



# Trade and Development | What are the Linkages? Jakarta, 2016

Center for International Trade and Investment

# Structure of the present lecture

- Trade's Role in Development
- Trade Contribution to Development in Developing Countries
- Challenges in Promoting Trade
- Building Trade Capacities
- Multilateral trading system Contribution to Development

# Role of Trade in Development

- Trade openness is a necessary condition to economic development.
- Trade liberalization generally improves aggregate welfare although gains might be small and unequally distributed.
- Constraints to income distribution come from various factors such as infrastructure, skills and institution environment.
- Policies aiming at reducing trade barriers, improving infrastructure, enhancing good governance, and broadening access to education could allow the benefits of economic globalization to be share more equally.

# Trade Contribution to Development in Developing Countries

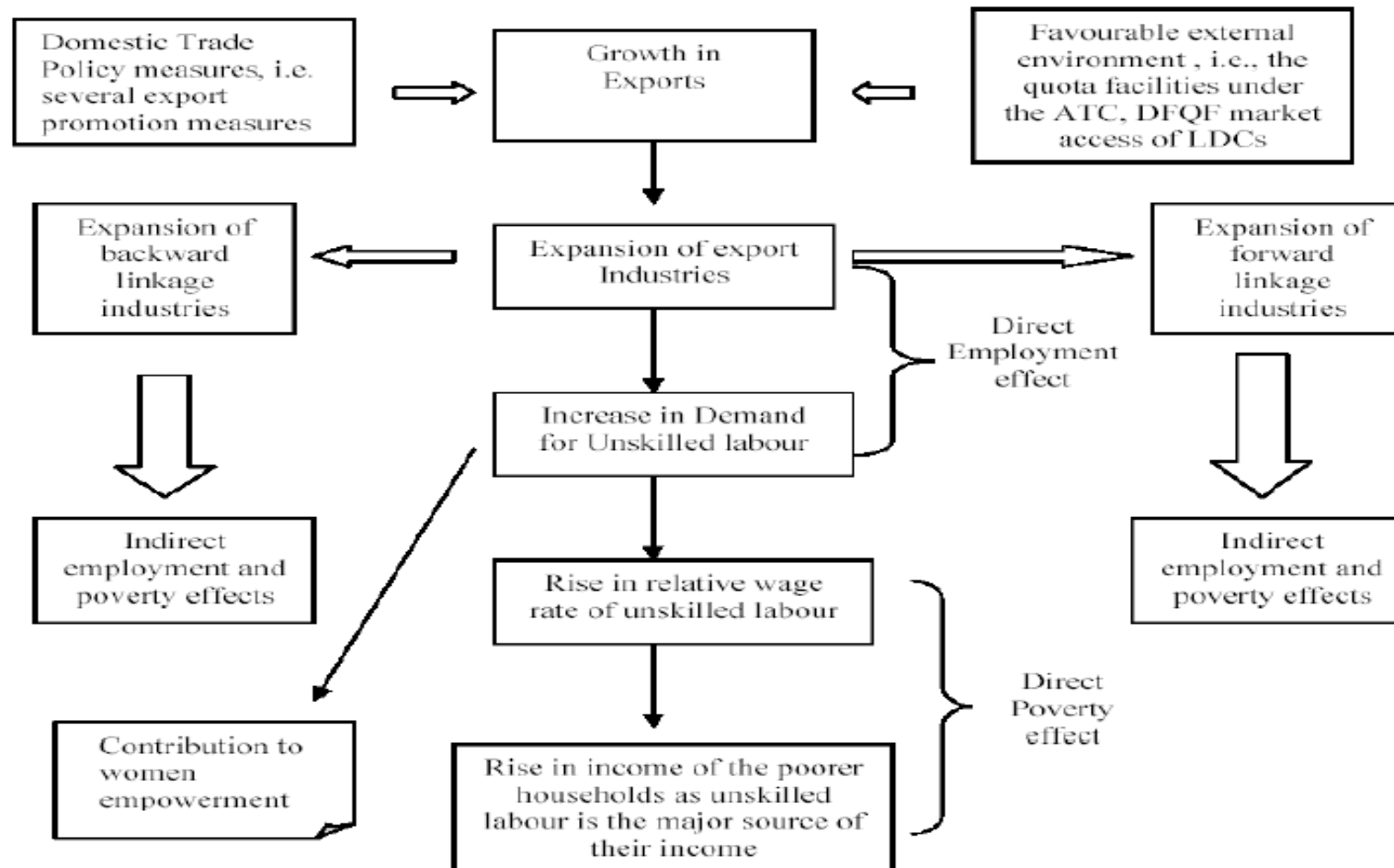
- Trade helps to reduce poverty and stimulate growth
- It enhances competitiveness, encourages innovation and transfer of knowledge
- It opens an opportunity to access new markets and diversify exports
- Consumers can have more choices and get lower price
- It creates employment opportunities and improves the labor standards
- It strengthens ties between nations and contributes to peace and stability

Read: [10 Benefits of Trade for Developing Countries](#)

# Challenges in Promoting Trade

- Liberalizing trade has become challenging
  - Trade issues/negotiations become more complex
  - Domestic interest groups opposition
  - Concerns that trade reforms will affect employment, income distribution, poverty and vulnerability
- Supply side constraints: inadequate logistics and infrastructure, inefficient government bureaucracy, policy instability

# Trade-Development-Poverty Linkages (Export-Oriented Sectors)



# Building Trade Capacities (Multilateral Trading System Initiatives)

- Aid for Trade
- Trade-related technical assistance
- Enhanced Integrated Framework

# Aid for Trade Initiative

- Launched at 6<sup>th</sup> WTO Ministerial Meeting in Hong Kong
- Objectives: (i) to help developing countries and least-developed countries in particular; (2) to build the trade capacity and infrastructure; (3) to benefit from trade opening
- It focuses on: (i) trade assistance; (ii) infrastructure improvement; (iii) productive capacity; (iv) adjustment assistance



# The Role of WTO in AFT Initiative

- Encourage the flow of Aid for Trade from donors to support requests for trade-related capacity from beneficiaries country
- Monitoring and evaluating the initiative
- The WTO, however, is not a development agency
- Collaboration with other agencies such as the IMF, the World Bank, the OECD

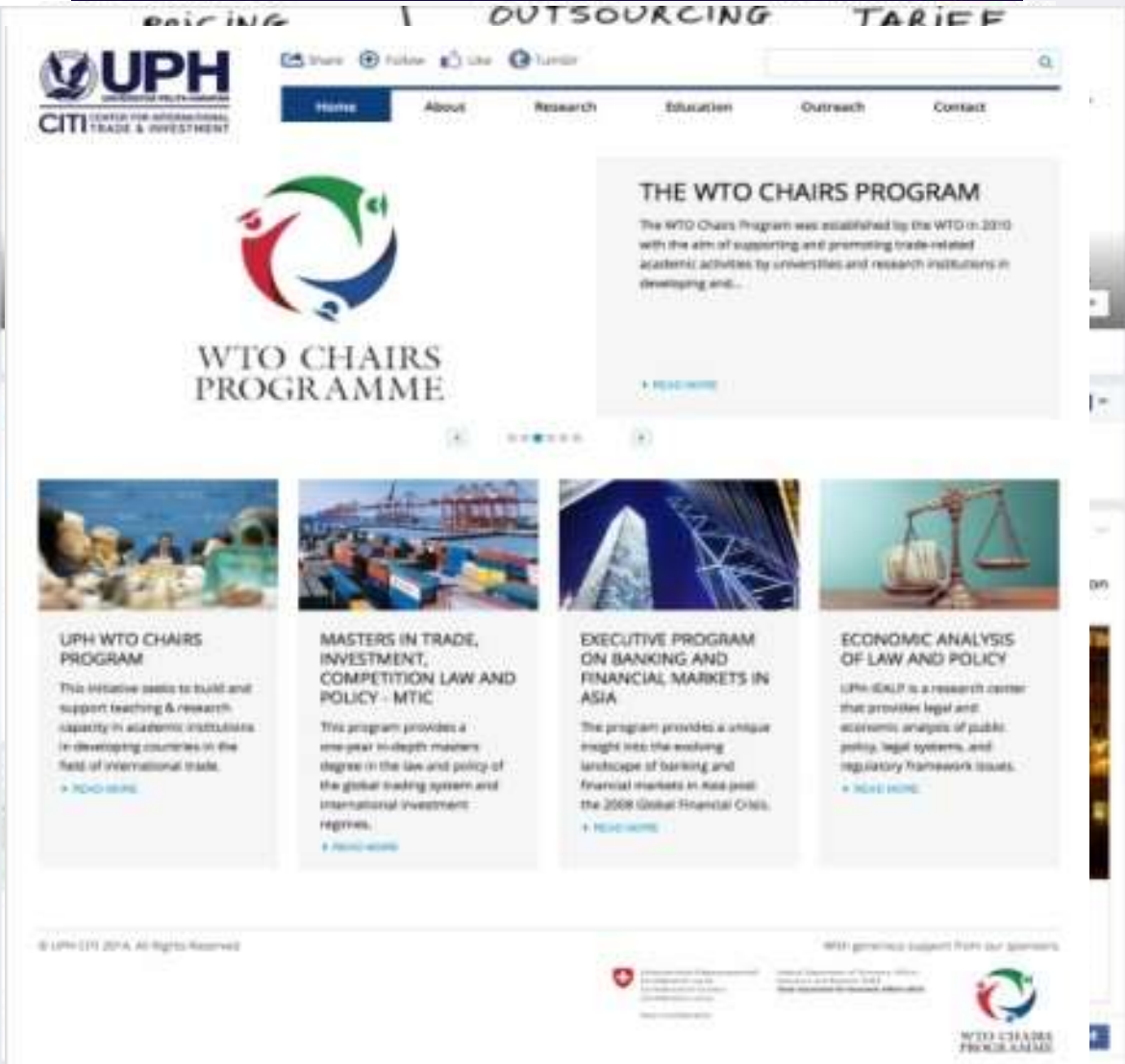
# Trade-Related Technical Assistance

- Activities overseen by the Committee on Trade and Development
- Technical assistance and training activities, for example trade policy course, Geneva week, Regional and sub-regional capacity-building programmes, training for government officials, national technical assistance activities, outreach activities for parliamentarians and civil society
- Trade-related academic activities programmes, for example the WTO Chairs Programme

# WTO Chairs Programme

- Launched in 2010
- Objectives: (i) to provide cutting-edge research; (ii) to provide teaching support and to promote capacity building; (iii) to disseminate research and to promote discussion (outreach)
- Fourteen institutions from developing countries were selected as WTO Chairs for a four-year term in 2009, and seven institutions selected in 2014 for the second phase of WCP
- One of seven institutions is Universitas Pelita Harapan

# UPH's WCP Implementations



The screenshot displays the official website of the UPH WTO Chairs Programme. The header features the UPH logo and navigation links: Home, About, Research, Education, Outreach, and Contact. A search bar is located on the right. The main content area is titled "THE WTO CHAIRS PROGRAM" and includes a brief description of the program's purpose. Below this, four program categories are highlighted with images and text:

- UPH WTO CHAIRS PROGRAM**: This initiative seeks to build and support teaching & research capacity in academic institutions in developing countries in the field of international trade. [READ MORE](#)
- MASTERS IN TRADE, INVESTMENT, COMPETITION LAW AND POLICY - MTIC**: This program provides a one-year in-depth masters degree in the law and policy of the global trading system and international investment regimes. [READ MORE](#)
- EXECUTIVE PROGRAM ON BANKING AND FINANCIAL MARKETS IN ASIA**: The program provides a unique insight into the evolving landscape of banking and financial markets in Asia post the 2008 Global Financial Crisis. [READ MORE](#)
- ECONOMIC ANALYSIS OF LAW AND POLICY**: UPH-EALP is a research center that provides legal and economic analysis of public policy, legal systems, and regulatory framework issues. [READ MORE](#)

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# Enhanced Integrated Framework

- A multi-donor programme to help least-developed countries to play more actively in the global trading system
- Core partner agencies: IMF, ITC, UNCTAD, UNDP, WTO, the World Bank, UNINDO (observer)
- Genuine partnership among the donors, the partner agencies, the executive secretariat and the trust fund manager to support LDCs to (i) mainstream trade into national development strategies; (ii) to build capacity to trade; (iii) to address the issues of supply-side constraints



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Home > Trade topics > Development > Aid for Trade

## Aid for Trade

Aid for Trade helps developing countries, and particularly least developed countries, trade. Many developing countries face a range of supply-side and trade-related infrastructure obstacles which constrain their ability to engage in international trade.

The WTO-led Aid for Trade initiative encourages developing country governments and donors to recognize the role that trade can play in development. In particular, the initiative seeks to mobilize resources to address the trade-related constraints identified by developing and least developed countries.

See also  
[Customs, including the sub-committee](#)  
[Events](#)  
 29 October 2015  
[Workshop on the Sustainable Development Goals, Addis Ababa](#)

**News** [back to top](#)

- 30 October 2015: UK declares GBP 500,000 for Trade Facilitation Agreement Facility

[More news on Aid for Trade](#)

**Ministerial Decision on Aid for Trade**

WTO DEB co-publication

[Aid for Trade at a Glance](#)  
[WTO Managing Trade Policy for Business](#)  
[Sustainable Growth](#)  
[Product Catalogue](#)



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## WTO Chairs Programme

ECONOMIC RESEARCH AND TECHNICAL ASSISTANCE

The WTO Chairs Programme aims to support and promote trade-related academic activities by universities and research institutions in developing and least-developed countries. Fourteen institutions were selected as WTO Chairs for a four-year term in 2009. An additional seven institutions were selected for Phase 2 of the Programme in 2014.

[Dedicated website for WTO Chair Holders](#)

See also  
[Building trade capacity](#)  
[Economic research and analysis](#)  
[Standards and trade professionals](#)

**News** [back to top](#)

- 4 April 2016: Saint Petersburg University holds trade remediation seminar
- 19 November 2015: Workshop on trade and environment held by WTO chair holder in Argentina

[More news on the WTO Chairs Programme](#)

**WTO events**

- 8-11 November 2015  
WTO Chairs Annual Conference
- 17-18 February 2016  
Chairs Programme Conference  
"The Way Forward for a Successful Partnership"
- 11-14 July 2015

**Photo gallery**



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Home > Trade topics > Development > Enhanced Integrated Framework

## Enhanced Integrated Framework

DEVELOPMENT: ENHANCED INTEGRATED FRAMEWORK

The Enhanced Integrated Framework (EIF) is a multi-donor programme, which helps least-developed countries (LDCs) play a more active role in the global trading system. The programme has a wider goal of promoting economic growth and sustainable development and helping to lift more people out of poverty.

The programme is currently helping 49 poorest countries worldwide, supported by a multi-donor trust fund with a funding target of US\$ 250 million.

[Contact details](#)

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**News**

- 16 March 2016: DG Azevedo: WTO is delivering for LDCs
- 14 December 2015: Donors confirm strong support for Phase Two of EIF at end of Ministerial Conference
- 14 December 2015: Speech by DG Azevedo: Enhanced Integrated Framework enabling conference, Nairobi

[More news on the Enhanced Integrated Framework](#)

WTO's news

[Product Catalogue](#)



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Home > Trade topics > TRTA

## WTO technical assistance and training

TRTA: TRADE-RELATED TECHNICAL ASSISTANCE

WTO's Trade-related technical assistance (TRTA) activities and programmes are geared towards sustainable trade capacity-building in beneficiary countries.

See also  
[Global Trade-related Technical Assistance \(GTTA\)](#)  
[Technical assistance and training](#)  
[Ministerial Trade Council](#)  
[Trade procedure for developing countries](#)  
[Standards and Trade Development \(ALMA-LEADER\)](#)  
[Services review](#)  
[TRTA](#)

Technical assistance and training are core elements of the development dimension so as to enhance the human and institutional capacities of beneficiaries to take full advantage of the rules-based Multilateral Trading System, as confirmed by Ministers at Doha (December 2001). This was again underlined and further strengthened at the ministerial Conference in Hong Kong, China (December 2005). At Geneva 2011, ministers reiterated their commitment to contribute to the Global Trust Fund in a timely and predictable manner to provide Technical Assistance and Capacity Building.

Within the WTO Secretariat, TRTA is coordinated by the Institute for Training and Technical Cooperation (ITTC), based on the technical assistance and training plan (the TA Plan). The *Convention on Trade and Development* is the regular body overseeing all TRTA activities.

**TRTA A-Z**

**TECHNICAL ASSISTANCE**



# Conclusion

- Trade has positive contribution to development, although trade alone cannot significantly improve development.
- Other factors such as infrastructure, efficient bureaucracy, good governance and education are needed by trade in order to hasten development.
- WTO as a multilateral trading system has taken initiatives to enhance many trade-related aspects in order to help countries, especially developing countries in their development.



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