



Center of Concern/U.S. Gender and Trade Network Fact Sheets on U.S. Trade Policymaking

Fact Sheet #1: USAID Trade Related Capacity Building In Developing and Transition Countries

Based on USAID report October, 2001 "United States Government Initiatives to Build Trade Related Capacity in Developing and Transition Countries."
(http://www.usaid.gov/economic_growth/tradereport/index.html)

DID YOU KNOW THAT:

USAID is funding trade capacity programs with the end goal of paving the way for U.S. companies to access new markets abroad.

USAID spent 82.1 million dollars between 1999-2001 to support capacity building on the WTO agreements.

USAID is focused on three major areas in its aid for trade:

1. Agriculture
2. Services
3. Singapore Issues (Competition Policy, Transparency, Investment)

AID IN AGRICULTURE:

Between 1999 and 2001, the U.S. gave 92.9 million in aid for agriculture. As part of its recommended budget for 2003, the U.S. has proposed 1.11 billion towards economic growth, agriculture and trade.

The U.S. paid 15.8 million between 1999-2001 to assist developing countries to comply with the WTO Agreement on Agriculture.

What we need to know: U.S. agricultural development aid is not being designed and evaluated based on its contribution to food security and the role of the small-scale farmer, but with the goal to open markets for agricultural export.

For example, the U.S. program Revitalize Agriculture through Regional Investment in Eastern Europe and the Former Soviet Republics is specifically designed to 'improve the agribusiness climate' by developing policies that will promote trade in agriculture. USAID's report on this program makes no mention of food security as a central goal!

Link – Agribusiness vs. Sustainable Agriculture and Women

The intensification of commercialization of agriculture has led to competition for land resulting in displacement of local farmers/workers. This development has led to increased landlessness and aggravated rural to urban migration, creating undesirable socio-economic and political consequences such as prostitution, violence, an increase in HIV/AIDS, substance abuse and poverty. Trade liberalization and the reduction of tariffs have produced an uneven playing field in agriculture to the disadvantage of local farmers while promoting the corporate agriculture of transnational corporations. Women face particular constraints in the productive and social reproductive roles in relation to food security. Due to lack of access to land, credit, extension services, gender inequality at the household level and in the labor market, weak legislative measures and social support systems, poor inheritance laws, and unfair advantage to agribusiness over small-scale producers, women are struggling to survive. (IGTN Advocacy Position Paper in preparation for the WTO Doha Ministerial. Capetown, South Africa 2001).

AID IN SERVICES:

The U.S. spent 52 million on trade capacity building for trade in services between 1999-2001. It spent 3.4 million in 2001 for U.S. support for WTO awareness, accession, and participation in the General Agreement on Trade in Services.

The U.S. has spent much of its aid in the areas of tourism, telecommunications, financial services and energy.

What we need to know: Energy aid is being disseminated in order to increase competitiveness for trade with neighboring countries. Different U.S. corporations (50 gas and electric utilities) and 21 regulatory commissions have been supplying aid in energy to other countries. ENRON is one of the companies listed! In its report, USAID has not incorporated stipulations to ensure individual and community access to energy services are part of the overall goals or that corporations are regulated in the trade process.

Even though these four aid areas are the ones USAID has identified, the U.S. Trade Representative is currently negotiating all services including health, education, energy, water in its trade negotiations.

Link: Trade in Services and Women

Women are increasingly employed in the services industries, both in the U.S. and abroad. They are also the primary providers of many basic services. The U.S. has identified trade in services as a main trading objective due to the potential for exporting U.S. services abroad. For more information on women, trade in services and the potential impacts of the General Agreement on Trade in Services (GATS) go to www.igtn.org and click on the economic literacy series that the IGTN secretariat has developed as a popular education tool.

ENVIRONMENT

For the environment, USAID spent a total of 80.4 million from 1999-2001. USAID refers to environment as the sustainable management of natural resources, which is the balance between preservation of resources and free trade.

For example, USAID's Latin America and Caribbean Trade and Environment Program sponsored regional consultations, strategy sessions of public participation in sustainable development, consultations on trade related environmental challenges and trade policy.

What we need to know: None of these initiatives are binding! The reference to multi-sector consultations that must be trade related is a reminder that a broader set of consultations linked with human rights, gender and social development that do not incorporate specific trade indicators are excluded as non-trade related.

GENDER

USAID's funding relative to gender is related to basic education for women and girls, legal rights, health, gender mainstreaming, and gender and the economy. However, the work on gender and the economy is geared towards incorporating women into agribusiness, for example. It also geared towards supporting initiatives for microcredit and other small scale ventures to provide assistance to women at a micro-level. No funding has been offered to support gender and social impact assessments of trade from macro-economic analysis, to build capacity around gender and trade, or event to collect gender disaggregated data on trade relative to agreements that are being negotiated!

SINGAPORE ISSUES: INVESTMENT, COMPETITION POLICY, TRANSPARENCY, GOVERNMENT PROCUREMENT

Although there is international disagreement about whether a new round of trade negotiations was launched at the 4th WTO Ministerial in Doha, Qatar in 2001, the U.S. refers to the New Round in all of its trade literature. USAID technical assistance packages also reflect new round issues which are of great importance to the U.S.

USAID spent 233.8 million dollars from 1999-2001 on financial sector development. Between 1999-2001 it spent 86.2 million on competition policy, 37.8 million in the last year. USAID spend 1.9 million dollars in 2001 on government procurement and 3.9 million between 1999-2001.

Much of this funding has flowed towards regional trading blocks in Africa, the Caribbean and Latin America in order to facilitate more efficiency and the demand in the creation of markets.

What we need to know: The Singapore Issues are a highly contentious topic. Many developing countries and Non-Governmental Organizations will try to block new issues from being introduced at the next WTO Ministerial that is scheduled to take place in Cancun, Mexico in September, 2003. These new issues will further liberalize trade in financial services and deregulate investment without real controls on corporations' impact in local communities! The Center of Concern and the International Gender and Trade Network are opposed to the introduction of any of the new issues being proposed at the next WTO Ministerial or in other trade fora.

GOVERNANCE

USAID spent 88.6 million dollars on governance and interagency coordination during 1999-2001.

What we need to know: This assistance refers to 'open communication flows between government and the private sector and among government agencies which collectively have a role in the formulation and implementation of 'trade policies.' This means

increasing transparency and accountability to enable an environment for business. There is no reference to governance relative to transparency, accountability and participation with civil society groups other than business!

For example, USAID gave assistance to the Philippines to 'improve efficiency of institutions' as well as to enable investment in new sectors such as ports, aviation, roads, power, information technology and grains marketing. All of these sectors are key to economic development. The question is: what is the relationship between these new markets and ensuring standards for good governance?

Civil society groups have been advocating governance that is defined through transparent policymaking, U.S. officials' accountability to all civil society groups, and participation in political, social and economic policymaking at all levels.

The Center of Concern and the U.S. Gender and Trade Network are highly critical of the different ways in which the U.S. Government is pushing the trade liberalization agenda. With the current backdrop of secret trade negotiations and insufficient dialogue with the U.S. government, it is increasingly clear that in order to continue to advocate for socially just trade, we need to know the facts!

Other planned Center of Concern/U.S. Gender and Trade Briefs include:

- What you need to know about Central American Free Trade Agreement
- What you need to know about the Free Trade Area of the Americas
- What you need to know about Plan Puebla Panama
- What you need to know about the U.S./Chile bilateral trade agreement
- What you need to know about the Millennium Challenge Account
- What you need to know about the Global Development Alliance
- What you need to know about Private Sector Development in the World Bank and its relation to trade in services
- What you need to know about the U.S. position on trade in agriculture
- What you need to know about the U.S. position on trade in services
- What you need to know about the upcoming WTO Ministerial in Cancun, Mexico

To access these fact sheets and/or to receive more information, go to www.coc.org or www.igtn.org and click on the North America section

To sign up for the IGTN international bulletin on trade, write to secretariat@coc.org