Trade Liberalization and Environmental Justice in the Ivorian Cocoa Industry

Anne M. Fell '07
Illinois Wesleyan University

Follow this and additional works at: https://digitalcommons.iwu.edu/intstu_honproj

Part of the French and Francophone Language and Literature Commons, and the International and Area Studies Commons

Recommended Citation
https://digitalcommons.iwu.edu/intstu_honproj/5

This Article is protected by copyright and/or related rights. It has been brought to you by Digital Commons @ IWU with permission from the rights-holder(s). You are free to use this material in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/or on the work itself. This material has been accepted for inclusion by faculty at Illinois Wesleyan University. For more information, please contact digitalcommons@iwu.edu.

©Copyright is owned by the author of this document.
Trade Liberalization and Environmental Justice in the Ivorian Cocoa Industry

Anne M. Fell
Senior Research Honors Project
Illinois Wesleyan University
April 26, 2007
INTRODUCTION

In early 2007, a Dutch journalist walked into a courthouse in Amsterdam and surprised all in view by demanding that they convict him for eating chocolate. He claimed that, by consuming chocolate, he was benefiting from child slavery in the Ivory Coast.\footnote{1} Indeed, the issue of child labor in the Ivorian cocoa industry has enraged many Western chocolate consumers, and the Ivory Coat's position atop the world market for cocoa, producing around 40% of the world supply of cocoa annually, certainly fails to sooth their worried minds. Yet, following muted public protest and the cocoa industry's broken promises, this problem remains. Such negative publicity surrounding the Ivory Coast contrasts starkly with what used to be the country upheld as a model for West African post-colonial economic success.

In the thirty years following the Ivory Coast's independence from France in 1960, years characterized by increased commodity production and unprecedented economic prosperity, France proudly exalted the Ivory Coast as a perfect economic model of its post colonial successes. France has certainly maintained a firm grip on the economic and political workings of the Ivory Coast since its independence, and has set a strong precedent of foreign economic exploitation there. Perhaps unsurprisingly, then, the civil war that has divided the country since 2002 has enflamed long-standing anti-French sentiment amongst Ivorians and discussions regarding the appropriate role France should play in its former colony. Indeed, despite its national sovereignty, the Ivory Coast remains heavily influenced by foreign economic interests. Though France has traditionally been the most dominant foreign actor in this respect, several other powerful foreign investors have recently entered the Ivorian economy to exploit the Ivory Coast's most lucrative crop and the West's beloved commodity: cocoa. The neocolonial role thus no longer belongs solely to France; it has expanded to include the many Western...
multinational cocoa companies that, following the French paradigm, have introduced themselves in the agricultural sectors of the Ivorian economy.

The primary factor that has allowed for the entrance of these multinationals into the cocoa industry has been the liberalization of the Ivorian cocoa market. In 1999, foreign investors and aid institutions, such as the World Bank and IMF, forced the Ivory Coast to open its cocoa industry to the world market and introduced the many Ivorians involved in the industry to the realities of free trade economics. Unfortunately for them, these neoliberal policies have coincided with the worst period in the Ivory Coast's history since its independence, as this small nation has experienced increasing poverty, economic turmoil, and ethnic violence. Despite the chronological parallels between economic liberalization and the Ivory Coast's increasing social volatility, and much to the frustration of development economists, it remains rather difficult to place blame for these problems directly on the newly implemented neoliberal economic policies. The death of President Houphouet-Boigny in 1993, the sole ruler of the country during its post-independence years; the decline in world cocoa prices during the 1980s; the stock market recession in 1999; and longstanding ethnic tensions have all played important roles in undermining the stability of Ivorian society. Despite the ambiguous causality of these factors, trade liberalization has played a significant role in the deterioration of Ivorian economic and social stability, degrading the lives of the millions of Ivorian citizens dependent on cocoa for their livelihoods. Having worsened poverty and child labor, increased environmental threats, and aggravated ethnic tensions in the Ivory Coast, neoliberal economic policies fail to adequately address the environmental and human costs of cocoa production. Foreign economic interests have thus continued to take precedent over environmental justice goals, as the valuation of the Ivory Coast remains centered on the economic exploitation of its resources.
This paper explores the relationship between neoliberal economic policy and environmental justice in the Ivorian cocoa industry by examining the precedents set forth during the French colonial era, the economic principles behind trade liberalization, and trade liberalization's effects on poverty and child labor, environmental degradation, and ethnic violence. While it investigates the causality between trade liberalization and these issues, this paper does not consider the role the Ivorian government has traditionally played in the limitation of Ivorian political structure. Rather, it focuses on the roles and responsibilities of the multinational cocoa companies in the Ivory Coast and the international community in general. Despite this limitation, thematically, such a topic proves rather diverse from both the perspective of Neoliberalism as well as environmental justice. As an ideology, Neoliberalism aims to promote economic health through the direct implementation of classical economic principles, such as comparative advantage and free trade. Conversely, proponents of environmental justice seek to understand and correct the social disparities that lead to inequitable exposures to environmental risks. Environmental justice thus addresses the humanitarian costs of environmental degradation. This paper addresses environmental degradation, poverty, child labor, and civil unrest as expressions of environmental injustices in the Ivory Coast and explores their relationship with the newly implemented neoliberal economic policies.

Expanding primarily on the work of M. Shamsul Haque and Carmen Gonzalez, this paper specifically explores the relationship between Neoliberalism and environmental justice in the Ivory Coast following the liberalization of the Ivorian cocoa industry in 1999. M. Shamsul Haque's journal article, "The Fate of Sustainable Development Under Neoliberal Regimes in Developing Countries" presents stringent opposition to neoliberal development policies. A professor of political science at the National University of Singapore, Haque provides readers
with an in-depth understanding of neoliberal ideology and its policy implications. Most notably, however, he emphasizes the manner in which these policies, intended to aid economic development, hinder sustainable development efforts by overstating the imperative for economic growth and by failing to account for the environmental and human costs of such growth. In the same way, Carmen Gonzalez also condemns trade liberalization in her paper “Trade Liberalization, Food Security, and the Environment: the Neoliberal threat to Sustainable Rural Development.” Professor at the Seattle University School of Law, Gonzalez calls attention to the manner in which neoliberal policies jeopardize the economic and biological diversity necessary for a sustainable and healthy society.

A concentration on environmental justice in reference to Neoliberalism will contribute positively to the empirical discourse on neoliberal economic policy. While economists and policy analysts devise equations and theories to determine and evaluate the eventual success of the economic policies they implement, scholars on the subject must continue to emphasize the need to base their discourse in field studies and a genuine concern for the people most affected by these economic policies. As consumers of the primary commodities produced in developing countries, both the implementers of these economic policies and the scholars who analyze them must concentrate heavily on the effects Neoliberalism is having on the citizens of the countries subject to such policies.

**Colonial History of the Ivory Coast and Cocoa**

The cocoa industry in the Ivory Coast is a product of the French colonial era. A proper understanding of the evolution of the cocoa industry and its role in the Ivorian economy thus requires an understanding of France’s place in Ivorian history, as France has played a formative
role in the development of the Ivory Coast and the cocoa sector in particular. French exploitation of Ivorian society has existed since the establishment of the colonial empire in the nineteenth century. French presence in the Ivory Coast began in the 1840s when they began building camps along the coastline. By the 1880s, Britain, the other major colonial power in the area, acknowledged French control of the area, and, by 1893, France made the Ivory Coast one of its colonies. From the beginning, France manipulated the structure and traditions of Ivorian society to promote its own interests, most notably in the establishment of mono-crop agriculture. While the British found mineral resources like gold in neighboring Ghana, the Ivory Coast had less to offer the French colonialists. They found it best to exploit the agricultural potential of the rich tropical land. Agriculture, in turn, became the means by which the French fomented the dependent colonial relationship, establishing Euro-centered export markets for European consumers. During the twentieth century, cocoa eventually became the Ivory Coast's most important export commodity, to both Ivorians and the French.

French colonial authorities in the Ivory Coast introduced the cultivation of cocoa as a cash crop as early as 1912. Similar to coffee in its growth requirements, cocoa production was established in the southern forests, which provided the partial shade and abundant rain that cacao trees demand. The cheap African laborers quickly learned the new, rather labor-intensive methodologies of cocoa production. During the colonial era, farmers' unions managed the harvest of the cacao pods and sold them to the colonial authorities, "who had the privilege of the export to France." The French began to expand the production of cocoa rigorously in the 1930s and eventually established a price stabilizing system called the Caisse de Stabilisation, in 1955. The development that occurred in the Ivorian cocoa industry from the 1930s to the 1950s helped the Ivory Coast's economy following its independence from France in 1960.
The French colonial empire thus established a marked structural dependency in the Ivory Coast, successfully redefining much of Ivorian society in terms of its own interests. This dependency on the French colonizers and outside actors has remained intact long after independence. During the colonial era, the French advanced Ivorian knowledge of technology and the business of export commodities, both of which significantly increased cocoa production capacities. Indeed, the modifications made in the cocoa industry during the 1950s, such as the establishment of the Caisse system, furthered the increases in productivity. Production increased substantially in the 1960s, and during the 1970s, the growth rate expanded to over 8% annually. The Ivory Coast surpassed Ghana in production in 1977, becoming the world’s leader in cocoa production. Initially following independence, the export-oriented colonial legacy thus contributed to the economic boom in the cocoa industry. These successes, rooted in colonial establishments, helped maintain the Ivory Coast’s almost fifty-year period of economic and political stability.

Notably, the post-colonial economic success experienced by the Ivory Coast attracted many Western African immigrants. Immigrants from surrounding countries like Burkina Faso and Mali poured into the country during these prosperous years, resulting in the ethnic diversification of the Ivorian people. Economic prosperity thus defined the early independent years of the Ivory Coast. Yet, even in such successful times, the Ivory Coast remained heavily influenced by France.

**FRENCH CONTROL OVER THE INDEPENDENT IVORY COAST**

The colonial era saw significant economic transitions that allowed for the economic expansion following independence, which established the Ivory Coast as a model of post-
colonial success. Yet, even today, the Ivory Coast remains far from independent. Indeed, just as France maintained control of Ivorian society during the colonial era by instituting structural dependency, it has held a colonial-like control over the Ivory Coast ever since its independence, setting the precedent for the recent foreign-imposed economic liberalization of the Ivorian economy that has brought in other foreign actors that fuel Ivorian dependence.

The French have maintained their neocolonial empire in the Ivory Coast through investment and political manipulation. Most traditionally, the French have retained their grip on the Ivorian economy through economic investments. Though the Ivory Coast has experienced a marked decline in French investment since the advent of the civil war in 2002, with over 1,000 French companies and 147 registered subsidiaries in the Ivorian economy, France continues to be the most significant foreign investor in the Ivory Coast. Moreover, France maintains strong investments in several important sectors of Ivorian society, such as automobiles, where French cars dominate the marketplace; communications, where Ivorians most commonly buy mobile phones from the French company Orange and make local phone calls from a company owned by France Télécom; water and electricity, where SAUR, a subsidiary of the French company Bouygues, provides the national water and energy supplies; and transport, where Group Bolloré owns 67% of the railway leading to Abidjan and where Air France controls 51% of the Ivorian airline, Air Ivoire. In addition to these strangleholds on the Ivorian economy, France also controls the banks and lending institutions in the Ivory Coast, which are all subsidiaries of French banks such as BNP Paribas and Crédit Lyonnais.

France has furthered their control and exploitation of the Ivory Coast through political manipulation as a means of maintaining their economic interests. Compromising the democratic principles in their former colonies, France has used their political and economic hegemony to
control political elites and maintain leaders who align themselves with French interests. Indeed, since independence, many Francophone African leaders, including those in the Ivory Coast, have maintained their power only through the understanding and acceptance of French authority in their states. Mamadou Koulibaly, the speaker of the Ivorian National Assembly, expressed the frustration this has brought to many countries in francophone Africa, and blames French economic interests for fueling the civil war in the Ivory Coast: "it is an economic war orchestrated by France...The independence accorded to [the Ivory Coast] by France did not mean that [we] were independent to do what [we] wished for [our country]."

The economic grip France holds over many of its former colonies allows the French to exert this sort of political pressure. For example, Laurent Gbagbo, the current President of the Ivory Coast, attempted to counter some of France’s control over the Ivorian economy by opening up some sectors, like water and electricity, to international competition. Unsurprisingly, investors from China, South Africa, and the United States made offers that French companies could not match. Nonetheless, because of the considerable pressure from France, Gbagbo eventually confirmed the French contracts. The French have thus historically manipulated their political influence in the Ivory Coast to assure their economic investments.

Though there exists a tendency to view French investments in the Ivory Coast as a means by which the French contribute to the economic stability of the Ivorian state, these investments have, in fact, contributed significantly to France’s wealth: “French interests represent 33% of foreign investments in the Ivory Coast and 30% of its gross domestic product. Since [the] Ivory Coast’s independence in 1960, French companies have used one-sided contracts to repatriate 75% of the wealth generated there.” In their relationship with the Ivory Coast, the French have
been neocolonialists in every sense and have set a substantial precedent of foreign control and economic exploitation.

**Importance of Cocoa Today and the Fragility of Specialization**

Perhaps one of the strongest manifestations of foreign economic exploitation, the economic liberalization of the cocoa market in 1999 allowed for the arrival of several multinational companies and foreign investors in the cocoa sector. These multinational companies have challenged French hegemony in the Ivorian economy. Regardless of those in control of the cocoa industry, however, cocoa today is of utmost importance to the economy and society of the Ivory Coast and its people. Certainly, the French colonial establishments and the subsequent post-independence economic successes in the Ivorian cocoa industry explain the prominence cocoa now holds in Ivorian society and economy. The agricultural sector alone represents 35% of the Ivory Coast's Gross Domestic Product and employs over 60% of the country's labor force. The coffee and cocoa sectors create 50% of the Ivory Coast's total export revenues and employ 700,000 farmers. In total, over 6 million individuals, almost a third of the Ivorian population, depend on these sectors for their livelihoods.\(^\text{18}\) Furthermore, since the mid-1990s, the Ivory Coast has provided 40 – 45% of the world's cocoa supply and nearly 50% of internationally traded cocoa.\(^\text{19}\)

Despite the prominence of cocoa production in Ivorian society, Ivorians do not consume cocoa. Rather, Western Europe consumes the largest proportion of cocoa in the world, 33%, compared to 24% in the United States alone.\(^\text{20}\) The Ivory Coast and other western African cocoa producers thus remain highly dependent on the changes in Western Europe's demand for cocoa.\(^\text{21}\) This continued dependency certainly echoes the Ivory Coast's colonial past. More
significantly than this macroeconomic dependency, however, the colonially implemented export legacy and continued foreign demand for cocoa continue to prevent the Ivory Coast from diversifying its economy, reinforcing the fragility of their society by reinforcing their dependency on a volatile agricultural commodity.

Such a fundamental dependency on one primary export commodity creates a precarious economic situation. Several critics of neoliberal economic theory disapprove of the emphasis placed on specialization, stressing the manner in which trade liberalization obstructs economic diversity. As argued by Carmen Gonzales, professor at the Seattle University School of Law, specialization in the production of a mono-crop agricultural commodity hinders ecosystem health by undermining biological diversity and threatens food security by undermining economic diversity. The lack of economic diversity in the Ivory Coast has resulted from both French Neocolonial practices and Western economic imperatives. First, France helped to establish cocoa as the Ivory Coast’s primary export. Though cocoa initially proved economically successful for the Ivory Coast, the outward oriented Ivorian economy also nourished France and Western Europe’s demand for cocoa. Many francophone African countries even suggest that France forced its former colonies upon their independence to sign secret agreements reserving primary commodities and future discoveries of raw materials for France’s use. French and European consumers’ unwavering satisfaction with Ivorian specialization in cocoa has failed to provide the imperative for economic diversification. Moreover, the West, espousing traditional economic principles of comparative advantage and specialization, logically discourage economic diversification. For the Ivory Coast, this tradition of specialization has created a fragile and vulnerable society, as nearly thirty percent of the local population remains dependent on a fiscally volatile agricultural commodity. The recent economic liberalization of the cocoa
industry further illustrates the emphasis placed on the principles of comparative advantage and economic specialization.

**The Liberalization of the Cocoa Sector**

The significant role that cocoa plays in the Ivorian economy today thus renders it vital to the social and economic health of the Ivorian state, yet, foreign interests continue to control the Ivorian cocoa industry. August of 1999 saw the liberalization of the Ivorian cocoa market. Trade liberalization is an economic policy based firmly in the theory of Neoliberalism, proponents of which advocate the expansion of the market through deregulation, privatization, and trade liberalization as effective solutions for developing economies. Unfortunately, many critics of Neoliberalism point to the manner in which its economic policies fail to account for the environmental and human consequences of unchecked economic growth. As evidenced by the liberalization of the cocoa sector in the Ivory Coast, the success of neoliberal economic policies remains somewhat ambiguous.

Liberalization began in the 1990s following a tumultuous era for cocoa during the 1980s. Following high world prices at the end of the 1970s, the 1980s saw a sharp decline in the price of cocoa in international markets. The economic losses that resulted adversely affected the Ivorian cocoa industry, which, at that time, produced between 20% and 30% of the world's cocoa supply. As a means of ending the economic turmoil, the Ivory Coast embarked on a "cocoa war," during which they withheld stocks of cocoa to drive up its price in the world market. It worked for a time, but the important role cocoa played in Ivorian society and economy forced the Ivorian cocoa sector to abandon their blockade of cocoa stocks. Even today, the social
significance cocoa holds in the Ivory Coast hinders Ivorians' ability to exercise significant power in the international cocoa market.25

Throughout the 1990s, the Ivory Coast continued to fail at influencing global cocoa markets as global economies came to dwarf national ones, and international aid and development agencies eventually forced the Ivory Coast to liberalize its cocoa sector. The pivotal point of the trade liberalization came in 1999 with the dismantling of the Caisse de Stabilisation, the colonially implemented mechanism by which the Ivorian state fixed cocoa prices and engendered farmers' economic security for almost fifty years. The Caisse effectively created a protective barrier between farmers and the world by guarding farmers from the fluctuations in world cocoa prices. Liberalization dismantled this system, thus shifting the risks and costs of world prices from the government onto the individual farmers.26 The ultimate goal of such dismantlement is to increase the price farmers receive for their crop.

Preliminarily, however, evidence suggests that cocoa farmers do not experience the benefits from these price increases. Indeed, in many ways, liberalization seems to have hurt farmers more than it has helped them. For example, now exposed to the volatility of the cocoa market and the frequent dips in world price for their crop following the dismantling of the price stabilization system, cocoa farmers' unions have frequently and unsuccessfully gone on strike in protest of the low prices they receive from their crop.27 Even the opinion of the World Bank economist who co-authored the paper encouraging the liberalization of the Ivorian cocoa market has evolved to show his concerns about its success. In "Reforming Côte d'Ivoire's Cocoa Marketing and Pricing System," Panos Varangis stated in 1999 that the liberalization of the cocoa market "...is expected to improve producers' incomes and marketing efficiency. And the benefits from liberalization should outweigh the costs from eliminating fixed producer prices and
public forward sales.”

Three years later, Mr. Varangis co-authored another paper entitled “Globalization and International Commodity Trade with Specific Reference to the West African Cocoa Producers” in which he concluded, “The overall welfare effects in the liberalizing countries is ambiguous, and developed country consumers are the only clear winners.” More promisingly, however, recent prices in the global market for cocoa have increased and economic data suggest that, in the long run, the liberalization of the cocoa market will result in more stable and higher prices for Ivorian cocoa farmers. Nevertheless, the cocoa farmers’ strikes and the evolution of Mr. Varangis’ opinion on liberalization certainly put into question the success of neoliberal economic policy in the Ivorian cocoa industry.

MARGINALIZATION OF THE LOCAL, POVERTY AND CHILD LABOR

Perhaps the most unfortunate consequence of liberalization has been the marginalization of local Ivorians that has resulted from the increased presence of multinational cocoa firms. August of 1999 saw the dismantling of the price stabilizing Caisse system, and farmers’ previous economic security disappeared as prices became determined by the ebb and flow of the international market. Most notably, the erosion of the role of the Ivorian state and the Caisse de Stabilisation, which had served to maintain the stability of the cocoa sector for almost half a century, allowed for the entrance of foreign-owned cocoa groups. Multinational companies now control close to 90% of the internal market for cocoa and coffee, displacing local Ivorians in their rise to power.

This displacement has occurred most noticeably in the export sector of the cocoa industry. Because of the new risks created with liberalization, the French-controlled Ivorian banks now tend to exclude local Ivorians from their lending operations, unless they can prove
support from the large multi-national companies. Local exporters thus often find themselves unable to obtain proper finance without the securities the Ivorian state provided for them through the Caisse de Stabilisation.\textsuperscript{32} Local Ivorian export companies have often gone bankrupt in their efforts to compete with large foreign companies. Ivorian cocoa exporters like Jag and SICC fell into bankruptcy shortly after the entrance of foreign processors into the market.\textsuperscript{33}

Having displaced local Ivorians, foreign cocoa groups, like Archer Daniels Midland, Cargill, Barry Callebaut, DAFCI-Bolloré, Tropival-Newco, and Delbau-Touton now dominate the export sector of the Ivorian cocoa industry.\textsuperscript{34} In the two years from 1998 to 2000, the market share owned by local Ivorian exporters fell more than 30%, from 43% to 10%.\textsuperscript{35} By 2001, foreign companies exported 85% of Ivorian cocoa out of the country. The economic liberalization of the cocoa industry and the dismantling of the protective Caisse system have clearly resulted in the marginalization of local Ivorian exporters, as the liberalized cocoa market now increasingly favors foreign investment over Ivorian interests.

Foreign companies have thus benefited substantially from the economic liberalization of the Ivorian cocoa industry at the expense of local Ivorians. Indeed, liberalization has yet to help the many Ivorians whose livelihoods depend directly on the successes or failures of the cocoa industry. Much of the benefits foreign companies have experienced remain rooted in the erosion of the State’s protectionist role in the industry, an erosion that has degraded the livelihoods of Ivorian farmers. These poor, illiterate farmers, underpaid and disorganized, cannot properly represent their interests in the international markets for cocoa. Furthermore, the International Cocoa Organization, based in London, reported that liberalization has resulted in an overall decline in the already low incomes Ivorian cocoa farmers receive.\textsuperscript{36}
Indeed, the liberalization of the Ivorian cocoa industry seems to have corresponded with a general increase in poverty. Unfortunately, establishing a definitive causality between trade liberalization and poverty proves difficult. Many economists argue that trade liberalization, as part of the broader neoliberal development strategies, may eventually alleviate poverty by increasing producers’ incomes. However, neoliberal policies, while minimizing the role of interventionist and protectionist governments, also often involve the minimization of welfare and anti-poverty programs. Indeed, in countries such as the Ivory Coast, trade liberalization has demonstrated a curious chronological parallel with decreases in the quality of life of Ivorian citizens, as evidenced by the United Nations Millennium Development Goal Statistics from 2003: The population below one dollar a day has increased from 12.3% in 1995 to 14.8% in 2002; the under 5 mortality rate per 1000 births has increased from 175 in 1995 to 192 in 2003; general health has worsened as the incidence of tuberculosis has increased from 248.5 in 1995 to 395.9 in 2003; and the GNI per capita has seen an overall decrease, from 710 in 1995 to 670 in 2003. Most strikingly, the UNDP Human Development Report explicitly states that the poverty index has increased from 32.3% in 1993 to 44% in 2003. All of these statistics indicate that the overall quality of life of the average Ivorian citizen has worsened in the period of time between 1994 and 2003, a period in which the Ivory Coast saw the liberalization of its cocoa market. In this time, however, several factors have most likely played significant roles in determining these statistics, most notably the death of Ivorian President Houphouet-Boigny in 1993 as well as the world stock market recession in 1999. Nevertheless, the neoliberal policies enacted throughout the 1990s and the dismantling of the Caisse de Stabilisation in 1999 were in no way altered to account for these changes, despite the many demands of cocoa farmers and the Ivorian government. Furthermore, while poverty often results from increased violence and
ethnic strife, in the Ivory Coast, as suggested by the UN statistics, poverty increased before the onset of the Ivorian civil war in September 2002.

Increased poverty causes an increase in the demand for cheap labor, and in the Ivory Coast, cheap labor means child labor. Unsurprisingly, then, as trade liberalization has correlated with increases in poverty, it has also correlated with an increase in the use of child labor. Because of falling cocoa prices, the instability of the liberalized system, and the push for increased production and exports, cocoa producers often cannot afford to pay many of their workers. Instead, they pay parents suffering from the same poverty as little as ten dollars for the bondage of one of their children, and the cocoa producers, using trickery and deceit, force the children to work on cocoa farms. Unfortunately, the trafficking and enslavement of children is far from rare in the Ivory Coast. The U.S. Department of State recently released a report regarding the enslavement of children on cocoa farms in the Ivory Coast in which it concluded that, of the 84,000 children working in hazardous conditions on such farms, 12,000 “had no known family ties.” Moreover, the International Labor Rights Fund, which has studied the issue of child labor in the Ivory Coast extensively, reports that over 200,000 child laborers toil on cocoa farms in the Ivory Coast.

Apart from the general concern about the violation of children’s human rights, the children on these farms work in absolutely deplorable conditions: “They work 12 to 14 hours a day spraying deadly pesticides, carrying sharp machetes up 25-foot trees, and hauling heavy bags of beans. They are paid nothing, barely fed, and regularly beaten.” Furthermore, a Public Health Report published in 2005 brought to light the severe health consequences these conditions can pose for children. For example, the physical strain cocoa farming entails can result in severe
musculoskeletal disorders in children, and the toxic pesticides so liberally used on Ivorian cocoa farms can result in organochlorine poisoning.\textsuperscript{44}

Though the enslavement of children constitutes an explicit violation of children's human rights, as upheld in international covenants supported by many Western countries, Western chocolate manufacturers often ignore this problem. In fact, by keeping commodity prices low, cocoa companies continue the cycle of poverty that creates the need for child labor amongst cocoa farmers.\textsuperscript{45} Notably, the Ivory Coast itself has upheld human rights within its constitution and within international declarations and, as of 2004, has considered establishing a Human Rights Commission within the Ivorian National Government.\textsuperscript{46} Moreover, in 1999, President Laurent Gbagbo ratified Convention 182, as outlined by the World Trade Organization, which outlawed the “worst forms” of child labor, such as enslavement, forced or exploitative labor, and prostitution.\textsuperscript{47} The Ivory Coast thus ideologically supports the abolition of child labor.

Morally opposed to the use of child labor, the Ivorian government has publicly condemned the multinational cocoa companies for keeping cocoa farmers in poverty. Former Ivorian Prime Minister Pascal Affi N’Guessan said “chocolate companies [are] only interested in their own profits. If child labor [is] to stop, the companies would have to pay considerably more to the farmers who grow cocoa.”\textsuperscript{48} The same year Prime Minister N’Guessan expressed such sentiments, the cocoa industry embarked on an unprecedented and unsuccessful attempt to combat the child labor problem. In July 2001, multinational cocoa companies established the Harkin-Engel Protocol: The Protocol for the Growing and Processing of Cocoa Beans and their Derivative Products. This protocol had the goal of solving the child labor problem by 2005 by establishing a cocoa certification system.
It failed. Unenthusiastic participants from the beginning, cocoa companies hesitated to make any significant changes in the cocoa commodity chain, and shifted responsibility from themselves onto other actors in the market like the International Labor Organization and Ivorian government. Today, for example, rather than emphasizing the need for a monitoring system in the cocoa industry, Archer Daniel’s Midlands’ statement regarding child labor in the Ivory Coast reminds consumers that “ADM is a processor and exporter, not a grower of cocoa.”

Heavily criticized by the International Labor Rights Fund, the failure of the Harkin-Engel protocol certainly reemphasizes the cocoa industry’s lack of incentive to correct the child labor problem in the Ivorian cocoa industry. Indeed, for the global chocolate industry, child slave labor keeps the price of their inputs down, allowing them to reap larger profits than if it instituted strict labor laws. In this way, child slave labor results directly from multinational chocolate companies’ quests for economic profits, as they lack economic incentive to correct the problem.

**ENVIRONMENTAL DEGRADATION**

Just as traditional market economics fail to provide incentive to protect against the use of child labor, it also fails to account for the environmental costs of economic growth. Though the increases in cocoa production that followed independence helped to stabilize the economy in the years that followed, the land-intensive agricultural practices used in growing and harvesting cacao have had severe environmental consequences. The deforestation of the Ivory Coast remains the most noticeable manifestation of environmental degradation resulting from increased cocoa production. In 1960, twelve million hectares of forest covered the Ivory Coast. In 1966, expanded cocoa production had reduced that number to nine million hectares, and today, Ivorian forests cover less than three million hectares. As evidenced by this timeline, the increase in
cocoa production following independence and subsequent production increases have had a direct impact on the loss of Ivorian forests.

Economic factors, particularly the liberalization of the cocoa sector, have heavily contributed to the degradation of the environment in the Ivory Coast. Much of the environmental degradation stems from farmers' blind increases in cocoa production, which result from instability of world cocoa prices and the inflexibility of cocoa supply. Magnifying the instability of cocoa prices is the "structural rigidity" of the cocoa supply: because cocoa is a tree crop, producers cannot quickly adjust the supply of cocoa according to shifting demands. Because of this inability to correct for changes in demand, producers, regardless of world prices, often blindly increase their production of cocoa. In their need to increase production, farmers frequently adopt environmentally unsound production techniques. Moreover, though the pesticides and fertilizers pose considerable financial costs to farmers, their increased harvest often allows them to make up for these costs.51

In their drive to increase their agricultural yields, farmers are increasingly abandoning the traditional and more sustainable shade-growth techniques and replacing them with full-sun cocoa production, and this transition aggravates several pre-existing environmental problems. In contrast with the traditional shade-growth techniques, full-sun growth techniques involve the removal of forest, demand greater amounts of water, and require a much heavier use of pesticides and fertilizers. Full-sun cocoa production thus not only contributes to deforestation, but it also increases soil erosion and the loss of soil fertility. Additionally, the increased use of pesticides and fertilizers contribute to the pollution of drinking water and threaten native aquatic habitats. Unfortunately, as liberalization pushes for an increase in the national exports of cocoa, farmers are increasingly switching to these unsustainable full-sun growth techniques.52
Ironically, most Western countries, who consume the cocoa produced in the Ivory Coast and who have imposed the economic policies that demand increased production, have banned many of the chemicals Ivorian farmers use to increase their yields, chemicals like DDT and chlordane. These unsustainable forms of cocoa production pose obvious threats to the Ivorian environment, but they also threaten the health and well being of the many Ivorians involved in the growth and harvesting of cocoa.

There thus exist significant environmental consequences to increases in cocoa production. Nonetheless, the IMF and World Bank, along with French investors, consistently praise the Ivory Coast each time their supplies and exports of cocoa increase. Market liberalization has failed to account for the significant environmental costs that have resulted from increases in cocoa production:

This situation demonstrates some of the inherent flaws in the assumption that market deregulation and dismantling of trade distorting practices always lead to greater 'efficiency.' Unregulated markets do not take into account public goods. The social and ecological costs of trade are not reflected in the market prices, but are instead passed on to the environment and society.

The liberalization of the Ivorian cocoa market thus has resulted in severe environmental degradation, which threatens both the natural environment and the local Ivorians whose lives depend on the state of that environment. Indeed, the contamination of water through pesticides, the pollution of land through fertilizers, and the increased rates of deforestation and soil erosion in the Ivory Coast have stemmed directly from foreign-imposed economic policy.

Poverty further aggravates environmental problems in the Ivory Coast. From the over-cultivation of agricultural land to the destruction of forest for food and energy, poverty has historically forced people to over-exploit the natural environment, and this tradition continues in the Ivory Coast today as poverty has increased over the past decade. Moreover, as poverty has
increased, so too has violence, culminating in the civil war that began in 2002. These increases in poverty and ethnic strife have resulted in another exacerbation of the Ivory Coast's environmental problems: a basic lack of environmental data. Such grave social issues in the Ivory Coast certainly take precedent over environmental concerns. Yet, contamination of the environment, from the loss of agricultural land to water contamination, also has significant long-term negative impacts on the local population. Unfortunately for Ivorian citizens, the economic policies enacted in the Ivory Coast, which have corresponded with increases in poverty and environmental threats, fail to account for the contamination of their local environments. In this way, economic interests and increased production outweigh humanitarian concerns in the Ivory Coast.

**Ethnic Violence**

In the same way that trade liberalization has corresponded with general increases in poverty, it has also corresponded with increases in ethnic violence that have plagued the Ivory Coast since the 1990s. An understanding of this ethnic strife necessitates an understanding of the ethnic make-up of the country. Today, 65 ethnic groups populate the Ivory Coast. In the 1960s, following independence, millions of immigrants from neighboring countries, like Mali and Burkina Faso, flooded into the Ivory Coast during the economic boom that resulted from the expansion of the cocoa market. Most of these immigrants, as well as many native Ivorians, headed for the Southern cocoa growing region of the country, and this migration contributed significantly to the economic prosperity of the post-independence years. In 1993, however, President Houphouet-Boigny died after 33 years of rule. This event thrust upon the Ivorian people the need to re-establish long forgotten democratic processes, and civil unrest soon began
to emerge. As the country digressed from its thirty-year period of economic and political stability, many native Ivorians began placing blame for the country's problems on the West African immigrants. The migration that had once contributed the country's economic growth thus now contributes to the ethnic strife in the Ivory Coast, as questions regarding citizenship and "ivoirité" have increasingly arisen in national political debates. In this way, the history of the cocoa industry and the significance cocoa holds for Ivorians has determined many of the ethnic divisions in the country. Furthermore, under the premise that the liberalization of the cocoa market has contributed to the economic decline in the Ivory Coast and has consequentially increased poverty, it follows that liberalization has also contributed to the increases in ethnic violence. There thus exists a direct correlation between the historical importance of cocoa in the society and economy of the Ivory Coast; the price volatility and economic strife experienced by Ivorians resulting from liberalization; and the violence that now disrupts the country.

**THE FRENCH AND INTERNATIONAL ROLE AND THE WESTERN ECONOMIC IMPERATIVE**

Having sent thousands of troops into the Ivory Coast, France continues to play an important role in the Ivorian civil war. Many see France's role in the conflict as a continuance of the control it has historically held over its former colony and an attempt to maintain its weakening presence in the international community. Though France continues to maintain a significant political presence in the Ivory Coast, the economic liberalization of the cocoa sector has resulted in the complication of France's economic presence, as the introduction of multinational firms has challenged France's hegemony. Nonetheless, these multinationals represent French investments as well, and as they gain control over the industry, this reinforces the stability of French economic interests in the Ivory Coast. Thus arises an interesting
dichotomy that merits its own analysis: the dichotomy between the displacement of French economic interests with the arrival of multinational companies and the economic gains the French stand to make as investors in these multinational companies.

Undeniably, however, as multinational firms continue to enter the Ivorian cocoa industry, these international actors increasingly influence the Ivory Coast. As their presence in the economy grows, so too does their responsibility towards the Ivorian people. Unfortunately, the economic liberalization that allowed for their entrance into the market has thus far proven detrimental to many Ivorians. Furthermore, in consideration of economic imperatives, many question the newly arrived Western cocoa companies’ motivation to prioritize human interests along with their traditional economic interests. One of the most significant manifestations this skewed prioritization is the hypocrisy behind Western agricultural protectionism. The degradation of the lives of the many Ivorians who depend on the cocoa industry is especially puzzling considering the protections guaranteed for Western farmers and the dismantling of the protections guaranteed for Ivorian farmers. European and American governments tend to heavily subsidize their farmers, protecting them from the price fluctuations in the world market. Yet, the same countries that reject the complete liberalization of their agricultural markets encourage developing countries like the Ivory Coast to liberalize their markets, a peculiar process by which western companies reap profits and Ivorian companies lose theirs. Such a fundamental hypocrisy illustrates the continued prioritization of economic interests in the liberalization of the Ivorian cocoa industry.

The chocolate industry further demonstrates this economic imperative through suppressing the truth behind chocolate production. Chocolate has a deep history and social significance throughout many western cultures, which certainly facilitates consumers’ ignorance
of their beloved product. Europeans, however, remain the culture most intimately connected with chocolate. Yet, as chocolate holds such significance in European cultures, these cultures often manipulate its history. European chocolate makers, for example, have traditionally infused their product with exoticism and primitivism of the South American lands where it was first discovered. This infusion of exoticism directly contributes to the sexy and dangerous image chocolate companies have traditionally marketed. Even the respected French Confrérie de Chocolatiers evokes the exoticism of South America and Aztec culture in their tribal-like rituals. In their induction ceremonies, members dress in elaborate robes and wear a headdress on top of which sits a figure of Quetzalcoatl, whom the Confrérie fondly identify as the Aztec God of Chocolate.

Perhaps most significantly, however, in their concentration on South America, many in the chocolate industry have completely excluded Africa from the chocolate story. The chocolate industry has invented an exotic story that excludes the Europeans' colonization of Africa, their participation in the Atlantic slave trade, and their establishment of cocoa as a mono-crop agricultural export commodity. The omission of Africa in the story of chocolate allows all in those involved in the chocolate industry to avoid their troubling colonial past and neocolonial present. Most notably, however, their ingenious use of exoticism and its subsequent sexiness continue to blind consumers today to the truths behind cocoa production. There thus exists a significant divergence between the tragic human face of chocolate producers and ignorant foreign consumers.
CONCLUSION

The irresponsibility that the chocolate industry has demonstrated in suppressing the truth behind chocolate production mirrors the negligence with which the West has implemented neoliberal economic policies in the Ivory Coast, as the liberalization of the Ivorian cocoa market has left a legacy of poverty, environmental degradation, and civil war. Though several other factors have certainly contributed to these problems, the stark juxtaposition between the profits made by the newly arrived multinational cocoa companies and the current hardships faced by Ivorian citizens illustrate the ambiguity of the success of liberalization. For the Ivorian people, liberalization has failed.

The Ivorian cocoa industry, however, is still in a significant period of transition following liberalization, as foreign investors continue to rapidly enter and exit the market. This analysis thus remains incomplete, as this paper has outlined the effects of an economic policy implemented less than a decade ago. The study of environmental and human costs of liberalization merits continued analysis in the future. Once the Ivory Coast regains its stability and the collection and availability of data increases, this will facilitate the direct comparison of the Ivorian market and society both before and after liberalization.

Many scholars optimistically anticipate that this future analysis will yield different conclusions than this paper, that neoliberal policies and trade liberalization will eventually meet their development goals and alleviate the suffering of millions of Ivorian citizens. Indeed, the Ivory Coast may eventually prove to be a model of neoliberal success in the same way that it was once the post-colonial success story of West Africa. In many ways, its ability to achieve this success necessitates a proper understanding of its colonial past. In fact, those responsible for the implementation of development strategies like trade liberalization should heavily reflect upon the
Ivory Coast's colonial years because today's experimentation with trade liberalization is, fundamentally, a renewed manifestation of colonialism. Unfortunately, this neocolonialism, in many ways, proves more detrimental to the Ivory Coast than traditional colonialism because, unlike the French colonialists, the modern multinational colonial empire's motivations center solely on economic profits. Certainly, the quest for economic profits characterized French colonialism as well. Nevertheless, the French were also deeply invested in the transformation of their colonial subjects. Though this transforming mission had its roots in notions of cultural superiority, France applied much of its colonial efforts into the perceived "betterment" of Ivorians. Today, the West must fully reject this historical precedent of economic exploitation and cultural superiority. Yet, it must also uphold the basic mentality behind the transforming mission of the French colonial legacy and endeavor, above all other ends, to better the lives of the people in developing countries.

The legacy of the French colonial era continues to diminish as France struggles to maintain its declining authority within the international political environment and within countries like the Ivory Coast, a former colony where it once played such a formative role. The many global citizens who care about the betterment of the developing world must strive to acknowledge the rich history that these two countries share, and most importantly, recognize the tragedy behind colonial exploitation as a means of preventing its repetition. Rejecting the historical precedent of colonialism, the West must begin a new legacy based in the mutual respect and dignity for the developing world.
27


4 Handloff, 112. “Cacao trees produced pods, which grew on the trunk of older branches, beginning at four or five years, and continued producing for twenty to thirty years. The pods were harvested from June through August and from November through January... After harvest, the beans and pulp were extracted from the pods and allowed to ferment for six or seven days and then dried.”

5 “Cocoa Trade.”

6 “Information on the effects of liberalization on the Ivory Coast’s cocoa market,” International Cocoa Organization, <http://www.icco.org/questions/ivory.htm>, (accessed 19 November 2006). “The Caisse system was inherited from the French colonial period. In Côte d’Ivoire the Caisse de Stabilisation (Casitab) operated as a stabilization fund and never took ownership of the products it controlled. Traders bought the cocoa beans from farmers and they could then sell them to a number of different private exporters. The Caistab set the official export price, released exports negotiated by private exporters, directly sold a proportion of the Ivorian crop with shipping and handling allocated to nominated exporters, it set the barème pricing structure, it set an indicative farmgate price and it was responsible for quality at the point of export. The Caistab was a government body and therefore the government exerted a considerable influence on all those involved in the export of cocoa.”


8 Losch, 208

9 Ibid., 206

10 “Cocoa Trade.”


14 Ruth Tete, “No Tears For France,” New African (June 2006), 25


16 Diop.

17 Ibid.

Losch, 206.


23 Tete, "Economic War."

24 M. Shamsul Haque, "The Fate of Sustainable Development under Neo-Liberal Regimes in Developing Countries," International Political Science Review 20, no. 2 (April 1999), passim.

25 Losch, 212.

26 "Information."


32 Losch, 224


34 Losch, 224.

38 Haque, 203 – 208.
45 “Bittersweet.”
47 National Assembly Archives of the Republic of the Côte d’Ivoire, Projet de Loi autorisant le President de la Republique a ratifier la convention 182 concernant l’interdiction des pires formes de travail des enfants et l’action immediate en vue de leur elimination adoptee a Geneve, le 17 Juin 1999: Exposé des Motifs,” 17 June 1999, 1
50 “Cocoa Trade.”
51 Ibid., 4-6
53 Ibid., 5.
55 Gooding, 9.
56 Haque, 203 – 208.
57 Balint Kurti, “Cocoa War.”
58 Susan J. Terrio, Crafting the Culture and History of French Chocolate, (Berkley [CA]: University of California, 2000), 245-246.


_____. Projetde Loi portant creation de la commission nationale des droits de l'homme de cote d'ivoire (CNDHCI): Expose des Motifs. 18 February 2004.


_____. “No Tears For France.” New African (June 2006).

Secondary Sources


“Child Labor in Agriculture: Focus on Child Labor on Cocoa Farms in West Africa and


Terrio, Susan J. *Crafting the Culture and History of French Chocolate.* Berkley [CA]: University of California, 2000.