

E. Diaz-Bonilla, S. E. Frandsen, and S. Robinson (eds): WTO negotiations and agricultural trade liberalization: the effect of developed countries' policies on developing countries

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Brian J. Gareau

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The purpose of this edited volume is to “present a selection of studies” that “analyze the effects of developed countries' agricultural policies on developing countries, mostly focusing on food security, poverty and other aspects of interest to the latter, as an input to policy reform scenarios within the WTO trade negotiations” (ix). The book is designed to be useful for a broad audience while employing a variety of quantitative techniques to assess the impacts of agricultural trade policies on the developing world. The book contains chapters dealing with four broad topics: (1) the impact of developed countries' agricultural policies on developing countries; (2) potential coalitions of countries in WTO negotiations; (3) non-trade concerns of developing countries; and (4) trade preferences and possible changes in those preferences under more liberalized global agricultural markets.

The editors' introduction provides an overview of the conclusions made in all of the subsequent chapters. The chapter illustrates how differences among developed country positions in the WTO are based upon differences in their agricultural economic situations (as discussed in Chaps. 2, 4, and 6), as are the much more varied differences among developing countries (as discussed in Chaps. 3, 5, 7, and 10). Developing countries are seen as harboring either a view that their agricultural sector is weak and thus requires preferential access to the industrialized world and/or subsidies and other special treatments (also in Chaps. 13 and 14), or that the sector should be treated like others, with low levels of protection (the position of many Latin American and Caribbean countries). It seems clear that

differences between developing countries' views on protectionism versus liberalization is related to the importance of agriculture as a percentage of GDP, the productivity of national agriculture, level of expenses, quantity of arable land per capita, levels of inequity in land distribution, levels of imports of basic grains and dairy product (food security), structural developments like roads, and the destination of agricultural exports.

As there has yet to be an agreement on WTO agricultural negotiations, the chapters run various analyses to “determine the welfare and other effects of following different approaches to reform current agricultural and trade policies” (13). Chapters 2 and 4 review European Union (EU) and United States (US) agricultural policies. These chapters present relatively clearly the complex policies of these key world actors and the reasons for their differences. The remaining chapters make assessments of various aspects of WTO agricultural policy based on economic modeling, or statistical and/or empirical analysis: computable general equilibrium (CGE) simulations (Chaps. 3, 5, 7, 10, and 13); cluster analysis (Chaps. 6 and 8); a stochastic approach focusing on calorie availability (Chap. 9), and; empirical analysis (Chaps. 12 and 14).

Chapters 3 and 5 present simulations of what changes in EU and US policies might mean for different groups of developing countries. Chapter 3 suggests that the Eastern enlargement of the EU to include 10 new members and the subsequent agreement on changes made at the mid-term review (MTR) of the EU's Common Agricultural Policy (CAP) would likely have small negative effects on the African economies and large welfare gains for the enlarged EU. Among the conclusions in Chap. 5 is that liberalizing both domestic policy in agriculture and agricultural trade would have a significant effect on global trade, with agricultural exports from the developing world rising

B. J. Gareau (✉)
Department of Sociology, University of California, Santa Cruz,
CA 95064, USA
e-mail: bgareau@ucsc.edu

dramatically, “while their agricultural imports decline modestly” (118).

Chapter 6 identifies which countries should be negotiating together based on their behavior patterns. For example, the authors found that the few protectionist developing countries should side with the EU, so they could benefit from siding with a powerful ally, while the majority of developing countries seem best situated with Canada and the Cairns group (Argentina, Australia, Brazil, Chile, Indonesia, the Philippines, South Africa, and 10 others). Also, African nations should work together. Chapter 6 supports the view that “of the major players in the WTO, the EU and Japan are by far the least willing to liberalize, being in sharp contrast to the USA and most developing countries” (139).

Chapter 7 assesses the “Harbinson Draft,” named after the then chairman of the special session on agriculture of the WTO negotiations in 2003. The draft is the “only tabled negotiating document that presents a comprehensive and detailed compromise proposal with concrete numbers on reductions, ceilings, and transition periods” (142). If ever put into operation, simulations suggest that the draft would lead to “significant global, as well as national, income gains,” with world agricultural trade increasing by 25% (161).

Chapters 8–12 deal with food security issues from various angles. Chapter 8 concludes that WTO typologies such as “developing country,” or “net food importer,” are inadequate when it comes to food security, while Chap. 9 concludes that trade liberalization has led to lower levels of food stocks in the poorest countries than has been historically recommended (204). Chapter 10 shows that trade protection has a negative impact on poor households, and that trade policies should focus on vulnerable groups rather than on crops. Chapter 11 deals with multifunctionality, where agriculture is seen as generating positive externalities in addition to its products (235). Such non-trade concerns are highly disputed among WTO parties, and the authors conclude that such forms of protectionism are ill-advised, supporting inefficient agricultural production systems and are potentially harmful. Chapter 12, the most disjointed chapter, illustrates the difficult situation facing developing countries as they consider increasing food supplies and agricultural trade with genetically modified (GM) food. The authors note that this is an extremely gray area, with no good data on the impacts of GM labeling, market segmentation costs on GM food, shifts in consumer attitudes, and divergent views in terms of attitudes toward GM food. Nonetheless the authors conclude that GM adopters will gain much, and potentially lose much if they do not adopt GM foods. This is a premature conclusion given the uncertainty of GM costs and benefits.

Chapters 13 and 14 deal with the implications of trade preferences under liberalized world agricultural markets.

Chapter 13 concludes that the EU’s “Everything But Arms Initiative,” which removes all restrictions on imports from “least developed nations,” will have only limited positive effects on affected countries due to the limited number of agricultural products involved. Reflecting on the collapse of the WTO Ministerial meeting in Cancún, Chap. 14 cautions that economic theory cannot unerringly “provide clear-cut conclusions about the desirability of preferential trade agreements as seen from a developing country perspective” (326). However, the authors conclude that the “welfare impact on participating countries is generally positive, yet small” and that “developing country policymakers... should direct their negotiation resources toward achieving truly comprehensive trade liberalization at the multilateral level through the WTO” (326–327).

Some broader comments are worth mentioning. The initiative of this book was the failed 1990 WTO Ministerial Conference held in Seattle. This collapse, the book editors believed, highlighted the need to research the reasons for divergences on trade and development perspectives among WTO participants. Thus, this volume is indeed timely, and perhaps portends a significant shift in the globalization of agriculture. The recent failures of WTO rounds are a microcosm of broader failures in neoliberal global governance that are impacted by protectionism of global agriculture. These failures are having wide-ranging effects on the developing world. For example, even the Montreal Protocol, considered the most successful global environmental agreement by many, has experienced delays due to the failure of global powers to agree on issues of global agricultural trade and the usage of protectionist tactics under the guise of neoliberal rhetoric (Gareau 2008). However, the general conclusion in this edited volume is that *freer* trade is the answer to agricultural woes in the developing world, which of course is a much contested view.

For anyone interested in understanding the reasons for disagreement in global agricultural trade among global powers and the implications for the developing world from a quantitative perspective, this is a useful book. It is a rather tedious volume, too technical and focused for undergraduates, but the chapters provide concise presentations of quantitative methods and analysis that would be helpful for graduate students interested in the topic. While the authors intend to present the book in four sections, the separation between the sections is only noted in the introductory chapter, making it difficult to recognize any thematic orientation among chapters. The book is likely most useful for negotiators of developing countries looking for concise analyses of EU and US agricultural policies and reasons for differences in developing country responses.

Reference

Gareau, B.J. 2008. Dangerous holes in global environmental governance: the roles of neoliberal discourse, science, and California agriculture in the Montreal protocol. *Antipode* 40(1): 102–130.

Author Biography

Brian J. Gareau recently received his PhD from the Department of Sociology at the University of California, Santa Cruz. Gareau's dissertation focuses on the intersections of science, geopolitics, and political economy in the phase-out of methyl bromide in the Montreal Protocol. He is currently a Lecturer at UC, Santa Cruz.