



MAINSTREAMING TRADE IN SERVICES INTO NATIONAL AND REGIONAL DEVELOPMENT PLANS

Martine Julsaint Kidane

Division on International Trade and Commodities, UNCTAD

AU/RECs Workshop on Trade in Service

Lusaka, Zambia

29-30 March 2012



Outline of Presentation

- Definition
- The situation today
- Services trade mainstreaming
- SADC Regional Indicative Strategic Development Plan
- Challenges of mainstreaming trade
- Addressing the challenges
 - UNCTAD Trade Policy Assistance
 - UNCTAD Services Policy Reviews
- Conclusions



Mainstreaming Trade

Definition

- Mainstreaming trade is "the process of integrating trade into (regional), national and sectoral development planning, policymaking, implementation and review in a coherent and strategic manner. This means taking trade-related issues into account when planning and executing broader development objectives. It further implies using trade proactively to attain specific national development goals, including poverty reduction." UNDP (2011)
- "Mainstreaming trade in development strategies presupposes that the era of trade liberalization is being replaced by the era of trade policy and managing trade for development." UNECA



The situation today

- The need for a coherent approach to policy-making in the services sector has been acknowledged for many years now, as has the importance of services and services trade for achieving broad development objectives
- While mainstreaming trade in national development policies may seem almost obvious to policy-makers today it should nonetheless be noted that:
 - services are to this day not always adequately integrated in this process and
 - there are number of challenges that remain and DCs still need to devote attention to improving this process



The situation today

- Trade policies and trade negotiations are no longer considered as tools for promoting liberalization *per se* but are given a specific pro-poor / pro-development focus in a manner that is supportive of MDG achievement
- Trade policies increasingly seek to promote development goals by:
 - enabling poorer people to compete in a globalized world market (by increasing their productivity)
 - ensuring the most equitable sharing of benefits of trade (poor people should also draw benefits from exports)
 - international trade negotiations shielding vulnerable groups from the impact of trade liberalization when this threatens their livelihood
 - ensuring that the liberalization of goods and services effectively contributes to these objectives



Services trade mainstreaming

- A closer look at the main policy documents that encompass countries' broad national development plans and trade strategies such as the Vision 2020/2030 documents, Poverty Reduction Strategy Papers (PRSPs), trade policies or national export strategies reveals that services in some cases are still absent and in most cases represented by the inclusion of a few key sectors
- Trade mainstreaming is also occurring at regional level (e.g. SADC Regional Indicative Strategic Development Plan)



SADC RISDP (excerpts)

- Poverty reduction, in all its dimensions must receive the priority it deserves
- The RISDP is intended to make effective use of the opportunities for development that globalization presents, while containing the adverse effects of global trends
- On the whole, the SADC trade policies and strategies are consistent with the objectives of eliminating obstacles to the free movement of capital, labour and goods and services and the improvement of the region's economic management and performance through regional cooperation with the ultimate goal of eradicating poverty
- Under Infrastructure and Services the RISDP discusses the following sectors: communications, energy, tourism, transport, water



Challenges of mainstreaming trade

UNDP (2011)

- Limited capacity to conduct trade policy analysis in lead trade agencies and key stakeholder groups
- Shortcomings in stakeholder consultation and inter-ministerial action and policy coordination
- Human, financial, technical and management constraints affect implementation capacity
- Weak leadership limits the lead trade agency's ability to influence key policy decisions, including the national budget as an instrument of policy
- Narrow involvement of the private sector, civil society and other stakeholders in trade policy formulation
- Poor accountability in trade negotiations and implementation of trade-related reforms



Addressing the challenges

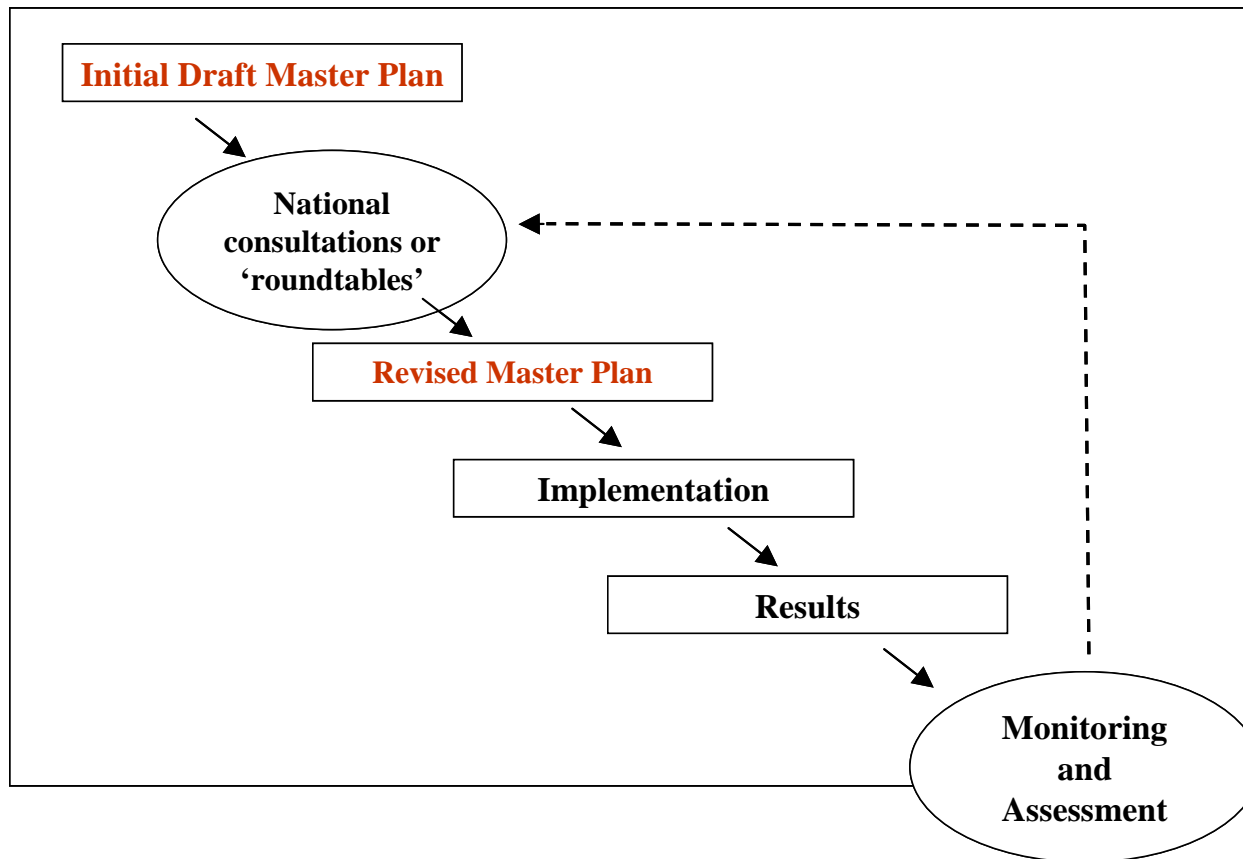
- UNCTAD assistance to countries relating to their trade policy frameworks (Rwanda, Angola, Jamaica, Haiti)
- Example of Jamaica:
 - Jamaica currently undertaking a review of its 2001 Trade Policy
 - the country seeks to improve its trade and export performance and to mainstream trade in its development strategy
 - UNCTAD paper provides: (a) a review of the country's overall national development objectives and recent economic trends, (b) an analysis of linkages between existing strategies and plans in different spheres of policy-making and trade policy in both goods and services and (c) recommendations for integrated strategic approaches to achieving the country's key vision and objectives for its trade policy



Addressing the challenges

- UNCTAD Services Policy Reviews (Uganda, Nepal, Kyrgyzstan, Rwanda, Lesotho)
- SPR reports include:
 - economic overview of the domestic services economy
 - inventory of legislation, regulations, institutions and policy measures in the sector
 - an analysis of the participation of foreign services providers in the sector and trade liberalization commitments
 - a SWOT analysis
 - policy recommendations (general and sector-specific) based on the findings drawn from the research and consultative engagements with key stakeholders

Addressing the challenges





Conclusions

- Mainstreaming of services trade is increasingly the trend in DCs but a number of challenges remain that need to be addressed to improve this process
- In the case of services the reference in national and regional development plans to specific sectors does not reflect the reality of interlinkages between services sectors
- A more holistic approach to the sector (e.g. services trade policy, services export strategy, national services master plan) should be encouraged, including a focus on linkages between services sectors and the rest of the economy
- Gvt should maintain the lead in mainstreaming trade but the private sector has a role in analyzing obstacles to trade and advocating appropriate solutions

THANK YOU

martine.kidane@unctad.org

UNCTAD

PROSPERITY FOR ALL

www.unctad.org



UNITED NATIONS
UNCTAD