Hong Kong brings forth fond memories for me, for it is here that I wetted my beak in the esoteric area of international trade. In July 1991, I was participating at the 13th World Congress of the Consumers International (then International Organisation of Consumer Unions-IOCU) at Hong Kong. The discussions on the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) were at its peak. And Ralph Nader, via videotape, was denouncing the IOCU for selling their souls to the rich countries for supporting the UR, speaking in terms, which were foreign to me.

In any event, most of us from the developing world hardly knew anything about the impending international trading arrangements or even farm subsidies. Many activists from the rich countries appeared to be much more familiar than me.

That was the genesis of our work on trade and development. One and half decade later it is a coincidence that the WTO ministerial conference is taking place at Hong Kong. CUTS has traversed a long way from the 1991 Hong Kong consumer conference. I felt unless we develop our own capacity to comprehend issues from the perspectives of poor countries and advocate dispassionately, the international community will not take us seriously.

In 1993, as our first solo effort, we published a document titled “All About GATT”, outlining the implications of the Uruguay Round agreement on the Indian economy. We shared the document with a few organisations in South Asia. With the generous help of Friedrich Ebert Stiftung, CUTS catalysed the formation of South Asia Watch on Trade, Economics & Environment (SAWTEE) in 1994. It is now an independent body operating from Kathmandu, Nepal.

In 1996, the CUTS Centre for International Trade, Economics & Environment (CUTS-CITTEE) was established to conduct cutting-edge research with inclusive networking for consistent and objective advocacy on trade and development issues. Our work became much more focused and the impact was visible.

The Ministry of Commerce of the Government of India formed an advisory body in 1996 to help formulating policies and positions on WTO issues. CUTS was one of the two public interest organisations invited to join this body.

We realised that for advocacy to be objective and effective, particularly with the policy-makers, our analysis should be succinct and reader-friendly. We started producing 4-page briefing papers. They were very popular, not only among the policy-makers but also with NGOs and non-state actors who were starving for knowledge and information on WTO issues. A former trade minister of India, Murasoli Maran, observed how useful our briefing papers were for him to understand complex issues and the Ministry in formulating negotiating positions and making policies.

Through intensive outreach we established contacts with several like-minded civil society organisations in Africa. There was a demand to transfer know-how and do-how of combining the cold of research with the hot of advocacy. Network-based research and advocacy became our mantra. CUTS established its Africa Resource Centres in Lusaka, Zambia in 2001 and in Nairobi, Kenya in 2002. Following this, the CUTS London Resource Centre was established in 2003 to create better synergy between the Northern and Southern civil society.

Over the years, our areas of work expanded significantly – issue-wise as well as geographically. From the very beginning our mission is to develop indigenous capacity in different countries. Thus, we are working in partnership with more than 60 research institutions and civil society organisations in all parts of the world.

At the same time, we are faced with challenges like “colonisation of indigenous civil society space”. Our overseas operations are not only demand-driven but also for creating more indigenous capacity at the local level, whereas some so-called reputed global NGOs are doing exactly the opposite. Fortunately, this game is being exposed to the international community, particularly among progressive donors.

To sign-off, this is not the place to showcase all our activities. However, let me mention one of our key achievements in recent times. After years of struggle, CUTS has been invited to join the official Indian delegation to the WTO ministerial at Hong Kong. This is the beginning of a new era of balancing public interest with business interest.
Linkages between Trade, Development & Poverty Reduction

Background
Pursuant to its mandate of building consensus on issues affecting the livelihoods of the poor, CUTS is implementing this project on issues of linkages between trade, development and poverty reduction over a period of four years (January 2005 to December 2008).

The project is being implemented in 14 countries in Asia, Africa and Europe and would manifest the policy relevance of international trade on poverty reduction.

Objectives
• Facilitate cross-fertilisation of experiences and lessons learnt on linkages between TDP in developing countries to develop appropriate policy responses.
• Help in articulating policy coherence (in particular between the international trading system and national development strategies). International trade has a major role to play in achieving the Millennium Development Goals (MDGs) and in reducing absolute poverty by half, by the year 2015.

Outcomes
Activities to be implemented will contribute to the sustainable economic development in poor countries by improving the international policy environment on trade and related issues. This would enable the manifestation of the role that international trade can and should play in enhancing development and reducing poverty.

This will contribute to the policy debate for achieving the MDGs, particularly examining the aspects of partnership between the different stakeholders to achieve them.

Meetings
Seminars are the key to conduct advocacy at the country-level and to involve CSOs, government bodies, research institutions, media persons, and other stakeholders.

It provides a platform to enable identification of gaps, learn from each other and discuss ways to improve the linkages between trade and development, as well as application of the lessons in their respective fields of activities.

The launch meeting for the project was organised at Jaipur, Rajasthan, India, on March 18-19, 2005. More than 60 participants representing over 20 countries participated in the deliberations, including representatives from 14 international project partners. Key issues and methodology were discussed for the implementation of activities and the operational strategy note was finalised.

An International Symposium was held at Geneva, Switzerland, on November 24, 2005. The symposium involved donors, providers and recipients of TDP initiatives, NGOs, government bodies, research institutions, media persons and other relevant stakeholders engaged in the process. Two studies on stakeholder perceptions on TDP initiatives in Africa and Asia were discussed.

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WTO Doha Round & South Asia: Linking Civil Society with Trade Negotiations

Background
The project ‘WTO Doha Round & South Asia: Linking Civil Society with Trade Negotiations’ is based on the five key issues, viz, Agriculture, Non Agricultural Market Access, Development Dimension, Services and Trade Facilitation of the ‘July Package’ of the WTO Agreement. The project is being implemented in five South Asian countries.

Five organisations have been associated as research partners:
- Bangladesh Institute of Development Studies;
- CUTS International, India;
- South Asia Watch on Trade, Economics & Environment, Nepal;
- Pakistan Institute of Development Economics;
- Institute for Policy Studies, Sri Lanka.

The project is for 15 months, i.e. starting from January 1, 2005 and ending on March 31, 2006.

Objectives
- Facilitate cross fertilisation of experiences and lessons learnt on international trade and national development between South Asian countries and to establish linkages between the CSOs and research institutions to enhance the consultation process while developing appropriate policy responses.
- Strengthen the capacity of the South Asian countries on new emerging issues and establish a platform to facilitate in preparing a common position for South Asian countries during the Doha Round of trade negotiation.
- Engage different stakeholders and present their concerns on each of these issues in the July Framework Agreement, address livelihood concerns while developing negotiating positions, thus influencing the process of making the Doha Round of trade negotiation, a truly development round.

Meetings
The launch meeting of the project was held at Colombo, Sri Lanka, on March 9-10, 2005. After that a series of national consultations were organised in all project countries in September 2005 to discuss the draft research report with larger group of stakeholders, viz, policy makers, trade policy officials, representatives of the trade promotion bodies, research institutions, WTO experts, NGOs, trade unions, women’s group, industry bodies and media personnel.

The Hong Kong Ministerial Conference of the WTO is expected to be a major milestone in taking the Doha Round of negotiations forward.

Keeping this factor and objectives of the project in mind, research partners will organise post Hong Kong dialogues in South Asia and in Geneva in order to apprise a larger set of stakeholders on what happened in Hong Kong and what actions South Asia countries should take to consolidate gains and minimise difficulties.

Outcomes
Each research partner wrote a paper from the South Asian perspective comprising literature review, quantitative and qualitative analysis based on secondary data and qualitative field research involving perception mapping of relevant stakeholders on what happened in Hong Kong and what actions South Asia countries should take to consolidate gains and minimise difficulties.

Besides a book, the following would be the outcomes of the project:
- Through action research and advocacy, an informal forum of state and non-state actors will be in place. This forum will help different actors to interact with each other on trade-related issues.
- Would contribute to develop CSO’s understanding and knowledge on trade issues. It will result in a model of involving CSOs in the process of trade negotiations.

South Asian Positions in the WTO Doha Round
In Search of A True Development Agenda

The research papers of the project are published in the form of book. It covers five issues of the “July Package” of Doha Round of negotiations. They are agriculture, services, industrial goods (non-agricultural market access), trade facilitation and development dimensions. Researchers from Bangladesh, India, Nepal, Pakistan and Sri Lanka prepared these papers.

The introductory chapter of the book is written by Prof. Raghabendra Jha of the Australian National University and the foreword was written by Amir Khosro M. Chowdhury, Former Minister for Commerce of Bangladesh.

The book will be released at the Sixth WTO Ministerial in Hong Kong. It will serve as a reference material for trade negotiators, not only from South Asian countries but also other WTO members. The expected impact is manifestation of South Asian civil society views and concerns on the Doha Round of negotiations to the trade community at large.
South-South Economic Cooperation: Exploring Mekong-Ganga Relationship

Background
The project ‘South-South Economic Cooperation: Exploring Mekong-Ganga Relationship’ aims at exploring and analysing trade and investment relationship between India and three countries of the Greater Mekong Sub-region (GMS), viz. Cambodia, Lao PDR and Vietnam.

South-South economic cooperation has long been promoted as a means to reduce the dependence of developing countries on markets of developed countries and also to enhance diversification of Southern exports beyond primary commodities. The Cancún fiasco and the emergence of G-20+ alliance have increased the importance of this aspect of cooperation.

There is much scope for enhancing South-South trade cooperation between India and the Mekong countries. The WTO, in its annual report of 2003, has identified South-South trade cooperation as one of the major issues of topical interest in international trade.

Objectives
- Facilitate cross-fertilisation of experiences and lessons learnt on economic (trade and investment) cooperation between India and three GMS countries in order to develop appropriate policy responses.
- Strengthen the capacity of the GMS countries on exploring and articulating issues relating to South-South economic cooperation by providing necessary ‘know-how’ and ‘do-how’ to policy-makers, business community, civil society and other stakeholders.
- Facilitate the synergy between governments, CSOs and other stakeholders to learn from each other and strengthen their collective perspectives and positions on future economic cooperation scenarios between India and the GMS countries.
- Prepare an advocacy document for public education on development-oriented South-South economic cooperation on learning from research and other activities and by taking into account the interests and priorities of trade and investment relationship between India and the GMS countries.

Meetings
The launch meeting of the project was organised by CUTS CITEE in partnership with Research & Information System for Non-aligned & Other Developing Countries (RIS) at New Delhi, India, on October 8, 2004.

Thereafter, national consultations were organised in the partner countries to deliberate on the issues relating to economic cooperation between India and GMS countries and to help in raising awareness and capacity building:
- Cambodia: August 23, 2005
- Laos: August 25, 2005
- Vietnam: August 29, 2005
- India: September 01, 2005

The final Consultation of the project was held at Bangkok, Thailand, on October 26-27, 2005.

Outcomes
- Governments, business community and civil society organisations in India and the GMS countries will be able to better understand the linkages between economic cooperation, development and poverty reduction.
- The project will assist ongoing efforts to strengthen policy assessment (on economic cooperation) capacity (by governments, business community and civil society) by looking at issues through ground realities.
- A network of policy-makers, business community, civil society organisations and other stakeholders will be developed, which will exchange regular information on ground realities about trade and investment cooperation between India and the GMS countries.
- The project will develop an institutional framework to enhance linkages between governments, business community, CSOs and other stakeholders, thus an applicable (in different situations) model for exploring and enhancing South-South economic cooperation (and the role of different stakeholders) will be in place.
South-South Economic Cooperation: Exploring IBSA Initiative

Background

The project entitled, ‘South-South Economic Cooperation: Exploring the IBSA Initiative’ aims to explore and analyse trade and economic relations between India, Brazil and South Africa (IBSA) countries.

Given the recent attempts to forge closer trade and economic cooperation, future trade scenarios will be explored by examining the present volume and composition of trade and factoring the perceptions of stakeholders on trade and economic cooperation. The project, launched on January 1, 2005, is a one-year project.

South-South economic cooperation has long been promoted as a means to increase exports, reduce the excessive dependence of developing countries on markets of developed countries and to enhance diversification of Southern exports beyond primary commodities.

Having had the experience of working on projects on trade and development issues, CUTS-CITEE has taken up the challenge of exploring the possibility of enhancing South-South trade, which at present constitutes only 10 percent of world trade.

This project on South-South cooperation on trade and investment will take the reasoning further by looking at demand and supply-side factors, which can enhance (or are hindering at present) trade between IBSA countries.

The initiative has recognised that trade and investment advocacy can play a major role in achieving better economic and political results at the regional and international levels.

Objectives

- Facilitate cross-fertilisation of experiences and lessons learnt on trade and economic cooperation between IBSA countries in order to develop appropriate policy responses.
- Strengthen the capacity of the IBSA countries on issues of South-South cooperation.
- Engage primary stakeholders, i.e. business representatives in exploring means to increase business and present their concerns on current trade and investment issues (which include non-tariff barriers, investment barriers, tariffs and transaction costs).
- Facilitate synergy between governments, CSOs and other stakeholders to learn from each other and strengthen their collective perspectives and positions on future trade scenarios between IBSA countries, in the framework of South-South trade cooperation.
- Prepare a policy handbook on development-oriented trade policy by taking into account the interests and priorities of trade and economic relationship amongst IBSA countries.

Meetings

The objective of National Consultations is to engage relevant stakeholders and understand their perspectives and concerns on future trade and investment scenarios including regional trade initiatives so as to promote policy responses that factor stakeholder preferences.

Three such consultation meetings were organised on 7th October 2005 in New Delhi, on 27th October 2005 in Johannesburg and on 31st October 2005 in Sao Paulo, Brazil.

Outcomes

- Policy-making (at the national as well as bilateral/regional level) on trade and economic cooperation will be based on informed public debate.
- Businesses will use the platform to raise their concerns on trade and investment issues within the three countries and influence government policy.
- The project will assist ongoing efforts to strengthen the capacity of policy assessment and analysis (by governments, businesses and CSOs of the IBSA countries) by looking at issues through ground realities.
- A network of policy-makers, CSOs and other stakeholders will be developed while implementing the project and will contribute to the exchange of regular information on ground realities about trade and economic cooperation between IBSA countries.
Grassroots Reachout & Networking in India on Trade & Economics

Background

GRANITE project aims to raise awareness on globalisation issues, in general, and WTO issues, in particular, in India (and outside the country). It has started on January 1, 2005 and will continue up to December 2006.

It is being implemented in eight states, viz., Andhra Pradesh, Karnataka, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal, in partnership with the CSOs working at the grassroots. It focuses on agriculture and textiles & clothing (T&C), as they are the key sectors of livelihood of a large section of the population.

Objective

The overall objective is to create long-term capacity of grassroots CSOs and other targeted stakeholders to address complex issues of globalisation and the World Trade Organisation (WTO) and their relationship with economic development and governance in India.

The project will gather people’s perceptions on globalisation and WTO issues, with special emphasis on the impact of globalisation on agriculture and textiles & clothing sectors.

Other than comprehending and gathering people’s perceptions on globalisation and WTO issues, the project partners will provide stakeholders’ feedback on the impact of recent policy changes (state, national and international) on these sectors. Stakeholders comprise relevant persons directly and/or indirectly associated with a particular sector.

In particular, the project partners will ascertain how globalisation and WTO (an increasingly open and evolving environment) will affect different stakeholders. Particular emphasis would be given to stakeholders (NGOs, government officials, producer bodies, etc) working with women and marginalised sections of the society.

As agriculture and textiles & clothing are two focused sectors selected for the project, the project partners will give particular emphasis on those parts of these sectors which have direct links with livelihood concerns.

Outcome

- Capacity building of Indian CSOs capable of analysing, articulating and advocating on emerging and relevant issues, with regard to globalisation and the WTO in India – with a special focus on agriculture and textiles – with civil society, media and the state at all levels, particularly, the Panchayati Raj (local self-governance) Institutions for the benefit of the poor with a special focus on women.
- At least two pro-poor changes are made to the Foreign Trade Policy of India, 2004-2009.
- Establishment of a National Trade Policy Council (NTPC) and of State Trade Policy Councils (STPCs) in at least six out of eight project states, that would ensure the participation of civil society in policy development around trade issues.
- A well-established network of Indian CSOs to work on issues of globalisation and the WTO on a continuous basis through interaction with research and other networks, which will enhance the skills/capacity of the involved CSOs.

Globalisation and Livelihood Concerns

This book indicates the impact of the WTO rules and regulations on the poor in India with a special focus on women, a thematic focus on agriculture and textiles and a geographical focus on the states of Rajasthan and West Bengal as both agriculture and textiles are big issues in both these states.

Agnes van Ardenne, Minister for Development Cooperation of The Netherlands will release this book in Hong Kong during the sidelines of our event “Does trade lead to poverty reduction: Voices from grassroots”. The book will be used for advocacy at the Hong Kong Ministerial, relevant ministries/departments in India, and with the civil society.
MIXED BAG

IBSA Strategy for WTO Agriculture Negotiations

The project titled ‘Devising a Comprehensive IBSA (India-Brazil-South Africa) Strategy on WTO Agriculture Negotiations’ is inter alia conducting research on IBSA countries’ positions on WTO negotiations on agriculture and perceptions of different stakeholders. The project term is from April 2005 to March 2006.

The project is 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, some are perceived as key players, such as India, Brazil, South Africa, China, EU and USA.

WTO negotiations on agriculture and its implications will have a long-term impact on global economic governance. G-20 group of developing countries will play a significant role in the process and in the outcome of these negotiations, IBSA are expected to play a coordinated role.

The Joint Communiqué of the meeting of the IBSA Heads of State and Foreign Secretaries held in Brasilia in September 2003 states: “Recognising trade is an important instrument in economic growth and in the creation and distribution of wealth, they (the Ministers) stressed the importance of promoting a development agenda in the WTO.

They renewed their commitment to work together to foster reform in trade in agriculture, which will eliminate all distorting subsidies and ensure access to markets in developed countries, while recognising the need for operationalisation special and differential treatment for developing countries. They exchanged views on the ongoing negotiations of the Doha Round, in particular the recently held Cancún meeting, and emphasised the importance of the continued work and coordination of the G-20”.

Regional Economic Cooperation in South Asia

The project endeavours to assess the present status of this regional bloc and analyse the future prospects of economic cooperation in South Asia.

The objectives of the project are:

- Establish a platform for facilitating the cross-fertilisation of experiences and lessons learnt on economic cooperation among South Asian countries.
- Discuss South Asia’s position on global economic issues, its relations with other regional groupings and response to global developments.
- Look for new initiatives that can be launched to enhance economic cooperation among the South Asian countries and to facilitate the synergy between business, policy makers, civil society organisations and other stakeholders to learn from each other and strengthen their collective perspectives and positions on boosting economic cooperation between South Asian countries.

The launch meeting of the project was organised by CUTS in partnership with the Friedrich Ebert Stiftung (FES), India at Colombo, Sri Lanka in May 2005.

Improving Institutions for Pro-Poor Growth

The Research Programme Consortium on Improving Institutions for Pro-Poor Growth, known as the ‘IPPG Programme’ was launched in September 2005. It is a five-year programme, and is led by the Development Studies Institute at the London School of Economics and Political Science.

The Consortium argues that the prospects for Pro-Poor Growth (PPG) are fundamentally influenced by the interaction of formal and informal political, social and cultural institutions with economic institutions. This follows from the now widespread recognition that the same formal institutions generate different outcomes in different contexts, and that comparable positive outcomes may be achieved with different institutional arrangements.

The consortium proposes, therefore, to analyse the impact of these institutional interactions on growth, and PPG in particular, and to develop middle-range theory about them, by means of structured comparative country case studies, primarily drawn from Sub-Saharan Africa (SSA) but with some from South Asia and Latin America.

A complementary study of the institutional conditions for the establishment of employment intensive enterprise is also proposed. The research will be cross-disciplinary and will use both quantitative and qualitative methods.

The research programme would contribute to meeting the MDG objectives by deepening understanding and by providing frameworks for the analysis of institutional factors in different contexts for policy makers and development agencies.
**Future Projects**

**Trade Facilitation in South Asia**

The project entitled, ‘Trade Facilitation: Needs Assessment in select South Asian countries’ is based on the Article 8 of the South Asian Free Trade Agreement (SAFTA).

The project proposes an in-depth study in the light of Article 8 of SAFTA, finding out:

- the factors contributing to the weak export performance in South Asia;
- the cause behind the limited inter regional trade in this region and the need for trade facilitation in these areas through reforms in regulation and harmonisation of standards; and
- accelerating the diffusion of technology to lower transaction costs and promoting efficiency in customs regimes.

The main thrust of the project is ‘need assessments’ study for trade facilitation measures in these select countries. It will be a part of the Asia-Pacific Trade and Investment Initiatives of the UNDP.

**Dumping Disputes and Livelihoods**

CUTS is planning to start this project in April 2006. It will be initiated as a one-year pilot study investigating the concept within Bangladesh and India. Certainly, there are many dumping disputes to consider in relation to both these countries; for instance disputes over silk, batteries, rubber chemicals, rice and shrimp. The results of this pilot study will enable us to engage in the further expansion of the project to include other countries.

The project will seek tendencies in livelihood adjustments from past and present dumping disputes to ascertain whether there is effective governance provided at both national and international levels.

CUTS has started work in this area. Three trade law briefs (on US-Cotton, US-Steel and EU-Sugar disputes) have been published, which highlight the key aspects of each case and effects on livelihoods.

**Appointment in World Bank’s Trade Policy Evaluation Body**

The World Bank’s Operations Evaluation Department 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 International 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.

**A Success!**

**State Governments’ Role in Foreign Trade Policy of India**

India is a huge federal country with 27 states, many of which are bigger than many United Nations (UN) member nations. While the Government of India brings out a national Foreign Trade Policy every year, the state governments are hardly consulted.

On the other hand, each of the state governments periodically brings out its own trade and industrial policies, which differs from the Government of India’s approach.

Through articles in media and personal lobbying with the Commerce Ministry and some key chief ministers of states, CUTS tried hard to engage state governments in the formulation and implementation of trade policy.

We met with success when the Commerce Minister of India, on April 7, 2005, announced a trade policy, which would also for the first time include the setting up of an inter-state trade council to engage states in implementation of the national trade policy.

**A Milestone!**

**CUTS-led Consortium to Review WTO’s TRTA Activities**

CUTS International in partnership with Latin American School of Social Sciences, (FLACSO, Argentina) and Canada-based North-South Institute has been awarded a prestigious project to conduct strategic review of WTO’s trade-related technical assistance (TRTA) activities. The consortium will conduct this review over a period of next six months.

It will look at WTO’s comparative advantage in offering trade-related technical assistance vis-à-vis other agencies, the relevance of WTO’s programme to the members and the participants, and efficiency and management of WTO-provided technical assistance.

WTO-provided TRTA activities in countries such as Bangladesh, Barbados, Moldova, Senegal will be examined. Since 2001 Doha ministerial conference, WTO’s trade-related technical assistance and capacity building programme has gained momentum.