

SYMPOSIUM IRELAND, EUROPE AND THE THIRD WORLD

TRADE AND INDUSTRY

JIM FITZPATRICK

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1 INTRODUCTION

This paper discusses trade aspects of Ireland's relations with Third World countries. As implied in the overall title of the symposium, "Ireland, Europe and the Third World", the topic is dealt with in a European Community (EC) setting. Such a setting is particularly appropriate in the case of trade. Unlike the case of aid, dealt with in Helen O'Neill's paper, Ireland does not have an independent bilateral trade policy regarding developing countries. Such trade policy is essentially an EC matter. As will be clear in subsequent sections of the paper, this country's membership of the Community is therefore fundamental to the nature of our present and potential trade relationships with the developing world. In discussing trade, the paper focuses principally on trade in manufactured goods. Trade in agricultural products comes within the ambit of the Common Agricultural Policy with which Alan Matthews is dealing.

2 IRELAND'S TRADE WITH DEVELOPING COUNTRIES

In 1983, the most recent year for which the figures are available, Ireland imported £392mn worth of goods from developing countries and exported £658mn worth of goods to them. I am here taking a broad definition of "developing countries" as all countries outside the OECD and COMECON, including oil exporters. In percentage terms trade with developing countries is small. It accounted for 5 per cent of the current value of Irish merchandise imports in 1983, and for 10 per cent of the value of exports. These are relatively low shares by international standards.¹ The share of the developing countries in imports has been declining. Despite a boost due to oil price increases during the 1970s, their share in Ireland's merchandise imports is now less than half its 1962 percentage level (Table 1). This reflects the failure of imports from developing countries, dominated by raw materials, to keep pace with the growth in imports of consumer goods and industrial components from developed countries. Exports to developing countries, in contrast, have trebled their share in total exports since 1970. This reflects mainly food and agricultural exports to oil producing countries.

OPEC countries accounted for 47 per cent of total Irish exports to developing countries in 1983. This represents a rapid rise in their share. The oil producer's share in Irish

Table 1 *Origin of Irish imports and destination of Irish exports 1962, 1970, 1977, and 1983 (as % current value rounded)*

	<i>Imports</i>				<i>Exports</i>			
	<u>1962</u>	<u>1970</u>	<u>1977</u>	<u>1983</u>	<u>1962</u>	<u>1970</u>	<u>1977</u>	<u>1983</u>
EEC	66	69	68	67*	80	75	76	69*
of which UK	50	52	48	45	74	62	47	37
other EEC	16	17	20	22	6	13	29	32
Other developed countries	18	17	19	25	11	18	14	19
of which EFTA	4	5	5	4	1	2	3	5
USA/Canada	10	9	9	16	9	14	8	9
Other	4	3	5	5	1	2	3	5
State trading countries	2	2	2	2	—	1	1	1
Less developed countries	11	9	8	5	3	3	8	10
Unclassified	3	3	1	1	6	3	1	1
Total	100	100	100	100	100	100	100	100

Source CSO *External Trade Statistics 1965-66, 1972, and Trade Statistics of Ireland December 1978 1983*

*EEC (10), other years are EEC (9)

Table 2 *Irish Trade with Developing Countries
by Country Grouping
(percentages of current value)*

	<u>Imports</u>			<u>Exports</u>		
	<u>1970</u>	<u>1980</u>	<u>1983</u>	<u>1970</u>	<u>1980</u>	<u>1983</u>
OPEC	40	50	14	17	44	47 ¹
NICs *	7	15	40	17	15	9
Others	53	35	46	66	41	44
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

* Brazil, Mexico, Hong Kong, Taiwan, Singapore, South Korea, Yugoslavia

Source Trade Statistics of Ireland

imports from developing countries has declined rapidly in recent years and stood at 14 per cent in 1983 (Table 2) The “newly industrialising” developing countries² (NICs) have replaced OPEC as the dominant countries in Irish imports from the developing world Seven main NICs accounted for 40 per cent of these imports in 1983 This share has risen very rapidly over the past three years (Table 2) The NICs accounted for 9 per cent of exports to developing countries in 1983 All “other” developing countries accounted for 44 per cent of exports and 35 per cent of imports in 1983 This means that the vast majority of developing countries have little or no trade with Ireland

While relatively unimportant in aggregate imports and exports, trade with developing countries is heavily sectorally concentrated and is therefore very significant for both particular sectors of industry and for individual firms It is also important from a balance of trade and payments viewpoint, since Ireland runs a significant surplus on its trade with developing countries In 1983 there was a trade surplus of £266mn This compared with an overall trade deficit of £474mn, and a balance of payments deficit of £863mn

The foregoing and the following discussion concentrate exclusively on merchandise trade Reference should also be made to trade in services Unfortunately, Irish data on international “invisible” trade is highly inadequate and what there is, is fraught with both conceptual and statistical difficulties This was highlighted in the recent “black hole” controversy No geographical breakdown of invisible trade is available in official data It is clear that developing countries have no role as a source of invisible imports However, they have been an expanding market for many invisible exports over the past decade or so This is mainly in consultancy and related services It is probable that such exports presently account for the bulk of Ireland’s foreign earnings in services outside the major traditional categories of tourism and transport³

3 EC MEMBERSHIP AND TRADE WITH DEVELOPING COUNTRIES

Irish accession to the EC in 1973 is usually thought of in terms of its effects on relations with our EC partners However, it also had very important implications for trade and other relations with developing countries This arises because a fundamental feature of the EC as a “common market” is a common external trade policy *vis a-vis* all non EC countries As a result, Ireland does not now operate an independent external trade policy but is a party to Community policy towards non community countries, which includes the developing countries While certain aspects of this policy concern our exports to developing countries, the major elements in the EC external trade policy relate to imports from these countries, and it is on these that I will concentrate

In considering the variety of EC trade policy instruments concerning developing countries, a distinction can be made between two basic categories of such instruments These are

- (i) instruments designed to promote increased imports from developing countries into the Community,

- (ii) instruments designed to control the level of imports into the Community from developing countries

Policy instruments in the first category reflect a desire to encourage economic development in developing economies. It rests on the assumption that increased exports by these countries are a "good thing". Instruments in the second category reflect fear that imports of competing goods from developing countries will displace output and employment, especially in industry, within the Community. The co-existence of these two apparently contradictory sets of policy instruments reflect a tension in EC trade policy towards developing countries and the combination of both well meaning altruism and deliberate self-interest underlying this policy. In this the EC is not unique. All industrialised countries' trade policies towards the developing world reflects the same dichotomy to a greater or lesser extent.

Turning to the specific trade measures in question, the main "trade promoting" ones are the Generalised System of Preferences (GSP), and the Lome Convention. The main instruments in the "trade controlling" instruments are the Multifibre Arrangement (MFA) and the trade aspects of the Common Agricultural Policy (CAP). I deal with the Lome Convention and the MFA, respectively, in the subsequent two sections of the paper, while the CAP is the subject of Alan Matthew's paper. Consequently, I will make a brief reference to the GSP here.

The Generalised System of Preferences is a scheme whereby the EC (and other developed countries) grants duty free access to the Community for most dutiable imports from developing countries. These are mainly manufactured goods. In the case of "sensitive" imports likely to have an adverse effect on Community producers, the level of duty free imports is subject to a quantitative limit, or "tariff quota". Ireland initiated its own GSP in 1972 but is now a party to the EC system. This was established in 1971 for ten years and was renewed in 1981. It has been renewed in principle 2000, but its specific provisions will be reviewed after five years while detailed regulations are issued annually. Despite the considerable effort and attention which the GSP has received, observers agree that its effect has been limited. For example, a study carried out by the Overseas Development Institute in London concluded that "there is little evidence that the GSP has made a major impact on LDC exports to the EEC"⁴. Some go so far as to doubt its usefulness from a developing country viewpoint. It would also appear not to have had very many adverse effects on EEC producers and has not been a target for complaint by these.

Table 3 *Ireland's Trade with Main "NICs", 1983*
(£mn)

<u>Country</u>	<u>Imports</u>	<u>Exports</u>
Brazil	35 9	6 4
Mexico	0 9	9 7
Hong Kong	43 4	11 2
Taiwan	18 3	4 2
South Korea	21 9	3 5
Singapore	27 7	16 5
Yugoslavia	6 9	6 2
	<u>155 0</u>	<u>57 7</u>

Source Trade Statistics of Ireland

4 THE LOME CONVENTION

In Ireland the Lome Convention tends to be the best known of the various EC trade mechanisms discussed here. This probably has more to do with the fact that the three Conventions to date were signed during Ireland's Presidency of the Council of Ministers – the first (Lome I) by Garret FitzGerald in 1975, the second (Lome II) by Michael O'Kennedy in 1980, and the third (Lome III) by Peter Barry in December 1984 – than with its importance relative to other measures. Unlike the GSP, which is a unilateral offer, the Lomé Convention is an aid and trade agreement signed between the Community and 65 developing countries in Africa, the Caribbean and the Pacific (ACP) (Table 4). It has arisen out of the historical ties of a few EC countries and their former colonies. However, the ACP group does not include the big, and mostly relatively poor, ex British colonies in Asia (India, Pakistan, Sri Lanka, Malaysia, Singapore and Bangladesh). It is Lomé's trade provisions that are of interest here.

Table 4 *The 65 ACP States*

ANTIGUA & BARBUDA	GHANA	ST LUCIA
BAHAMAS	GRENADA	ST VINCENT & THE GRENADINES
BARBADOS	GUINEA	SAO TOME & PRINCIPE
BELIZE	GUINEA BISSAU	SENEGAL
BENIN	GUYANA	SEYCHELLES
BOTSWANA	IVORY COAST	SIERRA LEONE
BURKINA FASO	JAMAICA	SOLOMON ISLANDS
BURUNDI	KENYA	SOMALIA
CAMEROON	KIRIBATI	SUDAN
CAPE VERDE	LESOTHO	SURINAME
CENTRAL AFRICAN REPUBLIC	LIBERIA	SWAZILAND
CHAD	MADAGASCAR	TANZANIA
COMOROS	MALAWI	TOGO
CONGO	MALI	TONGA
DJIBOUTI	MAURITANIA	TRINIDAD & TOBAGO
DOMINICA	MAURITIUS	TUVALU
EQUATORIAL GUINEA	MOZAMBIQUE	UGANDA
ETHIOPIA	NIGER	WESTERN SAMOA
FIJI	NIGERIA	VANUATU
GABON	PAPUA NEW GUINEA	ZAIRE
GAMBIA	RWANDA	ZAMBIA
	ST CHRISTOPHER & NEVIS	ZIMBABWE

Source The Courier

The central trade provision of the Convention is the granting by the EC of duty free access to the Community market for most ACP exports. Exceptions are agricultural products which compete with EC farmers and which are subject to import levy and quota restrictions under the Common Agricultural Policy. In these cases, the ACP countries have preferential access over other non EEC countries, but not uncontrolled access. The major product involved is sugar. The Lomé trade provisions involve two other limitations. First, ACP exports are subject to Rules of Origin. These are designed to prevent non ACP countries from diverting their exports to the EC through the ACP states in order to take advantage of the special trading status of the ACP countries. Second, the Lome Convention contains a safeguard clause which allows special treatment to be withdrawn if it is causing "serious disturbances" in a sector of the economy of the Community or an individual Member State.

Duty free or other preferential access under Lomé is non reciprocal, that is, ACP states are not required to grant corresponding preferences to EC exports. In addition to preferential access to EC markets, other aspects of Lomé have an impact on EC ACP trade flows. Particularly important are the Stabex and Sysmin schemes. These schemes are designed to stabilize commodity and mineral export earnings. Lomé also allows for EDF funding of export promotion activities by ACP countries.

The trade provisions of Lomé were intended, in the words of Lomé I, to "secure additional benefits for the trade of ACP states, in order to accelerate the rate of growth of their trade and improve the conditions of access of their products to the market of the European Economic Community." Since the essence of Lomé's trade provisions is preferential access to EC markets for ACP exports, the relative rather than the absolute export performance of the ACP group is an indicator of the Convention's impact. Table 5 shows the share of the ACP countries in EC imports from all non EC countries and from all developing countries for the twelve years 1972-1983, inclusive. This therefore includes three years prior to the signing of Lomé I (1972-1974), the five years of Lomé I (1975-1979) and four years of Lomé II (1980-1983).

Table 5 *Share of ACP Countries in EC Trade 1972-1983*

	<u>Pre Lomé</u>			<u>Lomé I</u>					<u>Lomé II</u>			
	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
As % all extra EC imports	7.4	7.3	8.1	7.0	6.6	7.3	6.7	6.8	7.0	5.4	5.5	6.0
As % imports from LDCs	20.0	19.3	17.0	15.7	14.8	16.5	16.6	16.6	16.3	12.7	13.8	11.0
As % all extra EC exports	6.3	5.7	5.5	7.0	7.2	7.8	7.5	6.2	7.2	6.9	6.4	5.2
As % of exports to LDCs	21.3	19.5	7.5	18.5	19.3	20.1	19.0	16.8	18.6	16.6	15.6	13.6

Source: Eurostat

During the Lomé I years, the ACP countries had a share of 6.7 per cent of all EC merchandise imports from outside the Community. This was slightly down on the three pre-Lomé years when this share was 7.8 per cent. During Lomé II this share fell even further, averaging 6 per cent.

Imports from all non EC countries include Community imports from other developed countries. The commodity composition of these is quite different from imports originating in ACP states. Also, some non EC industrialised countries have more preferential trading arrangements with the EC either as part of EFTA or bilaterally.

Examination of the ACP share of EC imports from developing countries alone avoids these influences. Referring to Table 5, it can be seen that the ACP share of EC imports from the developing countries as a whole has been lower during both Lomé I and II than it was in the three years preceding the Convention. As a percentage of EC exports to both all non EC countries and to all developing countries, the ACP group's share has fallen in recent years after an initial rise during the early years of the Convention.

Table 6 shows similar data for Irish imports from and exports to ACP countries. The outstanding feature of the table is the very small share of the ACPs in Irish foreign trade as a whole. The proportion of total imports from developing countries originating in the ACP countries increase between 1974 and 1978, fell sharply between 1979-1981, and increased again in 1982 and 1983. After an initial boost in 1975, the share of Irish exports to developing countries accounted for by the ACP groups shows a declining trend since 1977, despite some recovery in 1980 and 1982.

Table 6 *Trends in Irish Trade with ACP Countries 1974-1983*

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Percentage share of ACPs in total Irish imports	1.5	1.5	1.4	1.6	1.3	1.2	1.0	0.6	0.7	0.8
Percentage share of ACPs in Irish imports from IDCs	13.8	14.8	15.9	18.8	27.2	20.6	13.2	13.4	16.8	21.5
Percentage share of ACPs in total Irish exports	0.9	2.0	1.5	2.0	1.5	1.2	1.5	1.7	1.7	1.5
Percentage share of ACPs in Irish exports to IDCs	16.5	35.0	21.3	25.1	21.0	15.4	13.8	14.1	17.3	16.5
Trade balance with ACPs ('000 ECU)	25	+4	7	+1	23	27	+13	+63	+75	+60

Source: Eurostat

In assessing Lomé's trade aspect it must be emphasised that there are certainly instances where the existence of the Convention helped individual ACP countries to increase and possibly to diversify their exports. Mauritius is a case in point. Also, caution is required in drawing any definitive conclusions from the evidence in Tables 5 and 6. Many national and international influences affect EC-ACP trade flows, making isolation of the effect of Lomé alone difficult and it can never be known what might have happened had Lomé not existed. Nevertheless, the indications are that in general Lomé has not resulted in either significant growth or diversification of ACP exports to the EC or Ireland.⁵

5 THE MULTIFIBRE ARRANGEMENT

I now turn to the second category of EC trade mechanism referred to in the third section, namely "trade controlling" measures. The major relevant example is the Multifibre Textile Arrangement (MFA). The MFA is an international agreement under the General Agreement on Tariffs and Trade (GATT) rather than a specifically EC one. It is an agreement between the western industrialised countries and exporters of "low cost" textiles and clothing, mainly developing countries, which allows for quantitative restrictions to be placed on low cost imports of these products into the industrialised countries. The MFA results from the fact that textiles and clothing products tend to be one of the earliest successful industries in developing economies. Comparative advantage in parts of these industries then shifts in favour of these countries, especially the NICs. As a result, the textile and clothing industries of the west see themselves as threatened by widespread import penetration. The first controls to counter this threat date back to the 1930s. The MFA's more immediate predecessors were similar arrangements negotiated in the early 1960s. The Arrangement itself was first negotiated in 1974 and subsequently renewed in

1978 and in 1982 Its current term expires in July 1986 The MFA proper is an umbrella arrangement Under it, textile exporters and importers enter into bilateral "voluntary export restraint" agreements However, the term "MFA" tends to be used loosely to cover the entire package

The EC is, as a Community, a partner to the MFA and has bilateral restraint agreements with about 25 low cost exporters The current agreements run from January 1983 – December 1986 Re negotiation of the MFA itself and of the Community's bilateral agreements are, therefore, scheduled to take place over the coming year and external textile policy will be a topical subject in debate

Ireland is a party to the MFA through membership of the Community In practice this means that imports of the main categories of cheap textiles and clothing goods from developing countries are subject to an annual quantitative limit by both product category and country The Irish limits operating in 1981 for the main MFA products are shown in Table 7 by way of example These limits are enforced through import licences issued by the Department of Industry, Trade, Commerce and Tourism It is apparent from this that the one area of our economy at least is already subject to *de facto* central planning

During the lead in to each MFA re negotiation a great deal of words and ink are poured out regarding the "pros and cons" of the MFA itself and the related bilateral restraint system⁶ The coming re negotiation is likely to see a repeat of this The positions of the respective sides are predictable Internationally, the exporting countries themselves and the "Third World lobby" in the west argue against the MFA on the grounds of unfair discrimination against the world's poorer nations Trade in textiles and clothing among the western nations is not subject to similar controls These groups also find allies among economists who oppose such protectionism as being contrary to the principles of free trade

Arguing for the MFA will be the textile and clothing industries in the western countries, supported by the trade unions and usually by their Ministries for Industry All these see any liberalisation of trade in textiles and clothing as detrimental to firms and jobs in industrial countries Recession and high unemployment will add weight to their arguments

Here in Ireland the international battle lines will be largely replicated Industry and trade union representatives tend to echo their EC counterparts on the subject of the MFA In previous re negotiations, the Department of Industry, Trade, Commerce and Tourism, has been staunchly supportive of this approach in its contribution to EC policy making on the issue Ireland has sided with the protectionist countries in the Community (UK, France) against the more liberal ones (Germany, Holland)⁷ The Department of Foreign Affairs remains neutral Irish opposition to the MFA comes from the domestic Third World lobby Economists and economic bodies tend to be largely absent from the debate in Ireland

Rather than deal here with the arguments surrounding the MFA itself, I offer two more

Table 7 *Quantitative Ceilings on Exports to Ireland of Textile and Clothing Products in the Eight "Super-Sensitive" (Group 1) MFA Categories¹ from MFA signatories, China, and Taiwan, 1981, (Absolute Level and as a percentage of Total Ceilings on the Countries included)*

COUNTRY ²	Category 1		Category 2		Category 3		Category 4		Category 5		Category 6		Category 7		Category 8	
	Tonnes	%	Tonnes	%	Tonnes	%	000 Pieces	%	000 Pieces	%	000 Pieces	%	000 Pieces	%	000 Pieces	%
Argentina	59	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brazil	1,410	50.7	607	17.6	-	-	45	7.0	-	-	8	3.0	-	-	-	-
Columbia	316	11.4	204	5.9	204	24.0	-	-	-	-	-	-	-	-	-	-
South Korea	3	0.1	20	0.6	30	3.5	121	18.0	222	39.3	58	21.9	12	4.8	60	11.2
Hong Kong	20	0.7	448	13.0	125	14.7	145	22.5	46	8.1	70	20.5	26	10.3	53	10.0
India	346	12.4	373	10.8	-	-	42	6.5	-	-	-	-	105	41.8	181	34.1
Mexico	67	2.4	68	2.0	-	-	-	-	-	-	-	-	-	-	-	-
Pakistan	397	14.3	779	22.7	-	-	23	3.6	9	1.5	-	-	10	3.9	34	6.4
Peru ³	1	0.3	16	0.5	-	-	-	-	6	1.1	-	-	-	-	-	-
Romania	28	1.0	55	1.6	6	0.7	18	2.8	20	3.5	7	2.6	0	0	12	2.2
Yugoslavia	44	1.6	11	0.3	4	0.5	14	2.2	4	0.7	1	0.4	1	0.4	8	1.5
Egypt	-	-	21	0.6	-	-	-	-	-	-	-	-	-	-	-	-
Hungary	-	-	38	1.1	4	0.5	3	0.5	15	2.6	0	0	0	0	1	0.2
Malaysia	-	-	10	0.3	157	18.4	23	3.6	5	0.9	9	3.4	3	1.2	5	0.9
Poland	-	-	100	2.9	79	9.3	7	1.1	8	1.4	1	0.4	-	-	5	0.9
Singapore	-	-	21	0.6	27	3.2	94	14.6	46	8.1	21	7.9	37	14.5	51	9.6
Thailand	-	-	124	3.6	124	14.6	23	3.6	77	13.6	2	0.8	8	3.1	12	2.2
Macao	-	-	-	-	-	-	15	2.3	15	2.6	19	7.2	4	1.6	5	0.9
Philippines	-	-	-	-	-	-	22	3.4	32	5.7	9 ⁶	3.4	9	3.5	35 ⁶	6.6
Sri Lanka	-	-	-	-	-	-	13	2.0	8	1.4	17	6.4	14	5.5	27	5.1
China ⁴	89	-	495	14.4	52	6.1	21	3.3	26	4.6	34	12.9	20	8.0	38	7.1
Taiwan ⁵	0	0	4	1.3	39	4.6	13	2.0	26	4.6	8	3.0	2	0.8	4	0.7
TOTAL ⁶	2 780	100	3 435	100.0	851	100.0	642	100.0	565	100.0	264	100.0	251	100.0	531	100.0

Note: 0 means no imports allowed - means no restraints in force

1/ Category 1 = cotton yarn, Category 2 = cotton fabric (excluding terry) Category 3 = woven synthetic fabrics;
Category 4 = knitted shirts, vests, light pullovers Category 5 = jerseys, pullovers, Category 6 = trousers,
slacks Category 7 = blouses Category 8 = shirts

2/ Five further MFA signatories are not subject to restraints

3/ Excludes Tangalis and Prima type

4/ Restrained under a bilateral agreement outside the MFA

5/ Restrained under unilateral quotas

6/ New "basket extractor" restraint

Source: Official Journal of the European Communities, L 149 18/6/79, L 354 13/12/79, and L 317 10/11/78

general observations to which the topic gives rise. First, the MFA highlights the fact that in many policy areas there is a sharp conflict between the interests, real-or perceived, of industrialised and developing countries. This tends to be frequently overlooked in references to "development co operation" and "mutual self interest". Progress in international economic relations between the rich and poor of the world requires that the existence of these thorny problems be faced and realistic solutions sought. Western countries cannot expect to fulfil their apparent desire to help solve the dire problems of world poverty and underdevelopment without occasionally being willing to make modest sacrifices.

Second, one such thorny problem is the question of import competition from cheap manufactured goods. It seems to me that the overall lesson of the MFA is that the protectionist road is not the answer. Leaving aside both economic principle and altruism, the evidence is that such protectionism does not solve the problems of the industries it is designed to save. It also has a cumulative effect in that the further down the protectionist and controlled trade road one goes, the more difficult it is to get out of it again. As an answer to problem of shifting international comparative advantage, this is a blind alley out of which it is very difficult to reverse.

6 CONCLUSIONS

From the particularly Irish perspective, I would suggest three major conclusions as arising from this paper on the trade aspects of relations with developing countries.

- (i) trade is a very important aspect of these relations. In 1983 Ireland's official development assistance to Third World countries was just under £30mn, less than one tenth of the value of imports from these countries. Aid and trade flows are clearly not directly comparable. Nevertheless, the contrasting potential impact of the two is clear. Trade issues need to take a more prominent position alongside aid in public debate on Ireland's relations with the developing world,
- (ii) a theme I have stressed is the primary role of common EC policy in Ireland's trade relations with developing countries. On the one hand, this means that Ireland's scope for independent bilateral initiatives in the area is very limited indeed, though it is not entirely absent. On the other hand, however, membership of the Community gives us some small say in the external trade policy of a major international trading bloc with an impact vastly in excess of anything Ireland could achieve bilaterally. The extent to which we use this voice, and the way in which we use it, is a matter that could benefit from greater public scrutiny,
- (iii) it is a feature of our system of government that economic policy operates on a highly departmentalised basis. The three topics of this symposium – aid, trade and agriculture – each fall within the scope of a different Government Department, namely Foreign Affairs, Industry, and Agriculture, respectively. Important Irish policy positions, e.g., on current MFA re negotiation, appear to be taken by one Government Department with reference primarily to its own natural

“constituency” Co-ordinated national policies on matters straddling different Departments are, in theory, thrashed out in Cabinet However, many such policies can hardly attract very much Cabinet attention Relations with developing countries are a case in point We have relevant official advisory bodies whose brief cuts across departmental areas I am thinking of the Advisory Council on Development Co operation (which reports only to the Minister for Foreign Affairs)

and the Joint Oireachtas Committee on Co operation with Developing Countries However, a comparable inter departmental grouping with some degree of executive power is missing A Cabinet Sub Committee or a high level Inter Departmental Committee is required If the various elements in our national development co operation policy are not properly co ordinated, we may be simply giving with one hand and taking away with the other

FOOTNOTES

- 1 For a discussion see Fitzpatrick, J , 1984 “The Geographical Pattern of Irish Foreign Trade Test of a Gravity Model”, *The Economic and Social Review*, Vol 16, No 1
- 2 See Fitzpatrick, J , 1983 “Trade between Newly Industrialised and Newly Industrialising Countries the Case of Ireland”, *Administration*, Vol 31, No 2
- 3 For estimates see Coras Trachtala, 1983 *Export Review*, Vol 2, No 4
- 4 Weston, A et al, 1980 *The EEC's Generalised System of Preferences – Evaluation and Recommendations for Change*, London Overseas Development Institute
- 5 A more detailed discussion is contained in Fitzpatrick, J , 1983 “Trade and the Lome Convention”, *Lome Briefing*, Brussels Liaison Committee of Development NGOs to the European Communities, No 9
- 6 Recent examples are Wolf *et al*, 1984 *Costs of Protecting Jobs in Textiles and Clothing*, London Trade Policy Research Centre and GATT Secretariat, 1984 *Textiles and Clothing in the World Economy*, Geneva
- 7 See Baker, B *et al* , 1983 “The Multifibre Arrangement”, in C Stevens, *EEC and the Thurd World A Survey 3*, London Hodder and Stoughton