

***Regional Conference on Linkages Between Trade, Development and Poverty Reduction
Bangkok, Thailand, 24-25 November 2006***

Objective

To provide a discussion forum to deliberate on various pro-poor trade policy initiatives in South and South-East Asia to examine linkages between trade policy and poverty reduction in relation to WTO, the Integrated Framework Initiative and regional trade policies in ASEAN (Association of South East Asian Nations). This cross fertilisation of experiences and lessons learnt from these initiatives will facilitate appropriate policy responses from the civil society's perspective to evolve a synergistic position, and take forward well-argued viewpoints for pro-poor development and sustainable economic growth.

Background

The debate on linkages between trade, development and poverty reduction is not new. In fact trade economists see international trade as a measure for enhancing economic growth. Trade policy affects poverty through its effects on economic growth and equitable income distribution. A pro-poor growth policy has greater impact on reducing poverty, than growth per se. And, given the present trade and investment regime, an open and simple trade policy can foster some external discipline, reduce domestic market distortions and narrow the scope for wrong or unbalanced policies.

The issue of linkages between trade, development and poverty reduction can be analysed from various dimensions like the impact of protectionist policies on the poor. If trade policy benefits relatively well off by protecting import-competing sectors controlled by capital owners, then trade liberalisation is likely to redistribute income to the poor. This notion is however based on certain assumptions, which have less relevance in today's trade and investment regime. The changing policy dimensions and concomitant role for policy coherence needs to be analysed.

Presently, efforts are being made to look into various dimensions of the issue, and make trade and investment liberalisation work for the poor. But unfortunately, many such efforts do not attempt to look into the issue holistically i.e. in both theoretical and political economic terms, supported by civil society's (Northern as well as Southern) understanding. Furthermore, issues relating to the effects of trade and investment liberalisation on the poor needs to be looked into in a positive manner and an overarching purpose of all the activities is to find out the conditions necessary for mainstreaming international trade into national development (poverty reduction) strategy.

International Trade has a major role to play in attaining the Millennium Development Goals (MDGs) especially reducing absolute poverty by half by 2015 (MDG 1). Pursuant to its mandate on building consensus on issues affecting the livelihoods of the poor CUTS Centre for International Trade, Economics & Environment (CUTS CITEE) is implementing this project. The project aims to manifest the policy relevance of international trade on poverty reduction and thus help in articulating policy coherence between international trading system and national development strategies to reduce poverty levels.

Context

The project "Linkages Between Trade, Development and Poverty Reduction" is a four-year project spanning from January 2005 – December 2008. To comprehend the linkages between trade and poverty reduction, a study was made on select pro-poor trade policy initiatives in South and South-East Asia. The study covered the international trade policy, regional trade policies in ASEAN, and the Poverty Reduction Strategy Paper (PRSP) processes in Bangladesh and Cambodia.

The study attempts to explore the issues of poverty, linkages between trade policy and poverty reduction, elements of alternative approaches for pro-poor growth and how to effectively use trade policy in combating poverty.

It was done by reviewing the existing literature on the theoretical concepts of linkage between trade and poverty followed by concepts of pro-poor growth and empirical analyses of the impact and linkages between trade policy, growth and poverty reduction from case studies in Bangladesh, Cambodia and ASEAN and by interviewing various stakeholders.

It looked at domestic and external impacts of trade policy reforms associated with PRSP's and poverty reduction efforts. The paper gives an insight on alternative pro-poor trade policies and how pro-poor growth should be integrated into the national trade policy to enhance development. Development of labour intensive sectors such as agriculture, services has been emphasised upon to absorb the surplus labour to promote enhanced growth in this area. It is imperative to develop a need-based pro-poor trade policy to address the poverty problem. The goal of an alternative "pro-poor" trade policy approach would substitute reforms to promote growth with reforms to reduce poverty.

Given this context, the Regional Conference is being organised to take forward lessons from these initiatives towards better implementation of similar activities in future, in particular to find answers on how to make trade policy more effective and coherent with the overall development strategies of countries/regions. As the study points out "*the constraining dimension of mainstreaming trade liberalisation in development policy is that it places supporting poverty reducing efforts secondary to the goal of export expansion.*" The conference will try to address measures to mainstream development in policy initiatives both at national and international level. On this issue there has already been numerous deliberations, but its time that developing countries realize that development will only result if local ownership and initiative for developmental programmes are taken by developing countries themselves. In this respect, substantial inputs are expected from the outcomes of the conference.

The Event

To involve representatives from inter-governmental organisations, governments, civil society, media, research institution and project partners from South and South East Asia (Bangladesh, Cambodia, China, India, Nepal, Pakistan, Sri Lanka, Vietnam) in a one and half day conference.

The conference will deliberate on issues of how to take forward global partnership towards sustainable development as has been envisaged in Goal 8 of Millennium Development Goals for bringing about a positive change in the lives of people everywhere.

These deliberations will be organised with a paper presentation followed by a structured panel discussion format thereby taking diverse views on board. The following topics will be discussed:

- Alternative approaches to Pro-Poor trade policies
- Stakeholders' view from South and South-East Asia on Pro-Poor trade policies
- Ways to mainstream development as the core issue in national policy initiatives in the developing countries
- Charting Out of A Roadmap for future activities in the project partner countries in South and South-East Asia

Venue

Prince Palace Hotel, Bangkok

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