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# SUSTAINABLE AGRICULTURAL DEVELOPMENT: THE ROLE OF INTERNATIONAL COOPERATION

PROCEEDINGS  
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INTERNATIONAL CONFERENCE  
OF AGRICULTURAL ECONOMISTS

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*Section Summary*

As a test-bed for the role of international cooperation, the GATT negotiations on agricultural trade liberalization have proved discouraging. In view of its continuing importance this was chosen as the topic for the plenary session. Aart de Zeeuw, in view of his position in the GATT negotiation, possibly had to profess a modestly optimistic view of the outcome of the wrangle, which he did by arguing that the basis for a compromise on tariffication with safeguards and limitation of export subsidies was possible. However, this optimism proved difficult to reconcile with his view that, if compromise cannot be reached by the end of 1991, then the Americas and Europe (west and east) are likely to go their own ways to form separate free-trade areas.

The paper by Sandy Warley and Don McClatchy was opened by Sandy Warley in what he called his swansong to the Association. Swans are often seen as mild, except when provoked, but Sandy was hard-hitting in a presentation, which called, in effect, for the profession to confront the split between the intellectual support it gives to the efficiency of markets and free trade and the entrenched commitment of many of its members to supporting their own country's farmers. This schizophrenia is commonplace among us, but clearly not in Sandy Warley, who is committed to an open trade policy with free transmission of price signals. He called upon us to rise above an agricultural focus and support the higher ideals of free trade and the GATT. This support for the efficiency of free trade contrasts with the earlier call by Norgaard for a higher idealism which stressed the limitations of the neo-classical economic paradigm. Don McClatchy presented the other half of the paper, which discussed some methodological limitations of the models generating quantitative estimates to accompany the trade liberalization agenda. This concentrated on the implications that few modelling exercises have simulated the trade-liberalizing effects of reducing aggregate agricultural support against a fixed external reference price; the hypothesis stated was that, if this were modelled, it might be shown that only modest support reduction (30–50 per cent) would remove most of the distortions in world trade.

Further methodological issues in modelling trade policy liberalization (a euphemism for dismantling much of agricultural policy) were explored in the first associated invited paper session. Tom Hertel, Kent Lanclos and Marie Thursby examined the implications of introducing imperfect competition in sectors downstream of agriculture into our models; the treatment was theoretic-

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cal and empirical in relation to the Cameroons. The outcomes reinforced a conclusion of Warley and McClatchey, in that they concluded that allowance for imperfect competition leads to lower estimates of the agricultural supply adjustments of trade liberalization.

The paper by Eric Monke and Scott Pearson also reflected the sub-theme of the domestic impacts of trade liberalization by outlining a matrix system for presenting the impacts of policy change to policy makers. The matrix presents a disaggregated assessment of the impacts at all levels within the system.

The second invited paper session which was to address issues of the possibilities of increasing trade from Eastern Europe and the USSR did not go to plan. Neither paper giver could be (or was) present. The situation was retrieved by Karen Brooks (originally scheduled as a discussion opener) who successfully stepped in to present the Russian view, and Ferenc Fekete and Csaba Forgacs who presented a paper on Hungarian agricultural policy and trade. They retrieved the situation admirably, and a good discussion took place, led by the rapporteur, Tadeusz Huneck.

Chairpersons: Maury Bredahl, Wilhelm Heinrichsmeyer, Jock Anderson.

Rapporteurs: S. Tarditi, J.A.Groenwald, T. Huneck.

Floor discussion: S.Hossimi, K.J.Thomson, H.Mahran, A. Kashuliza, R.Lopez, A.Okorib, M.L.Pereira, A.Sarris, C.Short, O. Soda, D.Sumner, S.Tarditi.