

## **South Asian Agriculture Post Doha**

### **Call for Research Proposals**

Background: The Doha Round of Multilateral Trade Liberalization is at a critical stage. As Mr. Pascal Lamy, Director General of the World Trade Organization noted in a speech on 23 March 2007 in Mexico City, the round is in its final stretch and “as in so many human endeavors, the last part is the most difficult.” The thorniest issue that has thus far prevented an agreement concluding the negotiations relates to agriculture, in particular export subsidies and import tariffs as well as domestic support measures. Again as Mr. Lamy noted, the EU has agreed to eliminate all its export subsidies by 2013. However, with respect to import tariffs and domestic support measures, the current offers on the table are not enough to bring about an agreement. The US in particular has to offer deeper cuts in agricultural subsidies beyond its current proposal. The EU and the G-10 have to offer greater cuts in tariffs and enhanced access to their markets beyond their current proposals. G-3 to which South Asia belongs, have to ensure that their demand for special protection which they have already secured for their most sensitive agricultural products, do not extend in a way that negates the overall objective of providing access opportunities to their own markets. If there is enough give and take on all sides, a much more liberal agricultural trading system would emerge from the successful conclusion of the Doha Round. In what follows we assume a successful conclusion and invite research proposals for implication for South Asia.

Research Proposals: Research proposals are invited on the likely impacts on South Asian agriculture and therefore on South Asian economies in general of liberalization of

agricultural trade. The likely impacts include among others changes in cropping patterns in the aggregate as well as across well-defined agro-climatic zones with each country, land and labour productivity and income distribution (both functional, that is between profits, rents and wages as well as across size classes of land holdings). Also with agriculture accounting for a share of GDP exceeding 25% in most of South Asia and for a share of 50% or more in employment and also its importance as a supplier of raw material for agro-processing and other industries, agricultural trade liberalization could have an impact on the economy as a whole. From a public policy perspective, the important dimensions include, on the one hand policy changes needed to exploit the opportunities opened up by greater access to world markets including public investment as appropriate in irrigation and infrastructure, and on the other hand policies to ease the costs of adjustment in shifting resources (land, labour, capital) away from activities that become less valuable in the liberal environment to those which are more valuable and also creating or strengthening the safety net and food security of the poor. Also, with transportation costs and domestic taxes/subsidies in place, the extent of the pass-through of liberalization at the border to prices prevailing in the interior of the economy is also affected by public policy.

The range of potential research topics on impacts is vast. We expect researchers to choose a few (no more than two) among them that is of interest to them. The primary focus has to be the impacts of agricultural trade liberalization and not the role of agriculture in general in South Asia. Each research proposal will make explicit the issues (i.e. the impacts) chosen for analysis, the research methodology and the data to be used in

the analysis, and likely results as well as a budget. The relevant details for the format for the proposals can be found in the SANEI web site (<http://www.saneinetwork.net/>).