International Trade Centre
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Bringing Down the Barriers –
Creating a Dynamic Export Development Agenda

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Bringing Down the Barriers - Defining the Priorities for Export Development

Plenary Brainstorming debate (part two)

In the brainstorming part of the session, a key theme emerging from discussion at tables was the need for individual countries to get their export development strategies right before approaching donors if they want foreign investment to be channelled to where it will be most effective. But overall programmes have to emerge from dialogue between business and governments.

"What a lot of developing countries are suffering from is the lack of a clearly articulated vision of where the country is going. Each country needs to develop that vision, with cooperation between the public and private sectors," said the rapporteur for one group, summing up views expressed at his table.

One suggestion was to promote national export development plans, perhaps covering 15 to 20 years. These would identify areas and products where a country and its exporters could be competitive on international markets. But to make this possible, governments have to take on board their responsibilities for ensuring that business can work in optimal conditions by adopting policies, in particular on taxation, to encourage rather than hinder entrepreneurship, several participants felt.

Plans, observed Lamy, were good if they are aimed at creating the right sort of mix, but they should never be inflexible and should be open to adaptation – through discussion among all stakeholders – as the national and international environment changes.

Areas that need attention in aid-for-trade programmes, participants said, include development of infrastructure through transfer of technology that can help improve knowledge not only of markets but also of global trading rules, and training of national officials to make use of it. "The big ticket item is information," commented one table representative. Diplomats did not always pass what they learned back to business at the national level.

Peter Ryan, Vice-President of FEMOZA, the World Federation of Free Zones, suggested that an expansion of the networks of free zones could make a major contribution to encouraging economic advance and trade expansion by developing countries. The Shanghai zone, he observed, had underpinned China's rapid emergence, and the free zone policy had been instrumental in converting Ireland into an industrial power within two decades. "Focus on a free zone policy and see what happens," Ryan urged participants.

Moderator Tim Sebastian asked Lamy for his view on this idea. "As long as there is no (trade) discrimination, free zones are no problem for me," was the answer of the WTO Director-General.

"We should have a more serious gender focus," declared the rapporteur from one table. "Women entrepreneurs should be encouraged and supported as a priority because they are playing a growing, and in some places even dominant role, in developing countries."

This, said ITC Executive Director Patricia Francis, "is a really big issue." Men dominate in business but need to focus more on the role of women. The purchasing power of women in developing countries has contributed more to economic growth than globalization per se. ITC has found that gender bias is still strong. In her own country, Jamaica, said Francis, a woman needs the formal approval of her husband to obtain a bank loan. "People gloss over the gender issue. But women in business often have a great understanding of the issues and national economies need to tap into their knowledge." The ITC, she said, is working on programmes to ensure that they have a great access to economic and business decision-making.

Summing up the discussion, Francis pointed to four conclusions:

- There is a critical need for policy coherence among every stakeholder and agency involved in aid-for-trade – governments, business, donors and international organizations.
- There is a need for better South-South cooperation, which is one of the most promising areas for increasing trade in developing countries. Developing countries maintain a tough visa regime among themselves, while industrial countries are more open. "We are ourselves keeping barriers to South-South trade," she said.
- Creating knowledge capacity is key for governments, companies and think tanks working on trade strategies.
- Continuous public-private dialogue is vital, so that everyone involved in shaping a national strategy can be on the same wavelength and move in unison.

Lamy said his conclusions were:

- The trade rules, especially on agricultural subsidies, have to be adapted. That is what the WTO is trying to do in the Doha Round.
- WTO member countries have to start preparing for the next round, because the looming issue of non-tariff barriers have to be addressed. Tariffs will be of less importance once the current round is complete, and the key problems of the future will be regulatory barriers and standards.
- For developing countries as well as already industrialized ones, size matters and may be more important than technology. Economies of scale and sharing of specialization can be achieved when countries work together: the growing success of the Caribbean countries is an example.
- Coherence starts at home. Countries that have coherent development policies do better than those who do not. International organizations like WTO cannot create coherent strategies if their member countries have none of their own. Aid-for-trade will increasingly move into this area, demanding that priorities be set at country-level.