The Issue: Services are the fastest growing export sector and a large number of developing and transition economies are participating in the boom. And the possibilities for building on this success are extensive for a wide number of service sub-sectors.

Yet the vast majority of service sub-sectors are not labour intensive. They are exactly the opposite. They are knowledge and skill intensive.

Even the in-country services that support export activity in the manufacturing and agricultural sectors are likely to have little impact on poverty reduction.

The Proposition: Value chains for the tourism sub-sector and the ‘labour mobility’ sub-sector (e.g. the export of labourers, nurses, technicians, etc.) may have a poverty sensitive dimension. The former through the extent of employment opportunities offered, and the latter through the repatriation of wages.

Other service sub-sectors, however, are not poverty sensitive. Strategy-makers, other than those in countries that are reliant on tourism, should not, therefore, highlight the service sector in a pro-poor national export strategy.

Focus of the Debate: The debate will address the following questions:

1. Is the issue correctly stated? Is the proposition valid? Does the service sector, in general, lack poverty-sensitivity? And should the service sector be disregarded when it comes to defining a pro-poor export strategy?
2. Which export-oriented service sub-sectors have the greatest potential for poverty reduction? Which specific segments/groups of the poor represent the principal beneficiaries of a poverty sensitive export strategy for these service sub-sectors?
3. If labour mobility represents an effective means of achieving both export development and poverty reduction objectives, should national export strategy emphasise the expansion of such export? What are the implications for the long-term development and competitiveness of the country?
4. In sum, what are the fundamentals of an export strategy for services that attempts to bring the poor into the export process? What are the implications for institutions that manage such a strategy?