MAKING SENSE OF TARIFFS

LA VIA CAMPESINA | MAY 2025

IN THE CONTEXT OF THE GLOBAL 'TRADE TENSIONS'

Briefing Note on Tariffs and Non-Tariff Barriers | La Via Campesina

This briefing note, intended for internal training within La Via Campesina, compiles various arguments in support of using tariffs as tools to protect small-scale food producers, and to promote food sovereignty and economic sovereignty.

These tools, however, are increasingly being coopted by governments with vested interests to safeguard transnational corporations, expand global market share, and assert geopolitical dominance.

Caught between a hysterical neoliberal mainstream narrative that vilifies tariffs and the U.S. administration's efforts to weaponize them as instruments of imperial foreign policy, this paper seeks to clarify La Via Campesina's position on the issue.

Acknowledgments

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WHAT IS TARIFF?

A tariff is a tax or duty imposed by a government on imported or exported goods, including agricultural products. Tariffs are a common tool in international trade used to regulate the flow of goods between countries and to influence domestic markets. Typically, tariffs are paid by the importing firm in the country receiving the goods.

There are several types of tariffs, but the three most common are:

- **Import Tariffs:** These are taxes on goods brought into a country from abroad. Governments use import tariffs to protect domestic industries from foreign competition or dumping, encourage the consumption of locally produced goods, or generate revenue.

- **Export Tariffs**: Though less common, export tariffs are taxes imposed on goods sold to other countries. Governments use them to ensure sufficient domestic supply, control local prices and inflation, or promote economic development.

Export tariffs can also encourage value-added processing and the development of upstream or downstream industries. For example, instead of exporting raw materials, a government may use export tariffs to incentivize domestic companies to process these materials locally, thereby boosting local industry. (ex, Indonesia in nickel)

- **Tariff Rate Quotas (TRQs)**: A TRQ allows a set quantity of a product to be imported at a lower (or zero) tariff. Once this quota is exceeded, a higher tariff is applied to any additional imports. TRQs are often used to shield sensitive sectors—such as agriculture and food production—from being overwhelmed by cheap imports.

WHAT ARE NON-TARIFF BARRIERS (NTBs)?

Non-tariff barriers (NTBs) are trade restrictions that countries use not in the form of taxes (tariffs), but through rules, regulations, or standards designed to protect local industries—particularly sensitive sectors like agriculture and food production.

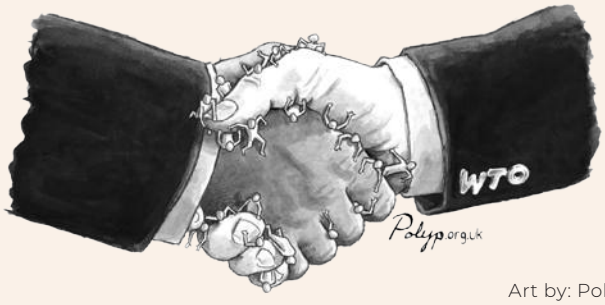
Common examples of NTBs include: Sanitary and Phytosanitary (SPS) measures such as - Health and safety standards for food, animals, and plants; Labeling requirements, packaging rules, and ingredient restrictions (e.g., limitations on genetically modified food (GM food); Import quotas: Limits on the quantity of a specific product that can be imported annually; Minimum import prices: Set to prevent imported goods from undercutting domestic prices.

WTO, FREE TRADE AGREEMENTS (FTAs) AND TARIFF REDUCTION AS A KEY STRATEGY FOR TRADE LIBERALIZATION

WTO's Agreement on Agriculture (AoA) facilitated the erosion of tariffs on agricultural products.

A lot of the negative perception and demonization of tariffs can be attributed to neoliberal economic thinking pushed by organizations like the World Trade Organization (WTO) over the last several decades. The WTO evolved from the General Agreement on Tariffs and Trade (GATT), which was originally focused on reducing tariffs globally. Through successive rounds of negotiations, particularly the Uruguay Round (1986-1994), these institutions played a major role in promoting lower tariffs, encouraging member countries to reduce trade barriers, and advocating for "free trade between countries," also known as trade 'liberalization'.

A key example of this is the WTO's Agreement on Agriculture (AoA), which facilitated the erosion of tariffs on agricultural products. This led to increased competition from subsidized agricultural exports of developed countries.



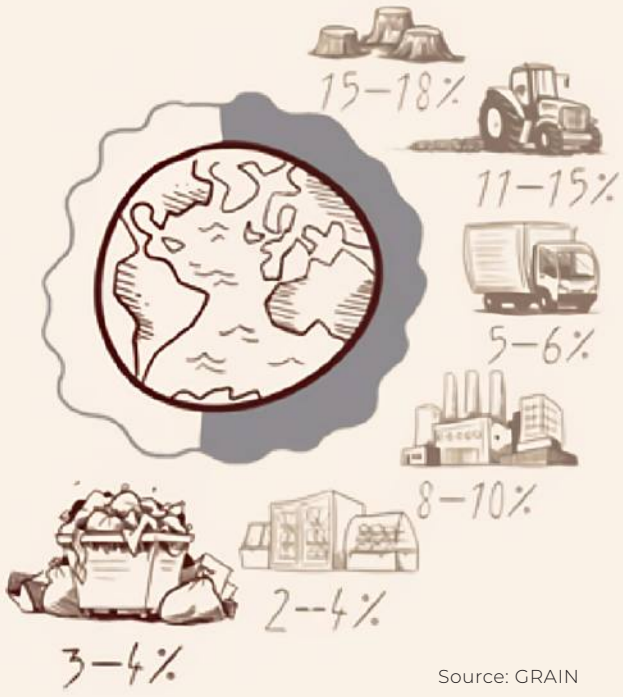
Art by: Polyp

While developing countries were strongly pressured to eliminate and reduce tariffs—resulting in the erosion of tariff protection on nearly all goods, including agricultural products—this was done without addressing the significant subsidies given to agribusinesses in the Global North. These policies led to market dumping, where developed countries sell surplus agricultural products at artificially low prices, undermining local agricultural production in developing countries.

The WTO's efforts to eliminate tariffs on agriculture have thus also intensified corporate control over food production by creating low barriers for global trade and providing massive subsidies to agribusinesses at home. In developing countries, this has exacerbated rural poverty and food insecurity. One of the risks of trade liberalization, particularly in the agricultural sector, is that countries may become too dependent on imported food and agricultural products. For example, Japan and South Korea have alarmingly low food self-sufficiency rates. This is also a concern for net food-importing poor countries, and highly indebted poor countries whose economies were debilitated by colonialism and structural adjustment policies, often linked to debt relief.

Tariff liberalization supports extractive, fossil-fuel-dependent production models, often usurping the land, water, and territories that people have been using for generations to cultivate food. The industrial model of agriculture that replaces peasant farms, as a consequence of this liberalization, also harms the environment tremendously.

In a joint paper that La Via Campesina produced in 2014, we had noted that the expansion of the agricultural frontier through factory farms and monoculture fields accounts for 70–90% of global deforestation—at least half of that for the production of a few agricultural commodities for export. Our studies have cited that between 44% and 57% of all GHG emissions come from the global food system controlled by a few corporations.



Source: GRAIN

Art by: Yacine

World Bank and IMF loans, along with so-called debt relief, were conditional on trade liberalization, the dismantling of national food production systems, and adherence to WTO rules. This has systematically undermined domestic food sovereignty, leaving countries vulnerable to global price fluctuations and supply disruptions. In times of crisis—such as environmental disasters, wars, pandemics, or trade disputes—countries may find themselves unable to produce enough food to meet the needs of their populations.

AoA is thus part of this broader agenda to eliminate tariffs, **which negatively affects food sovereignty**, the livelihood of small farmers, and rural communities in the Global South.

Social movements like LVC have long argued that that trade liberalization that promote a no-tariff trade regime, pushed through Free Trade Agreements, undermines national sovereignty by forcing countries to conform to global rules and trade agreements that limit their ability to independently control their economic policies or implement meaningful market regulation that favor small-scale producers.

LVC'S POSITION: TARIFFS AND NTBs ARE TOOLS TO PROTECT AND DEFEND NATIONAL PRODUCTION

Food sovereignty can only be achieved by a collective and simultaneous application of these tools, along side strong national public policies.

When applied with good intent and supported by appropriate services, tariffs and non-tariff barriers (NTBs) can be powerful tools to support small-scale food producers, improve food availability, create jobs, and promote food sovereignty in both the Global North and South. **Tariffs help smallscale producers by protecting them from cheap, subsidized imports**. Many peasant cooperatives and small producers struggle to compete with foreign agricultural products, often produced by large corporate farms with lower labor costs or heavy subsidies.

NTBs can further support local, seasonal, and agroecologically produced food. For example, they can discourage imports of food grown with harmful pesticides or unsustainable methods while protecting environmentally responsible domestic production. NTBs can also mandate clear labeling (e.g., "GMO" labels) or require compliance with national agroecological guidelines for imported goods.

Art by: Rio

However, NTBs are often used politically, especially by wealthier countries, where large corporations influence global standards under the guise of sustainability. For instance, the World Trade Organization's food safety regulations, the tuna–sea turtle dispute (India, Malaysia, Pakistan, Thailand vs. the U.S.), and EU regulations on unsustainable fishing have been criticized for

favoring corporate interests and marginalizing small producers. Producers in the Global South often lack the infrastructure and technical resources to meet these standards, leading to shipment rejections and market exclusion. The increasing corporate takeover of the “organic” label also shifts control away from traditional, small-scale producers. Certification systems often benefit large agribusinesses and Global North suppliers while excluding small Global South producers who use sustainable practices but lack formal recognition. A striking example is the U.S. imposing 8,453 NTBs against India, while India has only imposed 504.

As trade tensions rise, countries face growing pressure, particularly from the U.S., to eliminate NTBs. A recent case in South Korea highlights this trend: the approval of GM potatoes sparked concern among peasant unions and consumer groups, fearing it represented the government bowing to U.S. pressure. La Via Campesina’s Southeast Asian members are deeply concerned that the U.S. is using aggressive tariff policies to force smaller countries into economic dependency, which could lead to significant violations of farmers’ rights, particularly the right to seeds. For example, South-east Asian nations may be pressured to adopt U.S.-backed positions on seed intellectual property, like aligning with the UPOV (International Union for the Protection of New Varieties of Plants) convention, if bilateral trade pressures continue to grow.

Yet, it is important to note here that non-tariff barriers are standards, which reflects national preferences, cultural diversity and/or decision made by people. It’s a key part of food sovereignty to recognize the right of every people to implement specific standards for their food keeping in mind the cultural and culinary diversity and nutritional needs of each locality/society. Countries have the right to decide to ban food produced with harmful pesticides, even if not all countries do. The issue is when these NTBs are misused to meet certain political or economic agenda. These standards are often not mainly meant to discriminate imported food, but sometimes they indeed have as consequence to make it easier for domestically produced food to reach these standards.

Tariffs generate government revenue, though the contribution varies by country. In developing countries like Brazil, taxes on international trade account for less than 5% of total tax revenue. However, for countries in Southeast Asia (e.g., Philippines – 25%), South Asia (e.g., Sri Lanka – 14%), and Africa (e.g., Ethiopia – 25%, Senegal – 13%), the contribution is much more significant. In contrast, for the United States, the contribution is minimal, at just 1.7%. (Source: WB).

Governments can use the money raised through tariffs to fund crucial rural infrastructure (storage facilities and better connectivity between rural markets and farms) and social development projects (rain harvesting, public irrigation projects etc), fund public research and development in agriculture, strengthen local and territorial agricultural markets, provide financial support for transitioning from chemical to agroecological farming, or subsidies for new entrants and young small-scale farmers and cooperative enterprises, and more.

Rather than exporting raw agricultural products, **tariffs can also be tools to create an incentive for local value addition**. Tariffs on imports of processed food products can encourage local industries to process agricultural products domestically. Or, instead of exporting raw materials, a government may use export tariffs to incentivize domestic companies to process these materials locally, thereby boosting local industry. By promoting local processing industries, its helps diversify the economic base of rural areas, making them less reliant on just one commodity or crop. Diversification helps buffer rural economies against price fluctuations, environmental changes (like droughts), or other shocks that might affect monoculture farming.

The case of Net Food-Importing Developing Countries (NFIDCs) are particularly important.

Low-income or food-deficit nations that rely heavily on food imports, making them vulnerable to global price shocks, especially for staple foods like wheat, rice, and maize.

In a neoliberal economic system that often advocates for lower tariffs, these countries are frequently disadvantaged. Reducing tariffs and trade liberalization often leads to lower local production incentives and exposes domestic markets to cheaper, often subsidized, imports that undermine food security and agricultural development in these regions. Most NFIDCs are located in Africa, Latin America, and Asia, and they tend to maintain very low tariffs on food imports. Recent disruptions in global supply chains due to pandemics and wars have highlighted the vulnerabilities of these countries. Peasant unions and rural communities in these nations have called for measures to improve national food sovereignty.

They advocate for the development of solidarity-based trade mechanisms between countries, rather than continuing to treat NFIDCs as dumping grounds for surplus commodities.

Food sovereignty – which is the right of peoples and nations to define their own food systems, prioritizing local food production, sustainability, and the well-being of local communities – can only be achieved by a collective and simultaneous application of these tools, alongside strong national public policies. **Tariffs and NTBs are not the only – but among the many crucial tools to support these goals** by protecting domestic agricultural sectors, ensuring fair trade practices, and promoting diverse, peasant driven, agroecological food systems.

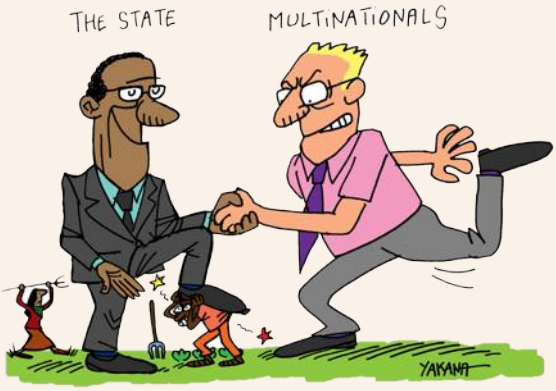
THE CHALLENGES: NEOLIBERALISM, AND THE WEAPONIZATION OF TARIFFS TO SUSTAINING IMPERIALISM

Under the neoliberal dogma, the goal for governments is to make their export commodities more competitive in global markets – that goes contradictory to the objectives of building national food sovereignty.

While tariffs and non-tariff barriers can theoretically protect domestic small-scale food production from foreign competition and dumping, in today's globalized economy, they often also end up serving the interests of large, export-oriented agribusiness corporations in both the Global North and South. This shift is due to changes in global supply chains and trade dynamics.

In an export-driven economy, governments often impose tariffs to boost agro-industries that focus on international commodity sales (produced through environmentally harmful monoculture farming) rather than strengthening domestic agroecological food production.

For example, New Zealand has long used tariffs to protect its domestic dairy industry (large agroindustrial models) while ensuring that its dairy products remain competitive on the global stage. The country is one of the largest exporters of dairy products, and tariffs on certain imported agricultural products help shield local farmers from excessive competition, allowing New Zealand to maintain its export dominance in dairy.



Art by: Yacine

Brazil has employed tariffs to protect its cattle ranching industry from cheap beef imports, particularly when global beef prices fluctuate. But are the benefits of such a tariff imposition really going to small-scale livestock farmers or large industries inside Brazil?

Under the neoliberal dogma, the goal for governments is to make their export commodities more competitive in global markets – that goes contradictory to the objectives of building national food sovereignty. Invariably, the export industries that benefit from these tariffs are typically large transnational corporations, agribusiness contractors, and major farm owners within the Global South, not necessarily small-scale farmers or peasant cooperatives.

These large corporations have the resources and negotiating power to navigate complex trade systems, turning trade policies to their advantage. As a result, tariffs and NTBs– as it is applied today - reinforce the dominance of global players, rather than protecting small-scale producers or rural economies.

This dynamic reflects neoliberal trade policies and mainstream media debates which prioritize the interests of large corporations over smaller, local enterprises, perpetuating inequality both within and between nations.

Tariffs have also been weaponized as a geopolitical tool of dominance and through threats, especially by imperialist countries such as the United States against countries with a primarily export-driven economy. By imposing or threatening tariffs, these nations can pressure others to comply with political or economic demands (immigration control or access to rare earth minerals etc), shaping regional trade patterns and creating new dependencies.

Countries that do not align with U.S. interests, such as those that nationalize resources or protect domestic industries, can face tariffs as a form of economic punishment, especially if their economy is too dependent on the export of goods and services. This use of tariffs as leverage highlights the role of trade policies in exerting geopolitical dominance and sustaining imperialism.

THE ONGOING DEBATE ON TARIFFS: THE WANING POWER OF US DOLLAR

The United States is the only country that can print the global reserve currency—the U.S. Dollar—without facing immediate consequences. But this advantage has come at a cost.

Recent threats by Donald Trump to impose steep tariffs on U.S. trading partners highlight a revealing aspect of American economic power: the United States is the only country that can print the global reserve currency—the U.S. Dollar—without facing immediate consequences. This unique position has allowed the U.S. to run massive trade deficits for decades, a luxury few other countries can afford.

But this advantage has come at a cost—most notably, the erosion of the U.S. manufacturing base. The ability to sustain consumption through imports, without the pressure to export equivalently, has hollowed out industrial capacity over time. While proponents may point to the dominance of U.S.based Big Tech and FinTech firms as evidence of continued strength, history suggests that political and economic power is difficult to sustain without a robust industrial foundation.

Although pressure from U.S. bond markets has led the current administration to delay some tariff moves (a “90-day pause,” as it’s been framed), the broader pattern remains unchanged: the U.S. continues to use tariffs and non-tariff barriers (NTBs) as tools to coerce other nations into alignment with its foreign policy objectives.

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Against the backdrop of a shifting global order and declining U.S. dominance, Trump appears determined to reassert American power by reshoring manufacturing and removing constraints on financial capital. Yet many U.S. industries, including agribusiness, remain globally uncompetitive without heavy protection—relying on tariffs, NTBs, and subsidies to survive.

If Trump's tariff threats materialize into policy rather than mere negotiation tactics, American consumers could face rising inflation due to restricted access to cheap imports – at least in the short to medium term. At the same time, these threats have rattled export-driven economies, where millions of workers—including migrant laborers—depend on stable access to U.S. markets.

What is also alarming is how blocs like the European Union and countries across the Global South are scrambling to sign Free Trade Agreements (FTAs) with new partners to 'shield their economies'. However, these FTAs often adhere to the same neoliberal templates that have exacerbated global inequality, rather than offering a transformative vision of trade grounded in equity, transnational solidarity and social justice.

Organizations like La Vía Campesina have often pitched for a more multipolar world where food sovereignty and economic justice are possible. A key step toward this vision is diversifying the currencies used in international trade. Challenging the hegemony of the U.S. dollar would reduce Washington's outsize influence over global affairs. Unsurprisingly, Trump has also threatened sanctions against BRICS+ countries (Brazil, Russia, India, China, South Africa, and allies) that are actively exploring alternatives to dollar dominance.

Over time, a reduction in the dollar's central role could trigger a crisis for the U.S., given its chronic trade deficit. Yet this shift could also be an opportunity—if the U.S. chooses to rebuild its domestic productive capacity and lessen its dependency on imports. Unfortunately, there is little evidence of a coherent strategy to achieve this. Instead, U.S. trade policy appears reactive and opportunistic— relying on reciprocal tariffs as tools of leverage and coercion, rather than as part of a long-term plan for economic renewal and structural transformation.

THE NECESSITY TO BUILD FOOD SOVEREIGNTY AND GUARANTEE THE RIGHT TO HEALTHY, NUTRITIOUS FOOD

Organized people's movements must ensure that tariffs and other trade tools are used to bolster local food production and support small-scale farmers – who do not often produce for exports.

Over time, subsequent sets of trade agreements in agriculture, negotiated within the WTO—or outside of it through strategic partnerships or bilateral economic agreements—have all severely curtailed public policy focuses toward national food production through agroecological means.

Art by: Nabajit Malakkar

The neoliberal framing of food security programs—where governments were focusing merely on 'feeding the hungry' without really focusing on what the source of that food is, or the diversity of diet, or the nutritional and cultural value of food, or the method through which that food is produced—effectively meant that public policies focusing on building food sovereignty were severely lacking in many parts of the world.

La Via Campesina has long argued that the Right to Healthy and Nutritious Food can only be guaranteed when the food sovereignty of a country is defended, and where trade of agricultural produce is based on solidarity and cooperation, decoupled from the speculative trading of commodities that happens now.

A good example to cite here would be the structural crisis facing countries like Tunisia today. Tunisia's engagement with the industrial agricultural model accelerated in the post-independence period, especially with the 1995 EU-Tunisia Association Agreement. This agreement committed Tunisia to liberalize its agricultural trade and harmonize its regulations with EU standards.

It subordinated local food systems to international trade imperatives, stripping the state of the tools necessary to protect smallholder farmers from volatility and competition. These dynamics were compounded by Tunisia's accession to the World Trade Organization (WTO) in the same year, and by its later negotiations with the European Union over the Deep and Comprehensive Free Trade Agreement (DCFTA), which seeks to remove remaining tariff protections and subordinate Tunisian law to European trade frameworks.

There are several such instances to cite about how Free Trade Agreements—tariff removal being a core objective in each of them—have systematically dismantled food sovereignty in territories.

The ongoing use of tariffs as a tool for geopolitical domination only brings attention to the larger issue of how Free Trade Agreements curtail food sovereignty. If anything, these current geopolitical developments only indicate why it is now urgent for countries to defend their food sovereignty. It is also true that countries that prioritize agricultural production for export are especially vulnerable to such external pressures of tariffs, while those focused on producing food for local consumption tend to be more resilient.

To build this resilience, all countries need access to a range of market regulation tools—including tariffs, NTBs, minimum support prices, supply management, and public food stocks—to strengthen or, in many cases, rebuild local food systems capable of providing healthy food for their populations and fair livelihoods for millions of small-scale food producers.

Art by: Yacine

Over the last three decades, through national and international mobilizations, La Via Campesina has systematically exposed the dangers of free trade agreements and how they eventually fuel hunger. In the last three years, protests have erupted on all continents, where small-scale food producers have taken to the streets to demand better prices for their produce and better policy support to transition to agroecological food production. These protests aren't appearing out of a vacuum, but are expressions of growing frustrations among the world's small-scale food producers. And this momentum generated from these peoples' mobilizations must give us hope.

In Africa, several countries have implemented tariffs to protect local food systems—for instance, tariffs on frozen chicken parts from Europe and Switzerland in countries like Senegal and Cameroon, or broader food protection measures in Togo and Burkina Faso.

In Canada, for example, members of La Via Campesina are urging federal and provincial governments to promote food sovereignty in response to Trump's tariff threats.

The National Farmers Union (NFU) emphasizes that supply management offers a strong foundation during such trade disruptions. Dairy, poultry, and eggs are largely shielded from tariff threats because they are produced, processed, and consumed domestically in quantities tailored to demand—preventing both shortages and surpluses through effective supply management.

In the European Union, there is a growing push to reorient agricultural policies toward strengthening national production, as seen in recent mobilizations by LVC members in Portugal, Spain, and Norway. Similar calls have also echoed in India, Korea, Japan, Indonesia.

Art by: Sophie Holin

However, it's important to note that governments do not always use tariffs to support smallscale producers. Too often, tariff revenues are used to protect national export-oriented agribusinesses rather than domestic food security. **This underscores the need for strong, organized people's movements to ensure that tariffs and other trade tools are used to bolster local food production and support small-scale farmers – who do not often produce for exports.**

Ultimately, the trade rules of the WTO and various free trade agreements (FTAs) that have vilified tariffs over the past several decades have disproportionately harmed countries in the Global South. Meanwhile, the U.S. and EU have continued to use loopholes to maintain high tariffs or impose NTBs, and have offset deregulated markets with massive domestic subsidies.

This structural imbalance reinforces the importance of reclaiming trade policies that prioritize food sovereignty and social justice over corporate or geopolitical interests, through popular mobilizations.

THEREFORE, A NEW GLOBAL TRADE FRAMEWORK IS A NECESSITY

La Via Campesina has long argued that the neoliberal dogma that dictates the current mode of international trade must be dismantled. All it has resulted in is greater inequality and hunger, created a massive debt crises, and led to a climate crisis with catastrophic consequences for the planet and its species. It is time to reimagine the structure of global trade, where instruments such as tariffs and subsidies are redirected to those who most deserve them – peasants, small-scale food producers, fisherfolk, and other rural workers.

To this end, renewed attention to the use and misuse of tariffs in the current geopolitical context should trigger a broader debate and demand for an alternative framework for global trade, one where principles of equity, social justice, and food sovereignty are placed at the center.

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