

Kayla Zhu  
North Farmington High School  
Farmington Hills, Michigan  
Republic of Burundi, Factor 18: International Trade

### **International Trade in the Republic of Burundi**

With the current state of food insecurity, millions of Burundian families are affected by the suffering caused by severe cases of malnutrition. Many facets continue to work against any improvements in national food security indexes. The development of restricting regional trade agreements make economic growth difficult, while expressed in the daily lives of Burundians. The country is often referred to as the hungriest in the world. Landlocked countries on average experience 6% less economic growth, as a result of high import and export prices. All of which negatively affects the Burundi agricultural sector that amounts for 90% of the total economy. In a population of 9.85 million, over half live in poverty, and 35% live unemployed. Compiled internal and external factors have forced the Burundian subsistence economy to contract by 25%, as of 2014 (Guy-Allen). Most aspects of the country are still working to recover from ethnic based civil conflict between the Tutsi minority and the Hutu majority in 1994. Political instability continues to threaten the country's infrastructure in 2015. Burundi's first democratic President, Pierre Nkurunziza's removal of the two-term limit originally outlined by the constitution has sparked protest (Burundi Country Profile – BBC News).

A male traditionally leads the average family in Burundi; however, more women and minors are becoming the heads of structured households. This can be credited towards the recent spikes in HIV and AIDS (Rural Poverty in Burundi), as well as Burundi being labeled at a very high degree of risk for other contagious diseases (Burundi – The World Factbook). Additionally, a large group of the country's men were killed during civil conflict, but the average family size remains at 4.7 (Burundi). Family life is often traditional; in rural areas a boy will likely inherit the family's land. In a country heavily reliant on subsistence farming, individuals with no entitled property are often forced into working low-wage urban jobs (The Republic of Burundi).

The diet for a Burundian family is primarily composed of various beans and roots, such as sweet potato, with cassava, bananas, and maize. Due to scarcity of animal derived protein, meat is considered a luxury only saved for special occasions (The Republic of Burundi). Of an average daily calorie intake of 1,613 kcals, only 2.4% is from any animal source (Burundi Country Profile). Consequently, a combination of multiple factors leaves approximately 58% of the total population chronically malnourished (Burundi – World Food Programme).

For the children of Burundian families, education is compulsory and free of charge. The country recently topped a report by the UN Secretary General in taking the largest steps towards universal education (Sambria). But there are still large improvements that are required for a higher enrollment in secondary education. The current literacy rate falls at 85.6% (Burundi – The World Factbook); however, it is extremely difficult to keep children in school past their primary education. In rural areas, the distribution of qualified teachers is sparse, and there are long commutes to the schools. Lack of separate sanitation facilities, early marriages, and teen pregnancies contribute to a largely female dropout rate. The dropout rate is largely male in villages near Tanzania. Across the border, there are many attractive jobs in mining operations, and other business sectors (Sambria)

Regarding health care accessibility, there is little access available to citizens living rural areas (Sambria). Statistics show that there are only 1.9 beds available per 1,000 citizens. In comparison to Burundi's health situation as a whole, this ratio is very low (Burundi – The World Factbook). Many health centers are

severely understaffed and are unaffordable for the average Burundian. In attempt to make healthcare more accessible, in 2006 the government started to offer free maternal care and free care for those under the age of 5. Hospitals were unable to service the massive influx of patients (The Republic of Burundi).

The typical farm size in Burundi is a small-scale subsistence farm struggling to recover from civil conflict (Rural Poverty in Burundi). The most commonly farmed crops include beans, bananas, sweet potatoes, cassava, maize, and sorghum as food crops, coffee, tea, and cotton as cash crops (Burundi Presentation-Economy and Business). The International Fertilizer Development Center reported 33% of total land is used for cultivated crops, while another 14% for permanent crops (Burundi-IFDC). Bananas alone make up 30% of cultivated land (Country profile – Burundi). Many Burundian farming practices, however, are becoming increasingly unsustainable. Burundi has a very high population density, at 270 inhabitants per  $\square \square^2$  and up to 400 in the densest areas. Such high densities have led to the overexploitation of land, increased use of marginal lands, and an overall decline in soil fertility (Rural Poverty in Burundi). Likewise, farms are shrinking in size, causing more people to excessively clear forests and drain wetlands (Country profile – Burundi).

Major obstacles for increasing agricultural productivity include the high pressure of over cultivation, eroded land, persisting droughts, scarcity of advanced agricultural implements and technology, limited market incentives, inadequate basic health care, education services, safe drinking water, a depleted labor force from common diseases such as malaria, and lack of economic infrastructure (Rural Poverty in Burundi). A combination of factors causes severely stagnant, declining yields. Household incomes are unlikely to increase without overly productive yields. The country is among the poorest in the world, so it is expensive for local farmers to access improved breeds of livestock, and higher levels of agricultural technology (Country profile – Burundi). It is also not feasible for individuals to seek employment in other sectors of work because of an underdeveloped manufacturing sector (Burundi – The World Factbook,” 20). For rural households, majority of the access they have to food markets and nutritional foods rely on harvest seasons. In March 2015, staple food prices declined because of high ability from the recent harvest, yet prices remained higher than global countrywide averages. Burundi food prices are up to 50% above 5-year averages in some areas. These average harvests are likely to increase food availability for most households. More economically unstable areas continue to suffer from extreme food insecurity because of their high dependency on market prices during the lean season. The recent increased political instability resulted from the President’s reelection for a third term will likely further disrupt food access for lower income homes (“Burundi – Famine Early Warning Systems Network,” 2015).

Less developed countries are sensitive to changes and flaws in international trade policy. In hopes of increasing household incomes, farmers need to produce adequate cash crops to comply with various non-tariff trade barriers. Most Burundian farmers do not have the technological capacity to meet these trading standards. Despite the primary purpose of safety import regulations set by the EU to protect its citizens, the South African Minister of Finance, Trevor Manuel claimed, “The problem is not that international trade is inherently opposed to the needs and interests of the poor, but that the rules that govern it are rigged to favor the rich.” (Mutume). Burundi’s underdeveloped manufacturing sector forces them to import majority of their manufactured goods. Manufacturing only accounts for 6% of the total GDP (Dihel). Because so many manufactured goods are necessities, families are forced to pay the price for imports; the prices are hardly affordable for the average Burundian that lives on less than \$2 US dollars per day (Country Profile – Burundi). There is little money left for families to purchase nutritious foods.

International trade is still a developing component of the Burundian economy. Burundi’s export base is narrow, only accounting for 10% of the total GDP. The dominant export is coffee; however, it negatively affects many farmers, as they choose not to diversify their crop yields. Such actions leave these farmers vulnerable to the price fluctuations of the global market. Small-scale farmers find it difficult to compete

with market trends. This is due to the little technology available, unlike countries such as Rwanda that focus production on specialty coffees. Burundi does not have the monetary resources to access much of the global market, making it difficult to attract foreign direct investments (FDIs). Properly allocated FDIs can potentially raise the average standard of living countrywide. The lack of regional trade between most sub-Saharan African countries can be attributed to extensive non-tariff trade barriers; excessive documentation, customs procedures, inefficient forms of transportation, import quotas, technical barriers, and poor infrastructure contribute to the burdensome price of exporting goods (Dihel)(Adekunle). Landlocked countries are likely to experience difficulties, such as forced customs delays when goods travel through multiple countries (Non-tariff Barriers).

Trends for international trade in Burundi are improving, though there is still need for substantial improvement. Burundi joined the Common Market for Eastern and Southern Africa (COMESA) and Eastern African Community (EAC), in order to eliminate regional non-tariff barriers, and move the economy forward. Joining organizations that facilitate trade increases market access for farmers in poverty (The Mechanisms for Reporting, Monitoring, & Eliminating Non-Tariff Barriers). Burundi is currently set to a 4.3% GDP compound for the next 5 years (Burundi). With COMESA, Burundi participates in improved regional infrastructure, in addition to access to innovative technological advancements (COMESA on track in eliminating Non-Tariff Barriers). To add on, with the EAC, the Non Tariff Barriers Act was enacted. Before the act is to take effect, the member states must individually ratify the legislation. The act is a clearly defined legal framework for the removal of NTBs, and offers the possibility of placing sanctions on the countries that refuse to comply (New Bill to Eliminate Non Tariff Barriers in East African Community (EAC)). Although the legislation addresses key points in combating NTBs, its main weakness is not being effectively time bound. Parts of the document allow for time extensions if actions against NTBs are not implemented (Nideritu).

Strengthening international trade will not only increase food security for agricultural families, but also increase their overall means of living. If the EU were to follow international pesticide standards for banana imports alone, annual African exports would increase by \$400 mn. Much of which would reach the smallholder farmers (Mutume). Greater market access would push farmers to increase their agricultural yields, and combat low labor productivity. There would also be extensive environmental benefits to increasing international trade. One of the largest issues facing Burundian farmers is the depletion of soil nutrients (Rural Poverty in Burundi). If smallholder farmers want to avoid price insecurity from the international market for a certain crop, they would be forced to diversify their harvests through practices similar to crop rotation. This would offer more financial security to farming households, and conjointly prevent a one nutrient to be continuously depleted from a plot of land (Adekunle). Development of international trade will work to alleviate countrywide poverty. If the country were to receive FDIs that resulted from a growing export base, there would be large strides in infrastructure. Increased infrastructure provides for more accessibility in education, healthcare, clean water, and welfare programs (Dihel).

Other factors that affect international trade include good governance and farm to market processes. The international community, and many citizens of Burundi are concerned about how recent government corruption and political instability will hinder the country's economic growth (Burundi Country Profile -- BBC News). After President Nkurunziza influenced parliament to completely abolish term limits, the Burundian government may have lost credibility and bargaining power. Citizens are increasingly protesting. After a failed attempt at a coup in May (Burundi Crackdown after Failed Coup against Nkurunziza - BBC News), Burundi's economic future could be uncertain. Past conflicts have ruined the entire country's infrastructure. Another possibility is that the EAC would be put in an uncomfortable position with President Nkurunziz. If the organization encouraged a push for constitutionalism, it would be a public announcement condemning that Nkurunziz is in incorrect in his actions. Burundi is dependent

on the EAC for almost all of its trade functions; a political issue would strain their relationship. It is the job of local and regional governments to provide food stability in the absence of a stable government. Both regional and state governments should work towards increasing the number of traditional markets to encourage agricultural productivity and increase food availability in individual communities. The lack of farm to market infrastructure is another external factor affecting the trading markets for Burundi. Though the EAC does not guarantee progress, it is a platform that Burundi can use to advocate management reform for ports, roads, and rails (Dihel). With the integration of stronger methods of telecommunications and Internet, the cost of transportation could even further decrease.

To properly facilitate the role of international trade in food security, we recommend a two-prong approach based off the 8<sup>th</sup> UN Millennium Development Goal, global partnership for development. It is important for Burundi to continue to work actively with COMESA and EAC to continue to combat the largest obstacle in international trade, NTBs. Burundi is currently the least integrated with the EAC. It is imperative for Burundi to continue to work with EAC to focus on further involving themselves in regional trade and policy developments (Dihel). The NBRs set by many western countries, especially those set by the EU, are unattainable for small-scale farmers until the technological capacity is developed. These policies are unlikely to be compromised and it would be more efficient to focus efforts on trading regionally. David Byrne, a Former EU Commissioner previously commented on the policies, “I fully accept that the EU sets very high food-safety standards and that these are difficult to meet, in particular for developing countries. I make no apology for these high standards”, and concluding with, “Food must conform to our very high safety standards, irrespective of its origins.” (Mutume).

A project that we feel could be scaled up successfully is the CATALIST-2 project. Its main objective is to improve the livelihoods of smallholder farmers, while promoting regional trade and business linkage to increase food security. CATALIST-2 has potential for large-scale success due to international support from the embassies of the Kingdom of the Netherlands in Burundi, Democratic republic of the Congo and Rwanda and the Swiss Agency for Development and Cooperation. The support is on the local level from farmer-based organizations, as well as on the national level. The project is being overseen by the International Fertilizer Development Center. The development of scarce resources will increase through the use of public-private partnerships. The project uses the market as the key driver for agricultural intensification, and will likely lead to 700,000 smallholder farmers in the region to increase their incomes by 50% (Catalist-2). Projects similar to CATALIST-2 are already considered larger scale when they are created. They would be more successful in the future if the organizations involved worked on developing support from local and regional governments, as it is a more efficient way to rapidly spread the fundamentals of the project.

The second part of the solution to develop international trade’s role in food security is centered on capacity building and technological advancements. The Burundian government needs to work as a coordination mechanism with private donors, NGOs, the private sector, and local communities to make large-scale improvements to infrastructure. The first step for the government is to work to strengthen the financial and private sectors. The financial sector needs to move forward, in order to comply with EAC standards. The Central Bank of Burundi should take steps to develop capacity to offer more loans to small and medium sized startups, especially in rural areas (Dihel). The development of more private sector businesses, such as agro-industries and consulting, will build a more inviting business structure for international corporations, while adding value to produce (Agricultural Mechanization in Africa). A country in a similar agricultural situation as Burundi, Kenya also has 80% of the stakeholders participating in small-scale local agriculture; therefore, making it difficult for their farmers to access high costing technologies, as well. There is no single solution for farmers in Africa, but different innovative startups have improved the livelihoods of Kenyan farmers. Small chains have started to offer fertilizers, hybrid seeds, and micro-drip irrigation systems. The insurance initiative, Kilimo Salama launched

multiple weather stations across the country with subscriptions available to local farms (Kalan). Kenya has established largely accessible technologies. Burundians need to adapt such low costing technologies similar to Kenya to compete in the global market.

In order to facilitate trade for small-scale farmers, the government must also work with donors and NGOs to establish a stronger educational footing in rural areas. One of the top priorities would be to fund small projects, such as constructing separate sanitation facilities in schools. By increasing the rate of educated girls in the agricultural and business work force, there will be a larger driving force for overall productivity. With proper funding, the government will be able to develop large-scale English teaching programs to help farmers adapt to the international business environment associated with exporting, and implement programs that teach farmers new developments in sustainable farming. If agricultural programs were set up in key communities, practices would likely diffuse to different regions of the country through word of mouth. Such diffusion is possible because of Burundi's primarily traditional based society.

The issue of food security is a prominent issue in less developed countries suffering from extreme poverty. The Burundian economy is still problematic, and it has direct correlation to the country's food insecurity. Other sectors outside of agricultural, such as manufacturing, are almost non-existent. The cost of all the imported manufactured items leaves little income left affording increasingly high food prices, most of which are not affordable for agricultural based Burundians. Smallholder farmers hardly have access to the technological or monetary resources necessary to increase their incomes, resulting in limited access to large markets. By further integrating international trade and eliminating NTBs, small-scale farmers would be able to export their crops internationally, without having to pay for difficulties caused by factors, such as excessive documentation. In order to be further integrated in trade, Burundi needs to develop economic infrastructure that meets the norms of its surroundings African trade partners. By accelerating the financial sector as well as working with NGOs to establish educational programs, the government will be providing citizens with the necessary language skills to aid succeed in international business. As part of a trade community, individual farmers will be required to increase their crop yields to meet market demands; therefore, their incomes and abilities to purchase nutritious food will increase. The overall farming productivity would suffer immensely if Burundi was to continue with its current agricultural system, but with newly developed agricultural skills, farmers will be introduced to practices that will protect soil from further depletion and undiversified crop yields. The poor state of food security will no longer exist if Burundi continues to take strides towards establishing their economic power through the process of international trade.

## Works Cited

- Adekunle, Bamidele, and Glen Filson. "What African Countries Must Do to Boost Trade among Themselves." *The Conversation*. N.p., 6 July 2015. Web. 15 July 2015.
- "Burundi - FEWSN." *Famine Early Warning Systems Network*. Famine Early Warning Systems Network, Apr. 2015. Web. 15 July 2015.
- "Burundi - IFDC." *IFDC*. IFDC, 18 Nov. 2014. Web. 15 July 2015.
- "Burundi." *2015 Index of Economic Freedom*. The Heritage Foundation, 2015. Web. 15 July 2015.
- "Burundi Country Profile - BBC News." *BBC News*. BBC News, 5 June 2015. Web. 15 July 2015.
- "Burundi." *Hope International*. Hope International, n.d. Web. 15 July 2015.
- "Burundi." *IFDC*. IFDC, 18 Nov. 2014. Web. 15 July 2015.
- "Burundi Presentation - Economy and Business." N.p., n.d. Web. 15 July 2015.  
<<http://www.burundiembassy-usa.org/businessinfo.html>>.
- "CATALIST-2." *IFDC*. IFDC, 19 Nov. 2014. Web. 16 July 2015.
- "COMESA on Track in Eliminating Non-Tariff Barriers." *Common Market for Eastern and Southern Africa*. N.p., n.d. Web. 15 July 2015.
- "Country Profile -Burundi." *New Agriculturalist*. New Agriculturalist, n.d. Web. 15 July 2015.
- "Country Profile -Burundi." *Tulane University*. Tulane University, n.d. Web. 15 July 2015.
- Dihel, Noral. "Africa Trade Policy Notes: Deepening Regional Integration to Address Burundi's Trade Challenges and Support Economic Growth." *The World Bank*. The World Bank, May 2011. Web. 15 July 2015.
- Guy-Allen, Clea. "The World's 10 Hungriest Countries." *Global Citizen*. Global Citizen, 10 Mar. 2014. Web. 15 July 2015.
- "The Mechanism for Reporting, Monitoring, & Eliminating Non-Tariff Barriers." *Non-Tariff Barriers*. N.p., n.d. Web. 15 July 2015.
- Mutume, Gumisai. "New Barriers Hinder African Trade." *UN Africa Renewal*. UN, Jan. 2006. Web. 13 July 2015.
- Nderitu, Elizabeth. "EAC Act on Non-tariff Barriers a Boon to Regional Trade." *The East African*. N.p., 16 May 2015. Web. 15 July 2015.
- "New Bill to Eliminate Non Tariff Barriers in East African Community (EAC)." *East Africa Trade and Investment Hub*. USAID, 30 Apr. 2015. Web. 15 July 2015.

Opalo, Ken. "Five Things You Should Know about the Political Crisis in Burundi." *Washington Post*. The Washington Post, 03 May 2015. Web. 15 July 2015.

Rangarajan, Anusuya. *Crop Rotation Effects on Soil Fertility and Plant Nutrition*. Sustainable Agriculture Research and Education, n.d. Web. 15 July 2015.

*Republic of Burundi*. 2008 ed. Northampton: Society of Homeopaths, 2007. Culture Grams World Edition. *Culturegrams.com*. Brigham Young University. Web. 15 July 2015.

"Rural Poverty in Burundi." *Rural Poverty Portal*. Rural Poverty Portal, n.d. Web. 15 July 2015.

"Agricultural Mechanization in Africa." *United Nations Industrial Development Organization Vienna, 2008* (2008): n. pag. *Unido.org*. UNIDO, 27 Aug. 2015. Web. 2008.

Kalan, Jonathan. "Tech Fix for Africa's Big Farming Challenge." BBC. N.p., 8 Apr. 2013. Web. 28

"Burundi Crackdown after Failed Coup against Nkurunziza - BBC News." *BBC News*. N.p., 16 May 2015. Web. 31 Aug. 2015.