Data and monitoring for greater poverty reduction through trade
Constraints of poverty and relevance to trade (a reminder)

Four characteristics of extreme poverty relevant for trade

1. Rural poverty
   75% of extreme poor in rural areas

2. Informality
   Most firms and work are informal for the extreme poor

3. Fragility and conflict
   By 2030 more than 90% of the extreme poor will be in fragile states

4. Gender inequality
   Widespread gender inequalities exacerbate poverty
What can be done for trade to have a greater impact on poverty?

1. We still need to do more to lower trade costs **between** countries. Tariffs, non-tariff barriers, trade facilitation, regional and global integration, etc.

2. Deepen the poverty impact of integration policies – role both for trade policy and complementary reforms. Agenda largely **within** countries.

3. Understand and manage the **risks** poor people face in responding to trade opportunities.

4. Improve the **enabling environment** in conjunction with trade reforms.

5. Better **data** – and more effort to combine different data sources to inform policy.

→ **This affects each of the four other areas**
Objectives

- Identify patterns and participation in trade of extreme poor
- Identify key trade-related barriers and costs they face
- Design policies and programs to maximize gains and minimize risks
- Monitor progress

Gather more data relevant to trade and poverty

Make better use of a wide range of existing data sources
**Building an analytical framework**

<table>
<thead>
<tr>
<th>Identify patterns and participation in trade of extreme poor</th>
<th>Identify key trade-related barriers and costs they face</th>
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</thead>
<tbody>
<tr>
<td>• Household poverty surveys</td>
<td>• Mobile phone surveys</td>
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<tr>
<td>• Small area poverty estimates</td>
<td>• Wider range of geospatial data (roads, transport time)</td>
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<td>• Population, income/consumption, agricultural production, and more</td>
<td>• Road/rural connectivity data</td>
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<tr>
<td>• Geospatial data, e.g. nightlights, proximity to markets, infrastructure accessibility</td>
<td>• Data on trade costs between countries (LPI, DB, WB/UNESCAP, tariffs, STRI/STRD)</td>
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<td>• Country-specific trade diagnostics (e.g. TF, NTMs, Services)</td>
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<td>• Diagnostics on internal costs that limit gains from trade (e.g. competition, business environment)</td>
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Indicators to understand trade-poverty linkages, identify priority reforms and programs, and monitor progress
A sustainable agenda

- Building national statistical capacity is a long-term project in many countries
- Drawing on a wider range of data sources – making better use of existing data
- Low-cost, higher frequency data like big data, geospatial and mobile phone surveys
- Working closely with partners
Example: Great Lakes

- Mobile phone and in-person surveys filled gaps in formal trade data on small-scale cross border trade and key features – e.g. importance for rural incomes, women.

- Recent research has confirmed link between conflict events and lower trade

- Formed basis for $130 million Great Lakes Trade Facilitation Project, which is targeting trade barriers that disproportionately affect the poor
Example: Lao PDR

Poverty: rural areas dominate poverty and face greatest risks – agriculture has been a weak driver of poverty reduction

Trade: limited potential for trade to have positive effects in agriculture (compared with Cambodia)

Key data gaps: participation of border communities in trade; trade-related costs in agriculture (domestic and international)