

Towards a Coherent Trade and Development Strategy of India
India Habitat Centre, New Delhi, 24-25 July 2008

Objective

This event is to connect relevant stakeholders to enable their participation in the formulation of coherent strategies for inclusive and equitable development and poverty reduction in India in the context of international trade. Thus, the stress is on the integration of all such stakeholders into India's participation in the international trading system. It will address the need for mainstreaming India's national development strategy to make use of the beneficial role that international trade can play in enhancing development and reducing poverty.

Background

Under its programme area on developmental issues, CUTS Centre for International Trade, Economics & Environment (www.cuts-citee.org) is implementing two projects on the dynamic relationship between international trade and poverty reduction, at the national as well as international levels. The TDP project analyses the linkages between trade, development and poverty reduction over a period of four years (January 2005 to December 2008) with the support of the Ministry of Foreign Affairs (MINBUZA), The Netherlands and the Department for International Development (DFID), UK.

This project examines the policy relevance of international trade for poverty reduction and helps in articulating policy coherence between the international trading system and national development strategies. This is apt given that international trade plays a major role in reducing absolute poverty. It looks into the aspects of integration and synergy between different stakeholders and departments needed to establish a positive linkage between trade and development, especially from the perspective of poverty reduction. An overarching aim of the project, which covers 15 countries from Asia, Africa and Europe, is to bridge the link between Southern and Northern civil society and policymakers.

The second one, "Mainstreaming International Trade into National Development Strategy" (MINTDEV) is a two-year project, funded by the Royal Norwegian Embassy, New Delhi. It is a pilot project in Bangladesh and India, and it takes a developmental approach to include and give due prominence to international trade in the national developmental strategy. This task is multi-faceted and includes facilitation of trade reforms with appropriate complementary policies.

The outcome of both projects will contribute to the policy debate for achieving the Millennium Development Goals, particularly in examining the aspects of partnership (MDG 8 – Global Partnership for Development) between the different stakeholders to achieve the MDGs. The essence of the development approach that CUTS CITEE is advocating highlights *how development 'occurs' through an examination of the role of trade within the process of development and assessing the effects of trade on development.*

Context

While the benefits of trade liberalisation on reducing poverty have been widely documented, there are strong suggestions that trade liberalisation can also have negative effects on national development. Trade liberalisation leads to increased international trade through lowered national barriers. It is argued that such liberalisation leads to economic growth, which implies increase in the nation's capacity for production and consumption. However, economic growth by itself does not automatically translate into overall economic prosperity and development. Development entails the well-being of citizens and an improvement in socio-economic terms, reflected by indicators such as health, nutrition, education, environment, and the level of gender equality, empowerment and participation.

Thus, as international trade is perceived as a means to reduce poverty, but not an end in itself, it is vitally important to understand the nature and dynamics of the linkages between trade, development and poverty reduction to initiate coherent policies both at the national and international level. A development-friendly international trade regime is needed to promote trade-development and poverty linkages in developing countries and distribute the benefits of international trade in an equitable manner.

The Event

The event, to be held on 24-25 July 2008 at the India Habitat Centre in New Delhi, is to discuss the following thematic issues:

Regional Trade Openness Index, Income Disparity and Poverty – An Experiment with Indian Data

- How open are Indian states with respect to international trade and in which way does regional openness affect the level of poverty?
- Which factors characterise the relationship between trade openness and regional disparity?
- What insights into the trade-poverty nexus can a regional openness index provide?

Is the Stage Set for Mainstreaming International Trade into the National Development Strategy of India?

- In the context of international trade, how to connect local demands and government policies given the asymmetrical information gap on governmental schemes and policies at the grassroots?
- How to increase participation in the democratic process to ensure better people's access to development?
- How to mainstream grassroots needs and demands in national policy-making and the responsiveness of such efforts?

Responding to the Challenges of International Trade and Securing an Inclusive Path to Development – Trade Sustainability Impact Assessment of India

- How can India contribute to strengthen the development dimension of the multilateral trade system?
- How to manage a pro-development regional trade system in Asia?
- How to formulate an adequate export response to liberalisation?
- Factors to be considered for doing a holistic trade sustainability impact assessment

Expected Outcome

The event aims to foster links between relevant stakeholders, namely civil society organisations, policy makers, business representatives, think tanks, academics and media representatives to work towards the initiation of policies contributing to an inclusive and equitable path of development. CUTS endeavours to facilitate research, advocacy and networking activities to domestic preparedness and policy response mechanisms so that international trade works better for development and poverty reduction.

Participants

Participants will include civil society organisations, farmer associations, business associations, media, academics, government officials, representatives from international and inter-governmental organisations, the donor community, media-persons, etc.

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