade relations that the efforts of the WTO will be futile until all countries are free from their dependencies. They will point out South Africa’s levels of inequality and claim that it comes from “when foreign capitals start to promote industrial development in dependent economies” (Cardoso, 1979).

Although South Africa has developed significantly since it was a dependent state, the impacts of dependency can still be seen through the extreme inequalities in the country. The Marxists believe that if inequality persists, dependency also persists. They do not think that the WTO has the tools to help dependent countries (which are often developing countries) because it works under a framework of dependency. Deep structural change must happen on a global scale for institutions to be effective under their view. Institutions like the WTO claim that they create a level playing field, but that is not possible under the deep-rooted structures between countries. They believe that the WTO's message of equality is important, and they can do some work to balance the scales, but dependency cannot be overwritten without significant change. The Ministry agrees that dependency can be seen across the world but does not agree that deep structural change must happen to resolve it. We believe that there has not been enough discussion about and focus on these structures in the past, and the more we talk about them and work to fix them, the more likely they are to get resolved. With added provisions to account for dependent structures, the WTO can mend the gaps that dependency has created and work in the interests of developing countries.

To summarize, the Ministry of Agriculture, Land Reform, and Rural Development believes that the WTO is very beneficial for South Africa and for developing countries in agricultural trade. It creates a sense of trust between countries and provides a forum for developing countries to negotiate trade deals with developed countries with minimal fears of being taken advantage of. The WTO is not perfect and needs to be more active in the analysis of trade deals to ensure that there are redistribution efforts that aid developing countries in development with equitable class structures. South Africa believes in institutional power to bridge the gap between developing and developed countries and used it to our advantage to

develop to the point where we are. Institutions are especially important in ensuring global food security. As climate change worsens, many countries in the Global South will see a diminishing of their agricultural sectors. They will in turn have less food for themselves and less to trade. Therefore, free trade policies and institutions are the only option to ensure longevity and development in developing countries and in South Africa.

In terms of policy actions, the Ministry of Agriculture, Land Reform, and Rural Development believes that South Africa should explore more trade options with developing countries, specifically those in Africa. At present, roughly 20% of South Africa's trade is with other countries in Africa (OEC, 2023). Our ministry believes that we should raise this number to at least 50%. Our approach advocates for an opening of trade barriers, not just with our typical trading countries, but with all countries. A solidarity must be found within Africa to combat class issues that have come about due to trade policy in the past. When developing countries worked together at the Doha negotiations, they "took concrete steps to influence the talks both in terms of the process and the content" (Clapp, 2006). There is strength in solidarity, and South Africa believes that Africa solidarity will be an extreme player on the world stage. South Africa can be the country to inspire this solidarity as one of the most developed countries in Africa. We will help uplift other African countries and boost our own economy in the meantime. There has been an unmaking of the North-South distinction as central to WTO politics" (Weinhardt, 2022) in recent years. South Africa can take advantage of this and utilize institutions to show other countries the value of trade with African countries. Combined with open trade policies, economic growth will flow to Africa, and significant portions of that growth will be put to redistributive efforts to mend our issues of class inequality.

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