

# CUTS-CITEE in Action



## Exploring Mekong-Ganga Relationship

This project endeavours to explore and analyse trade and investment relationship between India and Greater Mekong sub-region countries, viz., Cambodia, Lao PDR and Vietnam. The core of the project is field research, i.e., to find out perceptions on current and future trade and investment relationship between these countries from different stakeholders.

Recently, the project has undergone a major development. Taking into consideration the importance of Thailand as a major trading country in the Mekong region, the project is undertaking an added study of Thailand's role in developing the regional cooperation. An upcoming activity under this project is organising the



national consultations in all the five countries i.e. India, Cambodia, Laos, Vietnam and Thailand. For more, log on to: <http://www.cuts-citee.org/mgr.htm>

## Civil Society and Trade Negotiations

This project aims to establish linkage between the civil society organisations and research institutions while conducting advocacy with the governments. It is being implemented in five South Asian countries, viz., Bangladesh, India, Nepal, Pakistan, and Sri Lanka in a partnership mode and focusing on the five key elements of the July Framework Agreement – development dimensions, services, agriculture, non-agricultural market access and trade facilitation.

While negotiating positions of South Asian countries are analysed, they are to be juxtaposed with the concerns and perceptions of diverse stakeholders. On each issue, the position of a particular country and civil society perceptions is being placed with those of other countries, so that these countries can arrive at better negotiating positions during the Doha Round of negotiations.

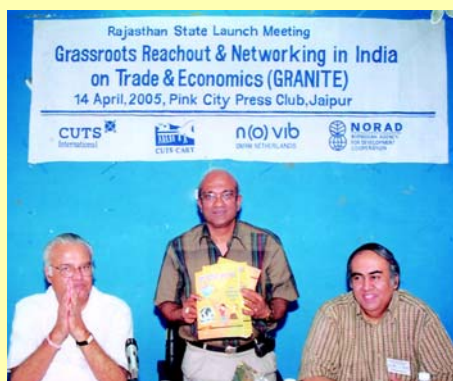
The country drafts have been prepared. The drafts will be primed from a South Asian perspective by August 30, 2005. Following this, national consultations (where five drafts will be presented before the stakeholders) will be organised in Pakistan, Bangladesh, India, Nepal and Sri Lanka consecutively. For more, log on to: <http://www.cuts-international.org/safit.htm>

## Exploring the IBSA Initiative

This project aims to explore and analyse the trade and economic relations between India, Brazil and South Africa (IBSA countries). It is being implemented in all three IBSA countries. The first component of the project is a survey of businesses on future trade scenarios between these countries and what policy measures are to be in place for better IBSA cooperation. This survey has been completed in all three countries. You may contact us for a draft report at <[ibsa@cuts-international.org](mailto:ibsa@cuts-international.org)>

The second component of the project is a sector study. Subsequent to intense deliberations regarding the sector to be selected, the three countries decided on the aerospace sector. This was probably the only sector that found acceptance amongst businesses in all three countries. In addition this study had development relevance since valuable foreign exchange can be saved and earned, an IBSA airplane/engine/spares can provide cheaper airplanes/engines for other developing countries, brain drain can be harnessed, and spill over effects are immense.

The study envisages understanding the capabilities of the aerospace sector in these three countries and the future scope for ambitious cooperation. This also involves a field survey of aerospace companies in all three countries. This is currently in progress and will be completed by August 15, 2005. For more, log on to: <http://www.cuts-citee.org/ibsa.htm>



## Grassroots Reachout & Networking in India

The project aims to create capacities of grassroots civil society organisations (CSOs) and local media to address complex issues of globalisation and the World Trade Organisation (WTO) and their relationship with economic development and governance in India. It is being implemented in eight states, viz., Andhra Pradesh, Karnataka, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal in partnership with selected CSOs working at the grassroots. The project lays emphasis on two sectors, viz., agriculture and textile & clothing, as they are key to livelihood of a large section of our country's population.

## Work-in-Progress

Following the launch of the project in January this year, an orientation-cum-training workshop of project partners was held in February. All the partners organised curtain raisers in their respective states in order to familiarise the stakeholders with the project's objectives and activities.

The partners have also begun to hold outreach meetings in various districts of their respective states to understand the existing level of perception of WTO and related issues amongst people at the grassroots. With the support of Friedrich Ebert Stiftung (FES), the partners would be conducting regional seminars on the National Common Minimum Programme in the months of July-August, 2005.

In order to ensure dissemination of project related and other information to all the relevant stakeholders, a newsletter entitled as 'Making Things Happen' is being published on a quarterly basis. *For more, log on to: [www.granite.org.in](http://www.granite.org.in)*

## WTO Agriculture Negotiations

The project will *inter alia* conduct action research on IBSA (India, Brazil and South Africa) countries' positions on WTO negotiations on agriculture. It has been taken up with a background that agriculture holds the key to the progress of negotiations at the WTO. While all WTO members are interested in agriculture negotiations (as it has direct relationship with the livelihoods), some are perceived as major players, such as Australia, Brazil, China, EU, India, South Africa, USA. Some of them, viz., Australia, Brazil, EU, India and USA are part of the so-called Five Interested Parties: the informal group, which pushed hard for the adoption of the July 2004 Framework Agreement.

It is expected that WTO negotiations on agriculture and its implications (both in terms of process and content) will have a long-term impact on global economic governance. Besides the fact that the G-20 group of developing countries will play a significant role in the process and outcome of these negotiations, India-Brazil-

South Africa are expected to play a coordinated role. They have formed a group called IBSA.

An overview of agriculture in project countries (how many farmers, how much land, how much production in what crops) and some trends, including export/import statistics has been completed. This sets the scene for issues relating to trade negotiations. At present, interviews and discussion are going on with farmer organisations, agricultural business houses, consumer groups and other civil society organisations (CSOs) besides government officials. *For more, log on to: <http://www.cuts-citee.org/ibsa2.htm>*

## International Trade & Human Poverty

The project is being executed for United Nations Development Programme (UNDP), Asia & Pacific Regional Centre, Colombo. UNDP is preparing a Regional Human Development Report (RHDR) for the Asia-Pacific region on international trade and human poverty, to be published in the third quarter of 2005. The report is essentially an advocacy document, which will examine the ways in which international trade affects human poverty.

The field research aspect of the study is being carried out by CUTS-CITEE, Jaipur, India in 13 countries of South Asia (Bangladesh, India, Nepal, Pakistan, Sri Lanka) and East and South East Asia (Cambodia, China, Indonesia, Lao PDR, Malaysia, Thailand, The Philippines, Vietnam). The field-based findings of the project are being used as inputs to the UNDP's RHDR for Asia and the Pacific, 2005.

The results of the project will be published as a stand-alone publication of UNDP later this year. The distinct aspect of the project is that it looks at international trade from the point of view of human development and poverty and not in terms of trade rules and procedures. The work on the report by CUTS-CITEE is in its final stages. This report will be published by the UNDP. *For more, write to [thp@cuts.org](mailto:thp@cuts.org)*

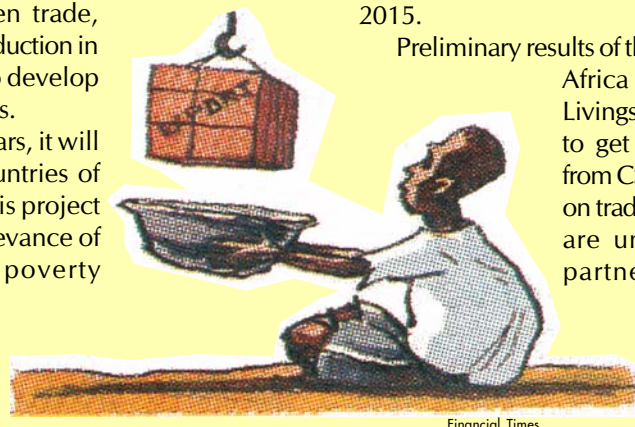
## Linkages between Trade, Development & Poverty Reduction

The project intends to explore linkages between trade, development and poverty. The objective of this project is to facilitate cross-fertilisation of experiences and lessons learnt on linkages between trade, development and poverty reduction in the developing countries to develop appropriate policy responses.

Over a period of four years, it will be implemented in 15 countries of Africa, Asia and Europe. This project will manifest the policy relevance of international trade on poverty reduction and thus, help in articulating policy coherence (in particular between the international trading system and national

development strategies). International trade has a major role to play to achieve the Millennium Development Goals (MDGs) and reduce absolute poverty by half by the year 2015.

Preliminary results of this study in Eastern and Southern Africa were discussed at a meeting at Livingstone, Zambia in June 05 in order to get diverse opinions, particularly from CSOs. Country background papers on trade-development-poverty linkages are under preparation by project partners, which will be used in organising national dialogues (in project countries) later this year. *For more, write to [tdp@cuts-international.org](mailto:tdp@cuts-international.org)*



### Regional Seminar on Economic Cooperation in South Asia

Colombo, Sri Lanka, May 7-9, 2005

CUTS-CITEE in association with the Friedrich Ebert Stiftung, New Delhi (FES, India) organised the regional seminar on Economic Cooperation in South Asia at Colombo, Sri Lanka, on May 7-9, 2005. Participants represented civil society, academics, business chambers, government and inter-governmental organisations, such as United Nations Conference on Trade & Development (UNCTAD).

The theme of the seminar centered around South Asia's position on global economic issues, its relations with other regional groupings and response to global economic developments. It also tried to outline how new initiatives, which had become an imperative, could be launched to enhance economic cooperation among the South Asian countries. *For full report, log on to: <http://www.cuts-citee.org/events2005.htm>*

This event marked the launch of the project titled 'Regional Economic Cooperation in South Asia' initiated by CUTS-CITEE and FES. As part of this project, country seminars will be organised on the similar theme in Pakistan, India, Bangladesh and Nepal to harvest the individual country perspective on this issue.

### Regional Technical Consultation on International Trade and Human Development: Stakeholders' Perspectives

New Delhi, India, June 1-3, 2005

UNDP in association with CUTS-CITEE organised a Stakeholder Consultation on various themes of International Trade and Human Poverty on 1-3 June 2005 in New Delhi, India.

The consultation served as meaningful inputs for the forthcoming Regional Human Development Report (RHDR). UNDP is preparing a RHDR for the Asia-Pacific region on international trade and human poverty (please refer to 7 above). The feedback and perceptions of the stakeholders have covered three themes – livelihood and food security, generating and sustaining employment and ensuring access to basic services. CUTS-CITEE made presentations on "The Methodological and Practical Issues of the Field Research" and "The Major Findings of the Field Research" at the consultation. *For more, write to [thp@cuts.org](mailto:thp@cuts.org)*

### National Consultation on WTO Doha Round & South Asia: Linking Civil Society with Trade Negotiations

New Delhi, India, September 17, 2005

CUTS-CITEE will organise a one-day national consultation in New Delhi, India, on September 17, 2005 as a part of its project entitled, 'WTO Doha Round & South Asia: Linking Civil Society with Trade Negotiations'. The project is named as South Asia Forum for International Trade (SAFIT).

Researchers from Bangladesh, India, Nepal, Pakistan and Sri Lanka will present the draft on development dimensions, trade in services, agriculture, NAMA and trade facilitation respectively. The objective of the consultation is to provide a dialogue and discussion forum to relevant actors on issues relating to the Doha Round of negotiations leading up to the WTO Hong Kong Ministerial. *For more information, contact: Purnima Purohit/Chandan Mukherjee at [safit@cuts-international.org](mailto:safit@cuts-international.org)*

### National Consultation on South-South Economic Cooperation: Exploring Mekong-Ganga Relationship

New Delhi, India, August 31, 2005

CUTS-CITEE will organise a one-day national consultation as a part of its project South-South Economic Cooperation: Exploring Mekong-Ganga Relationship' at New Delhi, India, on August 31, 2005.

The meeting proposes discussion on trade and investment cooperation in the Indo-China region, both policy and its implementation aspects, and to look for new initiatives that could facilitate economic cooperation between India and Indo-China countries (Cambodia, Lao PDR and Vietnam) with special emphasis on business-to-business engagements.

In addition, the meeting also aims to strengthen the capacity of Indo-China countries on issues of South-South trade and investment cooperation by providing necessary know-how and do-how to policy-makers, business community, civil society and other stakeholders. *For more information, contact: Shailly Gupta at [citee@cuts-international.org](mailto:citee@cuts-international.org)*

### Trade Facilitation Measures

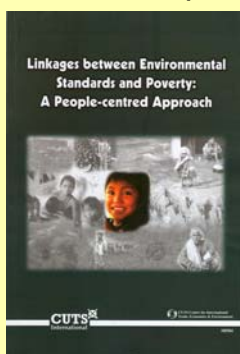
Pranav Kumar participated in the Asia-Pacific Research and Training Network on Trade (ARTNeT) – Trade Facilitation Research Team meeting, held at Bangkok, Thailand, on May 25, 2005. The main purpose of the meeting was to review the progress made so far by the team members, and to discuss the methodologies to be used to assess the need for and cost of implementation of selected trade facilitation measures being discussed at the World Trade Organisation (WTO). Pranav spoke on the findings and experiences of CUTS' International Working Group on the Doha Agenda-II (IWOGDA) project.

### Preference Erosion: Impacts and Policy Responses

Pradeep S. Mehta participated in the international symposium: Preference Erosion: Impacts and Policy Responses organised by The World Bank in cooperation with OECD and the WTO, at Geneva on June 13-14, 2005. This symposium brought together some of the leading experts on this topic to review a series of recent studies on preference erosion, focusing not only on its magnitude and incidence, but also on potential policy responses.



### Linkages between Environmental Standards and Poverty: A People-centred Approach



This paper tries to shed light on the debate on linkages between poverty and environmental degradation and explore alternatives to the established notions. The paper hypothesises that linking trade and environmental issues may not service the objective of environmental protection.

On the contrary, this could negatively affect trade, the poor and the environment. It argues that use of resources should be an important aspect of strategies to eradicate poverty and environmental degradation, rather than limiting or curbing use and consumption of resources.

It further advocates de-coupling of trade and environment linkages, and to follow it up with measures to provide assistance to the poorer sections of the population for achieving the twin objective of poverty eradication and environment protection.

### CUTS Secretary General's Appointment in WB's Trade Policy Evaluation Body

The World Bank's (WB) Operations Evaluation Department (OED) has established a High Level External Panel for the Trade Assistance Evaluation. The five-member panel, which includes Pradeep S. Mehta, Secretary General of CUTS was appointed on the basis of outstanding professional credentials, leadership role among key stakeholder groups, breadth of interests and expertise in key areas and understanding the WB's role and operations.



The panel is required to advise the OED on the design, conduct and outputs of the evaluation of the Bank's lending and non-lending activities in the area of trade policy. It will have a life of about one year, while members will share their personal views on the reports, and are required to maintain confidentiality until the OED has submitted its report to the WB.

### Media Corner

#### Why should trade await a final settlement?

*The Financial Express, April 23, 2005*

India-Pakistan economic relations have been facing the bugbear of some myths that continue to define the debate on whether the countries should or should not resolve all disputes prior to forging trade and economic relations.

More on: <http://www.cuts-international.org/articles2005.htm#settle23apr05>

### BRIEFING PAPERS



#### Trilateral Development Cooperation: An Emerging Trend

Overseas aid from the rich to the poor countries for their development is a well-established institution. The new route is through 'trilateral development cooperation' where aid is channelled through institutions in third countries for being applied to capacity building in poor countries. However, trilateral development cooperation has not received the kind of attention that it deserves. On the basis of experiences gained while implementing multi-country projects of CUTS, this paper makes an effort, with the hope that rich countries realise its value and make it a part of their aid strategy.

#### Economic Cooperation in South Asia: Current State and Prospects

Economic Cooperation in South Asia has not taken off. Though the plan to create the South Asian Preferential Trade Area (SAPTA) was announced in 1993, the actual exchange of preferences remained extremely limited. This paper attempts to explain various critical issues on its current state and emphasises the need for economic cooperation among South Asian countries.

#### Regionalism: A Stumbling Block for Trade Liberalisation?

The surge in regional agreements has continued unabated since the early 1990s. The emergence of this new regionalism raises many issues. One of them is its impact on the multilateral trading system (MTS), including whether regional integration is a building or a stumbling block, or a stepping-stone towards multilateralism. In this paper, an attempt is made to understand the entire range of issues connected with regionalism.

#### Sustaining India's services revolution

*The Financial Express, May 10, 2005*

Over the past decade and a half, the services sector has been growing faster than others. While the most visible growth has been in information technology and business process outsourcing (BPO) services, sectors like telecommunications, finance and tourism have also grown considerably.

More on: <http://www.cuts-international.org/articles2005.htm#india10may05>