

Linking Aid for Trade and Inclusive Development

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Aid for Trade in Asia and the Pacific: Promoting Connectivity for Inclusive Development

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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.