

"Caribbean Still to Benefit from WTO Say Agricultural Expert"

COMMUNIQUE

From the 23rd West Indies Agricultural Economics Conference

The Caribbean have not yet reaped many of the expected benefits from the 1995 GATT/WTO Agreement. Indeed, over the last five years developing countries generally have had to bear a heavier burden of adjustment than the developed nations. This was one of the main conclusions from the recent 23rd West Indies Agricultural Economics Conference held in Nassau, Bahamas.

The Conference brought together experts from regional and international private and public sector organizations to address issues related to the participation of Caribbean countries in the World Trade Organization (WTO) and Free Trade Area of the Americas (FTAA). It also examined negotiating positions and strategies and reviewed the impact of the WTO at regional, country and industry levels. The conference was organized by the Caribbean Agro-Economic Society (CAES) and was co-sponsored by the University of the West Indies and the Ministry of Commerce, Agriculture and Industry of The Government of The Bahamas.

The Conference noted that while modest gains were achieved in certain sectors nearly all the sectors were adversely affected. The situation with the banana industry was particularly alarming. The threat of its collapse gravely endangers not only the economies of the Windward Islands but also the CARICOM region as a whole. If the downward trend continues, governments in the region would soon be forced to deal with large-scale poverty and even, social instability

Given those threats the Conference stressed that the agricultural sector should not be viewed strictly in market or efficiency terms but as multi-functional. It plays a critical role in food security, employment, foreign exchange earnings, sector linkages, rural development, social and economic stability, and cultural and environmental integrity. It comprises several sub-sectors, which over the years have striven to achieve higher levels of efficiency through technology adaptation and structural adjustment. The modest gains realized by the region would be reversed if not given adequate protection and safeguard.

Recognising that the benefits of the WTO Trading Agreement would not be realized, if agriculture, economic and social infrastructure remained weak, the conference called on the donor community to provide greater financial and technical assistance to enable regional governments to implement necessary reforms on a timely basis.

Based on papers presented on the impact of the WTO Agreement and the performance and experiences of countries, the conference recognized that "the playing field was not

level" for developing countries. It urged regional authorities to mobilize technical assistance to implement the required procedures so that Caribbean countries might maximize the benefits from participation.

The conference recognized the complex challenges posed by the emerging global trading system and in particular, issues centering on the Cotonou, FTAA and WTO agreements. It also appreciated the difficult role of the Regional Negotiating Machinery (RNM) in the negotiations, taking into account the diversity within countries and the need to balance regional and national interests. Concerns were expressed that the negotiations seemed to be conducted with limited empirical analysis and support. Accordingly, the conference recommended that resources should be provided and empirical support should be given to the RNM to guide the trade negotiating process and establish stronger working relationships among professionals, universities, the public and private sectors and the regional negotiators.

The meeting shared the alarm expressed by the Sugar Authorities and Governments of the Region over the threat to the spirit and letter of the Cotonou Agreement, with the announcement of the Everything But Arms (EBA) proposal without prior consultation with the ACP countries or without a joint impact assessment as required in that Agreement.

With respect to bananas the conference noted the continued importance of the industry to the Region and that the producers in the region remained at a disadvantage as compared to competitors in other parts of the world which were more liberally endowed. Therefore, while applauding on-going efforts within the region to enhance industry performance, the meeting emphasized the need for the negotiating parties to give due consideration to special dispensation mechanisms in favour of small islands within the framework of any new WTO Agreements.

Several methodologies were also presented at the conference analyzing economic, environmental and social impact of trade liberalization and on formulating policy and programme responses from a commodity perspective. Papers also included the development of a competition policy for the Caribbean Single Market and Economy (CSME). A special session was also held on Bahamian agriculture.

A special feature of the conference was the Third Lewis-Beckford Memorial Lecture in honour of the outstanding West Indian economists Sir Arthur Lewis and Prof. George Beckford. Professor Vaughn Lewis of the Institute of International Relations, St. Augustine Campus, The University of the West Indies presented this lecture. He highlighted the origins of the banana issue in the establishment of the EU single market and the difficulty of fitting existing preferential treatment in that context. He then traced the political economy of the development issues facing the Caribbean region and addressed the contingency issues facing banana and sugar within that context. The lecture was well received by the large audience including several special invitees from the Bahamas.

The 23rd West Indies Agricultural Economics Conference was held in November 2000 at the Nassau Beach Hotel, Nassau, The Bahamas.

For further information and Proceedings of the Conference please contact:

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