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Josling's Contributions of Enduring Quality

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Selected presentation for the International Agricultural Trade Research Consortium's (IATRC's) 2021 Annual Meeting: Trade and Environmental Policies: Synergies and Rivalries, December 12-14, 2021, San Diego, CA.

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Josling's Contributions of Enduring Quality

IATRC Annual Meeting, 12-14 December 2021

What made Josling's contributions so special?



- In this brief review of Josling's publications, I hope to demonstrate that they were special because of his
 - uniquely original thinking, introducing new concepts
 - stunning thematic breadth
 - focus on acute policy issues, never *l'art pour l'art*
 - real word policy analysis based on sound theory
 - didactic approach, numbers illustrate argument
 - clear writing style, readable for non-specialists
- I will mention eight thematic areas (see book)
 - ... with a subjective choice among his ~ 320 publications

1. AGRICULTURAL POLICY PRINCIPLES



- Prime example:

Josling, T. (1969). A Formal Approach to Agricultural Policy. *Journal of Agricultural Economics*, 20(2): 175-196.

I strongly recommend (re-)reading this publication

- Comprehensive analysis of acute and hotly debated issues in UK farm policy, e.g.
 - deficiency payments or variable levies?
 - how to conserve foreign exchange?
- Josling convinced his audience not only by the ‘what’ but also by the ‘how’ of his analysis

In young age, Josling sets standards



This paper departs from tradition by explicitly considering (a) the existence of objectives other than economic efficiency, (b) the importance of disequilibrium in the rest of the economy, (c) the effect on markets into which the supported product passes as an input, and (d) the implications of marginal adjustments to policy levels.

- application of topical welfare economics
- graphical and algebraic analysis, numbers used to illustrate policy effects

Josling's analysis at work



Fig. 3. Market for a good subject to both a deficiency payment and a variable levy or minimum import price scheme.

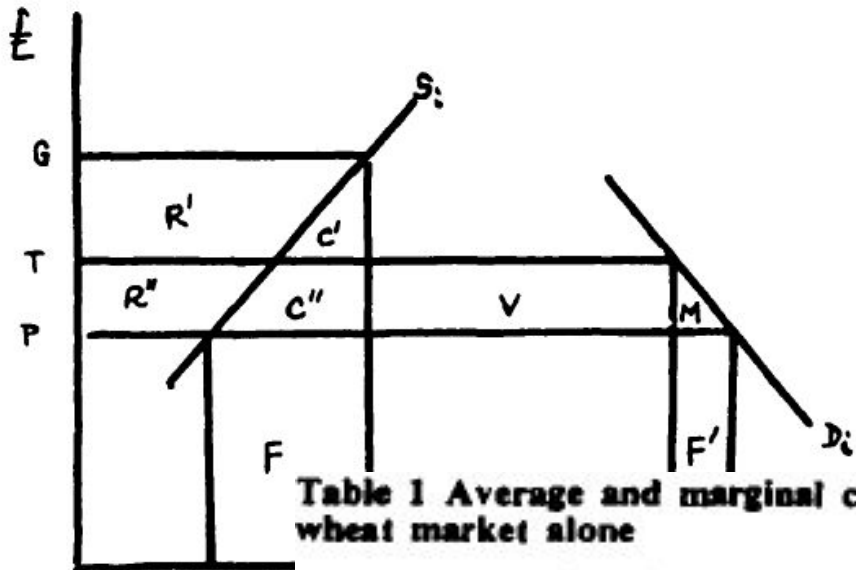


Table 1 Average and marginal cost of income transfer using alternative wheat policies, wheat market alone

A. Average cost of each £1.00 transferred to farm income.

POLICY	ECONOMIC COST	BUDGET COST	USER COST	EXCHANGE SAVING
Deficiency Payment	0.12	1.12	—	1.08
Variable Levy	0.32	-0.82	2.13	2.78
Minimum Import Price	0.32	—	2.13	1.96
DP/VL	0.16	0.24	1.00	1.75
DP/MIP	0.16	0.67	1.00	1.32

Domestic policy affects global markets



In Josling, T. (1979). *Agricultural Protection and Stabilization Policies: Analysis of Current Neomercantilist*

Table 3. Aggregated Production, Consumption and Trade Effects, Wheat, 1971-72 to 1974-75

	1971-72	1972-73	1973-74	1974-75
Total production volume effect	6.1	8.1	6.3	-2.6
Total consumption volume effect	7.1	5.7	-4.5	-3.6
Total export volume effect	12.5	12.7	1.8	-4.1
Total import volume effect	0.7	1.0	0.1	-2.1
Net trade volume effect ^a	13.2	13.7	1.9	-6.2

20 mill tons

2. UK FARM POLICY AND THE EU



- analysis of implications for UK of applying the CAP

Josling, T.E. (1970). *Agriculture and Britain's Trade Policy Dilemma*. Thames Essay No. 2. London: Trade Policy Research Centre.

"It may be that a large cost on the agricultural policy is, for the United Kingdom, an acceptable price for membership. But what is most disturbing is that the agricultural cost is largely wasted. Even federalists who can ignore intra-EEC transfers are dismayed at the apparent blind alley down which the Common Market's farm policy is moving."

UK experience applied to other cases of EU enlargement



- **Josling maintained a keen interest in implications of countries joining the EEC (and the CAP)**
- **practical work on Portugal's accession (1986) in Lisbon Ministry of Agriculture**
- **work on EU Eastern enlargement (study commissioned by EU Commissioner for External affairs)**
→ **vigorous argument for fundamental CAP reform**

3. AGRICULTURE AND THE MACRO-ECONOMY



- Late 1960s turbulence on currency markets
- Exchange rate adjustments interfered with common prices set by CAP
- Josling was early analyst of implications for ag policy
 - ... and of resulting Green Money regime



- Implications of 1973 oil price shock and macro-economic turmoil

In Josling, T. (1985). *Markets and Prices: Links between Agriculture and the General Economy. European Review of Agricultural Economics*, 12(1-2): 1–11, he suggested that

"It is not clear whether any sectoral policies could have preserved stability [on agricultural markets] in the face of macroeconomic upheavals of that magnitude, or indeed whether such stability would have been in the general interest."

4. REGIONAL TRADE AGREEMENTS



- Josling combined grasp of institutional detail and insight into politics and mechanics of market and trade policies
 - RTAs were a tailor-made theme for him

In Josling, T. (1993). *Agriculture in a World of Trading Blocs. Australian Journal of Agricultural Economics*, 37(3): 155-179

he analysed interaction between RTAs and national ag policies

One of Josling's two-by-two boxes



Classification of Instruments According to Degree of Coupling

	Producer Coupled	Producer Decoupled
<i>Consumer coupled</i>	<i>Incompatible with FTA Allowed on third-country trade</i>	<i>Likely to be tolerated in FTAs</i>
	Import taxes, levies	Consumer subsidies
	Import quotas	Storage subsidies (consumer level)
	Export subsidies	
	Voluntary export restraints	
	Home-market schemes and two-price schemes	
	Producer-financed export subsidies	
	State trading	
<i>Consumer decoupled</i>	<i>Likely to be challenged in FTAs as distortion of competition</i>	<i>Allowable under FTAs</i>
	Producer subsidies	Food stamps
	Deficiency payments	Crop insurance
	Storage subsidies (producer level)	Hectarage payments
	Set-aside payments (incentive component)	Set-aside payments (decoupled component)

Holder of a British passport living in US



- Josling got deeply involved in analysis of US-EU trade relations (and tensions)
... and of the various (and generally failed) attempts at establishing bilateral arrangements

"The tension in farm trade appeared to have just nuisance value in cluttering up the agenda of intergovernmental meetings"

In Josling, T. (1993). Agricultural Trade Issues in Transatlantic Trade Relations. *The World Economy*, 16(5): 553-573 he said

"The US-EC farm trade clashes are better seen as conflicts among similar systems, each of which would work better if only the other were to be modified. The tensions are a result of this unfortunate fact."

5. POLITICAL ECONOMY



- Josling was a truly political animal
 - ... and loved to work with political scientists
- Two books with Moyer on politics and process of ag policy reform in US and EU
 - ... based (a.o.) on interviews with political actors
- Book with Coleman and Grant on **Agriculture in the New Global Economy**
 - ... citing the IATRC as an example of an epistemic community promoting *"the efficacy of markets over state intervention in realizing economic objectives"*

6. MEASUREMENT AND ANALYSIS OF FARM SUPPORT



- If there were a *Nobel prize for ag policy analysis*, Josling should have been awarded it
for having developed, in 1973, the innovative methodology of the **producer support equivalent (PSE) [and CSE]**
- The PSE was a highly consequential contribution, of certainly enduring quality
- Originally developed for FAO
... and later adopted by OECD, where it became a landmark product (now covering 54 countries)

The momentous PSEs



- **Meaning of PSE information is easily understood**
- **PSE data became a highly effective source of public information**
 - ... and of interaction between governments**
- **In preparation of Uruguay Round, PSE data helped to bring governments to negotiating table**
- **Josling (et al.) proposed use of PSE in GATT**
- **PSE concept induced inclusion of AMS in UR AoA**

7. MULTILATERAL TRADE NEGOTIATIONS



- Josling analysed (and influenced) GATT/WTO negotiations since Tokyo Round
- Had particular interest for situation of developing countries
 - e.g. his proposal for internationally financed food stamps for poorest countries (instead of food aid)
- Josling made crucial contributions to IATRC work on **"Bringing Agriculture into the GATT"** during UR
- after UR published book on **"Agriculture in the GATT"** (with Warley and Tangermann)

- Josling was interested in legal matters, and loved to work with lawyers

→ publications on WTO disputes, e.g.

Josling, T.E. and T.G. Taylor (eds.) (2003). *Banana Wars: The Anatomy of a Trade Dispute*. Wallingford UK: CABI Publishing.

Steinberg, R.H. and T. Josling (2003). When the Peace Ends: The Vulnerability of EC and US Agricultural Subsidies to WTO Legal Challenge. *Journal of International Economic Law*, 6(2): 369-417.

8. EMERGING ISSUES

AFTER THE URUGUAY ROUND



- Josling became interested (and expert) in regulation and standards
- Highly recognized and cited book

Josling, T., D. Roberts, and D. Orden (2004). *Food Regulation and Trade: Toward a Safe and Open Global System*. Washington, D.C.: Peterson Institute for International Economics.

combines analytical approach with factual information, underpinned by case studies (e.g. FMD, BSE), and institutional detail (e.g. SPS, TBT and TRIPS Agreements)

Wide variety of emerging issues



- Josling contributed widely read publications on matters such as private standards, geographical indications, regulation of biotechnology
- **Barton, J.H., J.L. Goldstein, T.E. Josling, and R.H. Steinberg (2006). *The Evolution of the Trade Regime: Politics, Law and Economics of the GATT and WTO*. Princeton University Press.**
were concerned about the future of the WTO, given an increasing difficulty of reaching agreement on pressing trade issues. They suggested that while the WTO is one of the centrepieces of the international economic order, it faces a crisis of legitimacy and relevance.

JOSLING INFLUENCED THE POLICY AGENDA



- **Josling was an accomplished academic, with an impressive publication record**
- **But he was more than that**
- **He was cherished not only by his colleague academics, but also by policy makers**
- **Josling was equally at home, and equally successful, in**
 - **solid economic analysis, and**
 - **providing policy guidance**

What can we learn from Josling's approach? *



- 1. Combine depth with a broad focus**
- 2. Be solutions oriented**
- 3. Be prepared to take risks**
- 4. Learn to communicate effectively**
- 5. Disagree without being disagreeable**
- 6. Network and collaborate**

* Contributions by Alex McCalla, Ed Rossmiller and Ann Tutwiler are gratefully acknowledged

To many of us, Tim was much more than a highly competent colleague and welcome co-author

He was also a wonderful friend whom we will always miss

