

Leadership and the Persistent Development Challenge Policy and Research collaboration on Multilateralism

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PREAMBLE

Garnet First Capacity Building Workshop on Trade, Governance and Development Spreading Excellence through Dialogue (the programme is available from the Garnet website: www.garnet-eu.org)

The first Capacity Building Workshop, one of Garnet key activities designed to spread excellence, took place at the Central European University (the CEU) in Budapest, Hungary, 21st to 23rd of September 2005. The Evian Group, in partnership with the Center for Policy Studies at the CEU, coordinated the gathering of over 50 delegates representing 23 nationalities from all continents.

Both senior and junior researchers drawn from the Garnet academic network as well as policy makers, business and NGOs representatives spent three days reflecting intensively on the reasons and stakes of the current paralysis of the Doha Development Agenda and the key role of governance.

Participants explored how the research, policy and business communities could better interact and engage with each other. Garnet's central role as a platform of collaborative work within the research sector but also cross-sectors was made particularly pertinent in this multi-stakeholders' environment. To this end, working group sessions produced Roadmaps towards bridging the divide in specific trade-related areas. You will find the General Report and these Roadmaps attached herewith as an appendix.

Key words: Doha Development Agenda, Governance, Multilateralism, International Trade and Investment, Trade Facilitation, Regional Trade Agreements, Trade and Negotiations, Trade and Gender, Trade and Aid, Trade and ICT

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Introduction

The intensity of the current legitimacy and credibility crises that beset the multilateral trading system signals the ultimatum that awaits trade ministers at the Sixth WTO Ministerial Conference in Hong Kong in December of this year, to make Doha a success for development. Despite the failures that ground the Seattle and Cancun Ministerials to a halt, there is a persistent paralysis that threatens to misname the development dimensions of the Doha Development Round. In particular the politics of agricultural trade liberalization and Non-Agricultural Market Access (NAMA) represent the stumbling blocks that remain blockaded by protectionist interests in the major trading economies, including both developed and developing countries. Critically, NGOs as well as the global public remain very suspicious of the WTO and continue to ‘monsterize’ the institution and the global trading system, as emphatically anti-developmental; inconsistent with poverty eradication and the achievement of the Millennium Development Goals (MDGs); incapable of reconciling trade with environment, trade with the respect for human rights, as well as trade with gender equality; and categorically representing the interests of the industrialized world to the detriment of human and social development in the poorest countries. In fact, some NGOs, such as ATTAC, have called for a renewal in efforts to get rid of the WTO and to destabilize the Hong Kong Ministerial altogether.

However misdirected and misinformed, such calls reverberate to inform the mentality of many about the benefits, or lack thereof, that a well-governed multilateral trading system can bring to humanity. While free trade is not always beneficial because of inevitable adjustment costs, it can and does create development opportunities. As many studies have demonstrated (including Sachs et al), there is a one-to-one relationship between incomes of the poor and overall incomes; and as overall income of an economy rises, so do the incomes of the poor. And importantly, amongst the 30 principal trading economies in the world today, two-thirds are developing countries. Despite such evidence however, many groups remain sceptical, and justifiably so, as free trade does create winners and losers. It is at this important juncture that GARNET comes in to bring together different stakeholders from academia, international organizations, government, business, NGOs, including personnel from developed as well as developing countries, to engage in constructive, critical dialogue with each other in the area of trade, in order to overcome fragmentation and dispel with common misconceptions, and to build capacity so that sensible trade policymaking can be the product of pluralist voices. This report tries to provide as thorough an account as possible, on the First GARNET Trade Capacity Building Workshop in Budapest on September 21-23, 2005.¹

¹ Unless otherwise noted, statistics and references are taken from the discussions which took place at this workshop.

The WTO and the Changing Nature of Illegitimacy

Although the WTO has never commanded full legitimacy, there is reason for concern over its ability to stand the tide against recent developments that herald its precipitated collapse if serious measures are not taken to address the high level of paralysis that hinders a successful completion of the current round of multilateral trade negotiations. Above all, this will have to be done in a manner that signals inclusiveness in international trade policymaking, as well as benefit-sharing in the global political economy. Amongst disturbing trends are: what several participants referred to as an ‘age of anxiety’; the magnitude of business impatience with the slow pace of the multilateral trade negotiations; and the persistent global drift towards regional and bilateral free trade agreements.

The legitimacy crisis of the WTO was previously (albeit still prominent) characterized in typical North/South categories, representing the neocolonial discourse of activist politics. The terms of the debate, still intense, have altered with a new kind of threat overtaking the trade policy landscape, contributing tremendously to the listlessness of the current negotiations. The ‘age of anxiety’ that defines the contemporary mindset is indeed fundamental not only because it helps us explain policy paralysis, but also because it represents a powerful indicator of what kinds of policies are likely to be pursued in such tension-ridden moments. The debate is framed to include a telling perception of suspicion in the minds of the average citizen in industrialized countries and has its roots in fear of the rise of others compared with the relative decline of major economic players. Therefore, it is no longer simply an issue of the developing world losing out, or becoming worse off as a result of international trade liberalization, but also, whether industrialized countries and their citizens are better off in the long run. As a result of geopolitical change and the deeper integration, over the last twenty years, of major economies in the South, such as China and India, there is an increasing fear that these economies will eventually overtake the industrialized world. Rhetoric abounds about China taking over in the area of manufacturing; India dominating the global trade in services; Brazil prevailing in agricultural trade; and recent debates on the contemporary nature of outsourcing has made such sentiments ever more acrimonious. As a result of such pinpointed charges these sectors represent the most highly guarded, and therefore, the major inhibitors to a successful completion of the Doha Development Round.

This current anxiety has therefore given rise to a phenomenal application of non-tariff barriers (NTBs), as occurred in the recent ‘bra wars’ between EU member states and Chinese clothing and textiles exports. However, amongst prominent responses to the perceived threat of global economic integration is the increasing momentum of regional free trade agreements (RTAs), particularly of a

bilateral character, what can rightly be seen as a new kind of NTB, and which ultimately makes RTAs the most frequently utilized mechanism through which trade occurs. While some may argue for the benefits of different kinds of RTAs, others maintain that such agreements amount to no more than preferential trading arrangements as opposed to their inclusion under the free trade banner. Despite divergent discourses (this depends of the category of RTA that one speaks of), there appears to be justification in the suggestion that the proliferation of RTAs threaten the credibility of the international trading system, especially at a time when the system itself has arguably been thrown into disrepute.

There are two main types of RTAs, namely, deep and shallow integration schemes, each impacting on the international system in various ways. Shallow integration schemes are so-called because their primary purpose is to overcome border obstacles, such as tariffs and quotas. As such, these have a very limited domestic economic reform capability, and consequently, may not contribute to long-term welfare enhancement. At another level, the deep integration schemes, such as those which fall under the WTO-plus category, move beyond the mere abolition of tariffs and quotas, and also include three critical Singapore issues, namely, investment, competition, and transparency in government procurement, all of which arguably enhance the domestic reform agenda. Deep regionalization also includes other areas relating to health and sustainable development. Accordingly, such RTAs can be seen as a second-best policy tool to help cope with the decreasing returns of multilateral liberalization which is politically confined to the category of shallow economic integration because of the lack of progress in crucial areas such as agricultural trade. Arguably, therefore, deep RTAs serve the purpose of improving domestic processes and institutions in the face of deadlock at the multilateral level where some issues (such as agriculture and clothing and textiles) create serious decisional impediments because of the pursuit of short-term interests. Therefore, because some members are unwilling to discuss particular sensitive trade topics within the WTO, but which are nonetheless extremely important because they determine most behind-the-border obstacles to trade, deep integration schemes may be crucial in opening up such topics for discussion, and consequently, devising modalities for liberalization.

This is especially significant if one considers the necessity for South-South integration schemes, particularly since some of the most serious obstacles to trade occur between Southern countries. In fact, effective levels of protection in developing countries are four times higher than that in developed countries, and very often, the greatest effective barriers are within developing and least developed countries as opposed to between industrialized and developing countries. The EU has

long been a champion of regional integration for economic growth and development amongst countries in the South, and deep RTAs can serve as a critical mechanism in enabling such countries to correct domestic inefficient processes and institutions, liberalize and become competitive within their respective regions, and then aim to become internationally competitive. In effect, such trade agreements can become welfare-enhancing in the long run because of their propensity to enhance the domestic reform agenda. Nonetheless, crucial to such a policy directive is the politics of sequencing of liberalization in order to ensure sustainability. For the moment however, such RTAs will remain the exception and the prevailing model continues to be of a bilateral character such as that between the US and many developing countries.

Despite the possible benefits of such integration schemes, caution needs to be exercised when promoting RTAs precisely because of the likely negative impacts that they (particularly bilateral trading arrangements in the North-South category), can have on the international trading system. That the multilateral trading system represents a public good is a non-issue. Of critical importance is one of the most cardinal foundations of this system, that is, the Dispute Settlement Body (DSB) of the WTO, and consequently, the impact that a defunct DSB can have on development. The DSB is arguably one of the few building blocks for global governance in existence and duly introduces democracy and the rule of law in international trade matters, in a way that was previously non-existent and, indeed, practically inconceivable, before the inception of the WTO. It is as a result of this mechanism, for instance, that Antigua was able to build a 'cross-border internet gaming case' against the United States. If shallow RTAs continue to intensify upwards, we could reach a point whereby the DSB would no longer serve as the ultimate decision-making body in trade disputes, simply because regional trade agreements provide for their own dispute settlement mechanisms. While this may be positive for the success of regional trading blocs, a seriously handicapped multilateral DSB would be particularly dangerous for smaller players who do not usually exercise the same amount of leverage on a bilateral or regional level as opposed to a multilateral one. In effect, much of the multilateral negotiating leverage is removed from developing countries which have already committed themselves to, particularly, North-South bilateral FTAs.

Importantly also, bilateral FTAs have extensive rules of origin requirements in order to avoid misuse of the FTA, which in itself can be trade-diverting and therefore, welfare-reducing. By way of illustration, if a Mexican producer of television sets shifts the sourcing of television tubes from a Korean producer, to a more expensive producer within the North America Free Trade Agreement (NAFTA), this does not only defy the law of comparative advantage, but is also evidently welfare-

reducing because it shifts production from the cheapest producer of television tubes to the cheapest provider of such tubes within the FTA. If the producer were to continue to source such items from outside NAFTA s/he would not qualify for duty-free treatment within that trade agreement. Such rules and certificates of origin can also be viewed as a new kind of NTB, not only because it restricts trade beyond the FTA, but also because of complexities which hinder free movement. For instance smaller companies in smaller countries often lack the capacity to digest the very technical language laden in voluminous documents on rules and certificates of origin.

A major reason explaining the push for RTAs follows from the collapse of the Cancun Ministerial in 2003 after the then United States Trade Representative (USTR), Robert Zoellick, acted on his promise to “move with countries that are willing to go” and commit to negotiating global preferential deals for the US on a bilateral and regional basis.² In the post-Cancun landscape, there have been multiple bilateral and regional free trade agreements, with the US as the main instigator, of which the US-Morocco, US-Chile, and the US-Singapore are a few examples. The US has also realized that there are a possible 148 veto powers within the WTO, thereby achieving consensus on pro-US trade positions has become increasingly impossible if such positions are not also in the interest of developing countries. This realization has prompted the usual policy response of forum-shifting by the US and other major economies, further questioning the legitimacy of the international trading system.

Also important as a significant driver of regional trade agreements is the increasing frustration of business with the extremely slow pace of the current round of multilateral negotiations. Business, for instance within the Federation of German Industries (BDI), has become very keen on bilateral and regional FTAs in a bid to catch up with their counterparts who appear to benefit from government-induced FTAs with attractive markets. A case in point is the German car industry’s fear that Japanese bilateral RTAs with other countries will lead to its ultimate exclusion from the Japanese market if there is no similar agreement that European firms can benefit from. This is significant insofar as the multilateral trading system represents the cornerstone for business growth and advancement. It is very disturbing because if some of the system’s major clients no longer have faith in its method or decisional ability, then the credibility of the system is more shaken than previously imagined. The contemporary significance of the private enterprise for growth and development opportunities has been seen as one of the main driving forces aimed at enhancing

² Toni Solo, November 2003, “Robert Zoellick and Wise Blood: the Hazel Motes Approach to International Trade”. See article online at, http://www.dissidentvoice.org/Articles9/Solo_Zoellick-Trade.htm.

efficiency, competition and standards of living around the world. Consequently, if business loses faith in the system, then the system automatically loses its primary support base.

The Stumbling Blocks of the Doha Development Round:

Agricultural Trade Liberalization and NAMA

Slated as a development round – in order to “ensure that developing countries, especially the least developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development”³ – and to boost the system’s legitimacy as inclusive and development-orientated, the Doha Round has suffered tremendous setbacks as a result of deadlock in the precise areas that are of interest to developing countries. Agriculture is one of the most protected areas of world trade and represents one of the major sticking points in the negotiations. While European agricultural support represents about 40% of the EU’s budget, and less than 5% of the European population is dependent on the sector. This contrasts enormously with agricultural dependency in the developing world amounting to at least 50% in many countries, many of which are dependent on a single commodity for a significant portion of their export revenues.

Tariffs, subsidies and other trade-distorting policies in primarily, but not exclusively, developed countries have to a large extent, eroded the market share and revenues of the exports of developing countries. Tariff peaks (which are substantially higher than average tariffs), for instance, apply to a number of commodities – such as sugar and horticultural products – that are particularly important for many developing countries, and can be as high as 277% in the case of chocolate.⁴ Also relevant is the phenomenon of tariff escalation (in which higher tariffs are levied on goods exported at more advanced stages of processing), which, according to an FAO study, is particularly pronounced in commodity sectors such as meat, sugar, fruit, coffee, cocoa, and hides and skins, which are quite important to many of the poorest countries.⁵ It is as a result of tariff escalations that there is limited involvement by such countries in exporting processed products,⁶ and as such, there is a very real political economy reason why many countries continue to prioritize the export of primary products. Similarly, export subsidies and domestic support, which exceeds US\$200 billion in OECD countries annually, play a major role in eroding the incomes and market shares of producers in non-

³ Taken from the text of the Doha Ministerial Declaration adopted November 14, 2001. See http://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm

⁴ FAO Corporate Document Repository (2004), “Agricultural Exports Earnings: the risks of dependency on commodity exports”, available online at, http://www.fao.org/documents/show_cdr.asp?url_file=/docrep/007/y5419e/y5419e04.htm. Full article: “The State of Agricultural Commodity Markets”.

⁵ Ibid.

⁶ Ibid

subsidizing developing countries, and some hard-hit commodities are wheat, sugar, cotton, milk, rice and meat.⁷

As such, because there is a high level of commodity dependency in so many developing countries, there will be no progress in the negotiations if developed countries do not act to rectify such trade-distorting mechanisms. Another extremely contentious area is that of Non-Agricultural Market Access where members remain deeply divided over the structure of the tariff reduction formula and remain at odds over flexibilities in its application. Like the negotiations for agricultural liberalization, the NAMA negotiations aim to “eliminate tariffs, including tariff peaks, high tariffs, tariff escalations and non-tariff barriers for non-agricultural goods, in particular, products of export interest to developing countries”.⁸ This is especially significant since levels of effective protection for non-agricultural goods imports into developed markets are usually higher for developing countries than for other developed countries. Chairman of the industrial market access negotiations, Stefan Hakur Johannesson has underscored the importance for members to address flexibility for developing countries, warning that a successful Hong Kong Ministerial would otherwise be jeopardized.⁹ Experts at the meeting expressed the view that if we were to get an ambitious package from the round, to include tariff cuts in the vicinity of 75% on agricultural and manufactured products, this would be equivalent to one-third of the welfare benefits that can be had from free trade. As such, the areas that could bring the most welfare gains to humanity, once liberalized, are precisely the ones which attract the most vested interests, and precisely the ones which hinder progress in the current negotiations.

While consensus on such issues is indeed fundamental for the successful completion of the current round, there exists a critical exogenously imposed dimension which demands an acceptable outcome from the December Ministerial in Hong Kong, at the very least, a minimalist package which would signal a commitment by members to proceed with modalities for liberalization that governments can work with throughout 2006. This external political deadline is the approaching mid-2007 expiration of the United States President’s ‘fast track’ trade promotion authority. This is important insofar as it helps us understand that if the current deadlock does not come to an end this December to allow for progress in crucial areas and to enable the round to be true to its name, the

⁷ Ibid.

⁸ See the WTO’s non-agricultural market access negotiations webpage at: http://www.wto.org/english/tratop_e/markacc_e/markacc_negoti_e.htm

⁹ CARICOM Regional Machinery Update (October 2005), “WTO Talks Still Not Out of Danger Zone, Headway Elusive”.

Doha Development Round will suffer the fate of previous rounds and continue into eternity where deadlines upon deadlines will continue to be missed. This is so because the President's trade promotion authority is not likely to be renewed by, ironically, a primarily republican Congress which has become increasingly suspicious of the benefits of free trade, and remains more wedded to the demands of domestic constituencies which rely on distortions to be sustainable. A development round which consists primarily of missed deadlines will continue to incur missed opportunities and huge welfare losses for most poor countries, will inflame the acrimony that characterizes international trading relationships, and will contribute to the legitimacy crisis that inflicts the international trading system.

The Persistence of the Development Challenge:

Trade Facilitation, and the Politics of Policy Space

The persistence of the problem of development has always baffled practitioners as well as academics, each community providing timeless policy proposals to bring a modicum of dignity to so-called marginalized areas. Despite the discourse on the politics of liberalization of key sectors and the benefits that will likely accrue to the poor and dispossessed, there is a stark reminder that free trade is not a panacea for development, and that in addition, there needs to be complementary companion policies at the domestic level, including: market oriented exchange rates which are sensitive to price movements, which in turn help boost the level of supply responsiveness that enables benefits from external liberalization to accrue; low inflation rates, which contribute to lower production costs and make exports more attractive; good governance and an associated substantial reduction in the transaction costs of corruption; the necessity of providing efficient, reliable, credible and sustainable trade infrastructure, particularly in the areas of telecommunications, energy and transport; and the crucial provision of trade financing, without which the sustainability of private enterprise growth would be impossible.

In effect, what is needed, first and foremost to enable proper integration into the global economy, is a sustained response aimed at remedying highly inhibitive trade facilitation problems experienced in many developing countries. According to a leading expert from a developing country, a broader definition of trade facilitation encompasses all stages of the supply chain and includes improvement in the trade-related infrastructure and provision of efficient and competitive services. It seeks to reduce the cost and complexity of transactions by eliminating unnecessary administration, using new technologies to promote cost-effective processing and cutting the cost of compliance with codes and practices. Very often, this has to do with the enhancement of effectiveness and efficiency

in customs administrations (usually in terms of modernizing customs procedures to reduce clearance times), where most of the trade-obstructing red tape is concentrated. In fact, clearance is very important from a competition perspective and for the first time in its “Doing Business in 2006” the World Bank concluded that customs border procedures and clearance times were fundamental in measuring investment climates.

In the Southern African context, border delays can stretch to an average of 36 hours, and cost the region an estimated USD48 million annually. Delays at African customs are on average longer than those of other regions such as Latin America and East Asia. It is usually 12 days in sub-Saharan Africa, as opposed to seven in Latin America and five and one-half in East Asia. It is no surprise therefore that the continent is the most marginalized in foreign direct investment (FDI) flows. This is especially important because trade facilitation is precisely the area where capacity building initiatives will be most beneficial. It is for this reason that the July Framework Agreements firmly links progress in the negotiations to substantial support for countries that do not have the capabilities, or infrastructure to implement these reforms. While most developing countries are not generally opposed to a multilateral trade facilitation agreement, many believe that additional rules will exceed their implementation capacity, while also exposing them to dispute settlement. Despite such justifiable concerns, trade facilitation remains a critical issue for developing countries generally, and sub-Saharan Africa in particular, and the WTO should work urgently to at least produce a draft text to guide this process.

It is in this context of absolute necessity that one has to critically evaluate the now-fashionable discourse on policy space for developing countries. While policy space is normally interpreted as the capacity of governments to design and implement those policies that they consider are in their best interest, there is very often the tendency to conflate this with exemption from the rules that govern international trade, as opposed to flexibility to such rules. If developing countries move beyond the rational conception of policy space and instead employ an absolutist interpretation as exemption from the rules, they remove themselves from the predictability and benefits of a rules-based system. In such instances, developing countries lose credibility and negotiating leverage, and disable themselves from challenging the discriminatory restrictions that face their own exports. This is especially important when one examines the many safeguards and flexibilities in WTO rules that institutionalize non-reciprocal arrangements for least developed countries. For instance, if one examines the guidelines already developed for the modalities in agriculture and NAMA, there are no reduction commitments for such countries. Similarly, there is an ‘aid for trade’ facility mandated

in the Doha Ministerial Declaration which operates from the logical standpoint that if there is an ambitious market access outcome from the round, only high performing, efficient countries will be able to draw on the global aggregate welfare income gains, and as such, as an incentive for LDCs to support the round, an aid for trade facility (in the form of financial transfers, technical assistance and capacity building, including supply-side dimensions) would enable them to deal with adjustment costs and cope with the challenges of economic integration.

Conclusion: An Agenda for GARNET

International trade remains one of the cardinal, tried and tested ingredients in the quest for growth and development. While it is no panacea for development, it represents the crucial component which reminds us that no nation has survived on an economic regime of self-sufficiency. It is with this observation in mind that it becomes evermore urgent to find ways to restore the credibility of the multilateral trading system by reinvigorating the substance of the Doha Round of multilateral trade negotiations and make it true to its name. The challenges facing the system are multifarious and deep-seated, to the point that its legitimacy is being questioned by both the business community and the average citizen in industrialized countries. This is a point worth emphasizing especially since such communities were once (and still are to a certain extent) seen as the major beneficiaries, rule-makers and enforcers of a multilateral trading system.

Such levels of anxiety – which spark an imminent collapse of the system and threaten the growth opportunities for the world's poor – have increased the urgency for a heightened engagement of the academic community with the trade policymaking framework and GARNET is well placed to bridge the policy gap that continues to cripple the academic enterprise. A network of excellence on the role of the EU in global governance, regionalization and regulation, and its affiliation with more than forty universities across Europe, GARNET represents a multi-stakeholder opportunity to spread expertise and build capacity by encouraging dialogue between academics, business, government agencies, international, and nongovernmental organizations. More important however, is the opportunity that GARNET provides social science researchers in the European area, to be a part of the trade capacity building and policymaking process because of the implications that such processes have for all of humanity.

GARNET's affiliation with so many academic institutions means that it can effect change within the structure of academia in Europe in order to pave the way for more academic involvement in the trade policy environment in general, and the production of policy-relevant research in particular.

One crucial point of reference is the incentive structure of the academic research enterprise, whereby social science researchers are disinclined towards policy-oriented outputs simply because academic excellence, as it currently stands, is based on the number of peer reviews and publications in academic journals as well as citation indices. While this point is not aimed at discounting the relevance of academia as a knowledge producing entity, there is however, a strong sentiment that researchers should do more to contribute to policy debates. Consequently, GARNET can set a positive precedent by redirecting a framework of excellence that demands policy-orientated outcomes. This criterion for excellence would also trickle down to inform the work of doctoral students and junior researchers, and would enable academics to build communication networks with policy communities. Importantly also, this could be the decisive factor in ensuring that research agendas become integral components of trade decision-making, for instance, linking trade decision-making to gender; the politics of aid; and that of ICT (information and communications technology).

Annex 1

WORKING GROUP REPORT: TRADE & AID

(For further information on this report please contact

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The working group focussed on the topic ‘Aid for Trade’. After a presentation of the current ‘Aid for Trade’ discussions by Mr. Carlos Braga, World Bank, the group debated the motives, the substance, and the likely effectiveness and implications of the initiative. On the basis of these discussions, and in line with the objectives of the GARNET capacity building workshop, a list of research questions was developed.

The ‘Aid for trade’ proposals and their rationale¹⁰

‘Aid for trade’ is the provision of assistance by the international community to help countries address supply-side constraints to their participation in international markets and to cope with transitional adjustment costs from trade liberalization. It comprises technical assistance including on capacity building and institutional reform, investments in trade-related infrastructure, and fiscal support.

The rationale for providing ‘aid for trade’ is that trade is considered an engine for economic growth and sustainable poverty reduction. While a successful Doha round would generate significant aggregate gains, developing countries are expected to oppose its conclusion: Many countries fail to take advantage of any market access gains because of supply-side bottlenecks and costs. Investments to improve productivity and competitiveness, to reduce administrative constraints and improve poor institutions are required. Also, trade liberalisation has adjustment costs, such as the loss of tariff revenues or labour dislocation. Up-front costs can be high, while benefits may occur only later. Moreover, general tariff liberalization erodes the value of current preferential access regimes. Proponents of ‘Aid for Trade’ worry that unless these constraints are recognised and addressed through increased direct assistance, the global public good of liberalised trade, resulting from a successful ambitious Doha round, is jeopardized.

Thus, in early 2005, the G7 Finance Ministers followed by others, called on the International Financial Institutions to develop proposals for ‘Aid to Trade’. In response, WB and IMF organized a consultation process with key stakeholders in Geneva. Based on these discussions, WB and IMF prepared a detailed proposal for the September 2005 Development Committee Meeting, consisting of three pillars of ‘Aid for Trade’:

1. An enhanced Integrated Framework for Trade-Related Technical Assistance (IF): The IF is a multi-agency¹¹, multi-donor programme, which was set up in 1997 to assist Least Developed Countries (LDCs) overcome their complex trade-related problems. It has two objectives: (i) to "mainstream" trade into the national development plans, usually the Poverty Reduction Strategy Papers (PRSP) and (ii) to assist in the co-ordinated delivery of trade-related technical assistance. Due to limited resources, to date the IF has been mainly a mechanism of diagnosing trade problems and small scale technical assistance arising from the action matrices (max. USD 1 m

¹⁰ See for reference: ‘Doha Development Agenda and Aid for Trade’, a paper prepared by IMF and WB staff for the September 23, 2005 Development Committee Meeting.

¹¹ IMF, ITC, UNCTAD, UNDP, WB, WTO

per country). The larger identified and prioritised trade capacity building plans have been presented to bilateral and multilateral donors in the context of the PRSP process. However, the implementation of those plans has been limited.

As suggested, an *enhanced* IF would have predictable, multi-year financing in form of grants, to set up multi-year programmes of coordinated, priority oriented technical assistance and capacity building. Its monitoring and administration would be strengthened, links to donor processes improved, and the private sector and civil society engaged in the IF process.

2. Cross-Country and Regional Aid for Trade: Regional or cross-country infrastructure or institution building projects can be particularly important for small, very poor or landlocked countries, which depend on their neighbours' action. Mechanisms for cross-country aid for trade would be explored, in particular the creation of a dedicated multilateral fund to provide co-financing for regional projects.
3. Addressing Adjustment Costs: Strengthen the framework for assessing adjustment needs so that existing assistance mechanisms can be better utilized. Where a country is found to be suffering particularly severe adjustment costs, the IFIs would coordinate with other donors to bring an additional assistance package in form of grants or loans as appropriate.

The Geneva discussion group expect that aid resources will increase by about US\$ 50 billion between 2005 and 2010, roughly a 50% increase. Increasing 'Aid for Trade' would meet the criteria of allocating aid flows to contribute to competitiveness and avoid Dutch disease. At present, donors spend about US\$ 1 billion on assisting with trade policy and regulations, and about US\$1.8 billion on trade development activities (OECD DAC/WTO database for 2003). In addition, IFIs provide trade-related lending.

Working Group Discussion

The working group's discussions were based on these proposals. A wide range of problems were raised, some of which questioned the proposals as such, others addressing critical points where further deliberations would be required to ensure the effectiveness of the proposed measures:

- For individual countries, development does not depend on trade liberalisation. There have been different paths.
- There are countries for which adjustment costs outweigh gains.
- Development is mainly a matter of domestic policy. Increased aid will not help as long as developing countries do not solve their policy problems and do not address necessary domestic reforms.
- Development assistance has been inefficient and ineffective. Problems of aid delivery (e.g. fragmentation, lack of donor co-operation and co-ordination, corruption) have not been solved.
- Increasing trade competitiveness is extremely complex and requires that constraints be overcome at the enterprise level, the business services level, and in the wider policy and infrastructure environment. Without a strong commitment of leading ministries, agency co-ordination, and removal of constraints at all levels, the supply-side problems will not be resolved. As it is, trade ministries who would promote trade and investment in country development strategies are very weak.
- The proposals reflect a trend to 'buy off' negotiating parties. This sends off wrong signals and creates a precedent that will lead to expectations of increased 'pay-offs' in subsequent trade rounds or other international forums.
- The choice of channels of aid distribution has an impact on the aid effectiveness and needs to be considered. For example, there may be 'adverse selection' problems, i.e. the most advanced

countries would manage to access the funds, while the least developed would not. Weak governments may also have problems to deal with another layer of complexity in the funding framework.

- The discussion is focussing on the wrong priorities. The least developed countries and other developing countries would benefit most if emerging markets open up.

Research Needs

Despite these critical points, the majority of the working group members believed that ‘Trade for Aid’ would be an effective conduit, if lessons from development assistance were considered and further knowledge was gathered. In view of the discussion the following key areas were identified, where policy makers could benefit from deeper academic research:

1. First, and foremost, a critical analysis of experiences with ‘Development Aid’ is needed. It continues to be contested whether ‘Aid’ is contributing to development, has no effect, or has a detrimental effect on development. Objective, in-depth research is required to come to conclusions in this debate, to identify best practise and the parameters for efficiency and effectiveness. In the plenary discussion, participants specified as topics that merit particular attention: the role of the private sector in development aid, the vested interests of the actors and institutions involved, the role of incentives, the need for transparency, the channels through which aid is distributed, and the role of venture capital. Given the variety of trade problems, and the related number of actors involved in ‘trade development’, the answers to the questions of how to further improve donor and agency collaboration, and how to improve the incentive structures for co-operation are crucial.
2. Directly related to the first theme is the analysis of risks associated with ‘Aid for Trade’. As discussed, aside from the general risk of inefficiency and ineffectiveness of aid, there are particular risks of ‘adverse selection’ and of corrupting the basis for future negotiations in which further pay-offs or ‘bribes’ may be expected. Also, the ‘aid for trade’ proposals could add more complexity to the already complicated development aid structures with which governments in developing countries have to deal, not only limiting their capacity to make use of them, but also to deal with other important matters. These risks need to be assessed, and there may be other risks that should be explored.
3. There is a need to improve methodologies: on the one hand with regard to determining requirements and priorities for trade development assistance, on the other in view of evaluating the results. The severity and dimensions of trade-related constraints vary markedly across developing countries. In view of the expected increase in trade development funds, better tools are needed to assess needs accurately and to promote an effective implementation.
4. As progress with overcoming many of the trade constraints depends on strong government institutions and a coherent trade development approach, effective capacity building at government level and efficient institutional mechanisms to deal with the ‘Aid for Trade’ implementation are required. Again, information on best practice and guidance on how to make sure that these objectives can be reached are desirable.
5. In view of the WB/IMF suggestion to develop regional infrastructure under an ‘Aid for Trade’ programme, the question how regional initiatives for providing essential infrastructure and institutions can be framed and function needs further exploration.

Annex 2

WORKING GROUP REPORT: TRADE AND GENDER

(For further information on this report please contact Meg Jones, Deputy Director, The Evian Group: Meg.Jones@imd.ch)

The trade and gender working group drew on the talents and experience of representatives drawn from the ranks of academia, international organizations, government and NGOs, to address the question of how Garnet can bring atomized research into a network of excellence for the benefit of trade and trade-related stakeholders. 'Stakeholders' were broadly defined as agents in the public and private sectors engaged in the formulation, implementation and evaluation of trade and investment policy, together with those seeking to inform or influence the process through research, advocacy and other activities. A brainstorming session on the identification of current issues and processes for engagement, informed an outline of research priorities Garnet may usefully pursue.

Issues:

The welfare gains from international trade impact women and men differently depending on their location within the economy. The market mechanism that cuts to the core of economic efficiency does not differentiate between who gains and who loses. In this context it is the role of the government (in collaboration with the business sector and civil society) to understand the differential impact of trade on women and men and to manage the impact of trade liberalising policies with a view to achieving a more even distribution of the gains from trade. A gender differentiated approach to maximising the benefits and minimising the costs is called for because women and men are active in different sectors and at different levels within the economy. The impact of the winding up of the Agreement on Textiles and Clothing for example, will impact women more because gender-stereotypes in employment have led to a concentration of women in this sector¹².

Across sectors women predominate at the bottom of the hierarchy with typically less education, less job security, less access to capital and a larger share of household responsibilities, that can in turn limit their adjustment options. At a higher level of hierarchy, women entrepreneurs and managers are restricted by a lack of access to resources (including business information, trade support services and professional networking) which hampers their full exploitation of business opportunities. This not only restricts their participation in increased trade - and its benefits - under the evolving trading system, but also blocks untapped potential for trade development of their countries. In this and in other ways, gender inequalities can be seen to mediate the relationship between macroeconomic and trade policies, on the one hand, and the outcomes of these policies, on the other: Gender inequalities sometimes constrain the capability of countries to increase their exports while at other times they become an instrument of international competition.

¹² The need for differentiated analysis - by sector, country and so forth - of 'trade and gender' issues is demonstrated by the fact, that in some urban areas of a few African countries, women have been able to find new sources of income by informal trading in imported or aid-donated goods such as second-hand clothes. The resulting loss of jobs in these countries' textile and garment industries, as, for example, in Zimbabwe in the mid-1990s, has affected men more than women, as men are more likely to be employed in the formal sector.

Many of the issues pertaining to trade and gender are being explored by the United Nations Inter-Agency Network on Women and Gender Equality Task Force on Gender and Trade and are captured in the book 'Trade and Gender: Opportunities and Challenges for Developing Countries' (UNCTAD, 2004). The linkage between trade and gender has attracted the attention of the Geneva-based trade community only relatively recently. Fortunately, with the growing understanding that trade and investment policy may have a differential impact on women, has come a growth in the demand for case studies highlighting these links. Research efforts are frequently frustrated by the lack of sex-disaggregated data. However, gender-trade impact assessments have been developed which, if utilized, may help reveal the barriers to trade that present different problems for women and for men. Similarly, a closer examination of potential differences in accessing and benefiting from technical assistance and trade-related capacity building programmes, could help these programmes better deliver on their objectives. A more even distribution of the gains from trade, including between women and men, is essential if we are to achieve the rising standards of living and full employment (for women as well as men) that is at the heart of the WTO agreements, Doha 'development' agenda and the reduction of poverty targeted by the Millennium Development Goals.

Processes for engagement:

Garnet, as a knowledge network, has the potential to concentrate a critical mass of interested and informed researchers and academics to respond to calls for more information on trade and gender. There is slow but growing interest amongst institutional players such as the WTO secretariat and members of the different government delegations to the WTO, on the relationship between trade and gender. United Nations bodies engaged in technical assistance and trade-related capacity building, such as the WTO, International Trade Centre and UNCTAD could gain from interaction with Garnet to better understand these linkages and to contribute their own experience. Beyond the institutions, interaction with the knowledge network could also benefit Permanent Missions to the WTO based in Geneva and trade and other related ministries, NGOs and advocacy groups (such as sector specific professional organizations, for example, nurses associations) working at the international, regional and local levels. The working group recommended profiling trade and gender on the Garnet website (<http://www.garnet-eu.org>) and outreach to the different stakeholders.

Research priorities:

Participants in the working group welcomed the Gender Action Plan within Garnet as a potentially powerful agent for bringing gender issues to the fore in Garnet research and activities. It was hoped more could be learnt about the Plan through, for example, the availability of information on Garnet website. Gender mainstreaming was recognized as critical in the realization of Garnet programming. Opportunities to complement gender mainstreaming were seen through the inclusion of gender-specific research and activities such as those forecast under Gender in International Political Economy (GIPE), which will start in June 2006. Research priorities could include the following:

1. Case studies examining the differential impact of increased international trade and trade liberalization on men and women,
2. Case studies on how to improve trade and investment capacity building activities by focusing on specific needs of women;
3. Gender impact assessments focused on the implementation of existing multilateral, regional and bilateral trade and investment agreements, as well as agreements under negotiation;

4. Recognition that trade liberalization, trade policies and trade performance must go beyond traditional social impact analyses and need to incorporate power and power relations within and across nations.
5. Research into the impact on the care and development of the poor, especially in the liberalization of 'essential services' and links to the achievement of related Millennium Development Goals; and an exploration of the potential role of women as exporters of services, as women-owned businesses are in their majority in the service sector;
6. Research into the opportunities for entrepreneurs (small service suppliers) and analyses of the success and innovations of women-owned service firms.
7. Analyses of the link between financial institutions and access women have to financial resources at the local level.
8. From the perspective of global governance, a broader normative examination of the issue of gender equality as a key element to achieve an equitable trading and financial system.

Annex 3

WORKING GROUP REPORT: TRADE & INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

(For further information on this report please contact webmaster@knowiki.org)

The working group discussed the broad topic of 'Trade and ICT' with the aim of identifying some of the key issues and innovations that will affect present and future developments in international trade and investment flows. The working group recognised that both governments and enterprises have taken on new roles as the basis of competition between firms as well as nations has radically altered. New exchanges, conflicts and negotiations are being moulded by the emergence of global networks and technological change with diverging impacts on various stakeholders. In line with the GARNET capacity building workshop objectives, the working group isolated a number of questions to be tackled with the aim of bridging research with policy-making.

ICT Innovation and the Governance of Future Trade and Investment Flows

The 1990s witnessed a first wave of productivity growth and price declines led by technological change during which the share of ICT products in the international trade in manufactured goods steadily increased. The globalisation of telecommunication equipment and IT hardware production has since evolved, and technology has become an important engine of integration.¹³ This globalisation of production through trade and investment is creating an international value chain in all three elements of the IT package: hardware, software and business-service applications. The attendant new business models that fully integrate offshoring and outsourcing of both blue- and white-collar jobs have led to acrimonious debates as to the relative costs and benefits of the new production chains and the national policies and strategies to be implemented so as to facilitate adjustment and capture future opportunities. A further contentious issue that has arisen as a result of these developments is that of international regulation and the potential benefits to high-, middle-, and low-income countries of further liberalisation of the different elements of the ICT package; this includes telecommunication services, e-commerce and content.

One of the key problems identified by the working group with regard to the governance of trade and ICT was the challenge of regulating a moving target in which legitimate barriers to market access could exist; cultural reasons being one example. Current process and product innovations in ICT are very much business-led; linking industry with negotiators was singled-out as a core component of future capacity building. The Information Technology Agreement implemented in 1997 by the World Trade Organisation as a tariff cutting mechanism over a range of IT products has so far been unable to extend its original product coverage, which raises doubts as to its flexibility and future effectiveness as a regulatory tool.¹⁴ The growing importance of electronic commerce in global trade, the e-bay trade portal being the most prominent example, has prompted the WTO to attempt to incorporate e-commerce trade-related issues into existing Uruguay Round commitments and the current Doha Round of trade negotiations in which an extension of the moratorium on customs duties by all members has been agreed.¹⁵ The working group further reflected on whether GATS¹⁶

¹³ A global infrastructural grid of fibre optic cables and broadband connections laid during the dot com boom period has rendered possible a second wave of productivity growth via the globally integrated production of software and services.

¹⁴ WTO Information Technology Agreement (http://www.wto.org/english/tratop_e/inftec_e/itaintro_e.htm)

¹⁵ WTO Electronic Commerce (http://www.wto.org/english/tratop_e/ecom_e/ecom_e.htm)

schedules could remain abreast of trade-related developments in software and services. It was noted that the United States GATS obligations Gambling and Betting Services case, arbitrated by the WTO dispute settlement mechanism, should be scrutinised as it could have essential ramifications for the future.¹⁷ An important area of research from a legal perspective that was raised during the working group presentation was the extent to which the exceptions under GATS articles XIV and XVI would have implications for the regulatory powers of nations. Bridging the ‘IT literacy divide’ between industry leaders and policy-makers emerged as one of GARNET’s potential core competencies through its network of excellence in all of the research areas raised above.

ICT Innovation and Economic and Social Development

As high-income countries increasingly shift towards a knowledge-based structure, and the production of IT software and services responds to the reality of a global labour market through offshore outsourcing, the need for new partnerships between the private and public spheres with a commitment to human capital skill-building in the transitional period was emphasised by the working group. Adaptive training and education that target, amongst other things, the demand for high-skill jobs in the design and tailoring of IT packages that will come forth as firms further integrate IT into their operations was deemed a priority. It was felt that the identification of “lagging” sectors such as health, retail trade and many SMEs in which IT-based productivity could further penetrate was an important area of capacity building research. The working group emphasised that more efficient adjustment assistance should be provided to a labour force for which fewer job categories can be shielded from international competition, and the textbook cure of education and training may have its limits in the face of an unlimited virtual labour supply. New development strategies, ones that shy away from impractical protectionist solutions devised for an industrial era, with pro-active health, educational, investment and employment policies should be searched and applied in order to enhance employment creation as well as reverse widening trade deficits.

Technological change and the globalisation of ICT production chains have given the opportunity to many workers in emerging markets, most notably but not exclusively India and China, to earn wages and move up the value chain. The demand for hardware is rising fast in many middle-income countries; thereby increasing the level of internet and mobile penetration. The production of both labour-intensive products, for example microchips, and knowledge-intensive products, for example software engineering, is expected to further rise. Beyond these encouraging trends, the working group felt that an area of research to be explored was the risk of deeper and wider marginalisation and social exclusion brought about by the dual-edged requirements of globalisation and the information revolution. Although applicable to all nations on the income ladder, the working group focused its attention on lower-income countries. ICT has brought about opportunities and changes that only two decades ago were inconceivable, and it was stated that it is our common interest to ensure that the benefits should accrue to as large an agency as possible. Although some natural disadvantages need to be taken into consideration, developmental limitations and bottlenecks can be bypassed and leapfrogged in ways that were previously unthinkable. One of the most astonishing aspects of ICT is that it can empower SMEs and small-scale entrepreneurs and innovators in developing countries in a manner that can vastly extend their scope and ambitions. The fixed-line telephony infrastructure deficit can be overcome by mobile networks as well as the further promotion of voice over IP¹⁸ along high-speed networks. The explosion of Open Source Software¹⁹

¹⁶ General Agreement on Trade in Services (http://www.wto.org/english/tratop_e/serv_e/serv_e.htm)

¹⁷ WTO Dispute Settlement (http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds285_e.htm)

¹⁸ See for information: <http://www.voip-info.org/wiki/>

¹⁹ See for information : <http://www.opensource.org/>

and broadband technologies permit the tailoring of applications to specific needs and bypass expensive intellectual property. Capacity sharing content provision such as UNCTAD's Virtual Institute²⁰, the Digital Opportunity Task Force²¹ and the World Summit on the Information Society²² provide support as IT is mainstreamed as a development tool. In the area of trade facilitation, the modernisation of customs and data exchange through ICT upgrading can improve the efficiency and transparency of customs procedures with non-negligible impacts on risk management and governance. Coherent and integrated domestic legal and regulatory frameworks were considered important for ICT to be harnessed as a potent instrument for development and further technology transfer.

Further Issues on ICT and Trade

- *International Regulatory Framework*: The shorter life-cycle of IT products and diminished tolerance to procedural obstacles makes this a pressing issue. The pressure of the business cycle in the globally integrated world of ICT supply chains is immense. The working group suggested that this is an area in which the WTO Information Technology Agreement should move forward and one in which GARNET's capacity building goals between industry and policy-makers could be targeted. Assessing the impact and anticipating the evolution and breakdown of future global supply chains – “vertical disaggregation” and “cross national production networks” –, both in terms of geographical, skill and value distributions, is important in this respect.

- *Content Regulation*: Control and censorship of content is fundamentally antithetical to the GARNET vision of a world in which the free flow of information and ideas is not only desirable but encouraged. It was suggested to the working group that the Chinese contradiction that a more integrated world leads to a more open world and that ICT is an important driver of this should at least be flagged in research. It was pointed out that this is also a market-shaping issue that is present in decision-making.

- *Intellectual Property and Open Source*: Sharply diverging opinions still exist over the extent to which open source developments produce true innovation, but the working group believed that the open source movement has created a new framework for defining intellectual property rights and the global commons. User generated content that is liberally distributed through blogs and wikis are acting as magnets for bigger audiences. More open approaches to innovation, particularly in software creation, are being experimented and this could have far-reaching implications for the value and manner in which intellectual property is secured as well as the channelling of research and development funds.

- *Security and Technology transfer*: This has become an extremely sensitive political issue that the working group anticipated would dominate domestic and international debates for a while. There exists a well-founded apprehension that personal data and information control for inland security reasons could infringe on human rights. With regard to technology transfer, homeland security and national defence, concerns are being raised in the United States that vital technological know-how is being transferred to future powers through the global production chains; one example of which is the Pentagon's long-term concern that local suppliers of chips for next generation weapons systems will have disappeared only to be found in China. Beyond economic profit, East Asian countries consider the chip industry an important component of national strength. Advanced research and development is increasingly following the physical location of production – for example critical

²⁰ UNCTAD Virtual Institute (<http://vi.unctad.org/>)

²¹ DOT Force (<http://e-com.ic.gc.ca/epic/internet/inecic-ceac.nsf/en/gv00133e.html>)

²² WSIS (<http://www.itu.int/wsisis/>)

semiconductor and other manufacturing technology – with important long-term implications that should be investigated.

The working group concluded that the GARNET website²³ could act as a powerful catalyst and reference point in capacity building content provision on all of the pertinent research questions pertaining to ICT and trade governance and development highlighted in this report.

²³ GARNET website (<http://www.garnet-eu.org/>)

Annex 4

WORKING GROUP REPORT: TRADE & NEGOTIATIONS

(For further information on this report please contact
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How can research have a better impact on the outcome of trade negotiations? University-pioneered social science research/knowledge has come under significant scrutiny for its apparent deficient social purpose generally, and its wanting coordination with trade policymaking in particular. Despite the threat posed by alternative knowledge producers, such as think tanks, professional associations, lobbies, and government institutions, academia has generally maintained a separate space between the production of knowledge and an associated application of such knowledge in the arena of trade policymaking. As such, in an area as crucial as “trade and development”, there appears to be a considerable dearth of harmonization between knowledge producers and policymakers; two fundamental, yet arms-length communities.

Some Reasons for Fragmentation and Practical Recommendations for GARNET

A major obstacle to coordination is the unfamiliar, inhibitive theoretical language with which researchers speak, posing significant communication problems both with policy circles and the general public. This problem has its roots in a compartmentalized system of scholarship which does not encourage disciplinary coordination, thereby disabling understanding between researchers across the social sciences. Guarded disciplinary boundaries have resulted in the inability of lawyers, political scientists, economists, sociologists etc, to communicate with each other, despite their interrelatedness. As such, academic audiences are usually minute, compared to that of other knowledge producing entities such as major NGOs and consultancies. If this problem is to be overcome there has to be a sustained focus on using the correct tools, methodologies and language to enable effective communication between social science researchers and their policymaking counterparts; a focus on dissemination strategies; and a reassessment of the academic enterprise to promote interdisciplinary initiatives, and to encourage scholars to produce policy-oriented research. Importantly, a researcher who can communicate with his intended user is much more likely to get his attention in an increasingly competitive environment where many stakeholders are competing for the attention of key policymakers. Aligned to this point is the tendency for academic researchers to produce excessive reports intended for policy consumption, very often exceeding 300 pages. Remaining cognizant that policymakers and negotiators often operate within strict time constraints, which is not necessarily the case for academics, research output must also be concise and accessible. This requirement becomes even more important when research is intended for developing country negotiators and policymakers, who very often lack technical capacity, and take on huge portfolios.

Another major identifiable problem is the incentive structure of the academic research enterprise. Academics are not generally inclined towards policy-oriented research because “a good researcher” is usually defined by the number of publications in academic journals as well as citation indices, and as such, researchers have no incentive to venture into the policy environment, and have very little grasp of policymaking dynamics. The supply of academic research is therefore far removed from an associated demand for such research. This inconsistency has gained heightened visibility especially since the global trade policy framework has had increasing significance on the academic

world, specifically in terms of the impact that international trade agreements (such as the General Agreement on Trade in Services: GATS) have on universities. Therefore, academic institutions can no longer operate in a vacuum and pretend that knowledge production has no policy implications. Instead, good academic research should be prized for its policy relevance, thereby facilitating greater collaboration amongst researchers, and between researchers and policymakers. If the incentive/evaluation imperatives were to alter in favor of policy orientation, this would trickle down into the general system of scholarship and encourage scholars, from the onset, towards policy-relevant outcomes. Such purposive research would also attract a wider audience. Having said that, there appears to be a need to maintain part of the separateness between the two domains so as to avoid the overexposure of academics in the policy environment, a prospect which could threaten academic freedom and objectivity.

Making Collaboration Work

Probably one of the most fundamental requirements to ensure the sustainability of such collaborative networks is the insistence of dialogue and interaction between researchers and policymakers, where the researcher would be required to acquire well-grounded expertise in trade policymaking agendas and processes. Importantly, researchers need to embrace a two-way culture of learning and dispense with any belief that they know more than negotiators and policymakers who may themselves be long-standing experts in the field of trade policy. Starting from any conception of superiority as the holders of knowledge would automatically undermine what can already be described as an ‘uneasy relationship’ between the two domains. Therefore, in order to communicate with policymakers, researchers need to be able to listen and work on building confidence. Similarly, researchers may wish to focus on gaining media exposure, not limited to academic journals, but such that would increase general awareness of the benefits of academic work on trade policymaking. Fundamentally however, is the age-old understanding that in order to succeed, researchers need to be patient and recognize that gaining a foothold in the process will not be automatic.

Conclusion

This short piece focused almost exclusively on what researchers should do in order to gain competence in the field of trade policymaking, and to collaborate with policymakers on key trade questions that impact on all of humanity. The focus was one-dimensional primarily because GARNET represents a network of excellence amongst many academic institutions across Europe, and therefore, embodies a range of academic researchers who would like to bridge the gap between academia and the policy enterprise. In this context, the Working Group on Trade and Negotiations sought as much as possible to examine what researchers can do, and not the other way around. Importantly, there is a necessity and scope for collaboration which can only be materialized by insisting on dialogue.