

ABSTRACTS

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NON-TRADE CONCERNS AND SPECIAL AND DIFFERENTIAL TREATMENT - A CARIBBEAN PERSPECTIVE FOR THE WTO 2

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ABSTRACT

Given the important role that agriculture plays in developing countries such as those in the Caribbean region, this paper begins by examining its specific and multifunctional characteristic. The Agreement on Agriculture provides for the consideration of non-trade concerns, these are then identified and their relevance to the Caribbean assessed. Some of the non-trade concerns noted are food security; provision of externalities and public goods, like recreational areas, the rural landscape; employment, creation of economic linkages, for example, eco-tourism; provision of social services such as health and education. The common denominator for the negotiations on agriculture is rather small, with a wide diversity of policy goals and agricultural policies in the world, including how non-trade concerns should be handled. The two main opinions on non-trade concerns, the 'Market-only Approach' and the 'Article 20 Approach' and their implications for Caribbean

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NEGOTIATING THE FUTURE OF CARICOM'S SUGAR INDUSTRY: THE IMPLICATIONS OF WTO-TYPE COMMITMENTS

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ABSTRACT

This paper examines the core considerations affecting negotiations for the future of the Caricom's sugar industry. These are the capacity and performance of the industry and its competitiveness as limiting factors; the absence of "popular education" on the issues and the continued suppression of historical detail in relation to the world sugar market in current discourses about globalization and free trade, the implications of current WTO commitments and their likely trajectory in the future, key features of the world sugar market; the impact of the recent Cotonou Agreement and the special concessions offered by the European Union to the LLDCs; and, the prospects for the US sugar regime.

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UNILATERAL AND MULTILATERAL TRADE LIBERALIZATION ON SUGAR AND IMPLICATIONS ON THE US AND WORLD SUGAR INDUSTRIES

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ABSTRACT

The objective of this study is to analyze the impacts of alternative trade liberalization policies in the United States and the European Union (EU), and Mexico's export of sugar under NAFTA on the US and world sugar industries. An econometric simulation model is used for this analysis.

This study found that the US sugar industry may be able to survive if both the United States and the EU liberalize their sugar trade. However, if only the United States eliminates its sugar programs, all US sugar producing regions would be threatened. On the other hand, the world sugar industry may be better off under both trade liberalization policies. Mexico's sugar exports under NAFTA (250,000 tons) may not significantly affect the US sugar industry. However, potential impacts of Mexico's unlimited export of sugar after the full implementation of NAFTA would be very significant for the US sugar industry.

Key words: sugarbeet, sugarcane, loan rates, import liberalization, sugar price, Caribbean sugar price, NAFTA

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**A COMPETITIVENESS ASSESSMENT OF A MAJOR
LIVESTOCK INDUSTRY IN CARICOM:
THE CASE OF BROILER IN TRINIDAD AND TOBAGO**

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ABSTRACT

The probable experience of the 'Dutch Disease' in the 1970's followed by the downturn of the economy in Trinidad and Tobago caused the country to adjust its economic policies. Subsequently, a contraction was observed in the poultry sub-sector, specifically the broiler industry. This problem initiated the research on the impact of adjustment policies on the sub-sector.

The main objectives were (i) to determine the effect of devaluation of the exchange rate of the Trinidad and Tobago dollar and reductions in subsidies and transfers on the broiler industry at the integrators' farm gate level of the production system during the period of adjustment, and (ii) to suggest an overall strategy that would benefit all producers and the industry.

Price data were collected from a number of sources including the Central Statistical Office and the USDA Economic Research Service.

The results showed that the period of economic adjustment through removal of subsidies and transfers, and successive devaluation of the Trinidad and Tobago dollar increased the competitiveness of the broiler industry. Also, adjustment of the Trinidad and Tobago economy reduced the level of protection and effectively taxed the broiler industry at the integrators' farm gate level during 1988, 1989 and 1993.

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FINANCING AGRICULTURAL COMPETITIVENESS IN THE CARIBBEAN*

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ABSTRACT

The Caribbean economies are facing unprecedented international economic challenges at the dawn of the 21st century. Ever expanding free trade agreements, the expected loss of preferential market access to European markets, increasing integration of capital and financial markets world-wide, and recent advances in biotechnology, combine to challenge policymakers and Caribbean agricultural producers as never before. If Caribbean agriculture is to survive and thrive, a new strategy must be devised and implemented that stresses the rebuilding of competitiveness based on quality, product differentiation, and cost effectiveness and not trade preferences. The paper highlights the major adjustment challenges in the areas of trade liberalization, biotechnology, agricultural support services, and financial market development. It emphasizes that financing of agricultural producers, especially small holders, is a critical shortcoming and that the adoption of new microfinance lending technologies from Asian and Latin American experiences can do much to improve the functioning of financial markets and permit Caribbean agriculture to grow and compete effectively. While much is known about the challenges posed by increasing trade liberalization and inadequate infrastructure to the Caribbean, the paper adds value by integrating the role of financial markets in understanding how a supply response in a liberal policy setting can be facilitated.

* *The views expressed herein do not reflect the official positions of the institutions represented.*

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THE ENVIRONMENT, TRADE AND THE WTO - A CARIBBEAN PERSPECTIVE

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ABSTRACT

The Caribbean in its negotiating position for the next WTO Agreement (WTO 2) ought to be placing particular emphasis on the preservation of the environment. This is because it is in the interest of the Caribbean to promote measures that will allow for special protection of its precarious island and marine environments. Such measures are currently allowed, for example, under the Green Box policies in the Agreement on Agriculture.

For the Caribbean to have a strong negotiating position, however, there must be the evidence of strong research findings that demonstrate any negative impact of liberalised trade on the environment. Also there must be the evidence that Caribbean societies have a strong regard for the environmental protection and are firmly supportive of a strong negotiating position in this regard.

This paper attempts to shed some light on these issues in two ways. First, it reviews a methodological approach that can be used to determine the impact of trade liberalization on the environment. It then provides an example of the use of this methodology by examining some preliminary indications of the likely impact of trade liberalisation in the sugar industry (removal of preferential measures) on the environment in Trinidad and Tobago.

Then the paper reviews preliminary results of a recent study that demonstrates the value of the population of Trinidad and Tobago places on environmental improvements. The particular case that is examined here is, the value placed on restoration of a famous wetland.

The paper concludes by asserting that the environmental impact of free trade is important enough for the Caribbean to rethink its negotiating position and to push as strongly as possible for the continuation and elaboration of measures that countries may take for the preservation of the environment. In particular it is argued that developing countries should be the recipients of special benefits and provisions for the preservation of the sustainability of their natural resources, as these resources remain the most valued stock of natural resources available to mankind.

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THE URUGUAY ROUND OF TRADE LIBERALIZATION AND ITS IMPACT ON US-CARIBBEAN TRADE

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ABSTRACT

The agreement, which emerged from the Uruguay Round (UR) of GATT negotiation and WTO emergence, has been, greeted with general optimism by most participating countries. While there are areas of agreement there are also areas of concern especially in the agricultural sector.

One of the post UR prevailing sentiments is that special trade preference, hitherto granted to developing by developed countries should be received with a view to its elimination over time. Changes in trading arrangements anticipated to flow from the recommendations are likely to result in the loss of trade, revenues and income, increases in unemployment throughout the region and a general lowering of the standard of living of Caribbean citizens.

In keeping with these concerns the study will analyse the efforts of UR on Caribbean - United States trade and use it as a basis for projecting the effects of the reduction and ultimately elimination of trade preferences currently enjoyed by Caribbean countries. As such, the study develops a model that approximates the trade patterns and uses a series of analytical diagrams to illustrate the direction and comparative magnitudes of responses to expected changes. Recommendations flow from the development of the model and the resulting analysis.

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**BRAZIL'S NEW FLOATING EXCHANGE RATE REGIME
AND COMPETITIVENESS IN THE WORLD
POULTRY MARKET**

**Glenn C. W. Ames
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ABSTRACT

In early 1999, Brazil devalued its currency, increasing its competitiveness in the poultry industry and capturing world market share. This paper discusses the devaluation and its effects on Brazil's trade, evaluates preliminary statistics on the impact of the devaluation on world poultry markets, and reports the results from a computable general equilibrium (CGE) simulation of the devaluation. The medium-run CGE results are compared to the short-run impacts reflected in the preliminary statistics.

Key words: Brazil, world market share, devaluation, poultry, GTAP

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**THE SOCIAL FABRIC MATRIX (SFM) AS AN
ANALYTICAL TOOL FOR EXAMINING THE IMPACT
OF THE EU'S BANANA REGIME AND THE RECENT
WTO BANANA RULING ON THE BANANA INDUSTRY
IN ST VINCENT 1992-2000**

Ashley R. Cain¹

ABSTRACT

The Social Fabric Matrix (SFM) was developed by Gregory Hayden in 1982 as a way of operationalising the perspective inherent in the institutional economics paradigm for the purposes of describing a system and providing the database for planning and evaluation. The SFM makes it possible to describe a system, articulate knowledge gaps in the system for future research, evaluate policies, opportunities, and crises within the system and create a database for future monitoring. An economic/production system such as the banana industry in St Vincent and the Grenadines is influenced by cultural values, societal beliefs, personal attitudes, social institutions, technology and natural environmental variables. A SFM analysis makes it possible to study the impact of the EU Banana regime (1992) and the recent WTO banana ruling on the interactions of these variables in the banana industry and economy of St Vincent and the Grenadines. In this paper I look at the theoretical foundations of the SFM. I describe the methodological approach to constructing such a matrix. I outline the analytical possibilities of the SFM and I illustrate the power of the tool by examining factors influencing the nature and extent of the EU's support to the banana industry in St Vincent from 1992-2000. Finally I discuss how a tool such as the SFM can be used to examine other economic issues.

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