



Linkages between International Trade and Human Poverty

Second Stakeholder Perception Workshop Report

New Delhi, India

1-3 June 2005

APRI

Asia Pacific Regional Human Development Report Initiative

Regional Centre in Colombo

Serving Asia and the Pacific

Table of Contents

| | |
|--|----|
| Summary of the First Consultation..... | 3 |
| Agriculture and Food Security | 4 |
| Fisheries | 4 |
| Textiles and Clothing | 4 |
| Tourism | 5 |
| Economic Migration | 5 |
| Outsourcing | 5 |
| Health..... | 5 |
| Energy | 5 |
| Environmental Services | 5 |
| Supply and Demand Side Effects | 5 |
| Livelihood Opportunities | 6 |
| Deliberations | 11 |
| Summary discussion of the Field Research | 12 |
| Agriculture: Down, but not out | 25 |
| Fisheries: Winners take it all | 33 |
| Textiles & Clothing | 37 |
| Outsourcing: An emerging sector..... | 45 |
| Tourism | 46 |
| Energy Services | 47 |
| Environmental Services | 48 |
| Health Services | 50 |
| Conclusion and Recommendations | 54 |
| Policy Recommendations..... | 56 |
| General | 56 |
| Agriculture..... | 56 |
| Fisheries | 57 |
| Textiles & Clothing | 58 |
| Economic Migration | 58 |
| Tourism | 58 |
| Annexure..... | 59 |
| Annex 1 – Agenda | 60 |
| Annex 2 – Participants | 63 |
| Annex 3 – Final Questionnaire..... | 66 |

Summary of the First Consultation

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 | • Sri Lanka |
| • Nepal | • Pakistan | • Thailand |
| • Philippines | • Vietnam | |

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.

The following decisions were taken regarding the field research at the first stakeholder consultation:

- Three researchers from CUTS-CITEE are to conduct field research. They are to be involved in developing and finalising the questionnaires for doing the field research.
- A single structured questionnaire is to be developed for all the countries covering the nine sub-themes.
- 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 taking 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.

Field Research

A separate report on the findings of the Field Research is prepared. The following sections will provide brief summary of the field research in an effort to provide some general overview of the findings.

Objectives

The main objectives of the Field Research were to:

- Get feedback from the stakeholders on the theme “linkages between international trade and human poverty”; and
- Focus on primary stakeholders who have maximum vested interest in the subject like the poor, workers, farmers, exporters and users of basic services, as concerns of these sections are often not voiced or represented adequately.

Questionnaire

The questionnaire was prepared during the First Stakeholder consultation in February 2005 in accordance to following:

- UNDP and CUTS-CITEE jointly prepared the structured questionnaire directed at the primary stakeholders.
- In order to give enough flexibility to the stakeholders, a five-option response set was provided for each question.
- To better capture the heterogeneity of issues and experiences, after each question extra spaces were to be provided for recording additional responses, missing issues and clarifications.

Selection of Stakeholders

CUTS-CITEE compiled a list of secondary stakeholders/representatives, who were contacted through email for leads to primary stakeholders in their countries and area of expertise. It was difficult to fix prior appointments with primary stakeholders due to the nature of their spread. Hence the method employed was to follow the leads from key contacts, secondary stakeholders, and other informants.

Due to the paucity of time, it was decided between UNDP and CUTS-CITEE that in each country 10-12 stakeholders will be interviewed and three-fourth among them were to be primary stakeholders. It was also decided that, wherever possible each primary stakeholder (especially the poorer ones) will be interviewed on at least two sub-themes viz. one relating to the stakeholder's livelihood and rest on her/his access to basic services. This was also thought to be a better way to understand the overall impact of changes in different sectors.

The following factors were taken into account while selecting stakeholders for the research:

- relationship with 'key' contacts;
- relevance, willingness and gender of the stakeholder;
- balance of stakeholders representing different sectors;
- ability to interact in English except in countries where there was assistance from interpreters;
- ability to provide feedback and perception on issues discussed;
- availability for spending time with field researchers; and
- location: in and around the capital city of a country.

Before starting the field research, an informal training for field researchers was organised at CUTS-CITEE. Field research started in the third week of April 2005 and covered 13 countries identified in the First Stakeholder Consultation. On average, a field researcher spent five days in one country.

A total of 160 stakeholders were interviewed achieving 75 per cent target. The ratio between primary and secondary stakeholders was 60:40. Despite best efforts, there was a gender skewedness towards males in the sample group. In South Asia, except in India, the number of women interviewed is much less than the men. Though in textile and clothing the percentage of total female stakeholders interviewed was almost double of the men.

Methodological Issues

- In general primary stakeholders could not draw out the linkages between international trade and poverty, as they were not aware about macro issues. There was a general lack of understanding among the primary stakeholders about the channels of trade they deal with. Hence, it was not strange correlation that almost all stakeholders were not unaware of possible gains under increasing openness.
- There was difficulty to set a single questionnaire directed at primary stakeholders of all the countries, especially when there are complex micro level socio-political and economic inter-linkages responsible for poverty.

- There were cultural issues involved while asking some important questions on poverty.
- Stakeholders generally preferred the conversation mode rather than strict adherence to direct questioning. Sometimes field researchers had to set aside questionnaires and get onto conversation to get responses.
- There is an inherent demerit of following a single structured questionnaire when both primary and secondary stakeholders were to be interviewed. The questionnaire was targeted at the primary stakeholders; but many issues and terms were unknown to them. Since the questionnaire was directed at the primary stakeholders many of the questions were not relevant to secondary stakeholders, and had to be reformulated.
- It was difficult to effectively capture the range of non-economic aspects that influence human development through a structured questionnaire. The conversational mode of data collection was a better tool.

The following were some practical issues faced by field researchers while conducting the field research:

- *Time*: interaction with more number of stakeholders (in particular, primary stakeholders and in places other than in and around the capital city of the respective countries, i.e. in hinterlands, where, in some countries, poverty is much more concentrated) would have been possible if there was more time for field research. Secondly, more time would have been spent with a stakeholder. Furthermore, in some countries there were public holidays during the time the field research was conducted.
- *Objectivity*: sometimes stakeholders tend to nurture high expectation about the outcomes of field research. Some of the interviews especially with stakeholders who have lost out were highly emotional. It was very difficult to control emotions and not to give hope or quell their hope. A general trend was that stakeholders who have lost out due to the impact of trade were generally forthcoming in their opinions. Whereas those who have benefited from trade were reluctant to divulge details. It affected the ability to better understand positive impact of trade.
- *Access*: in some countries, access to stakeholders was not good. This was due to several reasons – language being a major one and interpreters were not available in all cases and all the time. In some other cases (particularly, in sectors like ‘textiles and clothing,’ with respect to ‘migration’), employers denied full access to primary stakeholders, besides adopting rent-seeking attitudes.
- *Availability*: in some countries and in case of some sectors, primary stakeholders were not available at the time of the field research. Though field researchers did not adhere to “working hours” while conducting the field research, in some cases the timing of interaction did clash with the ‘engagement’ of primary stakeholders with their day-to-day ‘livelihood’ concerns. In some countries, it appears that the ‘civil society’ is underdeveloped and thus, the ‘environment’ in which it was being conducted affected the field research.
- *Selective distortion*: in some cases respondents were giving their views and opinions in a manner, which was biased towards his/her circumstances.

Preparation of Data and Analysis

After the field research was over, all questionnaires addressing a particular sector/issue from all 13 countries were ‘pooled’ together for analysing stakeholders’ feedback and perceptions on ‘linkages between international trade and human poverty’ so that the analysis did not suffer from either a ‘one-size-fits-all’ or a ‘one-type-fits-all’ approach.

The analysis followed a descriptive method for interpretation. Since the stakeholders were unable to demarcate the impact of trade in clear terms, the findings on human development impact were drawn by linking and corroborating different experiences of stakeholders with the responses to questions. Additional information provided by the stakeholders was helpful in revealing the complex linkages between international trade and human poverty.

Since the data collected cannot form a credible representative sample, generalisation of findings was avoided. The findings are, therefore, presented as examples of stakeholders’ experiences and perceptions.

Deliberations

The second stakeholder consultation was held during 1-3 June 2005. The methodology for selecting stakeholder-participants for this consultation was similar to the first consultation, except that at the second consultation, three stakeholder-participants were invited from each of the 13 countries where the field research was conducted. While one of them was the ‘key’ contact in respective countries, the following factors were taken into consideration for selecting the other ‘two’:

- good mix of primary and secondary (representative) stakeholders and other experts;
- stakeholders identified during the field survey.
- balance between different sectors (including some cross-cutting participants, i.e. who can represent different sectors);
- gender balance; and
- ability to take forward the results of this consultation (including conducting some more field research, if required) and the study to respective countries.

The specific objectives of the consultation were:

- Present work-in-progress on the different chapters of RHDR and obtain stakeholder perspectives on the two-way linkages between international trade, wages and employment, poverty, inequality, sustainability and ultimately human development, focusing on key aspects/sectors of international trade that are of relevance and of emerging importance to the Asia-Pacific region.
- Obtain feedback on the field research regarding –
 - the methodology employed
 - the principal findings – both general and theme/sub-theme specific
 - the differences and areas of agreements among different stakeholders as regards the findings of the field research to the extent that they have implications for poverty reduction and human development
- Obtain ideas for identification of key messages for national and international policy and opinion makers.

The following questions were considered to be important for the consultation:

- How does trade affect the conditions of the relatively worse off sections of the population?
- Is trade contributing to poverty reduction and widening inequalities?
- To what extent can trade contribute to rural livelihoods, wider employment opportunities, a reduction in inequalities and poverty?
- Apart from trade in goods, as trade in services and intellectual property gain importance, hitherto non-tradable increasingly enter international trade: What are the implications for affordability and access to basic services?
- Trade results in gainers and losers: what are the perspectives of different stakeholders?
- What are the implications for policy at the national and international levels for trade outcomes to be better aligned with poverty reduction and equity, enhanced productivity, sustainable growth, progress towards the Millennium Development Goals and more broadly, human development?

It was emphasised that while answering the above, there are certain concerns that need to be taken into account:

- Trade has positive as well as negative human development effects. There are many ‘invisible’ people who get affected by trade even though they are not active participants in the process of trade.
- Positive effects are not automatic – they may have to be engineered through policy.
- Trade is not about WTO agreements. The larger concept is how might its potential advantages affect human development

The consultation was structured around the themes of the proposed RHDR. The emphasis was on receiving feedback on the preliminary findings of the various chapters of the RHDR and the field research. The outcomes of the two stakeholder consultations and the findings of the field research are presented in subsequent chapters.

Summary discussion of the Field Research

The following presents in detail the discussions and deliberations on the findings of the Field Research carried out after the First Consultation in February 2005. To a great extent it represents the summary and recommendations of the research and contributes towards the Regional Human Development Report on International Trade and Human Poverty.

At the outset of the consultation the participants emphasised the following:

- There is a need to ensure that the positive effects of trade be engineered through *policy interventions*. It is not only trade policies that are important but also domestic policies with respect to health, education, agriculture etc. The policies should be coherent at the domestic, regional and international levels.
- The *multidimensional aspect of poverty* has to be borne in mind. Poverty is beyond lack of income. Social and cultural aspects are equally important. There is need to *empower and mobilise people* pulling themselves out of the poverty trap. The need for a clear grasp of the definition of “empowerment”.
- Reversal of *policy-making processes* may be necessary for better representation and participation of less well-off sections of society.
- The *positive case studies* within the Asia-Pacific region need to be mentioned in order to compare and contrast situations. Review of history vis-à-vis present cases to establish relationships.
- Trade has various strong as well as *subtle linkages* with the rest of the economy that need to be discussed.
- It has to be seen how trade can serve as a *means to achieve developmental goals*, and not be an end in itself.
- The *timing of the meeting* was also emphasised. It was felt that the issues have to be put across before the Hong Kong Ministerial Conference. It was felt that the messages should be put across clearly so that the interests of the developing countries vis-à-vis the developed countries can be safeguarded.

The *key messages* that came into focus after the introductory discussions are:

- Markets cannot take care of the inequalities as unequal partners in trade appropriate unequal gains from trade.
- Human development has to become centre stage in all policy interventions. Improvements in quality of life are important. “Demystification of trade” has to become mainstream.
- The interests of smaller countries need to be considered vis-à-vis the larger countries.
- Need to look beyond quantitative data. It has to be taken as a starting point. Surveys, research and investigations need to capture the qualitative aspect of data. Both types of data are important to arrive at meaningful policy intervention policies.

International Trade and Human Development: Two-way Relation

This session highlighted the following main points:

- Human development can be grouped into four facets: Empowerment, Productivity, Equity and Sustainability.
- Countries can follow policies that are either human development lopsided or economic growth lopsided.
- The following needs to be considered while evaluating trade policy and its outcomes on human development:
 - Livelihood and employment
 - Rural incomes and food security
 - Access to basic services
 - Social resources for investment
 - Technological upgrading and innovation
 - Gender relations
- The *key challenges* that are faced are:
 - Can trade continue to play a positive role in human development?
 - Can state play a strategic role in managing external trade?
 - Can a domestic private sector emerge?
 - Is the current system dependent on low cost labour?
 - Can trade extend beyond its direct benefits for human development through economic growth by expanding choices and enhancing capabilities for sustainable betterment of people’s lives?

According to the discussant of this session, a conceptual framework was to be evolved to study the link between trade and human development. It is necessary to put growth in the trade and human development perspective. Also, the importance of public action needs to be recognised for trade to affect human development. The conditions through which growth leads to higher human development need to be specified. Moreover, higher productivity in agriculture is a prerequisite to ensure integration through trade.

The floor discussions pointed out to the following issues and concerns:

- *Conceptual framework* has to be linked to the *actual experiences* of Asia-Pacific countries.

- *Trade policies* should not be entirely based on commercial objectives but should also incorporate social and *human development objectives*.
- *Growth* process and policies should also improve the *quality of life*.
- Trade policy needs to be clearly defined. Need for expansion of *definition of trade policy* so as to study the disaggregated effects of policy on human development.
- Need to go beyond pro-poor growth to *pro-poor development* in the conceptual framework.
- Issues of *financing of development* and *transfer of technology* in relation to trade need to be stressed upon.
- Countries should consider *cooperative efforts* to respond to trade agreements, which have negative human development consequences.

What the Data Say?

The next presentation was on data and its analysis in order to examine regional and sectoral trends of human development index (HDI) and trade. The analysis was based on data on 39 countries over the period 1970 to 2002. The main findings of data pointed towards the following facts:

- *Growth trends*: Asia-Pacific Region has grown faster than other developing regions; South Asia has grown faster than East Asia and Pacific in terms of GDP growth but not in terms of Per Capita GDP; LDCs in Asia Pacific have grown faster than all LDCs.
- *Trade trends*: Trade has grown faster in East Asia and Pacific as compared to South Asia; imports have grown faster than exports in South Asia;
- *Human development trends*: East Asia and South Asia lag behind other developing countries with respect to many Human Development Indicators; poverty has fallen more rapidly in East Asia and Pacific though growth has been higher in South Asia; Latin America and Caribbean have done better in HDI, HPI (Human Poverty Index?) and GDI (Gender-Related Development Index?) than EAP and South Asia; the degrees of improvements in HDI have varied across countries.
- *Correlation between trade and HDI*: Trade and HDI had high correlation in 1990 (0.66) but this declined steadily by 2002 (0.55); correlation between exports and HDI (0.65) is higher than that between imports and HDI (0.56), exports and HDI are more correlated in LDCs than in DCs, correlation between imports and HDI in LDCs has steadily fallen. However it is important to analyse individual country experiences of growth in trade and HDI to arrive at more meaningful policy implications.
- *Sectoral trends*: Agriculture is a predominant sector in terms of employment generation in both DCs and LDCs though the growth rate has been falling since late 80s in most DCs and LDCs; agricultural exports and imports have declined in DCs; trade in manufacturing and services sectors has been increasing; important to conduct sectoral studies to analyse the impact on sectoral trade on HDI.

By looking at the data, the following conclusions and implications can be drawn:

- trade *does not necessarily* lead to improvement in human development and a decline in poverty;

- exports are more correlated to HDI than imports;
- correlation is higher in LDCs than DCs;
- there is a need to analyse data further, to arrive at policy interventions:
 - country level studies are required to analyse the role of policy in this relationship,
 - important to estimate sectoral employment elasticities of trade, and
 - conduct sector specific studies to analyse the impact of trade on HDI.

The floor discussions after the presentation pointed to concerns of data consistency and analysis. The following issues were raised:

- The *use of correlation* to study the extent of relationship between indicators was questioned. Also, attention was pointed towards possibility of spurious correlation and problem of endogeneity.
- Need to do a *further analysis* to examine the underlying reasons for correlations between exports, imports and HDI.
- Trade volume is *not the only important factor* for trade policy. Other issues, which are not directly related give examples? are also important for policy formulation.
- *Comparison of HDI* overtime was questionable. However, it was clarified that the HDI indicators used were comparable taking into account methodology over time.
- The need to capture *informal and across-border trade* was stressed upon. It was pointed out that in many countries, this type of trade was a significant proportion of overall trade.
- For the effect of trade on HDI, it is also important to find out the *beneficiaries* of international trade.
- Use of *consumer price index* for a proxy of poverty was suggested as inflation plays a major role in determining the extent of poverty by affecting real incomes.
- *Exchange rate* has to be taken into consideration if trade is defined within the context of exports and imports.
- Use of *common trade policies* to analyse trends.

Promoting Rural Livelihoods and Food Security

In the Asia-Pacific region, there is a great diversity in the share of agriculture as a percentage of GDP between countries, with Laos at 52 per cent and Korea at 6 per cent. Generally, at lower levels of GDP the significance of agriculture in the economy is higher. This means that distortions in world agriculture trade have the largest impact on the poorest countries in Asia. It is in this context that the next presentation focused on the effect of trade on agriculture and fisheries. The importance of agriculture in developing countries is through two main channels:

- Importance in deriving income growth and employment generation.
- Importance for food security.

The trends in international trade in developing countries points to the following:

- Developed countries are natural exporters of agricultural commodities.
- LDCs are involved in trade, but mainly in those areas where benefits are small or negligible.

- Developing countries could lose out in their export areas and be adversely affected in their import dependent areas, especially food.

The presentation pointed out the following concerns for the developing countries in the area of international trade in agriculture:

- Unequal concessions to developing and developed countries: While concerns of the developed are consistently addressed, the only special concession being provided to developing countries in this area is a longer implementation period.
- Concessions to developing countries for Special Products impinging on issues of rural development, livelihood security and food security is left undefined.
- In sum, the concern in the agricultural area during the framework stage has been to take on board the sensitivities of the developed countries, particularly the European Union, while postponing any special specification relating to the developing countries.

The discussions pointed towards the importance of agriculture in developing countries and need to strengthen this sector for maximising gains from liberalisation:

- Food security issue needs greater attention. It can be discussed in terms of: availability, access and constraints. The issue of food security has not been given adequate attention. The issue of sustainability of food security under the current trade regime has to be borne to mind.
- Nutritional value of food is an important determinant affecting poverty in developing countries. Healthy individuals can benefit from increased opportunities from trade.
- Farmers need better infrastructure and cheaper credit facilities in most of the developing countries.
- The increase of TNCs in agricultural trade has impacted small farmers adversely. There has been shift from food crops to cash crops, change in consumption patterns and introduction of genetically modified (GM) foods. These factors affect livelihood.
- Many problems in the agricultural sector are due to domestic policies and not necessarily trade policy. Call for domestic policy reforms.
- Need to negotiate that developed countries bring down agricultural subsidies.
- Need to deal with trans-border activities such as illegal smuggling which distorts import prices.
- The changing consumption trends from biotechnology

Human Development Issues in Generating and Sustaining Employment

This session touched upon human development issues in generating and sustaining employment. The sectors covered included textiles & clothing (T&C), short-term economic migration, outsourcing and tourism. The common issues relevant to all these sectors are: employment potential, powerful HD outcomes especially for women, capability to expand the base of tradable.

The presentations emphasised the following issues and concerns of human development in these sectors:

- HD challenges in T&C: exploitative work conditions, despite legislation; gender based wage disparities where women are usually lower-paid and employed in lower-skilled jobs; foregone employment and income opportunities in countries adversely impacted by quotas.
- Short-term economic migration: the positive HD outcomes include opportunity to improve quality of life; female empowerment – effects on family; remittances are a major source of foreign exchange, revenue for capital and consumption and poverty alleviation; skills and knowledge transfer and externalities. There are negative outcomes, which include increases in income disparities; exploitative conditions for workers - especially women; loss of skills in sending countries and negative externalities.
- Outsourcing: employment and income-creating potential; skills and knowledge transfer; resource generation; externalities and other social and cultural implications.
- Tourism: focus on tourism that generates net benefits to the poor; approach to tourism development; not a specific product or niche sector; may benefit the poor as well as non-poor; strategies focus on increasing opportunities for poor and not only expanding the overall size of the sector

The following policy recommendations were suggested for these sectors for better human development:

- *Need to mitigate negative impacts on HD:* creation of decent work by enforcing realistic legislation, formulation of responsible closure policies of restructuring and retraining; special focus on women workers.
- *Foster International Competition:* to enable infrastructure investments, especially? in physical and social a word missing?; fiscal incentives to be given
- *Need to deepen market access:* trade agreements to protect policy space, pursue tariff reductions and enable more market access; regional integration to pursue south-south trade and special policy measures for LDCs
- *Policy options for migration:* protection of workers' rights; support for family welfare and reintegration; easy transfer of resources and technology; promotion of desirable migration; international, bilateral and regional agreements; more cooperation between labour exporting and importing countries;
- *Policy options for tourism:* government in tourism to operate on more professional basis, provision of more data on tourism for easy analysis; reduction in entry barriers and permissions required; need to implement accountability/transparency to tackle red tape and bureaucracy; develop indicators for each process to measure objectives e.g. key performance indicators; minimise negative effects of tourism; develop infrastructure facilities and train and impart skills for tourism purposes.

The discussions reiterated the important and significant role that these emerging sectors can play in improving conditions of people. These sectors have an enormous potential to generate employment and create opportunities whereby a larger section of society can gain from increased opportunities.

- It was felt that the concept of pro-poor tourism was not clear from the presentation.
- Pro-poor tourism depends on comparative advantage of destination

- Though it was realised that these sectors have a positive impact, however, individual country cases pointed out the negative impacts of these new sectors. These negative impacts were mainly in the form of changing social norms and attitudes. Women in T&C sectors had varied reactions across countries.
- It was felt that imposition of quantitative limits on exports based on performance of past exporters spawns problems, especially for those who were not initially members.
- It was felt that due to large movements of labour, labour laws needed to be devised and enforced for migrant workers also.
- The negative impacts of outsourcing jobs were discussed. Attention was drawn to cases of racial discrimination and abuse.
- The issue of sustainable development and environment were raised, as there is a trade off involved while developing tourism.

The discussion ended with a word of caution on the implications on labour – migrant, farmers, female labour – of the changing work profile and nature of work. It was strongly felt that these changes should be backed by stronger legislations to improve conditions of workers.

Ensuring Access to Basic Services

As countries become richer and more industrialised, the share of services rises in overall GDP. The General Agreement on Trade in Services (GATS) is among the WTO's most important agreements. The accord came into force in January 1995. The GATS has two parts: the framework agreement containing the general rules and disciplines; and the national “schedules” which list individual countries’ specific commitments on access to their domestic markets by foreign suppliers.

GATS categorises services delivery into four modes of supply, namely:

- Cross-border supply,
- Consumption abroad (e.g. tourism),
- Foreign commercial presence, and
- Movement of natural persons.

The argument in favour of GATS is that since the services sector is the largest and fastest-growing sector of the world economy, providing more than 60 per cent of global output and in many countries an even larger share of employment, the lack of a legal framework for international services trade was anomalous and dangerous: anomalous because the potential benefits of services liberalisation are at least as great as in the goods sector, and dangerous because there was no legal basis on which to resolve conflicting national interests.

The presentation highlighted the issues in access of environment, energy and health through the HD lens. Furthermore, issues took on both rural as well as urban perspective. It also outlined the structure of GATS and drew attention to specific concerns for countries of AP. It pointed out that there are policy options that can be exercised within GATS and outside it, at national levels.

The following observations were made:

- *Glaring gaps* in “services poverty” – inequity in access, affordability; opportunity for jobs & growth
- Need for *domestic regulations* and policy reforms
- Need for heavy *public and private investments* attached with *social obligations*; role of foreign participation in provision of these services
- Look for *approaches within and outside GATS*; strategic responses to negotiating requests
- *Policy thrust*: ensure access at affordable prices to the poor

The following policy options were suggested for the countries of Asia-Pacific:

- Human development is directly related to water and sanitation? (W&S), energy and health issues.
- Prudence over ideology to court private investment.
- Unilaterally, innovative leveraging of FDI to honor social obligations on access and affordability.
- AP countries should use GATS flexibility to negotiate strategically.
- Seek win-win outcomes.

The discussant of the session reiterated the importance of basic services in achieving MDGs. The important goal should be to ensure ‘affordable’ services to the millions in Asia and Pacific. This calls for huge investments and need for foreign direct investment (FDI). The challenge then would be to find the balance between attracting FDI and fulfilling social obligations. There is also a need to explore private-public participation models for provision of basic services and replicate successful models. The following issues deserve greater attention:

- Linking health, water and sanitation issues
- Tourism sector is an emerging sector in many countries of Asia-Pacific.
- Intellectual property rights: patents are important issues.
- AIDS is a major threat, which requires huge levels of expenditure.
- Subsidies in provision of basic services: it has been seen as to how much government loses out due to failed projects in basic services.

In addition to the above, floor discussions raised further concerns:

- The question is how to provide basic services: whether through *GATS framework vs. non-GATS framework*?
- The *sequencing of private investment* is important in electricity services: generation, transmission and distribution are three steps in provision of electricity. Which of these should be privatised and what incentives should be given to the private operators?
- *Judicial activism* has played an important role in the way services are provided in India. Similar role of judiciary in other countries has to be examined.
- The issue of *brain drain* has to be addressed.
- A distinction has to be made between permanent and short term migration
- *Public opinion* is important in the provision of basic services as these determine the quality of life of the population.
- The *effects of pluralism* have to be borne in mind while opening up basic service sectors to private players. Use country experiences/case by case

review. We should not make a case for private entry on grounds of pressing needs.

- Need to *demystify* WTO formulations and policies should be open to public scrutiny.
- The *issue of pricing* demands attention as private sector provision would call for higher tariffs. Due to the heavy sunk costs, long-term commitments would be required and this would lead to a substitution of public monopoly with private monopoly.
- There have been cases where private provision of health services has improved access. However, most of the beneficiaries are the better off and those residing in urban areas. *Rural areas* are still ignored.
- *Corruption, governance and forms of participation* have to be confronted.
- Policy reorientation is pivoted on *political will*.

Summing up, it can be said that the issues of *access, pricing, private-public participation* and *governance* need to be addressed in provision of basic services. Also, it has to be borne in mind that trade is not a panacea; it can be used only as a means to solve the problems, not an end in itself. GATS has to be confronted with indigenous, unilateral, bilateral and multilateral approaches.

Trade Liberalisation and Employment

The next presentation emphasised the relationship between trade liberalisation and employment by bringing out emerging issues and shedding light on evidence.

- *Key issues*: jobless growth in the manufacturing sector, intensification of informal employment and the limited success of liberalisation in some countries while others did not benefit.
- *Evidence* points to the following facts:
 - The *impact of trade liberalisation* on employment generation and poverty reduction has been *ambiguous*.
 - Trade has *direct* as well as *indirect* links with poverty.
 - *Short-run vs. long-run*: while the short run impact has been negative, there have been gains in long run.
 - *Domestic economic policies* and production/consumption patterns of a country are a key factor in determining the impact of trade on employment.
 - *Unequal distribution* of benefits of trade liberalisation
 - Trade *liberalisation* accompanied by *macro policies* at national levels.
 - *Varying impact*: Net impact on employment depends on political and social factors and varies from country to country and period to period.
- A study of *employment elasticities* points to the following:
 - Low employment elasticity in most Asian countries (below 0.40).
 - Agriculture is no more the refuge sector for the unemployed.
 - Rather, the service sector emerging as the refuge sector (except possibly in Sri Lanka & India).
 - Employment elasticity of manufacturing declined in post-liberalisation period.
 - In 18 out of 28 industries considered, rate of employment growth was higher in the '90s than in the '80s at the three-digit level.

Based on these findings, two *major conclusions* can be drawn:

- Trade Liberalisation needs to be coherent with other macro reforms, particularly industrial and exchange rate policies because real exchange rate has appreciated in recent years.
- Successful export promotion requires a range of complementary policies, the most important of which relate to infrastructure and credit provision.

The suggestions and issues raised after the presentation can be summarised as following:

- Need to discuss issues of unemployment and underemployment in greater detail.
- Liberalisation has had adverse impact on labour and employment in many countries. Privatised industrial sector does not offer adequate employment generation opportunities. Agriculture in developing countries still absorbs surplus labour.
- Trade has impacted not only employment but also wages. Effect on real wages is important in determining outcomes for human development.
- Exploitation of labour is a major concern. This calls for labour reforms.
- Training of labour and market access needs to be ensured for higher efficiency of labour. The service sector has many access barriers, for example level of literacy.
- Existence of working poor is a common phenomenon in AP. It is necessary for employment to provide a minimum living wage for employment employees to have a sufficient positive impact on human development. The case of non-remunerative employment is more prevailing in agriculture and services, less in the manufacturing sector.
- Gender-based differential in wages leads to adverse working conditions. Women are often paid less and made to work longer hours. Though trade liberalisation has opened new avenues for women employment, it has made working conditions worse than before.
- Jobless growth, worsening work conditions and low productivity of labour are important impediments of growth and better standards of living.
- Domestic policies reforms are also important along with trade policies.
- Foreign Direct Investment cannot be overlooked when dealing with employment generation.

Field Research: Methodological and Practical Issues

Though the data was yet to be collated (at the time of presentation) and analysed to arrive at specific conclusions, the presentation pointed towards broad and general issues that needed to be discussed in the trade-human development relationship. The composition of stakeholders would also be revealed when data had been processed. The larger issues included:

- Broad definition of trade – not only rules and procedures, exports and imports.
- Awareness on availing opportunities of trade.
- Safety nets to mitigate adverse shocks. Increased awareness is helpful to prepare for sudden changes.
- Lack of complementary policies and policy incoherence.

The discussant pointed out that the sample was not random and rather it was an intelligent choice of primary stakeholders. Field research was an innovative way of capturing perspectives across countries and then analysing data to study how trade has impacted human development.

The floor discussions pointed out the following concerns about the methodology, sample size and analysis:

- *Generalised analysis*: it was felt that the analysis did not seem to follow directly from the data. A cautionary note was that too much generalisation should be avoided as the sample size was too small. Data should account for specific economic and political situation to avoid generalising. How data was analysed would give grounds to the message imparted.
- *Nomenclature*: It was also pointed out that it could not be called a survey as the sample size was too small. Different nomenclatures were suggested like interview, investigation, perspective, and anecdotes.
- *Limitations of field research*: these included: ability of the researchers to understand the local conditions, format of questionnaires, language barriers. One conclusion from the investigations pointed out that the respondents did not have a macro picture and could not see obvious linkages between trade and HD. It was also suggested that the data be analysed to bring out the gender profile, work profile of stakeholders. Also, the social and cultural factors are important and should get reflected in the analysis.
- *In-built bias of data*: the general assumption is that people do not make rationale choices. Moreover, choices are made on social and other important factors, not only economic. Findings should be packaged appropriately to highlight specific issues. Data to be used as a launch pad for further survey and research.

What Could be the Main Messages of the RHDR?

The session aimed to draw main messages for the UNDP's RHDR on International Trade and Human Poverty. It was pointed out that the UNDP's human development reports are advocacy documents, which aim to draw attention of varied people like economists, policy makers, general public and media. HDRs should be neither too academic nor too journalistic. Human development issues are the key focus areas and data analysis should break new grounds without losing the trade aspect.

The RHDR on International Trade and Human Poverty aims to answer the following:

- Who are the winners and losers from trade?
- Which specific Asian countries have high growth and no jobs - and why?
- Which countries have high growth with new jobs creation and why?
- Which countries can show that trade has been good for human development?
- Which countries show the opposite and the reasons?

While suggesting key messages, the following issues have to be considered:

- What is being advocated- internationally as well as nationally?
- How to ensure that regional trade be more equitable?
- Policy interventions at national and local levels.

The aim of the session was to identify five to eight key messages for the RHDR on International Trade and Human Poverty. The participants were requested to suggest short and specific messages and provide possible policy options. Some of the key issues, especially from the point of view of dissemination, identified were as follows:

- Highlight contradictions, paradoxes. Use contrasts and comparisons to clarify main points.
- Need to raise issues; indicate options; suggest ways of avoiding mistakes; search for solutions that are realistic, practical and feasible; and disseminate knowledge of good practices.
- Trade RHDR should influence policy makers, perhaps change lives for the better.
- Clarity of words: Say what you mean and mean what you say. Need to use sharp and crisp statements.
- Jargon to be reduced/ avoided; abbreviations to be explained.
- Need to be simple: not simplistic: points to be made strongly.
- Trade RHDR should demystify concepts, rules of WTO.
- Need to create ‘news’ to attract media attention. Democratic media targets “sensational” news.

Open Forum

The presentations were followed by floor discussions where participants were requested to lay out specific messages that could be inferred from this meeting. The following messages and suggestions were identified for this purpose:

- There can be no single message for Asia Pacific keeping in view its heterogeneity.
- Losers and winners need to be pointed out.
- Trade-led development to be replaced by people-led development.
- Need to negotiate with developed countries and force them to bring down subsidies.
- Instead of compartmentalising into good or bad trade, there is the need to understand the heterogeneity of effects of trade.
- Highlight case studies, anecdotes, people-oriented studies to make RHDR more attractive and useful.
- Need to identify the target audience of RHDR.
- Messages to be should a word be added here?: Improved quality of life for all, equitable access to public services, empowerment as central focus.
- Trade good for human development, but forced trade not good for human development.
- Trade must be participatory to create a positive impact.
- Market preferential access from exports of LDCs.
- Safe and dignified movement of people.
- Message to US and Europe: “Stop fighting over underwear and think of underdevelopment.”
- “Underwear or underdevelopment: Whose interests do we save?”
- Trade reforms do not mean trade liberalisation.
- “Put home markets above international trade.”

- It was also felt that the messages should not aim only at the Hong Kong Ministerial and the Trade RHDR should serve as an important advocacy for a longer period of time, well after Ministerial.
- Need to take a balanced view where positive cases should also be mentioned along with negative ones.
- Conclusions should follow from chapters and not based on preconceived notions.
- Trade should be for gender equality. Cultural and social factors to be included.
- “Trade – Human Development = Zero”
- Suggestion to look at report with respect to the MDGs.
- Questions regarding timing and hypothesis of the RHDR. The house was informed of time frame by AR (what does this stand for?).
- Need to undertake domestic policy reforms.
- Fair trade is trade that is not forced.
- Developing countries should coordinate/unite/organise to assume common position.

Following this, there was discussion on future activities of UNDP’s Regional Centre in Colombo on trade-related issues. Taking into account trade negotiations in the future, the following issues need to be considered for understanding and highlighting human development implications of international trade:

- Integrating social policies with trade policy.
- Agricultural and industrial diversification strategies.
- Domestic competitiveness strategies.
- Post-tsunami recovery.
- Fiscal impact of trade reforms.
- Regional cooperation strategies.

The discussions after the presentation drew attention to the following issues and concerns:

- Agriculture sector needed greater attention, especially from the point of view of food security. AP countries need to diversify agriculture and get into agro-processing, value added products.
- Trade facilitation is a new issue and implications yet not clear. There has to be a clear link for dissemination of national trade policy at a local level, otherwise it will be difficult to take trade facilitation measures.
- Sustainable consumption is an important issue, which has been ignored so far.
- Good governance, fair trade and corruption issues should be clubbed together and a holistic view needed to find solutions.
- Heterogeneity of Asia has to be borne in mind while suggesting policy options.
- Need for regional and sub-regional cooperation within AP.
- Trade and investment linkages to be well understood.
- Need for a good grasp of the extent to which environmental concerns become a part of global trade.

Conclusion

The main conclusions of the meeting are as follows:

- Potential box items in RHDR on international trade and human poverty: specific stories/anecdotes, case studies, country-specific experiences shared by participants.
- It was felt that the focus was on Asia and that the Pacific nations were generally left out discussions. So need to look at them as well.
- Need to look within Asia-Pacific for opportunities, issues and solutions.
- Countries should have the space to implement its own strategy and system.
- Concerns of landlocked and island states required special attention.
- Use of investment tools for domestic policies.

The following characteristics are taken into consideration while organising this chapter:

- Stakeholders' perceptions and feedbacks are analysed in a sector/theme-wise chronological manner.
- Stakeholders' perceptions and feedbacks are not analysed in a country-specific manner.
- The chapter emphasises on stakeholders' 'perceptions and feedbacks' and does not provide much background (through literature review) regarding the importance of the sector/theme. The 'background' is kept as brief as possible.
- The analysis is based on how increasing openness on account of international trade is affecting people's livelihoods through its impact on people's 'endowment' and 'entitlement' to basic needs (such as food, clothing, basic services like health, energy, environmental services). Employment effect of increasing exposure to openness through international trade has been embedded while analysing the above-stated impact.¹

The finding presented here cannot be generalised or taken to represent credible patterns. This is due to the limited sample size and the nature (perception analysis) of the research. However, they are real life experiences and indicators of ground realities. Many findings conform to and reiterate the knowledge of the existing literature. But there are a few significant observations and experiences of stakeholders that may go against the findings of existing literature. For instance the findings of this study on the impact of abolitions of quotas on women and how it affect human development of the female stakeholders, do vary from the findings in the existing literature.

Agriculture: Down, but not out

In the countries of the Asia Pacific region, human development impact of trade is very high in the agriculture sector. This is due to the large number of people dependent on it and the backwardness of this sector. Though the share of agriculture in the national economies of the region is decreasing progressively, the sector still remains very important for the poor stakeholders in terms of employment and livelihood. Agriculture remains a cultural activity for many of the poor stakeholders in the region. It is observed that, even when they find it difficult to continue with farming, they do not leave the profession completely.

In agriculture, the negative impacts of trade are more than the positives. Moreover, the changes occurring in this sector have considerably impacted the trade and human poverty linkages in other sectors studied under this research, except for outsourcing. The minor changes in the sector and resultant job losses create huge pressures on the jobs in other sectors. The impact trade has on the stakeholders of this sector vary within and across the countries of the region, and the outcomes at times defy a pattern. In general, the stakeholders of the agriculture sector think that trade has a considerable negative impact on them, and there is a greater chance now of people becoming poor and hungry.

The destination of trade in food and cash crops show an important difference. In the case of food items intra-regional trade is high, and a large part of the produce is consumed within the region itself. Whereas the cash crops are traded mainly in the world market; even though countries of the region compete with each other in the global market.

Impact on human poverty

The impact of trade on human poverty in the agriculture sector manifests itself in many ways, both economic and non-economic. The human development impact is less discernible in terms of the realised positive impacts. On the other hand, the human development impact of negative effects are more observable from the stakeholder responses.

The impact is often multi-dimensional, with specific impact bringing about both positive and negative effects on the human development of stakeholders. This often leads to difficulty in understanding clearly the real impact of overall trade openness on individual stakeholders and groups. For instance, the impact of trade openness on the subsistence farmers as producers and consumers may be different at times as the discussion in the following sections show. Therefore though an effort has been made to identify the beneficiaries and losers as the direct result of trade in each sector, wherever it was clear, the multiple impacts on the stakeholders are also described.

At times, the impact of trade in a particular sector cannot be identified as either negative or positive. For example, international trade has increased the opportunities of smaller agricultural countries like Cambodia, with limited domestic infrastructure for value addition, to export their surpluses. Cambodia exports husk rice and fruits to Thailand and Vietnam, where they are processed and re-exported, including to Cambodia. This nonetheless discourages the development of domestic food processing industry; but benefits the rural farmers even though they are more exposed to international markets now.

One of the most important repercussions of openness to trade in the agriculture sector, according to one stakeholder, is that “agriculture has become a speculative business now”, from being a traditionally stable source of income. This particular change has acted as a catalyst for many of the negative impacts that have been experienced by stakeholders in this sector.

Positive impact

The positive impact of trade on agricultural stakeholders is visible only in a few countries and in the case of a few crops. Benefits from trade accrued to a few cash crops like oil palm cultivation in Malaysia; and to a lesser extent in Indonesia. Openness to trade has also benefited stakeholders who shifted to newer and exquisite/alien crops like different varieties of fruits. But the past experiences show that these benefits are accruing largely due to the gap in current demand and instability of supply; and the gains may be temporary.

In the case of food crops trade has benefited the stakeholders in a few countries. Bucking the trend in the rest of Asia Pacific, the rice farmers of Vietnam and Thailand have done well under increasing openness to trade. However, their success has affected the rice farmers in neighbouring countries like Indonesia and Philippines.

Negative impact

Size matters

The negative impact is the highest, in terms of reduction of income, for medium size farmers could this group be more precisely defined? What size exactly is being discussed? Actually the same applies to several places in this chapter. What, for instance, count as small-scale as opposed to medium-scale fishermen. Their main source of income is agriculture, as the size of their farms demands their complete attention and does not allow them to be involved in any other sector. The medium sized farmers find it very difficult to maintain their income level if they are affected by openness to trade.

The small or subsistence farmers, when affected, try to find other sources of income by migrating to other places or become workers. The impact of trade on their lives is mostly indirect – through an increase in the volatility of prices in the local markets.

Fall in prices

Prices of agriculture produce, especially of food items, are falling in most countries. Exceptions are countries that provide high subsidies like Malaysia (both direct and indirect subsidies) and in the case of a few cash crops. In general, absolute and real incomes from farming per se have fallen drastically. The stakeholders are compelled to engage in additional or alternative employment for sustenance. The impact of fall in prices of produce is greatest on agricultural workers.

Impact on intra-dependent rural communities

The impact of loss of livelihood on human development in the rural areas is not limited to the family or even at times the village. The rural economies in most countries are intra-dependent, i.e. within the rural economy the stakeholders are linked together cohesively and their livelihoods are interdependent. Income loss to one section as a result of trade, in this case the farmers, has a cascading effect that reduces the incomes of others. For instance, in many rural areas of Andhra Pradesh in India, there were strange instances of suicides of rural blacksmiths as there was no demand for the farm implements they made. The cotton farmers of the villages who were the blacksmiths' primary consumers had incurred losses and stopped farming.

Similarly, a gain to one section of the working population also results in the cascading effect benefiting others, even if to a lesser extent due to leakages from the system.

Farmers becoming price takers

Except in the case of a few crops in countries like Vietnam, Thailand and Malaysia, most producers of agriculture goods have become price takers as a result of the openness of the agriculture sector to international trade. The result is that farmers fail to recover the cost of production, and easily fall into the debt trap. This is most evident in the case of essential food items like rice. Amongst the agriculturists, the rice farmers are affected the most in all countries of the region, except for these three countries. The former two due to their position as the price setters; and in Malaysia due to increasing and sometimes disguised government subsidies made available to the rice farmers. We do not have credible inputs on the condition of Chinese rice farmers.

Shift from principal crops

In most of the countries farmers are increasingly moving out of cultivation of their principal traditional crop- both cash and food; as the cultivation of these crops has become unprofitable under openness to trade. This is true especially in the case of essential food items like rice and wheat. Mostly, the farmers try to shift to cultivation of cash crops, often without proper understanding of the cultivation methods and the associated risks. Sometimes they even cultivate crops that are not suited to the land, increasing the chances of crop failure. They may also become manual labourers in many cases or alternate between being seasonal farmers and manual labourers to subsist. These changes often leave them vulnerable to high volatility of income. As a result, many farmers have been forced to leave their traditional occupations altogether and migrate to the cities.

On the other hand, in some areas where the cash crops are traditionally cultivated, the farmers are shifting to cultivation of food crops, as the cash crops have become unprofitable. For instance, the tobacco farmers in the North West Frontier Province of Pakistan are shifting to cultivation of wheat since tobacco farming has become unprofitable. Here about 30 percent of tobacco farmers have shifted to the cultivation of wheat, and consequently tobacco output has declined. Yet, the farm gate price for tobacco did not increase due to the collusion between large transnational tobacco companies in the domestic market. Even in the case of cash crops the stakeholder perception is that open trade has affected the farmers negatively. In India, coffee farmers of Kerala have reportedly opened the gates of their plantations for the public to collect the produce free of cost, as reduction in prices due to cheaper imports has made it difficult to recover even the labour costs of harvesting the produce.

Impact on allied activities

There are some peculiar impacts of trade on the human development of the stakeholders in the agriculture sector. For instance in Philippines, import of pork at lower rates has eliminated household pork farming, which was common in the rural areas. These were known as “tuition porks”, after the practice of using the income from such activity to pay for the education of children. With the cheaper import of pork, this activity has become unsustainable, as the domestic farm gate price of pork has declined. As a result, children’s education has been affected. But the consumer price of the pork remains high, as the middlemen have benefited from cheaper

imports. This way, trade can result in the crowding out of the most marginal domestic suppliers, especially in smaller countries. Conversely, consumers of chicken in the Philippines has benefited from the imports of chicken parts at cheaper rates from the United States, where chicken leg is preferred and the rest is exported.

Availability vs. affordability of food

Though in most countries the availability of varieties of food items has increased, the affordability has reduced due to a fall in income. A stakeholder from Bangladesh said, “Food is not a problem. Income is the problem. For somebody with regular income, food is never a problem”. Quality of food has increased to some extent. There are wide variations in the stakeholders’ perception on the availability of food. For instance stakeholders from Indonesia say that the availability of food is fairly good in the rural areas of the country, as the poor stakeholders replace rice with other food items like Kasawa, when there is a shortage of rice. But the poor farmers in urban areas have been negatively affected due to trade as they lack this flexibility. Whereas the stakeholders in many other countries said that the availability of food is directly linked to the income.

Who benefits, who does not?

According to the stakeholders the sections of agriculturists that benefited from open trade are few. Mostly the stakeholders have experienced only temporary benefits. The volatility of prices as a result of openness to trade has enhanced the uncertainty in the agriculture sector of the region, where uncertainty was already high due to the dependence on weather conditions.

Overall winners

The stakeholders who have gained from the trade in the agriculture sector are mostly large cultivators of cash crops, fruits and vegetables or in rare instances, as in the case of Vietnam and Thailand, cultivators of staple food as well. Oil palm growers, both small and large, in Malaysia have benefited considerably. The rubber plantations in Sri Lanka benefited as the Malaysian rubber farmers shifted to oil palm. Tobacco growers, and independent large-scale sugar cane growers in Indonesia also benefited because of increased demand from the food and beverages industry. But there are concerns in these sectors. For instance, cheaper imports have affected the sugar industry of Indonesia and there are reports of suicides amongst small-scale tobacco growers of Indonesia.

The producers of vegetables in a few countries have benefited from trade. For instance, vegetable prices for small-scale farmers have registered an increase of about 30 per cent in China. Similarly, producers of a few exquisite products like organic tea and yak cheese of Nepal has benefited from trade due to the opportunities to find new markets and the price premium.

Farmers

In terms of size, the large-scale farmers have been less affected, even in sub-sectors that have been impacted negatively by trade, as they took measures to reduce the cost of production, largely by reducing the work force and by shifting to cultivation of other crops and activities. The small- and medium-scale farmers were affected more as they had lower flexibility to bring down the cost of production. In the case of

subsistence farmers the direct impact of trade was less, as they are not directly linked with trade. But as consumers and labourers, they have been negatively affected as the cost of living has increased in general. In certain instances they have also gained as the availability of foodstuff has become cheaper in certain countries.

Though farmers have been affected as producers, they have benefited as consumers in many countries from cheaper rice imports; and smuggling, especially in the rural areas of Indonesia and the Philippines. In the small islands of South East Asia, smuggling has an important role in maintaining the food security, in terms of both availability and keeping local prices under check. In the absence of smuggling, these areas could have been the worst affected due to their remoteness.

Workers

Most of the agricultural labourers that we have interviewed have been negatively affected, except maybe for the workers in the oil palm sector. The general perception is that the labourers in the agriculture sector have become increasingly vulnerable to extreme poverty and hunger under openness to trade. The incomes of the labourers have reduced considerably as employment opportunities have declined and wages have fallen. Job security has become low in the agriculture sector as a result of openness to trade.

Similar things have occurred even in sectors like tea that traditionally featured organised labour, mainly due to unethical managerial practices. For instance, in Sri Lanka the workers in tea estates are forced to forgo benefits as the plantations are running at losses, on paper, allegedly due to the 33 percent service charges paid to management agencies, which are comprised of owners of the estate. These are accounted as additional costs and they act as the major reason for the accounting losses.

Consumers

The low farm gate prices that the farmers receive for their food crops do not get converted into lower consumer prices, due to the high margins that the intermediaries maintain. The intermediaries act as the stumbling blocs to the lowering of consumer prices at the retail markets. In most countries except China, trade has given opportunities for the intermediaries to import food items cheaply, hoard it and sell it at high profits. The role of intermediaries in the consumer markets of China could not be ascertained.

Blessing in disguise

In China, farmers are more or less insulated from the open market and trade due to government procurement and price supports. The food security issues do not arise, as the rural economies are said to be self sufficient in food items. In the villages the field research were conducted even non-agricultural families grow food items and nobody bought rice and most of the other food items from the market. An explanation for this could be that the consumption is limited to a few items in this area.

Subsidies

Subsidies have come down for the farming sector in general and the cultivation of food items in particular in all countries, except China and Malaysia. In the case of Malaysia, the government finds ingenious ways to subsidise the rice farmers like

providing subsidies and cheap loans to the wives of the farmers. This is done to ensure that the male farmers do not fret the money received in the form of subsidies. Malaysia has also introduced a form of 'Islamic subsidy', wherein the government provides inputs at subsidised rates with the condition that they cannot be exchanged and sold in the markets. Regarding the preferred mode of subsidies, the stakeholder perception is that more than direct subsidies during farming stages, minimum price support for the output is helpful. Subsidies during farming stages find favour with only few farmers we interviewed.

Public procurement

The government procurement system is ineffective in most countries and affects the long-term sustainability of farmers. The illogical price support mechanisms of the past have reduced the competitiveness of most of the farmers, and made subsidies in the present inevitable. The stakeholders opine that farmers are exposed to the market as the public procurement system in place in most countries are ineffective in absorbing the domestic production, for instance in Indonesia it can absorb only ten per cent of the total production.

Fuelling migration

Small-scale farmers are becoming workers in most countries except China. Farmers become seasonal workers when they face problems. They migrate to cities to work in menial jobs and go back to their villages during harvesting. A similar pattern of labour movement is found across all countries including China. In some countries like Indonesia the young women of the agricultural families become migrant workers in other countries.

Role of middlemen

Openness to trade has given opportunities for the exploitation of the less informed stakeholders by the well informed, in the transition economies where asymmetric information on the market conditions exist, even if in reality trade may be beneficial or does not have any negative impact. Most of the small- and medium-scale stakeholders have very little knowledge about market mechanisms, market prices or the functioning of trade. Most of them remain unaware about trade, yet are affected by it. Their failure to participate in the supply chain in an informed manner makes them vulnerable to the exploitation by the intermediaries. Lack of access to quality information on the market conditions is one of the most important causes of the plight of the small-scale farmers.

Landlessness

There is a considerable increase in landlessness among small farmers in most of the countries due to the reduction in incomes as a result of trade. The farmers have had to sell off their properties, as they are unable to repay old debts and farming has become unprofitable. The exception is landlessness amongst farmers in Sri Lanka and the urban areas of Indonesia where landlessness is increasing more because of the pressure from urban housing than trade.

Lack of affordable credit

Indebtedness due to non-availability of credit at lower rates is cited as one of the prominent causes of difficulty to the farmers. Farmers in the rural areas are forced to go for funds provided by the local moneylenders at high rates of interest, as the banks

are reluctant to lend to the agriculturists since agriculture is seen as a high-risk and low return activity. A stakeholder from India pointed out the anomaly in the lending policies of banks, where a vehicular loan is sanctioned in less than five minutes, without mortgage. But for agricultural loans the processing time is usually many more months, if at all the loan is sanctioned.

HYVs reaping low

High yielding variety (HYV) seeds have replaced the traditional seeds in most countries. HYV are purchased from the market unlike in the case of traditional seed varieties that farmers can produce themselves. Often the seeds purchased from the markets are of poor quality or outdated, as the illiterate farmers cannot understand the labels and instructions. The farmers have little knowledge of the scientific cultivation methods required in the farming of newer varieties. The shift to HYV varieties have not benefited farmers much as the productivity of these varieties comes down each year and additional expenses have to be incurred on higher quantity of fertilizers and pesticides in an effort to maintain output. This degrades the agricultural land and productivity falls further in successive years.

Efficiency and productivity

Efficiency and productivity of farmers show a mixed trend in the region during the openness to trade. Though the overall improvement in efficiency may be dependent on multiple factors including government policies, it is found that the inducement for efficiency and productivity is given by openness to trade and the related difficulties. In general the large-scale farmers have improved their efficiency through methods like use of efficient seeds, intensive cultivation and inter-cropping. The small- and medium-scale farmers have registered average to no improvement in efficiency and productivity in the countries of the region. In some countries like India and Malaysia the small-scale traditional farmers have experienced a reduction in their efficiency and productivity, mainly due to the intensive cultivation methods practised in the past.

Corporatisation and contract farming

Corporatisation in agriculture is increasing in most countries. Many trans-national corporations like Cargill and Monsanto are operating both in the farming and distribution of food items, especially in countries of South East Asia. In Indonesia most of the corporate agricultural companies are fly-by-night operators i.e. they borrow money from the public for cultivation of cash crops by offering huge returns, and shut shop and flee after collecting funds. Contract farming is on the rise in many countries of the region. The companies that engage in contract farming are both domestic and multinational firms.

Helpless governments

According to many stakeholders the ability of governments to help farmers under increasing trade openness is marginal or non-existent, due to the opening up of economies and the sustained pressure to liberalise further. But in the entire region, in contrast to sectors like textiles, the stakeholders in agriculture still look to the government as the only means of support. According to the stakeholders, to ameliorate the problems of the farmers the government should involve them in policy making. Some hold the view that governments should take up a more proactive role in the agricultural sector and encourage research on drought resistant varieties of crops, as water is becoming a scarce commodity in the region.

The foreign hands

Many stakeholders were of the view that the programmes of international lending institutions have considerably reduced the government's ability support them. But in some countries they also see it as an opportunity to clean up the corrupt system and increase transparency in governance. In countries like Indonesia, where transparency in governance was low during past regimes, stakeholders see this as an important condition for escaping poverty.

Fisheries: Winners take it all

The fisheries sector, like agriculture, shows a mixed trend in the Asia Pacific region, though the impact of trade and openness on different stakeholders is clearer here. The fault lines are more or less demarcated between the losers and gainers within the fisheries supply chain. There are major human development implications in this sector as well. They are mainly related to the loss of income and opportunities to find continuous employment. Fisheries are one of the sectors under consideration in this study that is well integrated with the world economy. Most of the exports are higher value products, and trade is both intra Asia-Pacific and outside the region. The fish exporting countries of the region are competitors in the world market, mostly in same varieties of fish.

A major part of the produce of this sector is consumed in the domestic market as well, though the domestic demand, especially from the household sector, is mainly for low priced varieties of fish. Yet, stakeholders supplying to the domestic markets often have to compete with suppliers to the international markets. The sector supports a large number of female and young stakeholders who are both directly and indirectly related to the channels of international trade. The job responsibilities in this sector are well defined, with men engaged in fishing and women in the allied activities.

Fishing, mostly, is a community activity and a traditional occupation in the Asia Pacific region. In most cases, the whole family is involved in the sector in one way or the other. This dependence makes the impact of trade heavier on the stakeholders. The activity is also highly seasonal. Hence, the stakeholders have to raise major parts of their income in the few months when they can fish in the sea. The sector supports many stakeholders both in inland and in costal fisheries. Inland fishery is increasing mainly due to the export demand for shrimp and prawns.

The Tsunami that struck the Asia-Pacific region recently had a discernible impact on this sector. The Tsunami has affected the fishing community the most, as the community lost many lives and much of their equipments were lost or damaged. Fishermen are entirely dependent on the catch for their income. In times of such natural calamities they are unable to earn any income. In addition, social security measures are absent in this sector. The exporters were relatively less affected by the effects of the Tsunami, as they did not suffer capital damages and had the cushion of existing stocks. But the Tsunami affected the prospects of future fishery exports in many countries of the region.

The major beneficiaries from the openness to trade are the commercial fishing fleets, the aqua- culture sector, medium and large-scale exporters and the middlemen who

link the fishermen to the market. On the other hand, small-scale fishermen and women and workers have been adversely affected in terms of security of livelihood and new opportunities.

Impact of trade openness

Gearing up for trade; but at what cost?

With the increasing prospects of international trade, there is greater emphasis from governments of the region on the measures to increase fishery exports. This often affects the livelihood of the ordinary fishermen. For instance, the establishment of marine parks in the Philippines for promoting exports resulted in small fishermen being evicted from their traditional fishing grounds. The only benefit the local fishermen could garner was that a few of them were employed as guards at such establishments.

In Thailand, the government has a new policy to promote exports. They encourage the fishermen to invest money on raising lobsters in specially designed boxes. However, this requires huge investment on the part of the fishermen. Due to government inducement, fishermen are leaving their regular fishing activities and are growing lobsters. They feed the lobsters with small fish from the sea, which are harvested using small nets. This practice is adversely affecting the eco-system and depletes fishery resources. Moreover, such activities have increased the vulnerability of the stakeholders to poverty. In the past the fishermen dealt in diversified catch, which was less risky. At present they are investing their resources in one product and in the event of lobsters being affected by diseases, the fishermen will lose heavily.

Degradation of arable land

Orientation towards international trade has a negative impact in terms of extensive prawn and shrimp cultivation by converting agriculture fields into fish farms in many countries of the region. This activity results in the degradation of the land as this method of farming usually uses artificial saline water. These farms are run for 3-5 years. Once the activity is finished, the topsoil of the land contaminated with salt sedimentation has to be replaced with new topsoil to make the cultivation of crops possible again. This is a very costly activity for the small-scale farmers, and as a result the farms are often left barren. The impact of trade on this sector manifests itself in different ways for various stakeholders. Looking at the perceptions and experiences of different stakeholder groups can bring out the whole gamut of impacts.

Fishermen/woman

Generally, in the countries of the region the impact of openness on the small-scale independent fishermen and fisherwomen has been negative in terms of lower incomes and loss of employment. The income loss has had significant negative human development impact in terms of their ability to avail basic services like health and education. In India, for instance, the children of the fishermen communities enter fishing at the very young age of 14. Many children do not attend schools even if there are schools in the near vicinity.

Asymmetric information

It was difficult for the stakeholders to point out the destination of their produce. They stay disconnected even from the domestic markets in many countries. They are highly vulnerable to exploitation by the middlemen who act as their only contact with the markets - both foreign and domestic. During the increased openness to trade, their prices have either declined or not improved at all, affecting their overall income.

Linked or de-linked... but affected

The local fishermen and fisherwomen, who are not directly linked to trade, are also affected, as they have to compete with commercial fishing and large buyers respectively. They are price takers and their bargaining capacity is non-existent. Their incomes are most volatile as there could be instances when they do not get any catch or fish for retailing.

Gender dimension

The women fish vendors are badly affected, as they have to work longer hours and even during the night. The prices of their produce are not improving while cost of living is increasing. In India, even old women, who work as fish vendors in the domestic market, have to stay in the harbour for long hours in difficult conditions. The impact of trade on them is that they have to compete with the middlemen who procure fish for the export houses. They do not have any alternative source of income. They survive because of their personal relationships and local customs to set apart a small share of the catch for them. But when there is scarcity of fish they may not receive these favours. These small-scale fish vendors (majority of them are women) run their business by borrowing funds on a daily basis at exorbitant rates (usually ten per cent/day). Due to the high interest rates they do not have much savings and they are forced into a hands-to-mouth existence.

Lack of alternative skills

The fishermen, when they are unemployed in the off-season period, sit idle, as they do not possess multiple skills to do other jobs. However, in Thailand, it is found that some fishermen earn income during the off-season by acting as guides to tourists for scuba diving. Alcoholism and related problems are high among fishermen.

Imperfect markets

In India stakeholders had high expectations from the open trade but failed to receive a higher price as the local buyers (middlemen) collude to keep the prices low. The local buyers also do not allow buyers from outside the locality, who offer better prices, to operate in their area.

Contract fisheries

In the open trade era, many fishermen become sub-contactors for exporting companies in the Philippines. This is more prevalent in crab farming and seaweed farming. The company enters into a contract with the fishermen and provides initial capital, seaweed seeds and solar dryers to them. The price of the final output is fixed at the time of signing of the contract. The company gains in operation costs. For the fishermen also it was attractive. But when a disease called "ice disease" affected the seaweeds, the fishermen lost heavily. Also, the seaweed farms became breeding grounds for fish. They ate away the seaweed and inflicted loss on the fishermen. Though the fishermen lost in the process, the seaweed farming helped in restoring the local environment and fish stock.

Fisheries workers

The effects of trade openness vary according to the size of establishments the individual stakeholders are linked to.

Boat workers

Trade has negatively affected workers in the small, mechanised boats, as their catch is reduced because of the increase in number of small and big boats and the shared income is also coming down. Workers do not earn wages. This sector follows a catch sharing system in all the countries. They receive income only if there is catch. Therefore, their income is uncertain and poverty and hunger is persistent. Their working hours have doubled in India, and quadrupled in Cambodia. They also have to fish farther out in the high seas as catch is reducing due to commercial fishing. For instance, in the Philippines the catch reduction is about 75 per cent as the local mangroves are destroyed.

Workers of bigger boats (not trawlers) derive marginal to considerable benefits depending to the size of the vessels and do not face problems in getting employment. The mechanisation has reduced hard work for the workers of these boats. However, they also have to work for longer hours than before. We do not have inputs from workers of trawlers.

Workers in export units

They have been negatively affected as their working hours have increased and working conditions have been deteriorating. This sector comprises mostly female workers as they could be paid less than the male workers and are abused. The processing of fish has to be done as soon as possible as the raw material could decay easily. Therefore, in India it is found that the workers usually are made to live in cramped rooms within or close to the processing units. They are allowed to take rest only when there is no work, irrespective of the time of the day. They have to start working when the stock of raw materials reach the factory, even if it is midnight.

In Bangladesh, many male workers of the processing units have to engage in other jobs to raise additional income, after their work in the fishery units. Their bargaining capacity is non-existent as the job is unskilled and there is a lot of pressure from the unemployed to take up their positions. Their working conditions have worsened.

Boat owners

The small boat owners suffer because of the large number of players, reduced catch and rising input costs. For instance, the local vendors sell the fuel to them at exorbitant rates, sometimes at 3 times the market price. The working time on these boats has increased considerably. Medium- and large-scale boat owners are experiencing an overall price increase, even though the prices fluctuate heavily. The boat owners or the workers in these boats are not vulnerable to poverty. In many countries like Bangladesh and India they use communication systems like cell phones to supply the local market that offers the highest price for their produce.

Middlemen

They function as the link between the producers and the buyers and usually belong to the fishing community itself. Middlemen in India, Indonesia and Bangladesh acknowledged to benefiting greatly from more open trade and their prices have increased. In Bangladesh, there is an increase of about 200 percent in the selling price of fish by the time the produce reach the exporter from the fishermen. About three-fourths of this increase accrues to the wholesaler who supplies fish to the export houses. The incomes of the middlemen have increased considerably. However, their bargaining capacity has come down and they are also price takers linked to the export houses. Yet, they receive good prices on an average. When they develop good relationship with the companies that buy their goods, they also receive credits and storage facilities from the company.

Exporters

Exporters experienced a surge in demand but not corresponding increase in prices. In general they hold the view that trade liberalisation has helped them. But they also experience reduction in their bargaining capacity with their buyers as the demands on environment and sanitary grounds are increasing.

Textiles & Clothing

The textiles and clothing sector is one of the most important sectors for the countries of the region. The sector stands next only to the agriculture sector in terms of the employment. The governments see this sector as one of the important growth vehicles for their countries, especially with the abolition of the quota system, which restricted the ability of the countries to trade. But there are concerns about the ability of countries having small production capacities to compete with the bigger countries like China and India.

While big countries are trying to pocket as much gains as possible, the smaller countries' effort is to stem the loss of their export markets. The majority of the stakeholders view the scenario unfolding to be a zero-sum game with winners and losers drawn out within and across countries. According to the stakeholders the ability of the producers and countries to withstand the changes depends on the ability to make large-scale production and marketing efficient at the earliest.

A remarkable feature of the post-quota regime is that the changes occurring in the industry has a regional pattern. Changes are similar across the countries of the region, irrespective of the size of the economy or the strength of the textiles and clothing industry. The dissimilarity is the experiences of the stakeholders and their perceived benefits.

Human development impact

In textiles and clothing, the trade linkages are very complex and it is most (as compared to other sectors in this study) difficult to clearly identify the winners and losers among the stakeholders and the human development impact of opening up to trade. A large number of workers, especially women workers, are seemingly gaining

access to employment from the advent of the open trade regime in this sector. However, ironically, the negative human development impact of trade, especially on women, is also among the maximum in this sector.

Varied yet shared experiences

The stakeholders' experiences with the open trade regime are varied in the Asia-Pacific region. Stakeholders in countries like India and China are of the opinion that the removal of the quota system has benefited the industry. On the other hand, the rest of the textile exporting countries in the region face problems in the post-quota regime and there is considerable loss of employment. But the structure of employment in the industry has tilted in favour of women workers - even in countries that have been negatively affected - so much so that male workers are finding it extremely difficult to keep jobs or find new ones.

Deepening fragmentation

In the post-quota era the industry is undergoing fragmentation at a faster rate in the whole region. Factories are becoming assembly lines in countries like India. Fragmentation has allowed the factories to sub-contract work, creating more components within the supply chain. Though this has resulted in loss of jobs in the factories; it also created demand for house based piecework for women. In order to understand the human development impact of trade openness better, we are considering the experiences and perceptions of the different stakeholders within the textiles and clothing value chain.

Workers

Lack of awareness

In all the countries the common workers that we interviewed did not understand how trade functions and could not specifically point out the linkages between trade and their condition, due to lack of awareness. For instance, the garment workers in India have not heard of the Multi Fibre Agreement (MFA); whereas, the women garment workers in the Philippines were aware that the garment trade and employment in the industry is shifting to China and India, despite being unaware about MFA or the free trade regime.

A mixed bag of benefits

Representatives of workers in India, who otherwise oppose globalisation, are of the view that the new regime has helped workers by increasing employment opportunities considerably. The workers in Chennai, India are able to find employment throughout the year now, unlike in the past (during the quota regime) when they were out of work often. But the work has become more demanding and the opportunities to earn more than the stipulated wages have in fact declined. However, they are somewhat content with the situation as it is an improvement over the frequent unemployment and poverty of the past. They hold the view that "global trade is not preventable" and are awaiting a clearer picture to emerge in the future to know the complete impact of the openness.

However, there are regional disparities within countries. For instance in India, while the workers in the garment factories in Chennai felt that they have benefited to some extent, the representatives of the unorganised small-scale factory workers in Delhi is

complaining that their job security and incomes are going down, as jobs are shifting to other places.

Impact on collective bargain

In places where the workers are unionised; awareness, security of employment and employment benefits are relatively higher. One of the initial causalities of the free trade regime was the loss of the right to organise and engage in collective bargaining in many of the countries. Even in countries like the Philippines and Indonesia, where labour laws are strict, the companies look for different ways to circumvent the laws like employing labourers in contractual employment, or form trading companies and raise profit in the transaction between the producing outfit and the trading outfit.

On the whole, in countries where labour is organised, the impact of trade is less adverse or even sometimes positive. The unionisation of labour is largely dependent on domestic labour laws. In some countries like Thailand where unionisation is discouraged due to political reasons, the bargaining capacity of the workers and resultantly their incomes and benefits are also low.

Women gain, men lose

According to many stakeholders, in the post-quota regime across the countries where the textiles and clothing sector is significant, mostly women workers are gaining employment, allegedly because they are less demanding, less prone to unionisation and can be paid less than the male workers of the same category. This is evident in the garment sector, where concentration of women workers is traditionally high. Most garment export units employ 75-90 percent women workers. But women workers are usually employed as common workers like tailors, with the exception of India where it is found that women also work as line managers and do skilled jobs. It is increasingly difficult in all the countries for non-technical male workers to get employment in the post-quota regime. In countries like Indonesia, India, and the Philippines men do menial jobs like carting and packing in the garment units and are easily replaced with female workers.

Job security and income

Overall, the job security of workers has reduced considerably in both medium and large enterprises. In the unorganised small-scale sector, job security is absent. Similarly, incomes have declined considerably, even though on paper salaries have remained the same in most countries. In the past, workers earned more income by working overtime. Workers have lost that opportunity since the demise of the quota regime, as overtime benefits are generally not provided in almost all the countries. In some cases there is not enough work for even the regular working hours.

Off loading of workers

There is increased off loading of workers in countries other than India and China. The 'permanent' workers lose their status and jobs and are made temporary workers including in India, which is faring comparatively well under the new regime. The condition of labour in China is not clear.

Loss of benefits

In the new trade regime, the workers generally experienced loss of their social security benefits: overtime allowances, leave, and bonuses; and they were made to

work longer hours. They also lost peculiar benefits like menstruation leave that was prevalent in Indonesia. Female workers were also made to work in the night shifts in India, which was not the practice earlier. There were other human development implications emerging in the post-quota regime, like in Delhi, the garment companies had introduced a token system to limit the use of toilets during working hours. Sometimes the companies use the threat of post-quota regime and closure as an excuse not to increase pay, even when they were making profit.

The name game

Strict labour laws enforced to ensure minimum salary and social security of the workers have an undesirable impact in some countries. In Indonesia and Philippines the strict labour laws on minimum wages and unionisation has ensured minimum salaries stipulated by the governments, though they still lose benefits. In order to circumvent the laws and unions, the employers offload workers, change names of the company and employ new and existing workers on six months' contracts, so that they do not have to pay social security benefits or minimum salary. There are instances in Philippines, where the workers are forced to change their names to retain their jobs. This started to take place even before January 2005, especially in signature brands trading, which was not part of the quota-regime.

Problems with adaptability

The change in the demand pattern also has a bearing on the human development of the stakeholders. In the garment sector, styles and fashions change very fast, in some cases, every two weeks. The new styles are more complex and time consuming to make. Workers are expected to learn the new styles quickly and produce the same output they produced with the old styles, compounding to their problems with adaptability.

Are women actually benefiting?

According to the stakeholders, the changes in the sector have affected the women workers the most. The vulnerability of female workers has increased as they are sexually exploited and their social security measures are reduced. In many families they have become the sole income earners as their husbands, employed in the garments units, have lost jobs. The married women have to endure this additional burden along with the responsibility of looking after the family. The family income has reduced as the women workers are paid less. The older female workers, who are above 35 years, find it difficult to retain their jobs, as they are not considered efficient any longer. For young female workers in some countries like India, Cambodia and the Philippines, it is difficult to find alliances for marriage as they are looked down upon by the society, because of the negative image the garment industry earned over the years. Many of the women garment workers, it is said, live alone and have broken families.

However, this perception about the women workers is not the same in all the countries of the region. For instance, in Pakistan, the garment industry is considered to be one of the few sectors where women can work as they will be working amongst many other women. In Pakistan, this sector has provided employment to a higher proportion of women as compared to other sectors. About 30 percent of the total work force is women. The changes in the Pakistani textiles sector have put pressure on women's employment. If there are job losses due to the impact of trade, these women will be

rendered unemployed as they will not be in a position to shift to other occupations like the men. Unemployment in turn will considerably impact their ability to achieve human development.

Mixed positive impact

There are unexpected positive impacts on the women workers as well. The expansion of the export sector has allowed women workers in India and Indonesia to be confident of finding new jobs within the sector even if it is paid lower or take up home based piecework. But in the Philippines, when the female garment workers find it difficult to get employment in the garment industry, many young women join the entertainment industry like Karaoke TV bars. Some workers who are employed in the garment sector join the entertainment industry for the extra income.

Working conditions and standards

In the post-quota era, working conditions have generally deteriorated; occupational hazards and diseases are on the rise in many countries. The emphasis on exports results in safety issues being undermined. In one instance in Bangladesh 400 workers died at an export house when the building, that was built flouting construction laws, caved in. The stakeholders say that the clients are not very particular on environment and labour standards. The workers in many countries wanted the buyers to insist on labour standards. Sometimes the demands on standards are used merely as a bargaining chip to reduce prices.

Producers/Exporters

They feel that it is too early to know clearly the impact of free trade regime on the sector. Some hold the view that trade in textiles is not yet free. The opinion on the impact of open trade is varied across countries. Generally large-scale producers in all the countries have benefited. The small- and medium-scale firms have been affected negatively in most of the countries except China and to some extent India. The producers/exporters in China could clearly say that the new regime has benefited them considerably as there are fewer restrictions.

In contrast, the producers/exporters in Indonesia and India hold the view that in the open era the going is tough and they have to make extra effort on marketing and management to stay in the business due to increased competition from China. Some producers have diverted their focus to the domestic market. A producer/exporter in India who is finding it difficult to compete with China, said “quotas killed the Indian garment sector by preventing its development”. He is also of the view that in this transition period the units should not be protected. According to him the competitiveness of the export sector vis-à-vis China will improve considerably if adequate changes in areas like infrastructure are implemented.

The Indonesian Textiles Association corroborated this view. But they see their problems as mostly internal relating to old machinery, credit availability and bureaucratic hurdles on improvement of the sector.

Impact on prices

The prices of garments in particular have decreased up to 50 percent depending on the variety. Price has become the most important selling point in the post-quota era. But

producers expect the downward spiral of prices to be arrested in the near future, as the market becomes more quality and style conscious.

Government's role

The independent producers in most countries did not want or expect much direct help from the government. On the other hand, the producers' association in Indonesia wanted help from the government. However, a producer from India says that the government has an important role to play in providing the political climate, in terms of good relationship with other countries, in which trade can take place.

Access, yes, market not yet

Producers acknowledge that access to foreign markets has increased considerably, but access in itself does not convert into exports. Since price is the most important issue, the producers have to concentrate on marketing and management to find the buyers and produce efficiently.

Changes at the industry level

Consolidation, mergers, and takeovers are increasing in the industry, even though at a slower rate. These changes are mostly taking place in countries like India and China that are doing well at the moment. In the rest of the countries the smaller units are mainly closing down. For instance, according to the Nepal Garment Association, since the expiry of the quota regime many companies have closed down. Of the 150 garment factories in Nepal only 25-40 are functional now. The few large factories remaining are also under the threat of closure. Approximately 40,000 workers have been laid off.

Impact on traditional producers

The traditional producers of the sector have had a mixed experience from trade. The producers of pashmina shawl in Nepal has benefited from open trading through increases in efficiency and productivity. Productivity has increased with the use of better quality pashmina thread imported from China. Similarly, in Pakistan, traditional producers of carpets and handicrafts have benefited as they cater to niche markets. But in many other places the traditional producers have lost because of their inability to change and innovate. The stakeholders in the Nepal see geographical indication as a viable method to protect the interest of the traditional producers.

Short-term Economic Migration

There is prominent human development impact on the individual stakeholders from migration for economic reasons.

Feedback from stakeholders engaged in low-skilled jobs in both the organised and unorganised sectors was gathered. These stakeholders belong to the low-income groups in their respective countries. Destinations of economic migrants are mainly the Middle East, Singapore, Malaysia, Taiwan, Japan, Thailand and India. Western countries like the United States of America (USA) and Europe are emerging as important destinations for service sector jobs like nursing from countries like India and the Philippines.

Characteristic features

A striking feature of overseas migration is that people go abroad with a short-term intention but usually end up serving long-term. Mostly people embark on work outside their countries to make some quick money, pay off debts or because of underpaid jobs in their countries. Notably, the stakeholders from countries like India, Sri Lanka and the Philippines say lack of jobs in the home. On the other hand, in countries like Bangladesh and Indonesia scarcity of jobs in the home country is an important reason for economic migration. In fact, many of the economic migrants were engaged in comparatively better-paid jobs in their home countries, although the majority (especially women) appears to have received higher incomes abroad. In some cases the stakeholders have more than high school education. But their work is often not related to their education and skills.

Demonstration effect

The biggest inducement for economic migration is the demonstration effect – people often acquire information about economic opportunities in other countries through informal channels in the same locality. Often this information is asymmetric as it is based on hearsay. The asymmetric information on actual wages, working conditions, and responsibilities is one of the important reasons for the negative human development impact of economic migration on the stakeholders. The implication of the demonstration effect at the societal level is that many villages in countries like Bangladesh and India have at least one member of each family working abroad.

Debt trap

Most of them borrow money at a high rate of interest to finance their travel abroad in the hope of receiving the promised wages and repayment of debt on time. The burden of such borrowings often works out to be more than a year's income they receive by working abroad. Often the stakeholders fail to execute their plans and fall into debt traps that force them to work abroad longer than they have planned.

Gender ratio

In most countries, more men go abroad than women. Though in Philippines and Indonesia the number of women who are economic migrants is higher than men. In many communities in South Asia and South East Asia women are not encouraged to go abroad for work or studies because of societal attitudes against such movements. Exceptions to this trend are found in India, Indonesia and Philippines, where significant outward movement of women for work is observed, despite the presence of strong negative attitudes in Indonesia and India on economic migration of women. This apparent contradiction may be due to the high level of poverty in the rural areas and declining employment opportunities in principal employment sectors like agriculture in these countries. For instance, in Indonesia many poor women became domestic workers overseas, as the rural agricultural sector declined.

Increasing opportunities for women

Sometimes market conditions induce increased overseas economic migration of women. For instance, according to stakeholders, in Indonesia it is easier for women to go abroad than men, due to the high demand for female domestic workers abroad. Women do not have to make upfront payments for visa, airfare and other expenses that the men have to incur. The recruitment agencies usually bear the burden on

behalf of the women workers and the stakeholders pay this amount back through their salaries.

Better income

According to most of the economic migrants the overseas movement has provided them with better incomes than at home. Women have received higher salaries abroad as compared to men, as women's salaries at home were very low. Men complained of receiving lesser salaries and being cheated in foreign countries. The recruitment agencies at the home have cheated most migrants with offers of high salaries abroad. Often they received half the promised salary.

Increased vulnerability

Economic migration, especially in unskilled jobs like the service sector, housemaids, etc have increased the vulnerability of stakeholders considerably in most countries. They work in harsh conditions and long hours. They are generally deprived of basic human rights, and end up working much longer than what they were planning to. Because of the low salaries and living expenses abroad they do not save much in the initial years and they have to comeback to work in the same country or look for opportunities to work in other countries.

Benefits family back home

The families of the economic migrants in the home countries said to enjoy better economic and social status and better access to health and education. In many communities of South Asia, especially areas where a joint family system is prevalent, the stakeholders point out that the rest of the family members look after the people who are left behind as the family reach a negotiated decision prior to the migration of stakeholders. However, many stakeholders who have smaller families said that lack of parental care affect the health and education of their children. There are instances of strained marital relationships as the spouses at home have gone for other partners.

Risk of harassment and imprisonment

Economic migrants risk becoming illegal workers in the host countries whenever they strain their relationship with their sponsors. They are harassed by the police and often end up in jail, when they encounter problems in the host country. Sponsors often retain/confiscate passport and visa documents of the employees. This increases their vulnerability and denies them basic human rights.

There are migrant workers in Malaysia who have been unemployed for 11 years but cannot leave the country as they have lost their identity documents or are forced to stay in the country as illegal migrants once their work permits expire. They said that they receive inadequate support from diplomatic missions of their countries when they face problems with the laws of the host country. The host country laws are often pitted against them and they are generally paid much less than the local workers. The most important expenditure that economic migrant incur at home is on collateral assets like house and land, though it varies across countries. Once they return finally, they usually spend their savings on starting their own businesses.

Impact on women

Vulnerability of women increases by the overseas movement, especially people engaged in low skilled jobs like housemaids. They are often subjected to physical and

sexual abuse in the host countries. One domestic worker has survived six rape attempts. However, the women economic migrants, especially domestic workers, have better savings than the men and send more money home. Women cite children's education as one of their important expenses. According to the female economic migrants, they receive respect in the family and society as long as they are able to work abroad and have money. Their marital life is often under stress and single parenthood is common. The money the women send home is sometimes wasted by their spouses and relatives; often prolonging their stay abroad.

In some cases when the stakeholders cannot go abroad again, due to HIV infection for instance, they have to change their names, identity and houses to live in their home countries. In such circumstances they often do not seek treatment because of the fear of social exclusion. In Philippines, 35 percent of the total detected HIV cases are overseas migrants. This figure is high because they are subjected to routine check up.

Underemployment

Overseas economic migration causes high underemployment. Even well-educated people are willing to be underemployed for higher salaries that change the preferences for education at home. There are instances of professionally qualified students studying courses like nursing to enable them to make use of higher demand for such workers.

Reality bites

Many stakeholders think that the job abroad is not beneficial in real terms, as they may have to work twice as much than in their home countries. For instance, some domestic workers had to work from early morning to midnight. But they are forced to continue working abroad because in their home countries the opportunity to earn that much money is absent.

More benefits to host country

According to a recruitment agency in Bangladesh, the migration of workers is very beneficial to the host countries as they charge high security fees, visa fees etc from the stakeholders, which amounts to about two years of the salary they are paid in the host country. Moreover this process is kept alive as these workers are sent back in 3-4 years.

Outsourcing: An emerging sector

Work in outsourcing has resulted in considerable improvement in the income of the stakeholders but living standards are said to have improved only marginally.

Women friendly

Employment opportunities for women have increased. The male-female ratio of the work force is almost the same. There are odd timings for the stakeholders but they do not worry much about it. Job-related stress is very high in outsourcing. Usually the workers in outsourcing spent long times in commuting.

Mixed opportunities

According to stakeholders outsourcing has considerably increased the chances of people being tied up in low skilled employment. For instance physical therapists and

architects work in business process outsourcing services (BPOs) due to the higher income they offer. Conversely, outsourcing increases the chances of people with average education to earn much higher than what they will command in the local job markets, provided they know the particular language (in the case of voice-based services).

Impact on family life

Outsourcing is said to be affecting their family and community life, due to the odd timings and work-related stress.

Perception about employers

Many stakeholders feel that companies are under-paying, considering the value of their services and the high stress levels.

Tourism

Currently norms for the movement of tourists are much relaxed in the countries of the region. Increasing trade between countries has resulted in an increased flow of tourists.

On the whole, the stakeholders' perception is that employment opportunities have declined considerably. Income has also decreased substantially. There are variations in the distribution of employment within each country itself. For instance, in Malaysia, while employment in the tourism industry in Penang has reduced, in Kuala Lumpur it is rising.

Job creation

Whereas, in countries like Vietnam, jobs have been created not only in urban areas but also in remote areas. There has been an overall improvement in income, more so for rural areas as eco-tourism is developing. These are cultural and community based tourism which promotes home-stay in villages. These activities generate a lot of indirect income in the rural economies.

The ailments

The Tsunami that hit countries of the region has affected the movements of tourists in the coastal areas. So the workers in the tourism industry have to move to new places in search of employment. In Nepal, political instability has reduced tourism inflow.

Increased cost of living

Cost of living in tourist spots is higher and it is difficult for the residents to find housing facilities. The average rent has increased in tourist spots. Land prices have increased due to the increase in tourism related activities. In most of the countries, the high property prices have induced people to sell their properties and move to the outskirts of the city.

Long working hours

A general perception of stakeholders is that workers in the tourism industry work considerably longer hours than in other occupations. For instance, many of the shopkeepers have to work longer during the season.

Impact on infrastructure

Stakeholders see that a rise in tourism activities is having a mixed impact on the infrastructure facilities of the tourist centres. In Sri Lanka, for instance, infrastructure facilities have improved due to the expansion of tourism. Whereas in Malaysia, the view is that the basic facilities have improved only marginally because of tourism.

Impact on environment

In terms of the impact on the local environment also there is no unanimity of opinion in the region. In Malaysia the stakeholders think that the local environment is not polluted because of the rise in tourism activity as the hotels are increasingly adopting environment friendly practices. In the case of Nepal, on the other hand, the local environment is said to be polluted due to the increase in tourism activities.

Impact on society

According to many stakeholders, social evils have increased considerably in most of the tourist destinations. Tourists influence teenagers' behaviour. In many places there is abuse of drugs and partying long in to the night. The local cultural milieu is affected.

Energy Services

Most countries of the region are dependent on international trade to meet a major part of their energy needs. Many of the countries are following a flexible administered price mechanism under the ambit of liberalisation and reducing fiscal deficits. Therefore the volatility of the domestic energy prices is higher and in tune with the changes in energy prices at the international markets.

The impact of energy price rises is severe on the poorer stakeholders with unstable incomes, as their use of energy is more or less constant at even lower incomes. Lower incomes for the stakeholders would mean that they regularly spent a significant part of their daily wages on energy and the price rises has considerable impact on them.

Since energy price increases usually result in an upward movement in the general price level this could be better formulated, saying something like "because energy is a basic commodity that is used in virtually all sectors, price increases in energy usually result in an upward inflationary movement" the overall impact on the poor stakeholders with unstable income is therefore multiple.

Incessant price increases

In all the countries of the region energy prices are increasing as government subsidies on energy are reducing. The stakeholders in the Philippines say that there are weekly increases in petrol prices. The impact of increasing cost of energy on the poor cannot be seen in isolation from the overall impact. Increasing cost of energy results in overall price increases, severely affecting the poor.

Dependence on polluting sources

In many rural areas the poor do not have access to cleaner sources of energy and are dependent on wood as the main energy source for cooking, though their use is reducing. Even in urban areas the poor's dependence on the traditional fuels like wood are high, due to high cost and lack of availability of alternate sources of energy.

Kerosene is the second most important source of energy for the poor stakeholders. Both these sources are highly polluting sources of energy and affect especially the women of the family.

Availability up, but affordability down

The stakeholders say that the availability of energy has improved. Though due to poor affordability they have not benefited. In countries like Indonesia, even though there are specific government policies for supplying energy at reduced rates to the poor, such connections are not provided.

Burden on women

Most stakeholders say the use of polluting sources of energy like wood and charcoal has come down, though it remains the major source of energy in many countries. In many urban areas where the switch to non-wood fuels is prominent, the burden on women to secure energy has reduced considerably. But in urban areas like slums, due to lack of affordability of the cleaner fuels the burden on the women has increased. They have to steal fuel wood from public properties where entry is prohibited, at the risk of harassment by security guards.

Poor pay higher

Electricity is out of reach for most of the poor stakeholders. In Delhi, the slum dwellers pay a higher rate than the prevailing commercial rates to the contractor for limited use of illegal electricity connection, which allows them to light only one bulb. When they try to get illegal access to electricity from the public distribution network on their own, they are jailed.

What governments can do?

On the possible measures by the government to improve access to energy, most primary stakeholders say increased competition may not be helpful, since affordability is the primary concern. They advocate selective subsidies and price control. One stakeholder was of the opinion that the government will not implement the measures they suggested to improve their access to energy, “because we are poor. It is like; the lion will not listen to the dog. It is just like that”.

Environmental Services

Water and sanitation are one of the most important factors that affect the human development of the poor. There is a considerable difference between the urban and rural areas in terms of the access to these basic services. More so in the case of urban poor as their chances of access to free, safe public sources of water is limited, unlike in the rural areas where community water bodies and wells are still the major sources of water. But in many rural areas, safe drinking water is not available, as much of the ground water is contaminated mainly because of the over use of pesticides in the agriculture fields. Whereas drinking water is available in the urban areas for a price, the rural areas hardly have any access due to lack of reach of the public water distribution system.

Similarly, the access of the poor to proper sanitation is limited both in the urban and rural areas. The lack of access to safe water and proper sanitation are the important reasons for the vulnerability of the poor to diseases.

Water

Impact of privatization

In many places in Malaysia, Philippines and Indonesia, water distribution is privatised. In most countries where water is distributed by government entities, parallel private water distribution networks have emerged due to the inadequate reach of public services. These private networks charge higher than the government rates for their services. Even though the stakeholders are spending more, the quality or availability of water supply is not ensured.

Access

The ability of public entities to service the whole population even in cities is limited. For instance in Dhaka, public utilities manage only 30 percent of the sewage and less than 50 percent of clean water supply. The availability of clean drinking water is declining. The access of the poor to clean water and sanitation is limited in most urban areas. One exception to this trend in the region is Sri Lanka, where the quality and availability of the water supplied by the government has improved marginally over the past 10-15 years. Also, garbage management in Sri Lanka is privatised and the service has improved.

In the rest of the region, stakeholders say that the access to the environmental services has not improved at all under openness to trade. Access is very bad in many poor and rural areas. On the other hand areas where the poor have access, the affordability has reduced due to increasing user charges. Private water supply does not lead into improved access or quality in most countries. Many of the private operators merely take over the infrastructure from the government, and operate without increasing capacity or infrastructure. In some places like Philippines and Indonesia water for irrigation is also privatised which causes great difficulties for the poor farmers.

Scarcity of drinking water

Direct supply of safe drinking water is not available in any country, including China. People do not regard tap water as safe. People have to buy bottled water for drinking and cooking. In villages, people are forced to go back to the wells due to the bad quality and availability of pipe water.

Impact on urban poor

The access issue is most important for the poorer sections mainly in the urban areas as they are mostly excluded from the water distribution net due to lack of entitlements. But as the public distribution fails, there is greater difficulty for the poor to get access to water, they often have to resort to stealing water from the public distribution system, polluting and contaminating that source. Lack of access to water has affected the poor housewives in the city, as they have to travel longer distances looking for public taps. There are often altercations in the slums for obtaining water.

Sanitation

Lingering access

Sanitation facilities in most countries are still provided by the government (mostly in cities). Their coverage is not good and the poor are often excluded from the networks.

In the rural areas public sanitation facilities are mostly some words are missing here. In some urban areas in India where the private players also provide sanitation facilities (for instance, public toilets), the access of the poor has not improved, as the user charges are not affordable, even though the spread of such services has improved considerably. For instance, a slum dweller in Delhi has to spend up to Rs. 10 per person for using the sanitation facilities provided by the private player. However, his average monthly income of Rs.1000 does not permit him to use the facility.

In some countries governments have experimented with the idea of free mobile toilets for the slum dwellers. This attempt has failed in most countries due to poor maintenance. According to the stakeholders, the environmental services pose a bigger threat to health with the quality and availability of drinking water deteriorating and the failure and inadequacy of sewage and sanitation facilities in most areas.

Health Services

Health services have important human development implications for the poor stakeholders. The access to and quality of health services determine to a great extent the ability of the poor to fend off poverty by making use of the opportunities available in the economy. The expenses incurred on health services come as an additional, unexpected expense for the poor, who usually do not have savings to meet such needs. The disease burden on the poor is higher as they are mostly daily wage earners and the loss of employment due to illness would mean further weakening of capabilities to work and ability to escape poverty. This often forms a vicious circle, whereby the poor are often prevented from seeking safe treatment.

Prominence of the governments

In the Asia-Pacific region the government is the major health service provider to the poor. Primary health centres run by the government is the single most important source of health services for the poor in rural areas. But the government's role is being increasingly taken over by the private sector in many countries as the governments are limiting their role in health service delivery and budgetary spending on health is coming down.

However, in countries like India, where the public sector is still dominant, most poor stakeholders trust the government sector more for quality of service and care. Few stakeholders have opined that the doctors in the government hospitals take steps to give them free medicines unlike the private hospitals that are mostly profit oriented this could be rephrased since private hospitals by definition are profit oriented.

Change of usage patterns

In terms of the use of health services, there is a considerable shift within different income groups. The stakeholders belonging to the higher income groups are using more of high-end private hospitals that are coming up in different countries of the region. The poor, as mentioned earlier, are largely dependent on the government institutions. But the shift in the user pattern amongst the rich has not benefited the poor much as the governments' role is coming down or the quality of the services has declined.

Impact on availability and access

According to stakeholders, the liberal trade has a negative impact on the poor stakeholders with marginal gains in countries like Indonesia and India, where the availability of health services has improved (though not access). In India, the availability of essential drugs has reduced in the government hospitals. At the same time, essential drugs are freely available in the private drug shops to those who can pay. Overall, affordability of health services has reduced to a great extent in all countries where open markets exist.

Affordability

Affordability of essential drugs in particular has been considerably reduced in most countries. Affordability coupled with poor access has created informal and illegal trade of drugs between contiguous countries of the region. In Pakistan, smuggling of drugs from India has increased due to the higher prices and non-availability of drugs in the domestic markets. Similarly, stakeholders in the border areas of Bangladesh go to India for availing health facilities.

Convenience as a determinant of use

Convenience is an important factor in deciding the poor's access to and choice of health services. In Delhi, India, the poor slum dwellers prefer costly private sector services for health care, as they have to spend large amounts on travel to the government hospitals and the over burdened government systems are slow in providing health care. Ultimately they would incur the same expense or more than what they would spend in private hospitals if they were to rely on the government institutions.

Inefficiency of public sector

In India, doctors in public sector hospitals use their job to get patients for their private practices. Patients under treatment in the public sector hospitals, have to pay bribes to doctors for proper care. Apart from the doctors, the employees of the hospitals also have to be paid bribes in most of the government hospitals if the stakeholders have to get medical care.

Impact of changes in other sectors

Reduction in income and health security benefits for the factory employees is a major concern for stakeholders. Many lose such privileges when there are changes in other sectors like textiles and clothing. So the impact of opening of trade on stakeholders' health is multi-dimensional and intrinsically linked with developments in many sectors.

Similarly, overseas movement of people has created demand for traditional medical practitioners. For instance, the increasing number of Indonesian migrant workers has created demand for Indonesian traditional medicine in Malaysia.

Increasing use of health insurance

There is an increasing trend of use of health insurance in most countries including China. The rich usually practices this, except in China where most patients of chronic illness and non-workers have to make use of the health insurance facilities. Health insurance facilities for the poor would have been highly beneficial, as they would not have to make payments upfront.

Increasing indebtedness

Indebtedness due to high health costs is increasing in the rural areas of most countries. In most countries the poor in the rural areas have access only to primary health care. They usually have to incur huge expenses in travelling and accommodation to get access to treatment for major diseases in the big cities. The distance often prevents the poor from availing timely and safe health care. In rural areas accessibility is an important factor in the choice and availing of health care.

Attitudes

The rural health care in Vietnam faces a peculiar problem. The stakeholders are willing to pay only for the medicines and not the consultation. So the doctors in the rural areas over-prescribe medicines and vitamin tablets to make up their incomes, resulting in wasteful expenditure and improper health care for the patients.

Impact of perceptions

In many countries like Sri Lanka and Vietnam the perception is that, medicines made in the developed countries are of higher quality, even though their prices are much higher than the rest of the medicines. As a result in Sri Lanka, the same medicine is available at drastically different prices depending on where they are imported. Medicines imported from India are cheaper, whereas the notionally 'superior' German and Japanese medicines are far more expensive. But the positive impact of this for the poor is that, cheaper medicines are available round the year.

Perception on drug companies

The perception of most stakeholders is that drug companies are interested in profits, an allegation that the stakeholders of drug industry vehemently deny.

Positive impact of openness

There is a positive impact in some areas due the openness to trade in some countries like Nepal. Indian companies have established diagnostic centres in Nepal. This has reduced the prices of testing and diagnosis in the local markets. For instance, for thyroid testing there was only one government centre that provided service once a week at a cost of NRS 1200. With the entry of SRL Ranbaxy, an Indian company, in the market, the rate has been reduced to NRS.210 and testing is done daily.

The Chinese model

In China the government has a prominent role in health service delivery. The government health benefit scheme is linked to salaries. Even the pensioners get a non-transferable health account, equal to one month's pension. If the health expenses are within this amount the stakeholder has to pay only 10 per cent of the bill. But the users have to pay a token annual amount- in case of retired workers RMB 240, and for the continuing workers RMB 1,400. Though this model supports only workers, and excludes most of the non-regular workers, self employed and migrant populations, it is said to be highly effective in ensuring affordable health services to the targeted populations.

The well to do of the excluded sections usually avail the health insurance facilities, and the impact on the rest was not discernible.

Manufacturers' views

According to drug manufacturers, the impact of the new regime can be bad if there are no adequate laws to protect the domestic sector. Their opinion is that product patent will increase drug prices. But 95 per cent of drugs in India are in generics and can be produced in the new regime. The unorganised sector's drug manufacturers may be wiped out completely in the new regime, while small- and medium-sized enterprise (SME) manufacturers will face problems.

Conclusion and Recommendations

In the year 2000, international community pledged to reduce poverty by half by the year 2015. Several targets were set. Collectively, they are known as the Millennium Development Goals. While poverty reduction is the main goal, others (with respect to health, education, environmental sustainability) are equally important. Achieving these goals together will help achieve better human development, not just increasing the income of the poor.

Increasing openness through international trade is considered as one of the main routes, which can help reducing poverty. However, it was estimated that benefits of freer trade for poor countries would be equivalent to approximately 0.4 percent of rich countries' income. A corollary is that effective aid can bring the same benefits to poor countries, as increasing openness through trade. But the question remains: can aid replace trade? A more important issue is the fact that even if Millennium Development Goals are achieved at the global level, wide gaps may exist at the local level. Increasing openness through trade can, by no means, achieve Millennium Development Goals, unless several other human development issues are taken into consideration.

Thus, international trade needs to be looked at from a wider angle than just cross-border exchange of goods and services. The changing nature of trade and its impact on various facets of development (in particular, human development) is evident in recent times. It is also true that the last two decades or so have witnessed a paradigm shift about the role of international trade in human development. A significant array of literature exists on the impact of international trade on poverty. It has been found that in the 1990s, the impact was positive overall. However, it varies among regions. Most Asian countries have gained from trade liberalisation, as far as its impact on poverty reduction is concerned.

There were attempts to analyse why some countries gain from trade liberalisation relatively more than other countries. Various explanations were given, but one factor stands out clearly. Countries having good infrastructure vis-à-vis human development tend to gain more. This supports an oft-repeated adage: international trade is a means to an end, not an end in itself. This study is an attempt to test this macro conclusion. There is little or no attempt to understand human development implications of international trade from the point of view of add "poor" stakeholders and look at how they are directly and/or indirectly affected by increasing openness through international trade.

Though this study corroborates the overall conclusion that international trade can help achieve better human development, provided complementary policies (with respect to health and education in particular) and institutions are in place, it is not conclusive. Results of this study were derived from field research conducted in 13 Asian countries, but the sample size was not representative.

At best it provides some ideas on human development implications of international trade. The methodology adopted for doing this study was tested on the ground. It has been found that the methodology was more or less acceptable, but surveys should be

more intensive as well as extensive in order to better understand the linkages between international trade and human development.

Despite this lacuna, two issues stand out clearly from this study. First, international trade is increasingly impacting livelihoods of people. There are opportunities as well as threats. At the same time, there are not much concerted efforts at the local level to help people, especially the poor, to avail opportunities and to face threats. The second issue is derived from the first. Whatever little evidence we have gathered, it has been found that institutions and their governance play a major role in helping the poor to avail opportunities and design effective safety nets to insulate the poor from adverse shocks.

As stated above, it is difficult to derive policy recommendations from grassroots evidence that has been gathered in this study. However, an attempt is made below. In doing so, only those sectors are taken into consideration, which are found having significant trade-related human development implications. No separate recommendations are made with respect to services: public health, energy and environmental services. This is because in all cases it has been found that availability is not an issue. How to ensure poor people's access to basic services at affordable price is the issue that policy-makers should ponder over. Micro survey tools (like public expenditure tracking survey, quantitative service delivery survey) are to be used extensively in order to find out the problems faced by frontline service providers as well as recipients.

Policy Recommendations

General

Role of government: better governance is an important condition to have a larger say for the local bodies and ultimately people in deciding about liberalisation. Improvement in transparency in governance could also reduce the cost of doing trade. This is one way of mainstreaming international trade to national development strategy.

Role of private sector: public-private partnerships should be explored more for creating a better environment for poverty reduction. The private sector should be part of solutions rather than an outside player.

Agriculture

Affordable credit

Small and marginal farmers suffer because of costly borrowing that they make to engage in agricultural activity. This is one of the reasons of driving up the cost of production and making their produce unviable in the market place. Therefore, availability of affordable rolling credit is essential in enabling small and marginal farmers to survive in the open markets.

Training for new farming practices

Farmers need to impart with training in cropping of high yielding varieties and newer crops. Failure of new crops is one of the primary reasons of the vulnerability of farmers. They cannot be left with something funny here to learn by trial and error methods. The role of agriculture extension services is important in this respect. New crops should be popularised along with adequate information dissemination and training programmes. In many countries the farming population is ageing, as the young generation is not much interested in farming. It is suggested that the government should impart training to young farmers to create a professional farming population.

Storage and marketing

Lack of efficient storage and marketing facilities are among the major ailments. This lack of facilities means farmers have to dispose of their harvest quickly and cannot make use of higher market prices later. If common storage and refrigeration facilities are provided along with provision of transport facilities for the collection of agricultural produce, the impact of trade on farmers can be made positive.

Ensure quality and safety of food

Competent bodies should ensure the quality and safety of food, as food security is not just about quantity but also the nutritional quality of food. Labelling and other methods of information dissemination should be adopted to ensure the quality and safety of available food.

Subsidies

Though the ability of the governments, especially of poorer countries, to provide subsidies has come down, the utility of subsidies as a strategic poverty reduction tool is still important given the uncertainties existing in markets. But subsidies have to be made efficient and strategic. Even a majority of stakeholders do not show interest in blanket subsidies. Many stakeholders have advocated subsidies in the form of price support for outputs than subsidies at the farming stages.

Land entitlement

Land reform is a major policy tool to ensure access and control of land by the poor and marginal farmers. This along with the provision of micro credits could go a long way in reducing the chances of loss of livelihoods.

Use trade remedies

Governments should effectively use provisions in trade agreements to safeguard the interest of farmers.

Social safety nets

To ameliorate the problems faced by small and marginal farmers and agricultural workers, there needs to be systems like crop insurance, health insurance, employment guarantee scheme. Effective institutions are to be in place from these systems to function for the benefit of the poor.

Fisheries

Linking poor with the markets

Government intervention is indeed helpful, especially for the small-scale fishermen. Most large stakeholders are doing fine under trade openness, and do not need government support. So government policies should discriminate in favour of the poor and marginalised. One of the basic problems of poor stakeholders in this sector is their lack of linkage with wholesale buyers and therefore lack of receiving better price for their produce. The pervasive role of middlemen in this sector is one of the major ailments. Policy tools can vary from dissemination of information on market prices and market opportunities to encouraging formation of local fishermen's cooperatives to deal directly in the market place.

Strategic regulatory intervention

Regulatory role of the governments itself could greatly benefit poor stakeholders of this sector. For instance, ensuring access to basic services like energy. Many poor stakeholders buy fuel from private hoarders at rates many times higher than the market price. Here subsidies are not relevant. Ensuring supply of fuel at the existing market price itself can act as a subsidy. Governments may do this either through increased competition or by enabling fishing cooperatives to supply fuel to its members.

Ensuring credit

Access to micro credits at cheaper rate of interest and with fewer requirements on security will benefit poor stakeholders. Lending policies of banks are to be changed. Fishermen cooperatives can be entrusted with this responsibility as well. Banks can lend to cooperatives rather than individuals and the whole community will be

responsible for repayment. Government intervention through community-based institutions is more sustainable.

Textiles & Clothing

Cooperation between countries

If there is better cooperation between countries to liberalise trade in specific products like cotton, then small countries can compete with bigger players like China on high value products and to a lesser extent on volume.

Strategic duty reduction

On imports of machinery, raw materials to enhance export competitiveness of the industry.

Social security schemes

Strengthen social security schemes for workers either through contributions from employers, government and workers, or participatory schemes with contributions from employers and employees. Extend the social security schemes to the unorganised sector.

Economic Migration

Coordination

Better cooperation between home- and host-country governments is required to overcome problems such as overstaying.

Regulation

Governments of both home and host countries should regulate operations of recruitment agencies with adequate guidelines on transparency. Regulation should include ensuring minimum social standards for migrating employees.

Tourism

Regulation

Tourism is largely unregulated and therefore, though it is providing employment to a large number of unorganised labour, the quality of employment can be made much better. Regulation should not only cover social and environmental issues associated with tourism, but also issues relating to skills development, social security, etc.

Annexure

Annex 1 – Agenda

Day One: 1st June 2005 (Wednesday)

0900-0915 **Registration**
0915-10:15 **Inaugural**

Welcome remarks - *Ramesh Gampat*

Objectives and Stocktaking

- *Moderator:* Bipul Chatterjee, CUTS-CITEE
- *Presenter:* Anuradha Rajivan, UNDP-APRI, RCC

Session I

1015-1130 **Framework for Analyzing Linkages between International Trade and Human Development**

- *Moderator:* Ramesh Gampat, UNDP-APRI, RCC
- *Keynote Presentation:* Framework for analyzing the two-way linkages between international trade and human development - Manuel Montes, UNDP-APTII, RCC
- *Discussant:* C. P. Chandrasekhar, Consultant to UNDP-APRI
- Open discussion and feedback from stakeholders

1130-1145 **Nutrition Beak**

1145-1245 – **Continuation of Session I**

- *Presenter:* What the data say – Rashmi Banga, Consultant to UNDP-APRI
- *Discussants:* Anuradha Rajivan, UNDP-APRI, RCC and C. P. Chandrasekhar, Consultant to UNDP-APRI
- Open discussion and feedback from stakeholders

1245-1400 **Lunch**

Session II

1400-1530 **Promoting Rural Livelihoods and Food Security: Trade in Agriculture, Fish and Fish Products and Traditional Knowledge**

- *Moderator:* Anuradha Rajivan, UNDP-APRI, RCC
- *Presenter:* C. P. Chandrasekhar, Consultant to UNDP-APRI
- *Discussant:* Atiur Rahman, Unnayan Samannay, Bangladesh
- Open discussion and feedback from stakeholders

Session III

1530-1600 **Human Development Issues in Generating and Sustaining Employment: Trade in Textile and Clothing, Short-term Economic Migration, Outsourcing and Tourism**

- *Moderator:* Swarnim Waglé, UNDP-APTII, RCC
- *Lead Presenter:* Anuradha Bhasin, Consultant to UNDP-APRI

1600-1615 **Nutrition Break**

1615-1800 **Continuation of Discussion of Session III**

- *Second Presenter:* Komal Gopalani, Mahajan & Aibara (Tourism)
- *Discussant:* Samar Verma, Oxfam GB in India
- Open discussion and feedback from the stakeholders

Day Two: 2nd June 2005 (Thursday)

Session IV

0900-1030 **Ensuring Access to Basic Services: Trade in Energy Services, Environmental Services, Health Services and Intellectual Property**

- *Moderator:* Atiur Rahman, Unnayan Samannay, Bangladesh
- *Presenter :* Swarnim Waglé, UNDP-APTII, RCC
- *Discussant:* Indrani Thuraisingham, FOMCA, Malaysia
- Open discussion and feedback from stakeholders

Session V

1030 - 1100 **Trade Liberalization and Employment: Emerging Issues and Preliminary Evidence from Asia**

- *Moderator* – Anuradha Bhasin, Consultant to UNDP-APRI
- *Presenter:* T. Palanivel, UNDP-MPRP, RCC

1100-1115 **Nutrition Break**

1115-1145 **Continuation of Session V**

- *Discussant:* Manuel Montes, UNDP-APTII, RCC
- Open discussion and feedback from stakeholders

Session VI

1145-1300 **Field Research: Methodological & Practical Issues**

- *Moderator:* Ramesh Gampat, UNDP-APRI, RCC
- *Presenter:* Pramod Dev, CUTS-CITEE
- *Discussant:* Dikshya Thappa, SAWTEE, Kathmandu, Nepal
- Open discussion and feedback from stakeholders

1300-1400 **Lunch**

Session VII

1400-1530 **Field Research: Main Findings**

- *Moderator:* Swarnim Waglé, UNDP-APTII, RCC
- *Presenter:* Bipul Chatterjee, CUTS-CITEE

- *Discussant:* Dushni Weerakoon, Deputy Director & Fellow, Institute of Policy Studies, Colombo
- Open discussion and feedback from stakeholders

1530-1545 Nutrition Break

Session VIII

1545-1800 Messaging: What Could be the Main Message(s) of the RHDR?

- *Moderator:* Manuel Montez, UNDP-APTII, RCC
- *Presenter:* Anuradha Rajivan, UNDP-APRI, RCC
- *Discussant:* Two from the floor to talk for 5 minutes each
- Open discussion and feedback from stakeholders

Day Three: 3rd June 2005 (Friday)

Session IX

0930-1045 Open Forum

- *Moderators:* Anuradha Rajivan and Bipul Chatterjee
- All participants

Session X

1045-1130 Major debates of relevance to Asian countries (from a policy perspective) on trade and human development leading to policies

- *Moderator:* Pramod Dev, CUTS-CITEE
- *Presenter:* Manuel Montes, UNDP-APTII, RCC
- *Guest Observer:* Maxine Olson, UN Resident Coordinator, India

1130-1145 Nutrition Break

1145-1215 – Continuation of Session X

- *Discussant:* Two from the floor to talk for 5 minutes each
- Open discussion and feedback from stakeholders

1215-1230 Closing Remarks

- Maxine Olson, UN Resident Coordinator, India

1300-1430 Lunch

Annex 2 – Participants

| No. | Country | Name & Organisation | Gender | Category | Sector |
|-----|------------|---|--------|----------|--------------------------------------|
| 1 | Bangladesh | Atiur Rahman Unnayan Shamannay Dhaka | M | CSO | Rural livelihood |
| 2 | Bangladesh | Shirin Akhter President Karmojibi Nari Dhaka | F | CSO | Rural livelihood |
| 3 | Bangladesh | Monower Mostafa Unnayan Onneshan Centre for Research and Action on Development | M | Research | Rural livelihood |
| 4 | Cambodia | Samsen Neak Economic Institute of Cambodia Phnom Penh | M | Research | Livelihood and Food Security |
| 5 | Cambodia | Srey Chanthy Senior Agriculture Adviser | M | Govt | Agriculture |
| 6 | India | Samar Verma Policy Advisor Oxfam GB in India New Delhi | M | NGO | Rural livelihood & Food security |
| 7 | India | Gautam Vohra President Development Research and Action Group (DRAG) New Delhi | M | CSO | Livelihood |
| 8 | India | Komal Gopalani Mumbai | F | | Tourism |
| 9 | Indonesia | M. Husein Sawit Senior Agricultural Economist Center for Agro Socio - Economic Research (CASER) Bogor | M | Research | Agriculture |
| 10 | Indonesia | Riza Tjahjadi BIOTANI Jakarta | F | CSO | Agriculture |
| 11 | Lao PDR | Bounthone Soukavong Lecturer National University of Laos, Faculty of Economics and Management(FEM) Vientianne | M | Academic | Livelihood |
| 12 | Lao PDR | Photong Siliphong Gender Resource Information and Development Centres (GRID) Lao Women’s Union Training and Development Centre Vientianne | M | CSO | Gender (access and employment) |
| 13 | Malaysia | T. Indrani Secretary General ERA Consumer, Selangor Darul Ehsan | F | CSO | Livelihood |

| | | | | | |
|----|--|---|---|-----------------------|-----------------------|
| 14 | Malaysia | Abdul Halim bin Mansor Malaysian Trade Union Congress Selangor Darul Ehsan | M | CSO | Employment |
| 15 | Nepal | Dikshya Thappa SAWTEE Kathmandu | F | CSO | Agriculture |
| 16 | Philippines | Ernesto Ordonez National Coordinator & Chair AGRIWATCH Makati | M | CSO | Agriculture |
| 17 | Philippines | Primo Amparo MAKABAYAN TEXTILES | M | CSO | Textile & Clothing |
| 18 | Philippines | Maria Fides Bagasao Executive Director Community Organizers Multiversity Quezon City | F | CSO | Livelihood |
| 19 | Philippines | Rodolfo de la Cruz Fisher Folk Movement | M | CSO | Fishery |
| 20 | Sri Lanka | Dushni Weerakoon Deputy Director & Fellow, Institute of Policy Studies (IPS) Colombo | F | Academic/ Research | <i>Livelihood</i> |
| 21 | Sri Lanka | Uchita de Zoysa Centre for Environment Development | M | Academic/ Research | Environment |
| 22 | Thailand | Sitanon Jesdapipat Centre for Ecological Economics | M | Academic/ Research | Environment |
| 23 | Thailand | Supanee Taneewut Rural Reconstruction Alumni and Friends Association Bangkok | F | CSO | Agriculture |
| 24 | Viet Nam | Nguyen Thi Phuong Lan General Director Small and Medium Enterprise Promotion Center Vice-Chairman of Women Entrepreneurs Council Vietnam Chamber of Commerce and Industry Hanoi | F | CSO | Trade |
| 25 | Consumer Unity and Trust Society | 25. Pramod Dev 26. Purnima Purohit 27. Parashar Kulkarni 28. Bipul Chatterjee | | Consultant | Trade |
| 29 | UNDP- RCC | 29. Anuradha Rejivan 30. Ramesh Gampat 31. Susan Howes 32. Manuel Montes 33. Swarnim Wagle 34. T. Palanivel 35. Hla Phyu Chit | | UNDP | |

| | | | | | |
|----|-------------|--|--|------|--|
| 36 | UNDP-APRI | 37. Achila Imchen 38. Kalpana Chowdhury 39. Chandrasekhar 40. Anuradha Bhasin 41. Deepali Sharma 42. Kannupiah 43. Rashmi Banga 44. Samar Verma | | UNDP | |
| 45 | UNDP, India | 45. Seeta Prabhu | | UNDP | |
| 46 | UNDP, India | Pradeep Sharma | | UNDP | |

Annex 3 – Final Questionnaire

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: _____

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 -added | | | | | |
| 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 -added | | | | | |
| 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 Access to food is more easy now | | | | |

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 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?

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 stakeholders 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 fro 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.

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 stakeholder 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 increased | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| 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:s;;

If women ended up losing the jobs in the textile and clothing industry, how How do you think they women aare going to cope with the loss of jobs in the industry? 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 Rajastan, 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?

| |
|--|
| |
|--|

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? AOr are people in general more receptive to the increase in tourism in their community? In your view, does tourism has any impact, positive or negative, in the behaviour of people, youths in particular, in the community?

Short-term Overseas Movement of Persons Overseas

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 |
|---|--------|----------------|------------|-------------|
| There are no jobs available in the community here | | | | |
| 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 the women, the elderly old 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?

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 do you think that family and community life is affected?? Any other interesting ideas will be helpful.

Energy

Question No. 1. In your view, has increased international trade led to an increase in the demand for energy in terms of -how has increased trade affected stakeholders of 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 lessUse of polluting and harmful energy sources like wood, charcoal etc has decreased | | | | | |
| 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 access to energy services to reduce the adverse impact of opening up of the energy services such as improved access to (like distribution of electricity, availability of fuels) byon 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?

Environment

Question No. 1. Tell us how you 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 also 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 environmental services. Let's think 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? How can the environmental services be made available to the poor in the face of opening up of these services to competition?

| |
|--|
| |
|--|

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 is 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 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 anything, 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, you thinking process, you used to connect trade regimes and these various sectors. In other words, how to you know than a more open trade regime affects stakeholders in these sectors?

Please tell us.