

Trade Mainstreaming - Conditions to Support the Contribution of Trade to Development.



The potential exists for international trade to serve development. Success however is hinged on the existence of certain preconditions or enabling environment within the State or Region that supports the trade development-correlation. “Trade is not an end in itself or a fundamental objective that should be pursued, such as human rights or decent work. Trade is a cross-cutting tool, an engine for growth and development that can be mainstreamed in other policies (as well as broader development strategies), and will impact positively on development under certain pre-conditions.” These conditions as put forward by the United Nations Centre for Trade and Development (UNCTAD), as well as Trade policy officials include:

Viewing trade as part of a comprehensive development policy, “trade cannot be seen as a stand-alone policy but must be embedded into a broader development strategy and agenda for inclusive and sustainable growth.” Acting at all levels, the inclusion of trade should invade all activities.

National ownership, the trade policy decisions and reforms being made should reflect the national country experience and be specific to the national situation. A one size fits all approach should not be taken in the implementing of trade-related issues, but the engaging and participation in the international trading system should be driven by a national strategy which seeks long term sustainable benefits of trade policy and capacity development efforts. “The development path must adapt to the national context and situation.

Trade related assistance should be impartial, and not pinned to conditionalities. Tied aid is not an advantage for the growth of development from trade. Country recipients of trade assistance should not be held to tied aid, and unreasonable obligation.

Promote regional integration; the importance of the regional integration process to our Region is undeniable. The potential benefits that can arise through closer and deeper ties between countries have been duly recognized within the Greater Caribbean. Specifically as it relates to the success of projects and initiatives, the existence of an environment which promotes regional integration significantly impacts the achievement of expected results. Regional integration efforts allow for the creation of common strategies which together build the Greater Caribbean civilisation and strengthen the benefits that are derived from the trade agenda.

One of the avenues which countries can use to cultivate these conditions is that of Trade Mainstreaming. Trade Mainstreaming", as defined in the "Compendium of EIF Documents: A User's Guide to the EIF" is: "integrating trade into national development and poverty reduction strategies and the operationalization of trade coverage thereof, including through incorporation of trade into sectorial strategies, action plans and budget; intra-governmental and government-private sector relations as well as government-donor relations."

Further, a working definition of the term states that," mainstreaming trade policies in national development strategies involves the systematic promotion of mutually reinforcing policy actions across government departments and agencies, creating synergies in support of agreed development goalstherefore, a deeper understanding of how trade policies can complement and reinforce policy actions across the board is an important step in achieving enhanced development results."

Rahman (2004) also offers a number of interesting views on the concept of trade mainstreaming. He highlights that it is:

- i) a process of reflecting on trade policies and priority areas of action within the overall national development plan or strategy;
- ii) a process of bargaining among key stakeholders;
- iii) establishing a correct balance between trade liberalization and companion policies;
- iv) bringing trade matters into the dialogue on poverty reduction; and
- v) raising the profile of trade in the development debate.

At the international cooperation level, the international community can play an important role in mainstreaming trade. International development partners, as well as international organizations can assist in facilitating trade mainstreaming not only at the national but also at regional levels. Trade

must systematically be integrated into country and sector analyses and strategies, assistance programmes and activities. Donors, governments, the private sector and civil society must all work together to ensure that trade-related aid focuses on priorities that will deliver the strongest impact on development. To this extent, mainstreaming trade is a joint responsibility of both developing countries and development partners.

By pursuing coherent development assistance and trade policies, it is also possible that bilateral partners can unblock some of the current limitations in their own markets with regard to the trade opportunities of developing countries. Within the Association of Caribbean States, the Directorate of Trade Development and External Economic Relations is mindful of ensuring that trade initiatives and projects not only meeting its mandate of an enhanced economic space for trade and investment within the Greater Caribbean, but also viewing overall contribution made to development through the activities undertaken.

In order for trade mainstreaming to be successful, policies need to be translated into actions, strategies into resources, implementation and monitoring and evaluation into results on the ground and to cut across associated sectors. Once trade forms part of the wider development framework, complementary and coordinated sets of activities can be undertaken to sequence trade reforms that will promote economic growth and lock in sustainable development for the future.