



## TRADE POLICY AND SUSTAINABLE DEVELOPMENT MEETING

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### **SHARED HARVESTS: AGRICULTURE, TRADE AND EMPLOYMENT**

Session-5

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# Shared Harvests: Agriculture, Trade, and Employment

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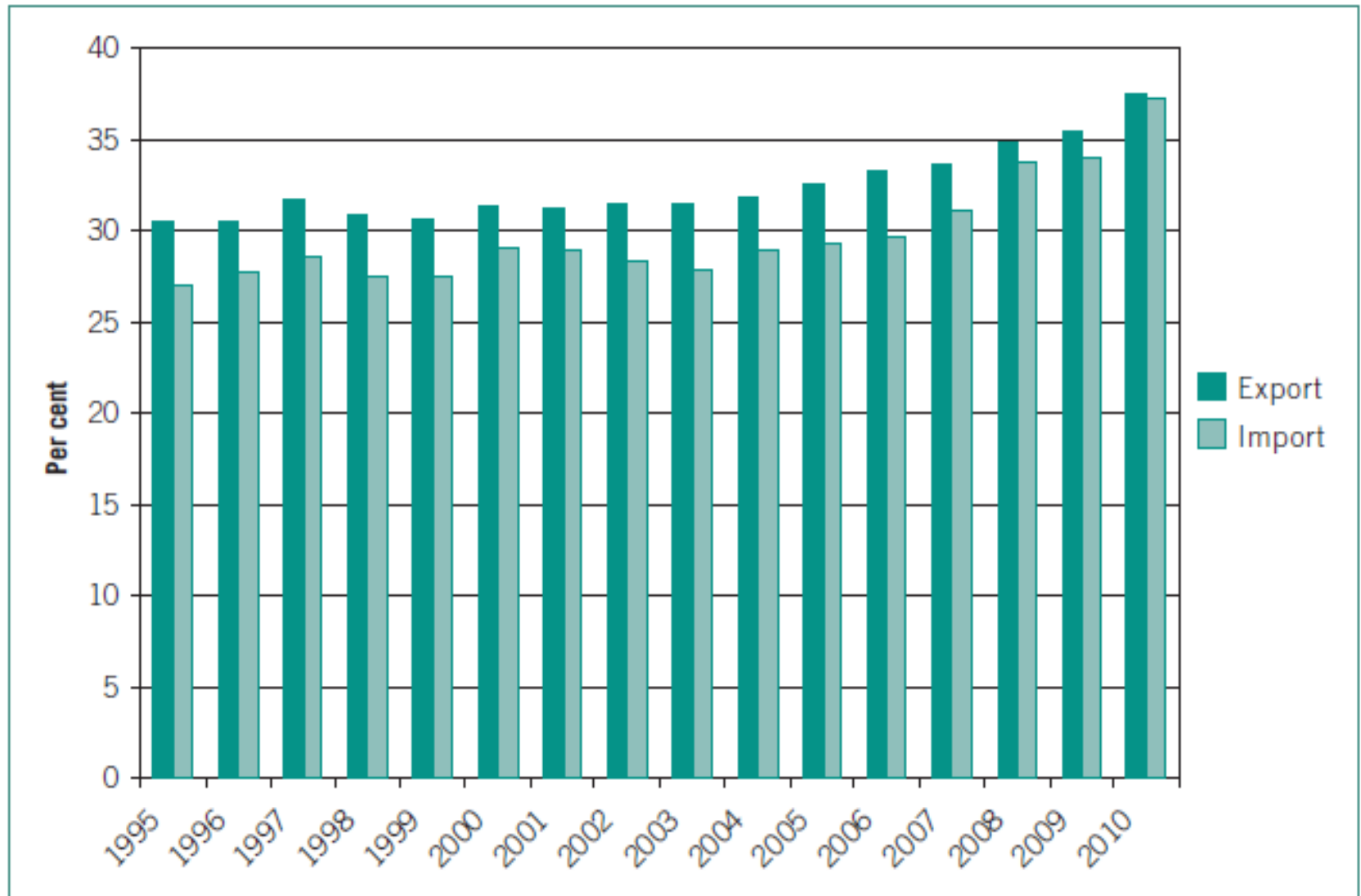
# Many work in agriculture and often have a low productivity ...

Table 1: The share of agriculture in gross domestic product (GDP) and employment

Countries	Value added in agriculture (per cent of GDP)	Employment in agriculture (per cent of total)
High income	2	4
Middle income	9	40
Least developed	32	72
World	4	37
Bangladesh	18	48
Benin	32	43
Bosnia and Herzegovina*	9	18
Guatemala	11	33
Indonesia	17	38
Mexico	4	14

Source: World Development Indicators, World Bank, latest available year. \* Employment share data from chapter 9.

# Developing-country agricultural trade is increasing



Source: UNCTADstat.

# Three global chapters and seven country studies

## An Overview

- 1:** Employment, Productivity, and Trade in Developing-Country Agriculture
- 2:** Legal Aspects of Trade in Agriculture: WTO Agreement on Agriculture and Preferential Trade Agreements
- 3:** Trade and Agricultural Employment Linkages in General Equilibrium Modelling
- 4:** Economic Reforms and Agriculture in **Bangladesh**: Assessment of Impacts Using Economy-wide Simulation Models
- 5:** Impact of Agricultural Trade on Employment in **Benin**
- 6:** Foreign Trade and Agricultural Employment **Guatemala**
- 7:** Trade, Productivity, and Employment Linkages in **Indonesian** Agriculture
- 8:** Towards a Continental Free Trade Area in **Africa**: a CGE Modelling Assessment with a Focus on Agriculture
- 9:** Potential Impacts of WTO and EU Accession on the Agricultural Sector in **Bosnia and Herzegovina**
- 10:** A Coherent Agriculture Trade Policy for **Mexico**

# Findings: Agricultural Trade and Employment

- 🌱 *No clear link between trade and employment in developing countries*
- 🌱 *In rural areas, self-employment, casual employment and subsistence agriculture are more common than waged employment*
- 🌱 *Productivity increases in agriculture: ambiguous effect on agricultural employment*

# Findings: Agricultural Trade and Employment

- 🌱 *Unilateral agricultural liberalization tends to reduce agricultural employment*
- 🌱 *Multilateral liberalization is likely to benefit developing countries but benefits are most significant for highly competitive exporters of agricultural commodities*



# Unilateral Liberalization

**Table 3.5: Simulated percentage changes in unskilled employment**

	Indonesia			Bangladesh			Guatemala		
	Agri	N-ag	Total	Agri	N-ag	Total	Agri	N-ag	Total
Standard	-0.51	0.14	0	-1.96	0.31	0	-0.57	0.17	0
Fixed	-0.25	0.65	0.45	-1.20	1.77	1.37	-0.28	0.95	0.78
Primary	-0.44	0.12	0	-2.12	0.34	0	-0.49	0.15	0
Intermediates	-0.35	0.10	0	-2.06	0.33	0	-0.36	0.11	0

Agri = agriculture; N-ag = non-agriculture

Source: GTAP simulations.



# Multilateral Liberalization

**Table 3.14: Impact on unskilled employment under the multilateral trade liberalization scenarios**

	Standard		Variable		Fixed	
	Agriculture (% change)	Total (% change)	Agriculture (% change)	Total (% change)	Agriculture (% change)	Total (% change)
Developed countries	-0.62	0	-0.59	0.05	-0.56	0.10
Developing countries	0.25	0	0.27	0.02	0.28	0.05
World	-0.10	0	-0.08	0.05	-0.06	0.09

Source: GTAP simulation.

# Shared Harvests: Policy Recommendations

*To optimize the employment and  
development effects of agricultural trade:*

- 🌿 ***Strategic trade liberalization***
- 🌿 ***Targeted promotion of agricultural  
productivity***
- 🌿 ***Social protection for agricultural workers***

**Thanks for  
your  
kind  
attention!**

