

Linking the formal with the

informal: CIOEC-Bolivia against disincentives for peasant enterprise

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- **CIOEC** groups 80 peasant organisations with commercial activities (most of them federations):
 - commodity exporters: coffee, cocoa, brazil nuts, quinoa
 - national markets: wheat, potatoes, milk, meat, rice
 - niche markets: handicrafts, ecological amaranth, processed fruits, herbs, etc.
- **Prime objectives:** value added on primary production through processing and transformation (small agroindustries) or niche marketing (shops, certifications)



“Associations” as most common form of peasant enterprise

■ Reasons:

- Costly and lengthy procedures for formal recognition (cooperative):
- Coincides with existing organizational experiences and social control (*comunidad, trade unions*)
- Facilitates getting development grants (non-distributable capital)
- Easy book keeping (no tax on profits)

■ Disadvantages:

- Excluded from government procurement (e.g. providing for nutrition programs)
- Not recognized in export procedures
- Intertwining of commercial and social activities
- Over-taxing of value added activities and formal selling

Political context

- Protests of the *peasant territorial movement* against neo-liberal policies (blockades, indigenous uprising, etc.)
- HIPC II, National Dialogue 2000 and PRSP 2001
- IAF-DFID support for sectorwise consultations of the *peasant economic movement*
- DOG/ICCO-SNV-AGRITERRA support for refining proposals

Normal = Informal market

Lettuce from Altiplano to La Paz city market



Margin has to cover marketing costs: selección, packaging, transport, labour time

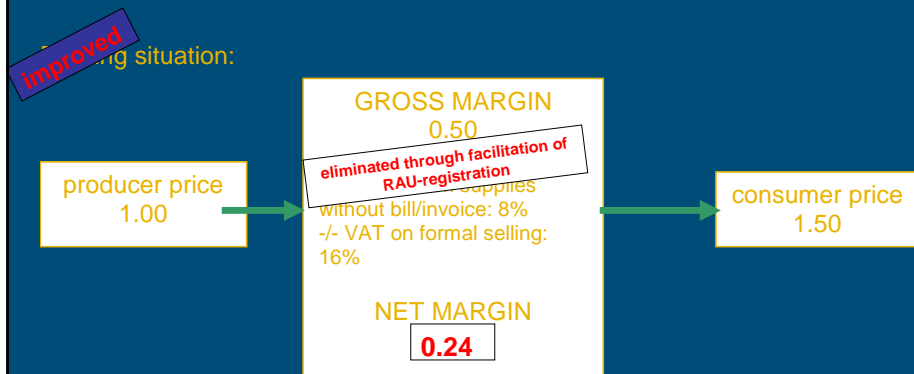
Formal selling

Existing situation:



Net margin has to cover marketing costs: selección, packaging, transport, labour time

Facilitating existing tax procedures (RAU)



Net margin has to cover marketing costs: selección, packaging, transport, labour time

CIOEC mid-term proposal



Net margin has to cover marketing costs: selección, packaging, transport, labour time

CIOEC lobby against disincentives for peasant enterprise: "La Agenda"

- Proposing alternative tax system
- Initiative law to define "peasant economic organisations" as a sector (grouping peasant economic associations, cooperatives, enterprises)
- Re-direct government spending to productive investments
- Opening up government procurement policy ("Compro Boliviano")
- Pro-active in commercial policy debate (MERCOSUR-CAN, FTA, WTO)



Political pressure and interinstitutional alliances

COALITION: THE PEASANT BLOCK

HUNGER STRIKE



HEARING IN PARLIAMENT

Lessons learned

- To **take peasant discourse seriously** and link analyses to this discourse
- **Commitment** with the organisations political identity instead of regarding it solely as being functional for reaching economic targets
- Awareness of mechanism of patronage and political struggles inside the organisation: no 'clean hands' but **optimal transparency** about ones activities and contacts
- To **gain trust** through regular and 'unhasty' presence in ongoing activities, with timely and to-the-point expert advice during (political) emergencies':



IAC activities with Producer Organisations

- **training and capacity building with WUR expertise**
 - organizing Agri-ProFocus expert meetings
 - organizing training programs in the South
 - adapting ongoing IAC-courses incorporating a PO perspective
 - building a WUR-platform for POs
- **consultancies on POs and chain development**
 - in Eastern Europe
 - in developing countries
 - increasing sustainability of Pos in contract farming (CSR)
- **creating supportive policy contexts**
 - policy advise
 - training government staff in developing countries
- **facilitating multi-stakeholder processes**
 - facilitating Public Private Partnerships
 - conflict management
- **participatory monitoring and evaluation systems**
 - M&E of Agri-ProFocus activities
 - M&E for POs



Thanks

