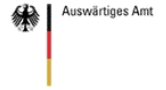


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Addressing non-trade concerns within the WTO Agreement on Agriculture

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The WTO Agreement on Agriculture (AoA) needs to strike a balance between providing fair and transparent terms of trade, and ensuring that governments can intervene in the market to correct its failure to provide public goods. Unfortunately, this balance has not been achieved in the existing agreement, and the positions governments are taking in the re-negotiation of the AoA fall well short of addressing the disparities between the architecture of the trade regime and the need to develop alternative policies to deliver secure supplies of food through sustainable agriculture. This paper argues for new thinking to be developed on the policy tools that are needed to enable governments to deliver these goals.

The following analysis is made:

- It is unlikely that every country in the world could produce all of the food that its population needs or desires. Some degree of trade in agricultural products is inevitable. The question is, whether and how that trade should be regulated.
- The market is a useful organising mechanism for the allocation of goods and services. However, the market cannot provide all of the outcomes we wish from agriculture. If the market is to work for the public benefit, some government intervention is an absolute necessity. The question needing to be addressed is, what kind of intervention is needed.
- The fact that neither the 'free market' approach nor a defence of the status quo can help deliver more sustainable agriculture requires that new thinking is developed on agricultural trade policy.
- Environmental conservation needs to lie at the heart of agricultural policy. Due to its adverse impact on the environment – and thus ultimately its adverse impact on production - intensive agriculture will not be able to feed the world in the long run. Therefore, food security has to be premised on sustainable agriculture.
- Central to the debate over AoA reform are the so-called non-trade concerns of agriculture (NTCs). NTCs can be broadly categorised as the aspects of agriculture that the market does not, or cannot, necessarily provide. Such concerns include secure supplies of food, rural development, biodiversity conservation, environmental quality, food safety and landscape values. A seemingly common misconception is that NTCs are a side issue, somewhat peripheral to the main business of cutting tariffs and subsidies and regulating non-tariff measures. However, NTCs provide the fundamental justification for either maintaining, changing or abandoning trade policies and are therefore critical to the whole debate over AoA reform.
- The nature and extent of NTCs vary from country to country depending on particular social, economic and environmental circumstances. The fact that NTCs are both complex and varied suggests the need for a range of policy approaches. What may work in one country will not necessarily be appropriate in another.

The range of policy tools available needs to reflect the varying abilities of countries to utilise different policy mechanisms. Market access regulation is therefore an important policy tool.