



# **Linkages between International Trade and Human Poverty**

First Stakeholder Perception Workshop Report

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**APRI**

**Asia Pacific Regional HDR Initiative**

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**Regional Centre in Colombo**

*Serving Asia and the Pacific*

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## Introduction

International trade is about exchange of goods and services by people and companies. Rules and policies framed by governments (individually as well as collectively) play an important part in this cross-border exchange. However, from time immemorial it is the people and entities formed by people, which drive international trade and the political economy associated with it. There is no better example than the history of the East India Company, which has been engaged in cross-border trade for over six centuries.

The literature on international trade has mixed opinion regarding the impact of cross-border exchange of goods and services on people's livelihood. While a large number of people have benefited from international trade, there is no shortage of literature documenting its adverse impact.

How is the situation today? The present system of international trade is different from what it was a century ago. There is much more certainty, as rules, procedures and policies are framed and documented. This was possible because of the formation of the World Trade Organisation (WTO) in mid-1990s. True that the WTO is an unequal treaty, but it is a fact that a rules-based system is much more preferable and desirable than having no system in place. Another important feature of today's international trade is that the issues are no longer confined at the border of a country. With changing nature of globalisation and economic liberalisation (international trade being one of the drivers of this change), sovereignty (of countries) is getting multilateralised.

The bottom line is that more and more people are getting involved and/or exposed to international trade. As such there is no index to measure people's 'exposure' to international trade (and the implications of such exposure), but there are studies showing how, overtime, a country's 'openness' to international trade is increasing in terms of rising share of exports and imports as percentage of gross national product as well as rising share of foreign direct investment in gross national capital formation.

The next question is, can 'openness' work for the benefit of the people, especially the poor? There is no ready answer to this question. Equally important is the fact that there is no 'one-size-fits-all' and/or 'one-type-fits-all' approach for 'making' openness work. We need to understand why openness is important. As Rodrik (1999) argued, "openness is a mixed blessing, one that will need to be nurtured if it is to be a positive force for economic development" outlined three propositions about openness while analysing "economic policy in countries that are in the process of integrating into the world economy":

First, openness by itself is not a realistic mechanism to generate sustained economic growth. The fundamental determinants of economic growth are the accumulation of physical and human capital and technological development.

Second, openness will likely exert pressures that widen income and wealth disparities within countries. The relationship between trade and wages has been discussed to date primarily in the context of the advanced industrial countries, with scholars trying to

sort out the relative contributions of trade and technology to rising inequality. The evidence from the developing countries indicates that a similar rise in inequality has been experienced in many of the Latin American countries that have opened up their economies during the last two decades.

Third, openness will leave countries vulnerable to external shocks that can trigger domestic conflicts and political upheavals. These consequences are damaging not only in their own right, but also serve to prolong and magnify the effects of external shocks.

Several attempts have been made to empirically estimate the impact of trade liberalisation on poverty in poor country. Cline (2004) projected that rich country trade liberalisation would lift 540 million people out of poverty. Weisbrot, Rosnik and Baker (2004) made some corrections to Cline’s methodology and estimated the figure as approximately 440 million. The main argument of Weisbrot et al (2004) was that “since most of the world’s poor are currently clustered close to the international poverty level of \$2 a day, a relatively modest increase in income is sufficient to lift many of these people out of poverty. They also argued that the amount of income projected to be gained by the poor in developing countries due to trade liberalisation is equal to between 0.1 to 0.4 percent of rich country GDP (gross domestic product). “While trade liberalisation may be one way to bring about these gains to the poor, it is not necessarily the only way. In principle, effective foreign aid equal to 0.1-0.4 percent of rich country GDP could accomplish the same result.”

<i>Country</i>	<i>Pre-Liberalisation</i>	<i>Post-Liberalisation</i>
Bangladesh	1.97	2.03
China	2.00	2.00
India	1.92	2.08
Indonesia	1.96	2.04
Malaysia	1.93	2.07
Pakistan	1.79	2.24
Philippines	1.94	2.06
Thailand	1.72	2.37

*Source: Mark Weisbrot, David Rosnick and Dean Baker, “Poor Numbers: The Impact of Trade Liberalisation on World Poverty,” Center for Economic and Policy Research, Washington DC, 2004.*

*Table 1: Incomes of Poor Lifted Out of Poverty (Dollars per Day)*

McCulloch *et al* (2001) identified “pathways through which trade liberalisation can have a direct effect on poverty”. According to them, the ‘pathways’ are as follows:

**Price transmission**

The impact of trade liberalisation depends on how changes in border prices get translated into changes in the prices actually faced by households. Price transmission depends on:

- the competitive structure of the distribution sector;
- the way in which government institutions such as marketing organisations operate; and
- the extent of the domain of trade.

## **Enterprises**

Trade liberalisation also affects households through its impact on profits, and thereby employment and wages. There are two opposite ways in which they may occur:

If wages are flexible and labour is fully employed, then price changes caused by trade liberalisation will be reflected in wage changes, with employment staying the same.

Alternatively, if there is a large pool of workers who move in or out of jobs when circumstances change, then trade liberalisation will cause changes in employment.

## **Taxes and spending**

Trade liberalisation may affect poverty through changes in government revenue and expenditure. The key lessons here are that:

- liberalisation often does not have to lead to revenue cuts if tariff peaks and exemptions are also tackled;
- it is important to look at the poverty effects of alternative forms of taxation introduced to cover any shortfall, particularly consumption taxes;
- it is generally possible to protect social and anti-poverty expenditures even if expenditures do decline; and
- good macroeconomic management is far more important to maintaining social expenditure.

## **Shocks, risks and vulnerability**

Households may become more vulnerable as a result of switching their activities in response to trade liberalisation. But if the new activities generate higher returns and the switch is voluntary, the change is not necessarily welfare-reducing.

The essence of this review is that international trade is intrinsically linked with people and ‘income’ is only *an* aspect of poverty, not ‘the’ aspect. As we try to understand the impact and implications of international trade on people’s livelihoods, it is necessary to explore the linkages between international trade and human poverty. It is necessary to know what we understand by ‘human poverty’. As Malhotra (2003) argued: “If income is not the sum total of human development, lack of it cannot be the sum total of human deprivation. So, from a human development perspective, poverty is also multidimensional. Beyond lack of income, people can be deprived if they lead short and unhealthy lives, are illiterate, feel personal insecurity or are not allowed to participate. Thus, human poverty is larger than income poverty. Human poverty is more than just a state: it is a process. People living in poverty deploy whatever assets they have to cope with it. A dynamic phenomenon reproduced over time and across generations, poverty is also the result of structural inequalities and discrimination – based on class, race, gender and other characteristics – within and between countries.”

Malhotra (2003) also defined human development in the context of larger issues of ‘openness’. “People constantly make choices – economic, social, political, cultural. The ultimate aim of development is not to create more wealth or to achieve higher growth. It is to expand the range of choices for every human being. Thus human development is concerned with enlarging choices and enhancing their outcomes – and

with advancing basic human freedoms and rights. Defined in this way, human development is a simple notion with far-reaching implications.

People's choices are enlarged if they acquire more capabilities and have more opportunities to use them.

Choices are important for current as well as future generations. For human development to be sustainable, today's generations must enlarge their choices without reducing those of future generations.

Though important, economic growth is a means of development – not the ultimate goal. Higher income makes an important contribution if it improves people's lives. But income growth is not an end. Development must be focused on people, and economic growth must be equitable if its benefits are to be felt in people's lives. Gender equality is at the core of human development. A development process that bypasses half of humanity – or discriminates against it – limits women's choices. By focusing on choices, the human development concept implies that people must participate in the processes that shape their lives. They must help make and implement decisions and monitor their outcomes.

Human security is distinct but contributes to human development. Security means safety from chronic hunger, disease and repression. It also means protection from sudden, harmful disruptions in the patterns of daily life. In an economic context, it protects people from threats to their incomes, food security and livelihoods.”

Taking into account these concepts of human poverty and human development, Malhotra (2003) outlined linkages between international trade and human development as: “Beyond its direct benefits for human development through economic growth, trade can enlarge people's choices by expanding markets for goods and services and by providing stable incomes for households. (...) Better human development outcomes, in the form of improved capabilities as the result of a healthier, better-educated and more skilled work force, with a strong focus on knowledge creation, contribute to higher economic growth and better trade outcomes.”

If one looks at trade from its human development perspectives, where does the multilateral trading system under the aegis of the WTO fit in? Rodrik (2001) elucidated the so-called dilemma between trade as a ‘market-exchange’ perspective and trade as a ‘development’ perspective as: “Economists think of the WTO as an institution defined to expand free trade and thereby enhance consumer welfare, in the South no less than in the North. In reality, it is an institution that enables countries to bargain about market access. ‘Free trade’ is not the typical outcome of this process; nor is consumer welfare (much less development) what the negotiators have chiefly in mind. Traditionally, the agenda of multilateral trade negotiations has been shaped in response to a tug-of-war between exporters and multi-national corporations in the advanced industrial countries (which have had the upper hand), on the one hand, and import-competing interests (typically, but not solely, labour) on the other.”

Rodrik (2001) further argued, “there are at least three sources of slippage between what development requires and what the WTO does. First, even if free trade were optimal for development in its broad sense, the WTO does not fundamentally pursue

free trade. Second, even if it did, there is no guarantee that free trade is the best trade policy for countries at low levels of development. Third, compliance with WTO rules, even when these rules are not harmful in themselves, crowds out a more fully developmental agenda – at both the international and national level.”

Therefore, Rodrik (2001) argued, “the world trading system has to shift from a ‘market-access’ perspective to a ‘development’ perspective... This shift to a development perspective would have several important advantages. The first and more obvious is that it would provide for a more development-friendly international economic environment. Countries will be able to use trade as a means for development, rather than being forced to view trade as an end in itself (and being forced to sacrifice development goals in the bargain).”

This human development aspect of international trade is upfronted by the United Nations Development Programme (UNDP) in several of its initiatives. UNDP’s Asia-Pacific Regional Initiative on Trade, Economic Governance, and Human Development (in short, Asia Trade Initiative) defines human development as: “The premise that people are the real wealth of nations, and the real end of development, led UNDP to define human development as a ‘process of enlarging people’s choices’. The three essential choices are, i) to lead a long and healthy life, ii) to acquire knowledge, and iii) to have access to resources needed for a decent standard of living. The four components seen as being essential to human development are: empowerment, productivity, equity, and sustainability.... The challenge facing the Asia Trade Initiative is, thus, to relate these concepts to trade issues and policies.”

UNDP’s Regional Bureau for Asia and the Pacific is implementing another initiative titled “The Asia Pacific Regional Human Development Report Initiative,” whose objectives are:

- To improve national and regional capacities in cross-country HD (human development) analysis and impact assessments.
- To enhance networking for the exchange of information and expertise.
- To bring the concept of human development into regional development strategies, inter-governmental agreements and policies related to human development.

In support of the (above-stated) objectives, activities under the APRI include:

- Providing support to preparation of regional/country-cluster HDRs (human development reports) on issues of common concern.
- Providing support to producing background technical support documents, policy briefs and application notes, and impact assessments linked to and complementing sub-regional/regional and national HDRs.
- Hosting regional learning seminars on human development.
- Facilitating exchange of experiences, best practices and cross-fertilisation of ideas and methodologies through national and regional HD (human development) networks.
- Assessing and improving advocacy and monitoring of impact of HDRs.

Thus, given the importance of trade on human development, APRI is preparing a regional (Asia-Pacific (AP)) human development report in collaboration with UNDP’s Asia-Pacific Trade and Investment Initiative. The main focus of the report

will be the linkage of human development with major trade issues within the framework of multilateral trading regime. The report will cover the broad issues of:

- agriculture, food security and rural development,
- movement of natural persons,
- trade in energy services,
- trade in environmental services,
- geographical indications,
- trade and investment,
- fisheries, and
- WTO accession of least developed countries (LDCs).

The Asia-Pacific Regional Human Development Report (RHDR) on International Trade and Human Poverty, which is essentially an advocacy document, will examine the ways in which international trade affects human poverty. This is the reason for hearing stakeholders themselves (or representatives of stakeholders) about the issues of concern. Therefore, the following activities are conducted:

- Two stakeholder consultations (February and June 2005); and
- Field research in select countries of the Asia-Pacific region.

Stakeholders' feedbacks and perceptions cover the following themes and sub-sectors:

#### Promoting Rural Livelihoods and Food Security

- Agriculture
- Fisheries
- Geographical Indications

#### Generating and Sustaining Employment

- Textiles and Clothing
- Tourism
- Overseas Movement of Persons
- Outsourcing

#### Ensuring Access to Basic Services

- Energy
- Environmental Services
- Health

Keeping in mind the linkages between international trade and human poverty (defining human poverty from the human development angle), stakeholders' feedbacks and perceptions were gathered by looking at both income and non-income aspects of poverty. The reason was that they together determine a person's capability to avail existing and future opportunities to secure a better livelihood.

This publication manifests stakeholder perceptions on linkages between international trade and human poverty.



## Methodology

This section deals with the methodological aspects of this study. It is argued that there is hardly any doubt that international trade affects the lives of people through a variety of channels. Indeed, many have argued that international trade is beneficial to economic growth and have shown how economic growth (on account of international trade) has resulted in poverty reduction and human development. However, many others have disagreed with such findings and argued that even if international trade leads to an increase in national income, it cannot be concluded that there is an automatic and direct link between international trade and poverty reduction.

Therefore, one can argue that the macroeconomic effects of international trade are ambiguous. This is one of the reasons why research is shifting from the 'large' to the 'small' – from searching for macroeconomic linkages to identifying linkages/mechanism at the micro level. While many such attempts are looking at the impact of international trade at the level of sub-sectors and communities, some others are looking at the labour market issues, the effect of removal of subsidies, and so on.

The stakeholder consultations were conducted by taking into account the above-stated strands of micro-level analyses on linkages between international trade and human poverty. The purpose was not to enter into debates about the macroeconomic nexus between international trade and human poverty. Instead it was to ascertain how international trade in an increasingly open and evolving environment will affect different stakeholders, particularly their livelihood opportunities and food security, the availability of basic services such as health, energy, and water and sanitation with a specific focus on the poor and marginalised sections of the society. The outcome of these consultations was to provide feedbacks and inputs to the “Asia-Pacific Regional Human Development Report on International Trade and Human Poverty”.

The first consultation was held on February 23, 2005 at New Delhi. Its main objective was to get feedback on the effects of international trade on employment (more broadly, livelihood) opportunities, inequality, food security, health services within the context of the Millennium Development Goals. The focus of this consultation was on two thematic issues and nine sub-themes:

- Livelihood and food security, with the sub-themes
  - Agriculture and Food Security,
  - Fisheries,
  - Textiles and Clothing,
  - Tourism,
  - Economic migration, and
  - Outsourcing
  
- Basic services, such as
  - Health,
  - Energy, and
  - Environmental services

In both cases, the idea was to understand how an increasingly open multilateral trading regime is affecting people, particularly the poor and marginalised sections of the society. Stakeholders were provided with the opportunity to present their

(including the organisations and/or groups that they represent) views, ideas, beliefs, perceptions and experiences. The consultation was structured in a roundtable mode, divided into two sessions (one on livelihood and food security issues and the other on public health services). At the beginning of each of session, a facilitator introduced the relevant issues, which was followed by sharing of knowledge and experience by the stakeholders, including cross-fertilisation of ideas and issues for the field research.

UNDP-APRI (UNDP's Asia-Pacific Regional Human Development Reports Initiative, housed in UNDP's Regional Centre in Colombo, Sri Lanka) and CUTS-CITEE (CUTS Centre for International Trade, Economics & Environment, Jaipur, India) jointly organised the stakeholder consultations, while CUTS-CITEE conducted the field research and report writing. For the first consultation, CUTS-CITEE identified stakeholders from the following 14 countries of the Asia-Pacific region:

- Bangladesh
- Cambodia
- China
- Fiji Islands
- India
- Indonesia
- Lao PDR
- Malaysia
- Nepal
- Pakistan
- Sri Lanka
- Thailand
- The Philippines
- Vietnam

## Deliberations

Out of the above, representative stakeholders from 10 countries (except China, Fiji Islands, Lao PDR and Pakistan) participated at the first stakeholder consultation. All participants at the first stakeholder consultation were ‘representative’ stakeholders. In other words, if we take the example of ‘textiles and clothing’ a stakeholder present at this consultation was not working in a garment factory as a worker, but was working with garment workers.

As the meeting was held with about three weeks’ time for preparation and only one person was invited from each country (except India, which was represented by more than one person), the following factors influenced the selection of stakeholders:

- Whether they can represent more than one sector?
- Whether they can provide some general ideas on international trade and its relationship with human poverty, particularly at the ground level? Whether they have some knowledge on the multilateral trading system or not? Are they working on trade and development issues?
- Whether they are aware of institutions and organisations working on different aspects of international trade and human poverty in sectors relevant to this project in their respective countries? Will they be able to provide help in identifying stakeholders and organise logistics for conducting fieldwork in their respective countries?
- How is their relationship with UNDP and CUTS-CITEE? Have they participated in past activities of CUTS-CITEE and UNDP (in particular, “Asia-Pacific Conference on Trade: Contributing to Growth, Poverty Reduction and Human Development,” which was held in Penang, Malaysia and organised by UNDP Regional Bureau for Asia and the Pacific, Third World Network, Malaysia and The North-South Institute, Canada).

Except one participant from Vietnam, all were from non-governmental sector (consumer groups, developmental organisations, research institutions, human rights groups, trade unions). In order to assist the participants (representative stakeholders) to think about the issues, UNDP-APRI and CUTS-CITEE identified some broad areas for their feedback. This note was distributed prior to the meeting and covered the following issues:

### **Agriculture and Food Security**

How a more open and liberalised international trading environment is affecting (or has affected) the food security situation in your community/country? How are the poor and marginalised sections of society in your community/country coping with the situation? Are food items readily available and of higher quality (as compared with the past)? Do people have a range of choice (with regard to access to food)? Have prices of food (in particular, staple food) become more affordable now as compared to about two years or so ago?

### **Fisheries**

Is this an important source of livelihood in your country/community? Has more openness to trade allowed the people dependent on this sector to make a more comfortable living?

### **Textiles and Clothing**

What will be the structural effects of the end of quota regime on textiles and clothing sector? How will these changes affect marginal workers? Women comprise the majority of the workforce in this sector – what will be the employment effects on them? Will they be able to find alternative sources of employment? What policy measures would you suggest to safeguard the interests of poor and marginalised stakeholders in the changed regime? What coping strategies will the poor adopt or are they adopting?

### **Tourism**

To what extent is this an important source of livelihood in your country/community? What is the gender balance of the employment created by tourism? Is tourism in your community putting undue stress on the environment? What steps are being taken to expand tourism and create additional employment?

### **Economic Migration**

To what extent is your household dependent upon remittances from members who have migrated to other countries? In your view, do you think that a more liberalised trading environment has led to more people going abroad in search of work? What are some of the issues that returnees (migrants who have returned from abroad) face in their attempt to reintegrate into the society?

### **Outsourcing**

Is outsourcing a significant source of livelihood in your country/community? Is the quality of employment (in terms of conditions of work and reward for work done) in this sector better than alternative sources of employment? What is the gender balance of employment in this sector?

### **Health**

What are major constraints of public health services in your country/community? What would be the possible impact of intellectual property rights regime on the provision of public health services to the poor? What policy measures are to be adopted for better access and delivery of public health services by and to the poor? Is public-private partnership a possible measure for better delivery of public health services to the poor?

### **Energy**

Do you think that international trade has had an impact on access to energy services (electricity, cooking gas, other kinds of fuel for cooking, etc)? Has it increased the burden of women?

### **Environmental Services**

Do you think that there is connection between a more liberalised trade regime and further environmental degradation? Who are affected most by environmental degradation? What measures are being taken to cope with this problem in your country/community?

While representative stakeholders were urged for their perceptions on the above-stated issues, they were also requested to provide feedback on the following general issues:

### **Supply and Demand Side Effects**

What would be the possible supply (of inputs, labour, working capital) and demand side (marketing, prices of produce) effects of a more open international trading system? What are the effects on the price of inputs for farming and other productive entities? Because a more liberalised international trading system is expected to result in more competition, has there been a fall in the price of basic consumption goods (such as food items and clothing) and consumer durables? Has the quality of these items improved?

### **Livelihood Opportunities**

On balance, do you think that the present era of enhanced liberalisation creates more opportunities for employment than it destroys? Have working conditions improved or deteriorated? Identify the channels/mechanisms through which you think international trade affects livelihood opportunities and food security and access to affordable basic services?

### **Coping Strategies**

How do the poor cope with the effects of international trade? Does a more liberalised trading environment put increasing pressure on the environment?

Field research is to be conducted in 13 countries (i.e. all countries targeted for first stakeholder consultation, except Fiji Islands). This was due to cost and time factors involved in conducting the field research.

Field research is to target primary as well as secondary (representative) stakeholders. Furthermore and as per need, experts and government officials are to be consulted. Field research is to cover all sectors. However, given the availability of time for the field research, in some countries it is not to cover those sectors, which are of minor importance to that country (for example, outsourcing in Nepal). If in case and due to want of time, field research was not conducted in a particular sector in a country, it is to be done subsequently, either visiting that country and/or by involving a person from that country.

Participants at the first stakeholder consultation are to act as ‘key’ contacts in respective countries. Field researchers from CUTS-CITEE are to consult them for identifying stakeholders for doing the field research in respective countries. These key contacts are to help field researchers in logistical arrangements for conducting the field research.

Field researchers, while talking to stakeholders during the field research, will also collect materials from secondary sources (in particular, initiatives having linkages with ‘international trade and human poverty’. Information/data from such materials will be used as supplementary sources, if necessary, while analysing stakeholder perceptions and feedbacks on linkages between international trade and human poverty.

## Annexes



**Delhi Stakeholder Consultation, 23 February 2005**  
Inputs for the forthcoming Regional HDR  
CONCEPT NOTE

**Stakeholders' Perceptions on Linkages between International Trade & Human Poverty**

**I. Background**

1.1 UNDP is presently preparing on a Regional Human Development Report (R-HDR) for Asia-Pacific on international trade and human poverty. There is hardly any doubt that international trade affects the lives of people through a variety of channels. Indeed, many people have argued that international trade is beneficial to economic growth and hence poverty reduction and human development. But others have disagreed with this observation. Among other things, they have argued that, even if international leads to an expansion of income, it cannot be concluded that there is an automatic link between trade and poverty reduction.

While the macro-economic effects of trade on poverty is ambiguous, research is gradually shifting to from the “large” to the “small,” from searching for macro-economic linkages to identifying the linkages/mechanisms at the micro-economic level: labor market issues, the effect of the removal of subsidies, employment opportunities for a particular commodity or a particular sector, the rise in prices following trade liberalization and, more generally, at the impact of trade at the level of sub-sectors and communities.

1.2 The purpose of this Stakeholder Consultation is not to enter into the debate about the macro-economic nexus between trade and poverty. Instead it is to ascertain how international trade in an increasingly open and evolving environment will affect different stakeholders – particularly their livelihood opportunities and food security and the availability of public health services, with a specific focus on the poor and marginalized sections of society. The feedback from this consultation will be incorporated into the R-HDR, which is primarily an advocacy document.

**II. Objective of the Consultation**

2.1 There will be two consultations: one in February and the other in April. The present Consultation, which is being held in Delhi, will draw stakeholders from the 14 countries in the region. It's main objective is to get feedback on the effects of international trade on

employment (more broadly, livelihood) opportunities, inequality, food security, health services within the context of the Millennium Development Goals. The focus will be on two thematic issues:

- Livelihood and food security with the sub-themes –
  - Agriculture
  - Fisheries
  - Textiles and clothing
  - Tourism
  - Economic migration
- Public health services

2.2 In both cases, the idea is to understand how an increasingly open multilateral trading regime affects people, particularly the poor and marginalized sections of the society. Stakeholders will be given the opportunity to present their (or those of the organization or group that they represent) views, ideas, beliefs, perceptions and experiences. The feedback from this Consultation will also guide the preparation of follow-up country papers in the sense that it will identify areas/gaps for field research that is to be carried out following the Consultation. The representative stakeholders at this Consultation will also:

- Be responsible for writing brief papers that will provide inputs for the final country report.
- § Help us identifying other stakeholders.
- § Help us refine the questionnaire for field survey, as well as administering the questionnaire
- § Provide guidance for the field survey.

2.3 To assist you in thinking about the issues, we have identified some broad areas for your feedback.<sup>1</sup> Note that it is not necessary for each stakeholder to give feedback (but, of course, you are welcome to do so) on each of the sub-themes. The idea is that the stakeholder will select those sub-themes with which s/he is working on.

- § Food Security: Tell us how a more open and liberalized international trading environment has affected the food security situation in your community. How are the poor and marginalized sections of your community coping with this situation? Are food items more readily available and of higher quality? Do people have a larger range of choice? Have prices of food become more affordable now compared to about two years or so ago?
- § Textile and clothing: Now that the Multi-Fiber Agreement has come to an end, what will be the structural effects upon the textile and clothing industry? How will these changes affect marginal workers? Women comprise the majority of the workforce in this industry - what will be the employment effects on them? Will they be able to find alternative sources of employment? What policy measures would you suggest to safeguard the interests of poor and marginalized stakeholders in the changed regime? What coping strategies will the poor adopt or are adopting?
- § Fisheries: Is this an important source of livelihood in your neighborhood/community? Has a more openness to trade allow the people employed in this sub-sector to make a more comfortable living?
- § Outsourcing: Is outsourcing a significant source of livelihood in your neighborhood/community? Is the quality of employment (in terms of conditions of work and reward for work done) in this sub-sector better than alternative sources of employment? Tell us about the gender balance of employment in this sub-sector.

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<sup>1</sup> These will be developed more fully in a questionnaire, which will be sent you for the Delhi Consultation.



- § Energy: Do you think that international trade has had an impact on access to energy services (electricity, cooking gas, other kinds of fuel for cooking, etc.)? Has it increased the burden of women?
- § Environment: Do you think that there is connection between a more liberalized trade regime and further environmental degradation? Who are affected most by environmental degradation? What measures are being taken to cope with this problem in your community?
- § Tourism: To what extent is this important source of livelihood in your neighborhood/community? What is the gender balance of the employment created by tourism? Is the tourism in your community putting undue stress on the environment? What steps are being taken to expand tourism and create additional employment?
- § Economic Migration: To what extent is your household dependent upon remittances from members who have migrated to other countries? In your view, do you think that a more liberalized trading environment has led to more people going abroad in search of work? Who are most likely to migrate in search of work? What are some of the issues returnees (migrants who have returned from abroad) face in their attempt to reintegrate into the society?
- § Public health services: What are major constraints of public health services? What would be the possible impact of intellectual property rights regime on the provision of public health services to the poor? What policy measures are to be adopted for better access and delivery of public health services by and to the poor? Is public-private partnership a possible measure for better delivery of public health services to the poor? If yes, why and if no, why not? How do you see TIPRS and IPR affecting the supply and quality of public health services, particularly their effects upon the poor?

In thinking above these issues/questions, it would be helpful if you would also think about some overall issues, such as:

- § Supply and demand side effects: Think about both the supply side (supply of inputs, labor and working capital) and the demand side (marketing, prices for your produce, etc) effects of a more open multilateral trading regime. Of course, in thinking about supply and demand, the issue of price enters the picture as well. What is the effect on the price of inputs for farming/cottage industries or other productive entities? Because a more liberalized multilateral trading environment is expected to inject a healthy dose of competition, has there been a fall in the price of basic consumption goods (such as food items and clothing) and consumer durables (such as TV, stereos, tape recorder, refrigerators, etc). Has the quality of these items improved?
- § Livelihood opportunities: On balance, do you think that the present era of enhanced liberalization creates more opportunities for employment than it destroys? Have working conditions improved or deteriorated? Identify the channels/mechanisms through which you think international trade affects livelihood opportunities and food security and access to affordable public health services? The principal idea here is to try to identify mechanism/linkages that run from international trade to the labor market to poverty.
- § Coping strategies: How do the poor cope with the effects of international trade? Does a more liberalized trading environment put increasing pressure on the environment?

### **III. Contact & Information**

The venue of the Consultation will be India International Centre, New Delhi, Conference Room 2, 40 Max Mueller Marg, Lodhi Estate, New Delhi – 11003, India. Tel: 24619431

## **Annex 2 – Venue and Agenda**

### **Venue**

Indian International Center,  
Conference Room 2,  
40 Max Mueller Marg,  
Lodhi Estate, New Delhi – 11003  
Tel: 24619431

### **Agenda**

0830-0900	Registration
0900-1030	Objectives & Expectations Anuradha Rajivan, UNDP, New Delhi
	Brief background Objectives and Expectations of the Consultation
1030-1045	Tea/Coffee
1045-1300	Session 1: Public Health Services Moderator: Mira Shiva, Voluntary Health Association of India
1045-1100	Procedure for conduct of discussion
1100-1300	Stakeholders' Perceptions
1300-1400	Lunch
1400-1700	Session 2: Livelihoods & Food Security Moderator: Samar Verma, Oxfam GB in India
1400-1415	Procedure for conduct of discussion
1415-1615	Stakeholders' Perceptions
1615-1630	Tea/Coffee
1630-1700	Continuation of discussion
1700-1730	Summary of Emerging Issues: Anuradha Rajivan, Bipul Chatterjee
1730-1800	The Way Forward



## Project Proposal

### Asia-Pacific Stakeholders' Perceptions on Linkages between International Trade & Human Poverty

#### 1. Summary

UNDP is preparing a Regional Human Development Report (RHDR) for the Asia-Pacific region on international trade and human poverty, to be published in the third quarter of 2005. Because the report, which is essentially an advocacy document, will examine the ways in which international trade affects human poverty, it will be interesting to hear from stakeholders themselves (or representatives of stakeholders) about the issues of concern.

The feedback – their beliefs, perceptions, views and experiences – from stakeholders will be obtained in two ways:

- Two stakeholder consultations (in February and April); and
- A thirteen-country field survey undertaken by researchers and based on an agreed-upon questionnaire.

The feedback will be used for two purposes:

- To enrich the RHDR by working, as appropriate, the voice of those with vested interest in issues that affect their well-being. The feedback will be incorporated the various chapters of the report; and
- For the production of a high quality report, covering both Consultations and the field survey, to be published at a later date.

The field aspect of the study will be carried out by CUTS Centre for International Trade, Economics & Environment (CUTS-CITEE), Jaipur, India. CUTS will also assist with the organization of the two Stakeholder Consultations.

#### Implementing Organisation

Consumer Unity & Trust Society (CUTS)  
CUTS Centre for International Trade, Economics & Environment (CUTS -CITEE)  
D-217, Bhaskar Marg, Bani Park, Jaipur 302 016, India  
Tel: +91.141.228 2821  
Fax: +91.141.228 2485  
Email: [cuts@cuts-international.org](mailto:cuts@cuts-international.org)/[citee@cuts-international.org](mailto:citee@cuts-international.org)

## Contact Person

Bipul Chatterjee, Director, CUTS-CITEE  
Email: [bipul.chatterjee@cuts-international.org](mailto:bipul.chatterjee@cuts-international.org)

## Duration

2 (two) months: March 2005 to April 2005

## Budget

US\$ 29,733 (US\$ twenty nine thousand and seven hundred and thirty three)

## I. Background & Context

UNDP is preparing a Regional Human Development Report (RHDR) for the Asia-Pacific region on international trade and human poverty, to be published in the third quarter of 2005. Because the report, which is essentially an advocacy document, will examine the ways in which international trade affects human poverty, it will be interesting to hear from stakeholders themselves (or representatives of stakeholders) about the issues of concern.

The project has two sets of activities:

- Ø Two Stakeholder Consultations (February and April); and
- Ø A thirteen-country field study

CUTS will be responsible for the field study in its entirety; it will also assist with the organizational and rapporteuring of the two Consultations.

Stakeholders' feedbacks and perceptions will cover the following themes and sub-themes, which are also covered in the RHDR:

### Promoting Rural Livelihoods and Food Security

- Ü Agriculture
- Ü Fisheries
- Ü Geographical Indication

(Environment issues and biodiversity will be crosscutting issues)

### Generating and Sustaining Employment

- Ü Textiles and Clothing (established issue)
- Ü Tourism (established issue)
- Ü Overseas Movement of Persons (emerging issue)
- Ü Outsourcing (emerging issue)

(Diversifying the export base/tradables to be addressed as relevant)

### Ensuring Access to Basic Services

- Ü Energy
- Ü Environment
- Ü Health

Keeping in mind the above-stated themes and sub-themes, the project will look at both income and non-income aspects of poverty reduction in so far as these are impacted upon by international trade, as they together determine a person's capability to avail existing and future opportunities to secure a better livelihood. It is important to highlight the non-income aspects of poverty and how "international trade" are/can affect them, as international experience is mixed. For example, Bangladesh has done relatively better in 'non-income' aspects of poverty reduction, whereas India has done relatively well in 'income' aspects. Vietnam can be termed as a 'success', as its performance can be termed as good in both income and non-income aspects of poverty reduction.

## **II. Outputs**

There will be three sets of outputs from this project –

- A report on each of the two Stakeholder Consultation, and
- A high-quality report for separate publication as well as to provide inputs for the preparation of the RHDR– the will be based on the two Stakeholder Consultations, the field survey/research and feedback from a review process.

## **III. Field Research**

This aspect of the work is concerned with the interaction of stakeholders in the field in order to obtain their perceptions. The principal instrument employed for this purpose is a well-designed and focused questionnaire, which will be administered by trained and experienced researchers.

The steps to be followed in this process are as follows:

- Identification of stakeholders and/or representative(s) of stakeholders from selected countries in the region, in consultation with UNDP. Stakeholders will be drawn from:
  - Representatives of the above-stated themes/sub-themes, including workers depending on these sectors for their livelihoods;
  - NGOs working on development issues in general and specific sectoral issues as mentioned above;
  - Government officials – not from the ministry of trade/commerce, but from sectoral ministries, such as agriculture, textiles, energy, labor;
  - Research institutions, dealing with sectoral issues;
  - Media, in particular those who are writing fieldwork-based features on livelihood issues;
  - Parliamentarians, in particular representing a specific sector, like agriculture and having trade union background;
  - Regional organizations, such as SAARC Secretariat, UNESCAP, Consumers International's Regional Office for Asia and the Pacific; and
  - The private sector as this is an important source of both employment and growth
- Compilation of a list of stakeholders from the Asia-Pacific region who will be providing feedbacks and perceptions;
- Prepare focused sets of questions for obtaining feedbacks and perceptions from the stakeholders and contacting them with these set of questions;
- Networking with representative stakeholders by requesting them to facilitate fieldwork in selected countries;

- Quick pilot test of the questionnaire;
- Adjust questionnaire based on the pilot test, as necessary;
- Identify the researchers who will undertake the survey;
- Undertake the field survey, using the questionnaire as the instrument; and
- Write the final report by taking inputs from field research;
- Internal review of the report;
- Content and copy-editing of report;
- Printing of report.

The field research will be conducted in the following countries:

*South Asia*

- 1) Bangladesh \*
- 2) India
- 3) Nepal \*
- 4) Pakistan
- 5) Sri Lanka

*East & South East Asia*

- 1) Cambodia \*
- 2) China
- 3) Indonesia
- 4) Lao PDR \*
- 5) Malaysia
- 6) Thailand
- 7) The Philippines
- 8) Vietnam \*

\* Least developed/less developed

Other than specific issues and crosscutting issues as mentioned in Section I (Background & Context), there will be questions regarding gender dimensions. In addition, there will be some generic questions, so that researchers can steer interviews as per the objective of the project and as the direction of the discussions warrants.

As the final report will be analytical and qualitative in nature (not quantitative), the analysis will follow the ‘endowment-entitlement’ model of “choice and welfare” theory. Thus, questions will be prepared in a manner so as to derive stakeholders’ feedbacks and perceptions on international trade and its effect on endowment and entitlement sets (including choice) of people and transfer mechanism (terms of trade, commodity prices), so as to understand, in particular, factors leading to “trade entitlement failures” and also to look at ‘welfare’ as “freedom and opportunities”. In doing so, not only income aspects of poverty will be covered, but non-income aspects as well.

### **III. Consultations**

The two Stakeholder Consultations will be executed by UNDP in partnership with CUTS. In particular, CUTS will be responsible for:

- The identification of stakeholders who will participate in the Consultations;
- Logistical support in organizing the events, with UNDP assuming the main role, with CUTS assuming a secondary role.
- Rapportering the Consultations and preparing the report, together with UNDP, on the Consultations. This will be the responsibility of CUTS.

#### IV. Methodology

CUTS-CITEE will engage a Project Manager (for overseeing the project and writing the final report) and three researchers for doing the field research. One researcher will be engaged in South Asia and two in East and South East Asia. The following is the list of project manager and researchers and their brief CVs are enclosed:

- Bipul Chatterjee (Project Manager)
- Parashar Kulkarni (South Asia: Bangladesh, India, Nepal, Pakistan and Sri Lanka)
- Purnima Purohit (Mekong Region: Cambodia, Lao PDR, Thailand and Vietnam)
- Pramod Dev (Rest of the countries: China, Indonesia, Malaysia and The Philippines)

Before conducting the field aspect of the work, researchers will be trained on issues to be covered in the project, as well as on methodology of conducting field research (the survey). One aspect of this training is how to conduct field research in an unbiased manner. For example, researchers will be trained that they should not go to the field with preconceived notions but with an open and alert mind. Yet, as in the case of any stakeholder analysis, it needs to be emphasized that there will be an element of subjectiveness coming out of stakeholders' feedbacks and perceptions even though researchers approach the task in an objective manner. The Project Manager and the Project Researchers will participate in both the stakeholder consultations to be organized as part of this work.

The field research will be intensive in nature, instead of an extensive questionnaire survey. As research will be based on specific themes/policy issues, purposive sampling technique will be used in selecting the stakeholders. Representative stakeholders will be contacted while selecting the stakeholders in each country.

On each themes and sub-themes, there will be questions addressed to the different kinds of stakeholders. For example, in case of 'agriculture' there will be questions addressed to farmers and landless agricultural laborers. Cross-fertilization of views and concerns will be obtained from different stakeholders in order to get better perception on specific issues. For example, researcher will obtain feedbacks from big farmers on the perception expressed by marginal farmers. At another level, different questions will be used for obtaining feedbacks from different sectors. For example, "Rural Livelihood and Food Security" issues of stakeholders in the agriculture sector will be different from similar issues of stakeholders in the textiles sector, thus separate questions will be used.

A total of 90 person-days of field research will be conducted: 30 days for each researcher. After identification of stakeholders and preparation of sets of questions, stakeholders will be contacted with the sets of questions. In other words, stakeholders will be sounded with questions before the field research starts.

CUTS will start the field research from the date of receiving the contract from UNDP (expected start date is 21<sup>st</sup> March 2005) and the field research will continue for four weeks. The draft report of the field research will be prepared by 20<sup>th</sup> April 2005, which will be discussed with stakeholders. The final report of the field research will be submitted to the UNDP by 30<sup>th</sup> April 2005.<sup>2</sup>

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<sup>2</sup> These dates (i.e. 20<sup>th</sup> April 2005 for submission of the draft report) and 30<sup>th</sup> April 2005 (for submission of the final report) are subject to the condition that the fieldwork will start on 21<sup>st</sup> March 2005.

## V. Budget

Total budget of the project is US\$ 29,733 (US\$ twenty nine thousand and seven hundred and thirty three). Cost over-run in an item, if any, will be adjusted with other item(s) without any change in the overall budget figure.

<b>Item</b>	<b>Amount</b>
1. Travel Costs for Field Research	7,000
2. Accommodation & Related Costs of Field Research	9,000
3. Fees for Field Research	10,000
4. Fees for Writing the Draft & Final Reports	3,000
5. Audit Fees	150
6. Overheads [2% of US\$ 29,150 (Sum of 01 to 05)]	583
<b>Total</b>	<b>29,733</b>

### Explanatory Notes

1. US\$ 2,500 has been estimated to cover travel costs within South Asia and US\$ 4,500 is estimated for travel costs in East & South-East Asia.

2. A total of 90 person-days of field research required for implementing this project. Three researchers will put on average 30 days for doing the field research. Budget will cover accommodation, meals, local transport, photocopying of resource materials (relevant for the project), a small fee to local interpreters for services rendered (if required), etc.

3. US\$ 10,000 will be the fees for doing the field research.

4. US\$ 9,000 will be the fees to the Project Manager for managing the project, including research activities, such as but not limited to, preparation of questions, list of stakeholders, designing and conducting stakeholder consultations, writing reports, etc.

5. An independent auditor will audit the expenses to be incurred in this project and prepare the utilization certificate, which will be submitted to the UNDP, New Delhi Office or as specified, along with the final report.

6. Overheads are to cover communications (telephone, fax, internet time), utilities (electricity, water) and printing/stationery items to be used in implementing the project.



#### Annex 4 – Justification for CUTS selection

Since the proposed project is less than \$30,000, a formal bidding is not required, according to the rules of procurement for both UNDP and UNOPS. The procedure used to choose the institution for this exercise was as follows:

- An initial list of institutions was drawn up, based on Internet research, networking with colleagues, academicians.
- This list was examined and three institutions were selected for closer study.
- A list of criteria (left-hand side of the table below) was decided upon for the examination of the suitability of these institutions

Based on the above, it was decided that in terms of knowledge of and networking relationships with stakeholders, the main areas of interests and track record of these institutions, we are of the opinion that CUTS has emerged as the entity that best fits our needs and requirements and have elected, therefore, to work with CUTS.

More detail on how this decision was made can be found in the table below.

Name of Institution	Research & Information System for Non-aligned & Other Developing Countries	South Asia Watch on Trade, Economics & Environment (SAWTEE)	Consumer Unity & Trust Society (CUTS)
URL	<a href="http://www.ris.org.in">http://www.ris.org.in</a>	<a href="http://www.sawtee.org/">http://www.sawtee.org/</a>	<a href="http://www.cuts-international.org/">http://www.cuts-international.org/</a>
Address	RIS Zone IV-B Fourth Floor India Habitat Centre Lodhi Road, New Delhi-100 003, India Phone: 91-11-24682177-80 Fax: 91-11-24682173-74	SAWTEE PO Box: 19366, 254 Lamtangeen Marg, Baluwatar, Kathmandu, Nepal Tel: 977 -1-4415824/4444438, Fax: 977 -1-4444570/4430608	CUTS D-217, Bhaskar Marg, Bani Park, Jaipur 302 016, Rajasthan, India  Ph: +91(0)141-228 2821, Fax: +91(0)141-228 2485
Main Areas of Work	Multilateral economic and social issues, including regional and sub-regional cooperation arrangements; policy research is the core of RIS work programme. The areas of policy research at RIS fall into four broad categories, viz. World Trade and Financial System; Regional Economic Integration in Asia; South-South Cooperation; and Strategic Responses to Globalization the Fifth Ministerial Conference of WTO held in Cancun in September 2003 and was presented in New Delhi and Cancun on the sidelines of the Ministerial. RIS has a consultative status with UNCTAD, NAM and WTO has conducted policy research and other activities in	The goal of SAWTEE is to enable South Asian communities to benefit from and minimize the harms of changing regional and global economic paradigms. In this regard, SAWTEE will build the capacity of concerned stakeholders in South Asia by equipping them with knowledge, information and skills to voice their concerns in the context of globalization and liberalization.  In working toward this goal, SAWTEE will seek - <ul style="list-style-type: none"> <li>• To analyze the impacts of multilateral and regional trade arrangements and their functioning;</li> </ul>	In 1983, CUTS was a small voluntary group of concerned citizens operating out of a garage on a zero budget. Today, CUTS operate out of five centres in India, two in Africa, and one in the UK, with a budget which exceeds Rs.60mn or about US\$1.25mn and a staff strength of over 85 persons. The centres are located in Jaipur (head office), New Delhi, Chittorgarh and Calcutta in India, and in Lusaka, Zambia, Nairobi, Kenya and London, UK.  The work of CUTS is divided into five functional areas: <ul style="list-style-type: none"> <li>• Consumer protection, which includes accountability,</li> </ul>

Name of Institution	Research & Information System for Non-aligned & Other Developing Countries	South Asia Watch on Trade, Economics & Environment (SAWTEE)	Consumer Unity & Trust Society (CUTS)
	<p>collaboration with other agencies, including UN - ESCAP, UNCTAD, UNU, Group of 77, SAARC Secretariat, Asian Development Bank (ADB), The World Bank, and the South Centre.</p>	<ul style="list-style-type: none"> <li>• To conduct programmes that enhance the participation of developing countries, in particular LDCs and LLDCs, in the global trading regimes;</li> <li>• To contribute towards the process of regional integration with South Asia;</li> <li>• To establish linkages and promote cooperation with other organizations/agencies having similar objectives; and</li> <li>• To conduct research and advocacy programmes on trade, regional cooperation and sustainable development issues affecting South Asia.</li> </ul>	<p>regulatory reforms etc.;</p> <ul style="list-style-type: none"> <li>• Trade and development;</li> <li>• Competition, investment and regulatory policies;</li> <li>• Sustainable production and consumption, including consumer safety; and</li> <li>• Rural consumers and women's empowerment.</li> </ul> <p>The organization elects its board/executive committee every three years, while the Secretary General heads the Secretariat. Over 1200 individuals and 300 organizations are its members. The organization is accredited to the United Nations Conference on Trade and Development and the United Nations Commission on Sustainable Development.</p> <p>CUTS also works with several national, regional and international organizations, such as Consumers International, the International Centre for Trade and Sustainable Development, South Asia Watch on Trade, Economics &amp; Environment, the Consumer Coordination Council of India, etc. It also serves on several policy-making bodies of the Government of India.</p>
<p><b>Relevant Experience &amp; Track Record</b></p>	<p>RIS has accumulated considerable experience at the policy level and works in close association with various governmental bodies, research institutions, academicians, policy-makers, business and industry circles in India and abroad. However, its experience at the level of stakeholders seems to be rather limited.</p> <p>Based on our research, RIS does not seem to have a solid networking relationship with CSO, NGOs and other grass root organization.</p>	<p>SWATEE has considerable experience in advocacy and the international trade regime. However, its position is anti - WTO, which colors its perspective. Its preoccupation with this issue has to some extent detract from the work it should be doing with grass root organizations.</p> <p>As far as our research shows, SWATEE has never worked with any entity of the UN system.</p>	<p>CUTS has worked under UNDP-administered Global Environment Facility and in partnership with the Centre for Environment Education, Ahmedabad, in a Watershed development project in Chitorgarh, Rajasthan.</p> <p>Among other entities, CUTS is accredited with UNCTAD and worked with UNCTAD on several projects, such as Investment for Development, which was a seven-country, two-year project and the most crucial objective was to get civil society's perception on developmental implications of foreign direct</p>

Name of Institution	Research & Information System for Non-aligned & Other Developing Countries	South Asia Watch on Trade, Economics & Environment (SAWTEE)	Consumer Unity & Trust Society (CUTS)
			<p>investment.</p> <p>CUTS is essentially a grass root organization and has considerable networking arrangements with other entities working at both this level and higher up. It has good knowledge of the stakeholders in whom we are interested.</p>
<b>Stability of Institution</b>	Does not seem to be threatened as some Governments in the region support it.	Mostly dependent upon voluntary contributions	<p>Revenue is raised through membership subscriptions, the sale of publications, research contracts, donations from non-commercial sources, and grants from Government of India and the Consumer Welfare Fund.</p> <p>In fiscal year 2002-2003 (April 2002 to March 2003), CUTS's budget is expected to exceed Rs.60mn (including capital expenditure) or about US\$1.25mn. On a purchasing power parity basis, the budget would be about US\$7mn.</p>
<b>Rates</b>	Since we did not ask this company to submit a proposal, we do not know what its cost would have been.	Since we did not ask this company to submit a proposal, we do not know what its cost would have been.	<p>Based on our own work with several knowledge products over the past two years, we are of the opinion that the rates asked by CUTS are reasonable. For example, this proposal compares well with another of our survey – the BPO. While the latter covers three countries, the CUTS survey will cover 13 countries at a cost comparable to that of the BPO.</p> <p>It seems that the prevailing local rates for this kind of work hovers around this amount.</p>
<b>Overall</b>	While RIS has some experience working with the UNs, it is not really a grass root organization and is thus unsuitable to our purpose. More importantly, RIS does not seem to be involved with the kind of work that this study contemplates.	Since the RHDR is primarily and advocacy report and is intended to present the facts surrounding both sides of the fence – this consideration rules out SAWTEE, which, in addition, is involved too heavily with the negotiation aspects of trade.	<p>Because it is directly involved in the kind of work this study contemplates, it is naturally interested in us. When price, stability, track record and experience are added, the decision was clear: CUTS should undertake the study.</p> <p>CUTS has been in existence much longer than RIS and SAWTEE.</p>

## Annex 5 - List of Participants

1.	Atiur Rahman	Unnayan Shamannay/ Shamannay 2/E/1 -B Mymensingh Road Shahbagh Dhaka-1000 Bangladesh
2.	Ms. Dikshya Thapa Programme Associate	SAWTEE P.O.Box: 19366 254, Lamtangeen Marg Baluwatar Kathmandu Nepal
3.	Ms. Farhana Faruqi Stocker Country Representative Oxfam	WTO Watch Group Secretariat Oxfam GB Pakistan Programme House 201, Street 10, Sector E -7 Islamabad Pakistan
4.	Sanath Jayanetti Research Fellow	Institute of Policies Studies of Sri Lanka 99 St Michaels Road Colombo 3 Sri Lanka
5.	Mr Samsen Neak	Economic Institute of Cambodia (EIC) # 06, St. 288, Beung Keng Kang I Phnom Penh Cambodia
6.	Wallace Shuaihua Cheng Counsellor	Shanghai Municipal Government Development Research Centre Suite 1616-A, 200 Renmin Avenue Shanghai 200003 China
7.	Indah Suksmanigsinh Chairperson	YLKI JL Panoran Barat VII No.1 Duren Tiga, Jakarta 12760 Indonesia
8.	Dr. Leebouapao Deputy Director	Committee for Planning and Cooperation National Economic Research Institute Luang Prabang Rd. Vientiane, Lao PDR
9.	T. Indrani Secretary General	ERA Consumer, Malaysia No. 24, Jalan SS1/22A 47300 Petaling Jaya Selangor Darul Ehsan Malaysia
10.	Kamol Kamoltrakul Consultant	Forum-Asia 111 Suthisanwinitchai Road Huey Kwang Bangkok-10320 Thailand

11.	Ernesto Ordonez National Coordinator / Chair	Alyansa Agrikultura / AGRWATCH DHI Building, 2 Lapu-Lapu Ave Magallances Makati Philippines
12.	Dr.Minh Chien Ho General Director	Department for Social and Cultural Affairs Ministry of Planning and Investment Vietnam
13.	Stanley Simpson Coordinator	PANGS, 5 Bau Street GPO Box 15473 Suva Fiji Islands
14	K. M. Gopakumar	Mumbai, India
15	Gopinath	Bangalore, India
16	N. P. Samy	Bangalore, India
17	Pramod (CUTS)	Jaipur, India
18	Bipal (CUTS)	Jaipur, India
19	Ramesh Gampat	UNDP, RCC, Colombo
20	Achila Imchen	UNDP, India
21	Kalpana Chowdhury	UNDP, India

## Annex 6 - Survey Template

### Section 1: Basic Information

Name (optional): \_\_\_\_\_

Male/ Female: \_\_\_\_\_

Country: \_\_\_\_\_

Address (broad location in country): \_\_\_\_\_

Are you a stakeholder? Yes \_\_\_\_ No \_\_\_\_

Are you a representative of stakeholders: Yes \_\_\_\_ No \_\_\_\_

In which area are you active:

Agriculture \_\_\_\_

Fisheries \_\_\_\_

Textiles and clothing \_\_\_\_

Economic migration (short-term movement of people overseas) \_\_\_\_

Outsourcing \_\_\_\_

Tourism \_\_\_\_

Energy \_\_\_\_

Environment \_\_\_\_

Health \_\_\_\_

Date Interview was conducted: \_\_\_\_\_

### Section 2 - Questions

#### 1. Agriculture

##### Question No. 1

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
Increasing openness to trade has affected me in a positive way					
Increasing openness to trade has affected me in a negative way					
Price of my produced has increased					
Prices of my produce have been moved up and down more frequently than in the past					
Prices of my inputs have increased					
Government subsidies have been reduced					

Would you say that it is now easier for me to slip into poverty:

Yes \_\_\_\_ No \_\_\_\_ Do Not know \_\_\_\_

Give us some reasons for your answer to the above question –

##### Question No. 2

a)

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
Greater openness to trade has affected food					

security of poor farmers in a positive way					
Greater openness to trade has affected food security of poor farmers in a negative way					
Prices of staple food have increased					
Availability of staple food products has declined					
Subsidies on food items have been reduced					
My country has become a net food importer from net exporter					

a1) Compared to the past, do you think that it is easier now for you (or your family) go hungry:  
Yes \_\_\_ No \_\_\_\_\_ Do Not know \_\_\_\_\_

Give us some reasons for your answer to the above question –

b) No, on the contrary, I feel...

Question/Issue	Considerably	To some extent	Marginally	No Response
That a variety of food products is now available				
That the quality of available food is now higher				
I have greater access to food now compared to the past				

c) Tell us how the food security of the poor can be improved.

### Question No.3

How has trade affected the efficiency and productivity of different types of farmers?

Type	Considerable improvement	Average Improvement	No effect	Negative	Very Negative	Do not Know
Small						
Medium						
Large						

### Question No. 4

How has a more liberalized trading environment affected cropping patterns and type of crops cultivated in terms of -

Question/Issue	Considerably	To Some Extent	Marginally	Not at all	No Response
Shift from producing food crops to cash crops is on the rise					
Cultivation of alien crops has increased					
Planting of high yield varieties has increased					

### Question No. 5

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
Corporatisation of agriculture in my country has increased.					
Contract farming has increased					
Landlessness among farmers is on the rise					
Indebtedness among farmers has increased					
Farmers are becoming mere workers					

I am now more vulnerable to poverty:  
 Yes \_\_\_ No \_\_\_\_\_ Do Not know \_\_\_\_\_

Give us some reasons for your answer to the above question –

Is there any other thing you would like to tell us about the above questions? Let me repeat them to you. If you face more problems now with the changes in agriculture, how do you cope? Do you resort to drinking, for example?

**Question No. 6**

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
Trade openness has led to increased migration of agricultural workers to cities.					
Trade openness has not led to increased migration of agricultural workers to cities.					

**Question No. 7**

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
Governments can safeguard the interest of farmers under increasing trade openness.					
Government can do this through patenting of domestic varieties					
Government can do this by increasing direct subsidies during the farming stages					
Government can do this through setting minimum prices for the output					
We want both subsidies for farming and a just price for our produce					

Tell us about other ways in which you think the Government can protect the interests of farmers. Do you think that the government will be willing to implement the solutions you are suggesting?

**Question No. 8**

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
Programmes with the World Bank and IMF have negatively affected the ability of Governments to cope with the effects of trade.					
Government's ability to provide subsidies to the poor has been reduced					
The influence of foreign corporation on governments decision have increased					
These programmes have led to regional disparities within the country					



Is there any other thing you would like to add to the above questions?

### Question No. 9

We have discussed how greater openness to trade affects your interests in the agricultural sector. Would you like to add any other thing to the discussion we have had so far?

## 2. Fisheries

Question No.1. Which stakeholder group you belong to?

	Small/ marginal	Medium Size	Large	Do not own boats, etc
Fishermen				
Fisherwomen				
Ordinary Worker				
Exporters				

### Question No. 2

What is the impact of open trade on the following stakeholder groups in your country?

Producers/ Fishermen	Benefited considerably	Benefited marginally	Neither benefited nor lost	Lost marginally	Lost considerably	Not Applicable
Small/ Marginal						
Medium						
Large						

Exporters	Benefited considerably	Benefited marginally	Neither benefited nor lost	Lost marginally	Lost considerably	Not Applicable
Small						
Medium						
Large						

Workers	Benefited considerably	Benefited marginally	Neither benefited nor lost	Lost marginally	Lost considerably	Not Applicable
Small firms						
Medium firms						
Large firms						

### Question No. 3

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
A more liberalized trading environment has had a positive impact on me.					
A more liberalized trading environment has had a negative impact on me					
Prices of my produce have risen					
Prices of my produce have declined					
My income is now more stable					
My income is now less stable					
My chances of finding employment has increased					
My chances of finding employment has declined					
Cost of inputs for fishing have increased					
Cost of my fishing inputs has declined					
Working hours have increased					

Working hours have declined					
Working conditions are now better					
Working conditions are now worse					
Availability of fish/shrimp in a catchment area has reduced					
My bargaining capacity has reduced					
There is a greater demand for higher environmental, safety and health standards					

Because of the changes that have occurred in the fishery sector, it is now increasingly difficult for me to support myself and my family:

Yes \_\_\_\_ No \_\_\_\_\_ Do Not know \_\_\_\_\_

Is there any other thing that you would like to tell me about the impact of free trade on fisheries?

#### Question No. 4

The demand for shrimp/prawn

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
The demand for shrimp/prawns has increased					
The demand for shrimp/prawns has contracted					
My wages have increased					
My wages have declined					
My working hours have increased					
My working hours are shorter					
My working conditions have deteriorated					
I believe that now I am better equipped in terms of training and skills to do my job					
Farm land used for food production is being shifted to shrimp production					

c) Are you better off now ? Yes ..... No..... Don't Know.....

Please explain why you think so .....

#### Question no. 5

Are there any other issues you would like discuss? These must relate to the effect of free trade on shrimp/prawns.

### 3. Textiles & Clothing

#### Question No. 1

Which stakeholder group you belong to?

	Small/ marginal firms	Medium	Large
Owners			
Workers			
Retailer			
Exporters			

## Question No. 2

What is the impact of open trade on the following stakeholders groups in your country?

Owners	Benefited considerably	Benefited marginally	Neither benefited nor lost	Lost marginally	Lost considerably	Not Applicable
Small/ Marginal						
Medium						
Large						

Exporters	Benefited considerably	Benefited marginally	Neither benefited nor lost	Lost marginally	Lost considerably	Not Applicable
Small						
Medium						
Large						

Workers of...	Benefited considerably	Benefited marginally	Neither benefited nor lost	Lost marginally	Lost considerably	Not Applicable
Small firms						
Medium firms						
Large firms						

## Question No. 3

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
The abolition of the quota regime has negatively affected the Textiles & Clothing sector					
The abolition of the quota regime has positively affected the Textiles & Clothing Sector					
Access to the foreign markets have increased					
Consolidation, i.e. mergers/take over of small units have increased					
Competitiveness of the export sector has increased					
Employment opportunities have declined					
Income has increased					
Income has declined					
Demands on health, environment and labour standards have increased					

Now that the quota regime has ended, tell me what you think will happen to the clothing and textile sector. How will it affect you? How will it affect your community or the economy?

What percentage of the work force in the textile and clothing industry would you say represent women?

Who do you think will suffer the most from the restructuring of the textile and clothing industry as a result of the end of the multi-fibre agreement?

Women \_\_\_\_\_ Men \_\_\_\_\_

Give use an explanation for your response to the above question

If women ended up losing the jobs in the textile and clothing industry, how do you think they are going to cope? What do you think they will do?

#### Question No. 4

As you know, there are traditional producers operating in this sector. How do you think a more open trade regime will affect them?

#### Question No. 5

Do you think that the following measures will be useful in reducing the impact of open trade on the stakeholders in the traditional sectors?

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
Government Subsidy					
Protection through Geographical Indication* such as Silk Sarees of Kancheevaram, tie & dye of Rajasthan, India					
Labelling of their products					
Branding					

\* Geographical Indication recognises the distinctness of a product according to the area of its origin, for example, Basmati Rice from India, Golden rice of Thailand, Muslin of Dhaka, Ceylon tea.

#### Question No. 6

What type of measures (short-term and long-term) would you propose to insulate the poor stakeholders of this sector, if they are affected, from this regime change?

### 4. Tourism

#### Question No. 1

Tell us how tourism, as a result of a more open trading environment, has affected you or your family in terms of:

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
Employment opportunities have increased					
Employment opportunities have declined					
Our income has increased					
Our income has declined					
My cost of living has increased (or higher than non-tourist places)					
I am now unable to find a job in the off-season period					
I can easily find a job during the off-season period					
Workers in the tourist industry work longer hours than workers in other occupations					
Better facilities are available – like roads, electricity and safe drinking water, because of tourism					

The local environment has become polluted					
Social evils like crime, prostitution, abuse of drugs etc. have increased					
The influence of tourists has affected my family life					
It is difficult for me to find/ own a good place to live					
Because I had moved to the outskirts of the area, my family's access to health facilities, education, etc. has been reduced					

Do you think that males and females workers are treated differently in the tourist industry? Yes \_\_\_\_\_ NO \_\_\_\_\_

If you answered "yes" to the above questions, tell us why?

Is there any other thing you would like to tell us about the impact of trade on tourism? For example, how can you tell that increased trade has affected tourism? Are people in general more receptive to the increase in tourism in their community? In your view, does tourism have any impact, positive or negative, in the behaviour of people, youths in particular, in the community?

## 5. Short-term Overseas Movement of Persons

### Question No.1

What are the major reasons for overseas movement from your area, among the following?

Question/Issue	Mostly	To some extent	Not at all	No Response
Jobs are not available in my community.				
Lack of access to natural resources to enhance my skills				
I am unable to find a job that pays a decent wage				
I want to make some quick money				

Is there any other thing you would like to add? Are there other reasons why people go overseas for work and then return back to their community (home)?

### Question No. 2

Short-term work overseas has affected me/my family/ the community in terms of:

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
Our income has increased					
Our living standard has increased					
The community has lost many skilled workers because they have migrated abroad to seek short-term employment					
Due to the absence of adults, the vulnerability of women, the elderly and children has increased					
People who come back from abroad have difficulties to fit					

into community life again.					
More women going abroad has made their position in the family and society important					

### Question No.3

Let's talk some more. Why do you think people have trouble fitting back into the live of the community? Do you think that more women than men go aboard to seek short -term employment? Do they look for jobs when the come back to the community? What do they spend their money on?

## 6. Outsourcing

### Question No.1

Tell us how increased outsourcing has affected you in terms of -

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
My income has increased					
My living standard has improved					
Employment opportunities for women have increased					
Most of the outsourcing jobs are taken by women					
We work longer hours than other people					
The odd timings have affected my health					
Out sourcing has increased the chances of people being tied up in low skilled employment					
The chances of diversifying out sourcing activities to new areas like pharmaceuticals, biotechnology etc have increased					

Let's think some more about the effects of outsourcing. For example: Do you think that the companies underpay the workers? If more people are working, has this affected family and community life? Any other interesting ideas will be helpful.

## 7. Energy

### Question No. 1

In your view, has increased international trade led to an increase in the demand for energy in terms of

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
More energy is being used now					
Availability of energy (oil, coal, gas wood, charcoal, etc) has improved					
The poor is now able to choose from a range of energy sources to satisfy their needs					
The burden on women to secure energy for cooking and heating is now less					
The burden on women to secure energy for cooking and heating is heavier now					

Energy is now more affordable					
Energy is now less affordable					
Use of polluting and harmful energy sources like wood, charcoal etc has decreased					
Government subsidies to energy have been reduced					

Would you like to add any other thing to the above?

## Question No. 2

What are the possible measures can the government take to improve a ccess to energy services (such as improved access to electricity, availability of fuels) by the poor?

Question/issue	Very effective	Effective to some extent	Marginally Effective	Not at all effective	No Response
Greater competition					
Selective subsidies by government					
Price control by the government					

Are there any other measures aside from the above that you would like to propose?

Do you think that the government is likely to implement the measures proposed to improve access to energy services by the poor? Give us reasons for your answer.

Let's think some more about energy. For example: Which energy source do you use for cooking? Why is this so? Where do you get your energy supplies from?

## 8. Environment

### Question No. 1

Tell us how increased openness to trade has affected you in term of:

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
I have improved access to environmental services, such as sanitation and safe and clean water supply					
These environmental services are now more affordable					
The quality of these environmental services has improved					
Access to proper sanitation has improved					
Safe and clean water is now more widely available					
Environmental services now pose a smaller threat to health					
Environmental services now pose a bigger risk to health					
Because of trade, the more intensive use of land for crop production has resulted in a higher level of pollution.					

## Question 2

We would like to talk some more about issues such as these: How do you know that a more open trading regime affects environmental services? In your view, does increased international trade cause more damage to the environment? If yes, how would this affect the poor? What can the government do to help the poor in this regard?

## 9. Health

### Question 1

Who is the major health service provider in your community?

Question/Issue	Mostly	To some extent	Not at all	No Response
Government Institutions				
Private Institutions				
Charity (religious institutions, NGOs, etc.)				
Traditional medicine				
Quacks				

Any other comment you would like to make on the above. For example, do you visit more than one of these entities when you have health issues? Which of them is more reliable in terms of access, price and quality?

### Question No. 2

What is the impact of a more liberal trade regime on health in terms of

Question/Issue	Considerably	To some extent	Marginally	Not at all	No Response
Negatively affected my access to public health services					
Positively affected my access to public health services					
The role of the government in health service delivery has been getting smaller					
Budgetary spending on health has been reduced					
Health services have become unaffordable					
Preventive health measures have been reduced					
Availability of essential drugs has been reduced					
Affordability of essential drugs has been reduced					
Production of generic drugs has been reduced					
Poor people have become more vulnerable to illness					
Indebtedness of the poor in rural areas due to high cost of health care has increased					
Patent regime in drugs has made drugs unaffordable					
Companies are only interested in profits					
Quality of public health service delivery has reduced					

As result of the above my access to public health reduced

Yes..... NO..... Do not Know.....



I'll re-read the above questions to you. Would you like to tell us any other thing that we did not cover? Or would you like to add any other thing to the answer you gave us? For example, do you depend more now on private health service than on public health services? What suggestions do you have for making the provision of health care more affordable? Do you think that the government is likely to implement solutions proposed by the poor?

**Question No. 3**

Let's think about health some more. Tell us what you think about these, for example: What measures do you think can be used to safeguard the interest of the poor in the wake of trade openness in public health service delivery. What evidence do you have to show that trade has affected public health care?

In case we need to contact you to clarify issues raised in the questionnaire, would you grant us the permission to so?

Yes \_\_\_\_\_ NO \_\_\_\_\_

If yes, could you give us your email address: \_\_\_\_\_

And telephone contact: \_\_\_\_\_

Now that we are finished, is there any thing that you might have forgotten or would like to add? In particular, we have been emphasizing the effect of a more open trade regime on agriculture, fisheries, textile and clothing, short-term movement of people overseas, outsourcing, tourism, energy, environment and health. Tell us what kind of logic, in your thinking process, you used to connect trade regimes and these various sectors. In other words, how do you know that a more open trade regime affects stakeholders in these sectors?