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*Section Summary*

The achievements made in the session on 'Multilateral Trade Negotiations and Agricultural Trade', both in the papers presented and during the discussions, can best be summarized by comparison with what the results would have been if a session on the same topic had been held three years ago during the XIX International Conference at Malaga. Differences are significant and encouraging, in the areas of both *factual events* and *analytical contributions* of agricultural economists. However, there are also several important *open questions*.

In terms of *factual events* it is now clear (which it was not in 1985) that the contracting parties of the GATT are engaged in another major round of multilateral trade negotiations and that agriculture figures prominently in this round, much more so than in any previous round of GATT negotiations. The papers and discussions, in particular during the plenary session on this conference topic, have clearly shown that the agricultural negotiations of the Uruguay Round mark a significant departure from earlier rounds, in a number of dimensions, though in some other aspects there is a striking sense of *déjà vu*.

One of the notable improvements over previous GATT rounds is the fact that many governments have now come to see, if only for domestic reasons, that agricultural policies need to be reformed and that this is more easily done in a multilateral process. The objectives specified for agriculture in the Punta del Este Declaration accordingly reach much further than in earlier rounds of GATT negotiations, and the actual talks in the Negotiating Group on Agriculture of the Uruguay Round began at rather high speed and with some innovative proposals. It remains, of course, to be seen whether results on agriculture will, at the end of the Uruguay Round, be anything better than in previous rounds which, as we were reminded in the plenary session, did not lead very far in agriculture.

One other innovation is that developing countries are playing a more active role in this round of agricultural negotiations. This however, does, not say that they are speaking with one voice. Differences of interest are too significant among the developing exporters of temperate-zone products, some of which have joined the Cairns Group (another innovation of this GATT round); the developing importers of temperate zone products; and the exporters of tropical products.

Which *analytical contributions* have agricultural economists made to this round of GATT negotiations? With all due modesty it is probably correct to say that significant progress has been made and that this has had an impact on the actual trade talks. The two major areas of analysis relevant in this context have been addressed, each in the format of a synopsis paper and a panel discussion

among analysts working in that field, in two invited paper sessions under this conference topic, with some other invited papers in another session.

One area in which agricultural economists have made an analytical contribution is in estimating the effects of agricultural trade liberalization, with the help of a number of quantitative trade models which have become available in recent years. There is now a large and growing quantitative evidence of the extent to which agricultural policies around the world distort resource use, income distribution, trade flows and prices. Notwithstanding significant methodological differences among the various models used for such analysis, the evidence produced by these models is largely consistent. At the same time we as analysts now have a much clearer view of the methodological issues involved, for example in the choice of partial versus general equilibrium models.

The other area in which economic analysis has made a contribution to trade negotiations is in measuring levels of protection in agriculture. There is now a large family of indicators, some old, some new, for the extent to which governments interfere with the market process. Much quantitative evidence has been produced in recent years, and the transparency and international comparability of agricultural and trade policies has been greatly enhanced in this way. Moreover, we are gaining a clearer view regarding the interpretation of different indicators of protection and concerning the possible use of such indicators in multilateral trade negotiations.

It should be reassuring for the agricultural economics profession that these analytical achievements have not failed to have some impact on the process of trade negotiations. The quantitative evidence produced regarding the effects of current policies and of liberalizing agricultural trade has helped to bring home to policy makers the message that current policies are inadequate and need reform. The evidence generated concerning levels of protection has made it clear that not only a few countries are 'sinners' and that, therefore, all countries should share in a process of multilateral policy reform. And the availability of comprehensive indicators of agricultural protection has provided negotiators with the opportunity to consider new approaches to agricultural trade negotiations (that is, use of an aggregate measure of support in the Uruguay Round). Moreover, the side remark has been made in our discussions that by proving useful in this way agricultural economists have created more employment for themselves (as evidenced by the large number of agricultural economists now engaged in estimating levels of protection in various agencies).

However, there are still many *open questions*, only some of which can be mentioned here. In the area of modelling trade and the effects of liberalization, there is, for example, the issue of how to account appropriately for the dynamic and long run effects of agricultural and trade policies. Moreover, as models become more and more comprehensive, how can we make sure that they still remain 'readable' and that we can both understand their results and communicate them to policy makers?

When it comes to measuring levels of protection, which is the most appropriate way of using indicators of support in trade negotiations? In particular, is it possible to proceed from indicators of support levels to measures which more adequately reflect the differing trade impacts of different types of policy instruments?

In the area of the political economy of multilateral trade negotiations we would like to know more precisely how far lessons from earlier rounds of negotiations can help us in designing more appropriate approaches for the current negotiations. Which suggestions do we have for developing countries concerning the way in which they should act in the negotiations? Would use of an aggregate measure of support in the agricultural negotiations make agriculture even more specific in the GATT?

In conclusion, agricultural economists can be proud of having made some significant and interesting contributions to the agricultural negotiations of the Uruguay Round. The XX IAAE Conference provided a welcome opportunity for stocktaking in this area. However, much remains to be done, and it will be interesting to see, at the time of the XXI Conference, whether we can improve on our record and to what extent our work proves effective in terms of helping to achieve a successful outcome of the multilateral trade negotiations.

Rapporteurs for the above sessions of the Conference were:

ANNA BURGER  
EWA RABINOWICZ  
ERIC TOLLENS

Participants in the discussions included:

H. Anartasios, T. Josling, G. T. Jones, O. Knudsen, P. Mäkinen, D. Tomic, E. Rabinowicz, F. Sanderson, T. Haniotis, D. McClatchy, G. Peters, R. Snape, G. Edwards, W. Martin, F. Isermeyer, C. Capstick, M. Petit, D. Colman and N. Schwartz.