

22 January 2003

**SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES:
FOOD AND LIVELIHOOD SECURITY AND RURAL DEVELOPMENT**

Specific Input by India

Food and livelihood security and rural development underpin agricultural policies in developing countries. The safeguards to address these concerns of developing countries must encompass flexibility to apply measures suited to the specific needs and situations of the agricultural sector of the developing country concerned.

The development needs of developing countries, highlighted in paragraphs 9 (fifth bullet) and 23(b) of the overview paper by the Chairman (*TN/AG/6*), emanate from features specific to their agriculture, in particular, dependence of a large proportion of the population on agriculture and related activities, the diversified nature of production, and the high incidence of poverty. The basic approach to address development needs must, therefore, serve to improve production systems, provide for opportunities to enhance income levels, reduce vulnerability to market fluctuations and enhance stability of prices of agricultural products, and ensure physical and economic access to sufficient, safe and nutritious food, through governmental support as well as appropriate protection at the border through price-based and quantity-based measures.

The adverse role played by high levels of all trade-distorting support for domestic production and for exports by developed countries can not be disregarded while assessing the requirements for appropriately addressing the food security, livelihood and rural development needs of developing countries. As protection through tariffs applied at the border declines for all products in developing countries or support for production and exports continues to be provided across a broad array of products by developed countries, it becomes inevitable to safeguard the farmers of developing countries against surge in imports.

In this scenario, any consideration of the scope or coverage of applicable safeguards can not limit itself to one or the other characteristic of the agricultural sector in developing countries, but must focus on 'enabling developing countries to effectively take note of their development needs', which span diversified production systems and diverse food and nutritional requirements and preferences. Regional aspects of agricultural production systems of large agrarian economies, including agro-climatic conditions, also militate against establishing either a list of products eligible for protection or safeguards, or limiting recourse to protection through different instrumentalities.

Moreover, determining "essentiality" among different products pre-supposes that domestic agricultural policies in developing countries are product-specific and, therefore, largely static and without regard to evolution of a competitive and dynamic agriculture. Accordingly, developing disciplines based on "essentiality" may be neither feasible nor desirable. These compulsions also militate against any formulation for tariff reductions which encompass minimum cuts on bound tariffs on a tariff-line-wise basis.

Therefore, extending the special safeguard provisions of Article 5 to all developing countries for all products, is central to safeguarding the developing countries' farmers against any surges in imports as tariffs decline at the border for them. Integral to the tariff reduction commitments, that

uphold the objective of food and livelihood security, product diversification and rural development in developing countries, is flexibility to adjust, without compensation, low tariff bindings.

A core element of food and livelihood security is physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. Appropriate protection at the border through price based and quantity based measures should be an integral part of the modalities. Products eligible for such special import measures shall include (i) food staples which account for a substantial proportion of total domestic production or total domestic consumption, (ii) products that play a vital role in the diet of low income consumers, (iii) products that are produced by a substantial number of farm households, (iv) products that are primarily produce by low-income and resource-poor farmers, and (v) products that are important for supporting livelihood in the rural areas such as the numbers of active population engaged in production of the product concerned or products where the proportion of landless agricultural labourers employed is high.
