## How the European Union is shafting the Cambodian farmers [1]

Written by Tim Worstall [2] | Sunday 14 July 2013

Apparently the actions of the European Union mean that scores of thousands of dirt poor Cambodian farmers are being thrown off their land. This could indeed be something that we could become righteously outraged about: despite the fact that the information source is <u>The Guardian</u> [3].

If you're reading this article with a cup of coffee, you should think twice before adding sugar to your brew. If it's from Cambodia, it may be tainted? not by chemical pesticides or fertiliser, but by human rights abuses. And if you're reading this in the European Union, here's something else you should know: EU trade policy is encouraging these abuses, and the European commission has yet to do anything about it.

Cambodia falls under the Everything But Arms (EBA) tier of the EU's Generalised Scheme of Preferences (GSP), which means that it? like other least-developed countries? can export sugar and a host of other products to the EU duty free. It might seem like a pretty sweet deal in theory, but it has not been so great in practice for many Cambodians. In fact, it's been a disaster. The underlying issue is a fight over land. Cambodia is in the midst of a massive land-grabbing crisis that has seen nearly 2.2m hectares taken from mostly poor farmers and given to private firms as long-term economic land concessions.

In just half of the country where the Cambodian League for the Promotion and Defence of Human Rights (Licadho) works, land-grabbing has affected at least 400,000 Cambodians since 2003. These victims are rarely, if ever, paid appropriate compensation. Sugar is among the worst sectors for land-related human rights abuses, marked by violent evictions, the use of the military against civilians, and attacks and arrests of community activists.

OK, yes, I am righteously outraged. The EU gives trade preferences to Cambodian sugar, these trade preferences lead to evictions and further impoverishment of some of the poorest people in a very poor indeed country.

The question is, what should we do about it? The suggestion in the article is that the EU should refuse those trade preferences for Cambodian sugar until there is evidence from the various NGOs that such abuses have ceased to happen. Hmm, forgive my cynicism but that sounds like a great way to embed the NGO budgets in the Brussels one.

So why not have a truly radical policy? Why don't we just abolish sugar trade preferences for everyone? Including, of course, all those sugar beet farmers within the EU who currently get vastly over the world price for their sugar. And the massive import duties imposed upon cane sugar from elsewhere that allow that sugar beet price to stay high. For if there are no import duties upon cane sugar then there will be no benefit to thowing Cambodians off their land in order to grow sugar that doesn't have to pay those import duties, will there? Cambodian sugar would be worth only the world price and that's not enough to encourage these evictions: clearly not, for the evictions didn't start until the sugar barons could get that vastly higher EU price for the Cambodian sugar.

That is, the whole problem really starts with the way that the EU makes the intra EU price of sugar some multiple of the world price. Remove that distortion and we remove the Cambodian one.

Oddly, that's not a solution that the NGOs suggest: but then I'm already sufficiently cynical to have an idea why.

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