Linking Aid for Trade and Inclusive Development

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Aid for Trade in Asia and the Pacific: Promoting Connectivity for Inclusive Development
7–8 February 2018
University of South Pacific, Suva
1. Introduction

• What are we measuring as inclusive development?

• Inclusive development extends beyond economic to include social and environmental dimensions.

• Tricky question: link between aid for trade, trade expansion and impact on social and environmental dimensions of inclusive development.

• Aid for Trade: trade related programmes and projects. At the domestic level in each of the PICs how can social issues be mainstreamed into the trade agenda.
1. Introduction

- Pacific Participation in the Multilateral Trading System (WTO):
  - One size does not fit all (not all are WTO members)
  - Unresolved Doha issues: agriculture and public stockholding
  - Fisheries: combatting IUU (national regulation or global regulation)
  - Special and Differential Treatment (proposals still pending: proposals on TBT and Sanitary & Phytosanitary)
2. Aid for Trade, Trade Expansion and Gender

• What is the impact of aid for trade on the welfare of women and children?

  ▪ Does trade expansion increase women’s employment opportunities relative to men’s?
    ▪ Sector specific skills; unskilled female labour abundance; greater competition.

  ▪ How does trade expansion affect gender earnings?
    ▪ Fiji: wage gap is between 8%-10%.
    ▪ Greater competition; Removal of market barriers to entry.
3. Aid for Trade, Trade Expansion and Poverty

- How can aid for trade increase employment and earning opportunities for the poor and vulnerable?
  - Poverty rates are higher in rural areas and among people living in households mainly engaging in farming.
    - Fiji: 60% of poor live in rural areas and connected to agriculture
  - Poor are more likely to live in households where the main income earner has few years of schooling.
    - Rising urban population and informality
4. Aid for Trade, Trade Expansion and Natural Resources

• **How can aid for trade ensure sustainability of natural resources?**
  ▪ Fisheries resources
  ▪ Forestry
  ▪ Land degradation

• Tourism, agriculture and agro-processing are all highly dependent on the quality of the PICs natural assets.

• Go beyond soft aid for trade: for example, fisheries technology transfer, port infrastructure, fisheries management system, food lab testing facilities, etc.
5. Final Remarks

• In Pacific Island countries (PICs), some ways **hard** aid for trade can promote inclusive development:
  ▪ Opportunities for expanding traditional agricultural production (for example, agribusiness incubators)
  ▪ Enhance the competitiveness of established (traditional) major industries, for example sugarcane and bananas.
  ▪ Co-operatives and local business models based on sectoral or geographic clusters.
  ▪ Market intelligence link between farmers and hotels/restaurants
  ▪ Research case studies of successful exporters and help other enterprises draw lessons from their experience.
  ▪ Climate resilience production methods.