

## THEME

### Why trade matters to everyone

This year, the Public Forum will tell the human story behind trade. It will showcase the myriad connections between trade and people's daily lives and demonstrate how trade impacts and improves the day-to-day lives of citizens around the globe, whether in developed or developing countries.

"No nation was ever ruined by trade, even seemingly the most disadvantageous", wrote Benjamin Franklin in 1774 in a pro-trade pamphlet. Imagine what Franklin might say about today's globalized world: trade has become such a pillar of the global economy that we often do not even realize how often we interact with products and services that come from beyond our borders. Even a seemingly simple product like your favourite pair of jeans may originate in one place, be produced in another and shipped from a third country before finding its way into your local shop. This international production of goods and services contributes to the development of poorer countries and to the growth of the world economy. Similarly, millions of products are transported every day across continents and borders to fulfil needs of consumers from all corners of the world.

Trade creates social and economic opportunities, for consumers, citizens and economic players. But are these benefits inclusive enough?

Under this thematic umbrella, the following three subthemes will be discussed: trade and jobs – trade and consumers – trade and Africa.

#### *Trade and jobs*

The global economic crisis of 2008 left a lasting impact on the labour market leading to the elimination of around 50 million jobs. As the world recovers from the economic turmoil, the rate of job creation has lagged behind. According to ILO figures, global unemployment in 2013 reached almost 202 million and about 400 million more jobs must be created between 2012 and 2022 to keep it from rising further. In this context, how can trade help foster growth and jobs? Are regional trade agreements the solution? Could the promotion of decent work create fairer trade and better distribution of the benefits of globalization?

Many global initiatives are currently underway that are designed to promote growth. Free trade agreements, investment treaties and aid for trade all promise job creation, higher wages and opportunities for alleviating poverty. Proponents of globalization highlight the importance of trade in achieving international convergence of labour rights and work environments.

Most economists though believe that trade holds the possibility of both job creation and job destruction. There is considerable evidence pointing both ways. In 2011, trade between the United States and the 11 other countries participating in the Trans-Pacific Partnership negotiations supported nearly 1.2 million jobs in Texas. But some critics also suggest that NAFTA is responsible for the loss of US jobs.

Some countries have experienced improved standards of living for their people but not all. What seems clear is that trade alone is not sufficient. A mix of domestic policies in support of workers, better infrastructure, higher educational performance and sound legal infrastructure are essential to create the right climate for job creation through trade.

Trade is an integral but not unique instrument of generating growth and employment. What can therefore be an ideal policy mix for re-stimulating the labour market slump?

### ***Trade and consumers***

When tariffs were the major barrier to trade, liberalization was unquestionably beneficial to consumers, who would benefit from lower prices, greater variety and higher quality. But now that the world has been stripped off most of tariffs, the non-tariff measures (NTM) in the forms of sanitary requirements or technical specifications are becoming an obstacle to free trade. Should regulations which protect consumers, their food, their health and environment be scaled back? Does the growing number of regional trade agreements pose a threat to the welfare of the consumers? Or are these standards used by national governments as a form of neo-protectionism? How best can the balance between free trade and consumer protection be reached?

In a day and age where e-commerce is booming; flow of Information technology is not effectively regulated in the global context and neither is international investment. Goods and services not only flow physically across national borders but are transmitted through optical fibres and satellites. We are buying things from people we don't know in a currency all of us don't completely understand, and yet there is no single custodian for the rules that govern these transactions. How can these gaps be filled? And how can the interests of the consumers be best protected?

Subjects for discussion may also focus on how intellectual property benefits consumers; competition policies and consumer protection; services; trademarks and fair trade. The discussion on trade and consumers is limitless and every angle makes for an important conversation.

### ***Trade and Africa***

Africa is the new frontier for development and the African economies are transforming. In the last decade Africa has grown steadily at more than 5 per cent, a rate above the worldwide average. Foreign direct investment has tripled and consumer spending will double in the next ten years. Economically, this renewal is driven mostly by exports of natural resources, commodities and improved macroeconomic policies. African countries are as diverse as they are similar. Most of the continent relies on agriculture but infrastructure and opportunities are better in some countries than in others.

The rule of law is firmly established in some places while in others political instability is all too common. Yet all of Africa shares an important asset; a young workforce.

Trade has become a necessary tool for development and poverty reduction but what do Africans get out of open trade? Is growth in Africa inclusive enough? How can value-added manufacturing be promoted in Africa? How beneficial have the aid for trade initiatives been? Which policy prescription will allow Africa to enter a new age of economic reforms? What is the potential benefit for south-south cooperation and intra-Africa trade?

According to the World Bank, in most African countries, women make a major contribution to trade so can gender equality, education, and health be improved by trade? The possibilities for discussion are as wide ranging as the diversity of the continent.

## **Rounding up the Doha Round**

A special half day session will be devoted to the Doha Round Roadmap.

After the adoption of the Bali Package at the 9<sup>th</sup> Ministerial Conference, members' attention is now turned to the rest of the Doha Round.

Within the next months, the WTO will build a work program towards the completion of the Doha Round and this session will gather thoughts and ideas from the Forum's participants on this issue.