

**WTO Agreement on Agriculture:
Deficiencies and Proposals for Change**

BHAGIRATH LAL DAS

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TWN
Third World Network

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1

THE “BIG BANG” IN AGRICULTURE

Note: This chapter first appeared as an article in the South-North Development Monitor (SUNS), No. 4126, 9 January 1998.

The Uruguay Round Agreement on Agriculture is due to come up for review at the World Trade Organisation (WTO), and it seems likely to be with a big bang.*

There are indications that preparations have already started in the major developed countries. But developing countries have yet to start this work.

In the preparations for the review, the focus of those developing countries which are consistent exporters of agricultural products will be different from that of those which are not.

The former category of countries are likely to associate themselves with the Cairns Group of major, so-called non-subsidising exporters, made up of developed and developing countries alike. But even they need to identify their own specific interests within the overall interests of the Cairns Group.

The second category of countries will have various types of interest, for example, as consumers, as casual and infrequent exporters and also as hosts of non-commercial agriculture.

* This 1999 review of the Agriculture Agreement resulted in the start of negotiations for continuing the reform process in agriculture.

South Should Produce Own Staple Food

But for all developing countries, a basic requirement is that they must try to produce their own staple food as much as possible, so that their dependence on imports of these items is minimised.

The conventional wisdom preached by theoretical economists is for a country to import food if it is cheap, rather than invest resources in the costly process of producing food within the country. But for various reasons, this classical advice is not quite appropriate in respect of such an essential and vital item as the staple food.

Firstly, the developing countries, with very few exceptions, suffer from a chronic shortage of foreign exchange. Dependence on imports for their staple food in such a situation may cause difficulties and uncertainties in the availability of food in these countries.

Coupled with the privatisation of agricultural trade, dependence on imports of food may also cause serious uncertainties and frequent high increases in the prices of the staple food products. A delay in the import of food at a time of foreign-exchange shortage will cause tremendous misery to the people, possibly resulting, at times, in social unrest.

Secondly, even if there is adequate foreign exchange, imports may not be readily available in times of need for various reasons. A country can ill afford any uncertainty in the availability of food.

Thirdly, dependence on imports for the staple food may reduce the foreign-policy options of a country, at least on critical occasions, thus constraining its sovereignty in external relations.

Assured provision of staple food is almost as important for a nation as its security. Hence, there is a good rationale for treating staple food as

somewhat different from the normal commercial transactions in international trade.

Developing countries will therefore need to try to adapt the WTO Agriculture Agreement to this basic requirement of theirs. During the 1999 review, this important distinction between trade in staple food and that in other agricultural or industrial products must be a guiding factor.

Assessing the Impact of Implementation

The first step in a country's preparation for the review of the Agreement on Agriculture should be to assess the impact of the implementation of the Agreement on the country. For such an assessment, a number of factors need to be examined.

The major exporting developing countries should examine how far their export prospects have actually improved as a result of the reduction in import controls, domestic support measures and export subsidies of the major developed countries during the implementation period. If possible, an attempt should be made to segregate the role of each of these factors in actually enhancing exports.

The non-perennial and marginal exporting developing countries should also assess their experience of whether there has been any actual increase in their export prospects.

The developing countries should examine whether there has been an increase in their imports of agricultural products as a result of their reduction of import controls and domestic support. They should see if there has been a pattern of increase in imports from specific sources.

Also needing assessment is whether there has been any impact on agricultural production in the country, and, particularly, whether there has been any adverse impact on small and marginal farmers.

Those developing countries which have reduced their domestic support also have to assess whether such a reduction has created any problems for their farmers, particularly small and marginal farmers. Even those that have not had to reduce the support should examine whether there had been any need for domestic support in these years of implementation and whether they had been constrained in providing support due to the commitments in the Agriculture Agreement.

As part of their preparations, developing countries should also undertake a detailed examination of the implementation of the Agreement by the developed countries that have large export and import shares in the agricultural products.

In particular, the following points should be examined.

Under the Agreement, a country is required to reduce its overall level of domestic support from year to year, and the financial ceiling for each year of implementation has been committed to in the country's schedule of commitments. But within this ceiling, the country is free to choose the products, the types of subsidy and the quantum of subsidy covered. As a result, there is a continuing uncertainty as to the choice of the options. Hence those developing countries which have possibilities of export may find it difficult to plan out their exports well in advance. It should be examined whether developing countries have, in actual practice, experienced such a handicap.

A similar examination also needs to be done with respect to the implementation of the commitments on export subsidies by the major developed countries.

An exporting developing country has to assess whether the choice of the products in the developed countries for the purposes of reduction of domestic support and export subsidies has given it some benefit.

Developed countries have imposed very high tariffs on several products in the process of tariffication of their non-tariff import control measures (i.e., converting non-tariff measures into equivalent tariffs). It should be examined whether there have been any imports of these products beyond the tariff quotas in these countries. (When ordinary tariffs are high, sometimes countries allow the entry of imports up to some quantity at comparatively low tariff levels. These quantities are called tariff quotas. Beyond the tariff quota, the imports are subject to the ordinary rates of tariff.)

The volume of agricultural production in some major developed countries had been high, and they had schemes for the reduction of production through retirement of land and other resources. To encourage them in this move, the Agreement permits subsidies for this purpose. It should be seen whether these countries have actually taken advantage of these provisions and taken steps to reduce the agricultural production effectively and whether actual reduction has been achieved.

These studies should be conducted by the developing countries which are capable of doing so. Various organisations engaged in providing technical assistance to developing countries should also conduct these studies to support the developing countries in their preparations for the review.

These studies will provide the basis for the developing countries to prepare their proposals for improvements in the Agreement.

Improvements Needed in the Agriculture Agreement

A number of improvements are indeed needed in the Agriculture Agreement to remove some basic problems.

Major developed countries have applied prohibitive tariffs on some product lines by taking advantage of the tariffication process. They have undertaken very light obligations for opening up their markets. All that they are required to do under the Agreement is reduce the tariff levels by 36% by the beginning of 2000. Hence the tariffs on these lines of products will continue to remain very high even thereafter. In spite of the professions of trade liberalisation in agriculture, their markets will thus continue to remain almost closed for these products.

It is necessary that developed countries live up to their own professed ideals of liberalisation and reduce their tariffs on these product lines significantly, so that imports into these countries are possible. Alternatively or in addition, they should significantly enhance the tariff quotas and make them available on a non-discriminatory basis.

The domestic-support and export-subsidy levels of these countries are also very high. Here again, the obligation on the developed countries is rather light. All that they are required to do is reduce domestic support by 20%, the budgetary support for export subsidies by 36% and the quantity coverage of export subsidies by 21% by the beginning of 2000.

It appears highly unfair that the farmers in these countries, who are far more well-off than those in the developing countries, will continue to get such high levels of support from their governments. This hampers the prospects of the developing-country farmers and significantly distorts the playing field of competition. The developed countries must reduce these subsidies significantly. Merely reducing them by a certain percentage over a course of time is not enough; what is required is to have commitments for significantly low ceilings.

In short, there is a basic inequity in the Agriculture Agreement in respect of import control, domestic support and export subsidies: the major developed countries will be able to retain 64% to 80% of the levels of subsidies even up to the beginning of 2000, whereas most of the developing countries which had not been using these measures before 1995 have been totally prohibited from using them anymore beyond the *de minimis* levels provided for in the Agreement.

Apart from being grossly unfair, this may create problems for the developing countries in case they need to introduce these measures in the interest of developing their agricultural production. The developing countries have to be enabled to use these measures up to a much higher level than is permitted by the *de minimis* provisions.

Input subsidies for low-income farmers are, however, allowed in developing countries. But developing countries may need input subsidies in respect of some products for a wider range of farmers. They may be necessary for essential food products as also for such products which have production and export potential. In many cases, agriculture may be the dominant economic activity in the country and as such, all encouragement to the production and export of these products may be needed over the entire country and not only for the low-income farmers. Developing countries need to be provided with the necessary flexibility in this regard.

Subsidies listed in Annex 2 of the Agriculture Agreement, most of which are relevant for the major developed countries, have been protected against countervailing duty and other counter-actions. But the investment subsidies and input subsidies for low-income farmers in developing countries have not been given this favourable dispensation. This is patently unfair. Developing countries should get at least similar immunity as the major developed countries.

The subsidy provided by developing countries in the purchase of food for stocking and public distribution is exempt from the reduction commit-

ment. While this may appear to be a concession, in actual effect it is not so. The amount of this subsidy has to be included in the calculation of the annual Aggregate Measurement of Support (AMS, which quantifies a country's level of domestic subsidies and on the basis of which, therefore, the subsidies are to be reduced in accordance with the commitments under the Agriculture Agreement) and is thus subject to the overall committed ceiling. Hence, if a developing country wants to provide this subsidy, it has to reduce some other subsidy; this it could do anyway, even without this 'concession'. There should be a clear provision that this subsidy will not be included in the calculation of the annual AMS.

Though concern has been expressed about the problems faced by the net food-importing developing countries, nothing specific in the form of a commitment has been mentioned in the Agreement. There is a need for major developed countries to undertake adequate financial commitments in this regard.

The modalities which led to the specific commitments undertaken by various countries have not been made enforceable. It is important to check the conformity of the commitments with the agreed modalities which had been prepared before the conclusion of the Uruguay Round.

As mentioned earlier, the production of staple food products in developing countries is of vital importance. Any impediment to it, whether in the form of liberalisation of imports or elimination of government support, should be removed. It is desirable to exclude the staple-food production of developing countries from the disciplines of the Agreement altogether. It is rational to treat it on the same lines as products related to national security.

In a large number of developing countries, agriculture is not always a commercial operation. Farmers take to it as a means of livelihood in the absence of an alternative. If there is an integration of domestic agriculture

with international production and trade, it is likely that a large number of these farmers and their families may lose their source of livelihood. It is necessary to find ways to insulate these farmers from the adverse consequences of liberalisation of agricultural trade and production. There should be some specific provisions in the Agreement in this regard.

Developing countries should start the preparations for the 1999 review in right earnest. Side by side, the organisations engaged in providing technical assistance to them should also start their work immediately, if they have not already.

Information should be collected in various countries on the points mentioned above and on other points which may be relevant. It should be compiled and analysed with the focus mentioned above. There should be structured coordination between the developing countries and the organisations providing technical assistance to them on this subject.

Developing countries should coordinate their preparations so that their resources are put to the best use in a combined way. They should identify their common interests. Even if 15-20 countries group together and pursue their common interests, they can be effective in the negotiations during the review.

The following chapter examines in greater depth the deficiencies of the Agriculture Agreement and their adverse impact on the developing countries. Based on this assessment, it points to the areas in which the rules of the Agreement and its implementation may be improved upon. Specific proposals on actions to be taken in this regard are then put forward in Chapter 3.

2

THE AoA: AN IMBALANCED, INEQUITABLE AGREEMENT

Note: This chapter is extracted from the author's book, The WTO Agreements: Deficiencies, Imbalances and Required Changes, which was published in March 1998.

Main Positive Features

The most important positive feature of the Agriculture Agreement is that a serious beginning has been made to bring agriculture into the normal discipline of the international trading rules. Some major developed countries had been subsidising their agricultural products for a long time, with the result that other agricultural exporters were put to great disadvantage. Now, under the Agreement, there is a commitment to cutting down subsidies both on production and on exports.

A unique positive feature of the Agreement is that even such measures as subsidies have been covered by the specific commitment of reduction from year to year. In other areas of goods trade generally, only tariffs fall within the coverage of reduction commitments.

Main Deficiencies and Imbalances

(i) *Unfair obligation*

The general scheme of the commitment in the Agreement is that those countries which have been using measures for import restraint and domestic subsidies were required to reduce the levels thereof by 36% and 20% respectively. The budgetary outlay and the quantity of exports covered by export subsidies were expected to be reduced respectively by

36% and 21%. The corresponding levels for the developing countries were two-thirds of these percentages.

This means that those countries which were using these measures would be able to retain quite a big portion of them even up to the end of the implementation period. However, those countries which had not been using these measures earlier are prohibited from using them in future beyond the *de minimis* limits. This is patently unfair in the sense that countries which had been distorting the market in the past are allowed to continue distorting it to a substantial extent, whereas those that had refrained from doing so are prohibited from using these measures in the future.

(ii) *Need for domestic food production*

The Agreement is based on the rationale of open international trade in the agriculture sector. It thus presupposes the supremacy of the price system and the comparative advantage operating in this sector. The implication is that a country must import agricultural products from those countries that produce them more cheaply than it can domestically. In theory, this may seem reasonable; in practice, however, it can be disastrous for the food security of developing countries.

Countries that have enough foreign exchange can depend on the import of cheap food products, but those that are short of foreign exchange will be in serious difficulty if they always have to depend on imports for their essential and staple food items. Most of the developing countries have a persistent shortage of foreign exchange. In such a situation, if they depend mainly on food imports, their population may even face starvation at times as they may not have adequate foreign exchange to buy food from abroad. A country can delay its import of industrial products for a while, but it cannot delay the provision of essential food items to its people.

In this context, it may be wiser for these countries to have as much domestic production of necessary food items as their land resources permit. It is desirable even if the domestic production is more costly compared to the import of the food articles.

(iii) *Non-commercial farming*

In a large number of developing countries with agricultural land, agriculture is generally not taken up as a commercial venture, though there may be some small pockets of commercial farming. Many farmers take to cultivation as they had obtained the land in the form of ancestral property and have no other profession. This is in the nature of subsistence cultivation at the household level. Similarly, there are large numbers of small farmers in most of the developing countries.

It is extremely difficult to harmonise these special characteristics in many developing countries with the operation of the price mechanism and commercial agriculture, which are the basic underlying principles in the Agreement on Agriculture. The livelihood of the farming households may be threatened on a colossal scale in developing countries if these farmers are exposed to international competition in agricultural products.

(iv) *High tariffs in developed countries*

In the process of tariffication, several developed countries have kept the tariffs in their schedules very high, dimming import prospects.

(v) *Net food-importing developing countries*

The problems of the net food-importing developing countries have been recognised in a WTO Ministerial Decision, but no concrete action is mentioned in the Decision. The result is that no specific action on this problem has been taken so far, even though sympathies have been expressed time and again.

(vi) *Correctness of schedules*

The modality paper (which formed the basis for the calculation of the commitments of countries) has not been made a part of the Agreement; as such, the provisions included therein are not enforceable. One relied on the countries themselves to prepare their schedules based on the relevant facts. However, some studies have indicated that some of these calculations might not have been totally accurate. All this had been done in a hurry; and it is likely that the countries did not have enough resources to prepare accurate schedules in such a short time. The time for verification was also short. Hence one cannot be sure that the provisions of the modality paper have been fully implemented.

(vii) *Tariff quotas*

In the Agreement on Agriculture, tariff quotas are to be allocated for three purposes, viz., (a) current access opportunity, i.e., providing the opportunity for annual imports equal to the average annual imports for the years 1986-1988, as well as protecting the import opportunities in bilateral or plurilateral agreements, (b) general minimum access opportunity, i.e., providing opportunity for imports up to a minimum percentage of domestic consumption in the years 1986-1988, and (c) minimum access opportunity as a result of special treatment. Only four countries have availed themselves of the special treatment mentioned in point (c) and that too for only one or two products. Hence one need not deliberate much on it for the purposes of the current discussion.

The access opportunities as described in points (a) and (b) above have to be provided by low tariffs up to a certain quantity of imports. The tariff quotas to protect the access as a result of bilateral or plurilateral agreements will naturally be country-specific. But for other cases of access opportunities, the tariff quota should be global and not specific to countries, so that all countries have the opportunity of utilising the quotas.

In the tariff quotas in agriculture, however, some developed countries have mixed up various elements of access opportunities and have liberally provided for country-specific tariff quotas. Thus, other countries do not have the possibility of utilising these access opportunities.

(viii) Uncertainty about specific domestic support

As mentioned above, the commitment on domestic support is to limit it within the ceiling mentioned in the country's schedule. A country can modulate the choice of product and the rate of subsidy depending on its own need. This keeps the exporters in other countries in a state of uncertainty; thus, they are somewhat handicapped in planning their own exports.

(ix) Subsidised food stock of developing countries

The subsidy provided by developing countries in the purchase of food for stocking and public distribution is exempt from the reduction commitment; but the difference between the purchase price and the external reference price has to be included in the calculation of the Aggregate Measurement of Support. (The Annual Bound Commitment Level of the AMS, which is mentioned in the schedule of the country, signifies that the country's provision of domestic support cannot exceed that level in that year.) As mentioned earlier, this means that a country choosing to subsidise the food purchase for stocking will have to reduce subsidies on some other items so as to limit the total subsidies to the bound level of the AMS in that year. This would be possible anyway even without this special dispensation; hence, this provision which appears to be a special favour for developing countries is actually not so.

(x) Discrimination in due-restraint provision

The Agreement on Agriculture provides for due restraint on action against subsidies. There are two categories of subsidies covered by this provision. One set is covered by Article 6 of the Agreement. This includes items like investment subsidies and input subsidies of developing coun-

tries. The other set is covered by Annex 2 of the Agreement, which includes items like government services programmes, direct payment to producers, income insurance programmes, crop insurance programmes, structural adjustment assistance, etc. The second set is generally prevalent in developed countries.

In the provisions for due restraint, these two categories are treated differently. The second set of subsidies, generally prevalent in developed countries, has been exempt from countervailing duty and countermeasures. The first set, which contains some important subsidies of developing countries, has not got such an exemption. In fact, in this case, it is just mentioned that due restraint should be shown in initiating countervailing-duty investigations. It is only in the nature of a suggestion and not an obligation.

Required Improvements

(i) In order to bring in some measure of fairness in the system of commitments for reduction of import restraints, domestic support and export subsidies, it may be desirable to remove the prohibition on those countries that have not included these measures in their schedules. So far the exemption is only up to the *de minimis* levels. But considering that the countries which had been applying these measures are able to retain the restraints and subsidisation up to 64-80%, it is desirable to permit the others also to take new measures up to levels substantially higher than the *de minimis* amounts.

(ii) For developing countries which do not have foreign exchange on a stable basis to purchase imported food for their populace, it should be permissible to encourage and develop their domestic food production. To that extent, they should be permitted to protect their production against cheap imports and provide domestic support to the production.

This proposition is very much different from the WTO balance-of-payments (BOP) provisions, which are meant to tackle BOP problems and are necessarily of a temporary nature.

(iii) Similarly, there should be flexibility regarding import restraint and domestic subsidies for the protection of and support to household subsistence farming and small-scale farming in countries where such farming is prevalent.

(iv) There should be a provision for ceilings on the tariff peaks in developed countries. Side by side, there should be tariff quotas with lower tariffs.

(v) The modalities which guided countries' commitments should be given some formal recognition, so that the conformity of the commitments with the modalities can be improved. Countries could be requested to recheck their schedules in this light. This process can be more effective if there is also a provision for verification of schedules once again by other countries.

(vi) For the net food-importing developing countries, there should be specific and concrete decisions regarding food aid and soft loans to buy food in the international market. Countries which are consistent net exporters of food products should be able to shoulder this burden.

(vii) Tariff quotas should be made global, save for some very exceptional cases. If country quotas follow bilateral agreements, the global tariff quotas should be an additionality over these country quotas, to be shared by those that are not covered by the country quotas.

(viii) There should be some predictability about the specific products and rates covered in the case of domestic support. One way this could be effected is to ask the countries to make their plans of distribution of the domestic support within the ceilings a few years in advance. Perhaps an

announcement of the subsidy plans could be made, for example, for three years at a time.

(ix) The subsidy provided by developing countries for the purchase of food products for public stocking should be excluded from the calculation of the AMS, as in the case of other exempted subsidies.

(x) The subsidies covered by Article 6 of the Agreement, particularly the investment subsidies and input subsidies of developing countries, should have the benefit of exemption from countervailing duties and countermeasures as in the case of the subsidies listed in Annex 2 to the Agreement.

3

PROPOSED SPECIFIC CHANGES NEEDED IN AGRICULTURE AGREEMENT

Note: This chapter is extracted from the author's book, Some Suggestions for Improvements in the WTO Agreements, which was published in February 1999.

(i) Domestic support and export subsidies in developed countries

The developed countries undertook commitments to reduce their domestic support levels, budgetary outlay for export subsidies and the quantity of exports covered by export subsidies by 20%, 36% and 21% respectively over the period of 1995-2000. Thus, the bulk of their domestic support measures and export subsidies will continue to be applicable even beyond 2000.

The farmers of developed countries have enjoyed protection and support for a long time. They are much better-endowed with resources and enjoy a much more favourable environment of production and export, compared to farmers in developing countries. The domestic support and export subsidies provided by the governments in developed countries further enhance the unfair advantage which their farmers have over those in developing countries.

Developed countries should totally eliminate their domestic support and export subsidies immediately or, at the latest, by 2005. They should accordingly provide schedules for their domestic support and export subsidies applicable from 2001 onwards until 2005, by the end of which the levels should be zero.

(ii) Tariffs in developed countries

In the process of tariffication, developed countries have recorded very

high tariffs in their schedules. Their farmers have benefited from protection for a very long time, earlier through direct import control measures and lately by prohibitive tariffs. In fact, they undertook a commitment to reduce the tariffs by only 36% during the period 1995-2000. Continuation of such a high level of protection of agriculture in developed countries is patently unfair.

Developed countries should reduce their tariffs significantly during the five years beyond 2000. There should be a rational ceiling on their tariff peaks.

(iii) Domestic support and export subsidies in developing countries

The developing countries which had not been applying domestic-support and export-subsidy measures earlier have naturally not recorded them in their schedules; they have thereby been debarred from using these measures in future beyond the *de minimis* levels. This is highly iniquitous. As their farmers generally are in disadvantaged positions compared to those in developed countries, it is only fair to lift this restriction.

In the context of Article 3 of the Agreement (which covers countries' domestic-support and export-subsidy commitments), there should be an understanding that developing countries will not be subjected to this restriction. The developing countries, having given their schedules of reduction of domestic support and export subsidies, should be allowed flexibility to enhance the levels of these measures or to lessen the pace of reduction. If an understanding on Article 3 is not considered sufficient for this purpose, there should be a specific additional provision in Article 3 towards this end.

(iv) Lifting of restrictions for encouraging food production

It will be dangerous for developing countries to depend on imported food, as their foreign-exchange position is often not comfortable and the provision of food for the population is essential. Hence, what is needed

is that developing countries should be encouraged to produce food for their domestic population. The current disciplines on import control and domestic support may, however, hamper their efforts in this direction.

The food products in developing countries should be excluded from the disciplines on import control and domestic support. This should be done either through a clarification of Articles 3 and 4 of the Agreement, or, if need be, through an additional provision in the Agreement to this effect.

(v) Removal of iniquity in Article 13

The “due-restraint” provision in Article 13 is imbalanced and iniquitous. Subsidies covered by Annex 2, which are generally prevalent in developed countries, have been made immune from countermeasures and countervailing-duty action, whereas subsidies which are generally prevalent in developing countries, e.g., investment subsidies and input subsidies, covered by Article 6, do not have this dispensation. This discrimination is patently unfair and should be removed.

The subsidies of developing countries covered by Article 6 should be made immune from countermeasures and countervailing-duty action. Article 13 should be modified accordingly.

(vi) Support to household farmers and small farmers

In a large number of developing countries, many farmers take to agriculture not as a commercial venture but as a family activity passed down over generations. This is in the nature of subsistence cultivation at the household level.

Also, many developing countries have a large number of small farmers, whose farming activity will not be able to stand up to a high degree of international competition. They need protection, otherwise there will be large-scale unemployment and spread of poverty in these countries.

Developing countries should have flexibility regarding import restraint and domestic subsidies for the protection of and support to household subsistence farming and small-scale farming. There should be requisite clarification in Articles 3 and 4 for this purpose. If considered necessary, there should be an additional provision towards this end.

(vii) Removal of unpredictability about domestic subsidies

A country can modulate the choice of product and the rate of subsidy to match the ceiling of domestic support in any particular year. This causes uncertainty in the minds of exporters in other countries, who do not know which products will be covered by the reduction and to what extent. Hence, exporters in other countries may have difficulty in planning their exports. There is a need to remove this uncertainty.

Countries should plan out the products and the levels of support a few years in advance and it should be notified. There should be an understanding in this regard.

(viii) Relief to net food-importing developing countries

The current provision regarding relief to the net food-importing developing countries does not prescribe specific and concrete action for the relief. In fact, hardly anything has been done in this regard.

There is a need for some specific action to provide relief to these countries. There should be more operational and effective provisions for this purpose.

One way could be to have a fund for this purpose, to which contributions should be made by the developed countries which are major exporters of agricultural products. Specific criteria for the contributions to the fund should be worked out and made enforceable in the Agreement.

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WTO AGREEMENT ON AGRICULTURE: DEFICIENCIES AND PROPOSALS FOR CHANGE

With the coming into force in 1995 of the World Trade Organisation's (WTO) Agreement on Agriculture, a serious start was made to bring agriculture into the normal discipline of the multilateral rules governing international trade.

While the Agreement sets specific commitments in a sector that had hitherto largely been the subject of national policymaking, its rules have contributed to a state of imbalance in terms of their differential application and impact on the various WTO Member countries. This paper examines the iniquities that have arisen with the implementation of the Agreement's provisions, and finds the developing countries to be mainly at the receiving end of this unfair situation.

The author lists and elaborates on the deficiencies of the Agreement and provides specific suggestions, culled from some of his earlier works, on how these can be redressed. The analysis and proposals set forth in this paper are particularly apposite in light of the ongoing WTO agriculture negotiations, raising the need for developing-country Members to safeguard a sector which, in many respects, involves interests no less important than considerations of national security.

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