



## **USAID and Trade Capacity Building**

Brinton Bohling EGAT - Trade and Investment Team Thursday, April 15, 2010



### Part I. Policy rationale for providing TCB Assistance

## Part II. Defining TCB



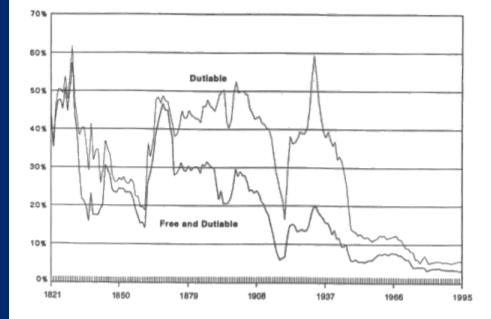
#### Part III. Examples & Field Work

# Part I: Policy Rationale for TCB

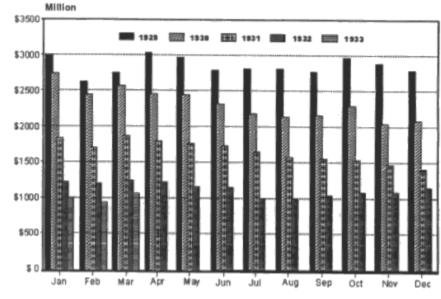
# Why worry about International Trade?



## **Smoot-Hawley Tariff Act of 1930**



Collapse of World Trade Following Smoot-Hawley



Source: League of Nations



# What have we learned about trade since then?



### Why does trade policy get a bad rep?



#### The Political Economy of Trade Policy

- Economies are constantly evolving. Factories open and close, products are popular and unpopular.
- At any given time, it is possible to point to groups allegedly hurt by trade.
- Pain is immediate and focused, benefits are progressive and diffuse.
- Adjustments hurt other than labor factory owners, investors, and banks.
- Sometimes these voices hide behind the poor.
- **Poor have little voice**. Ask yourself whose voice you are hearing.



# Why Provide Trade Assistance?

#### What is the development agenda?



#### How Trade Advances the Development Agenda

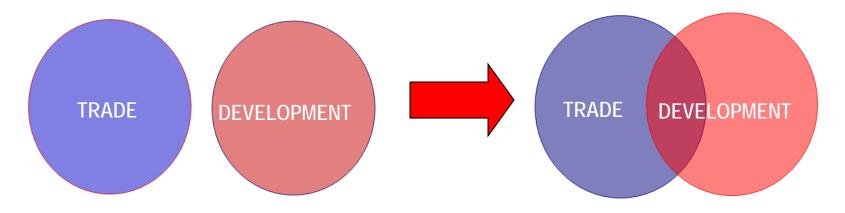
- If you are interested in poverty reduction, you need to be interested in trade
  - For most poor people, labor is the most significant or the only asset they possess.
  - trade is beneficial because it raises the value of unskilled labor.





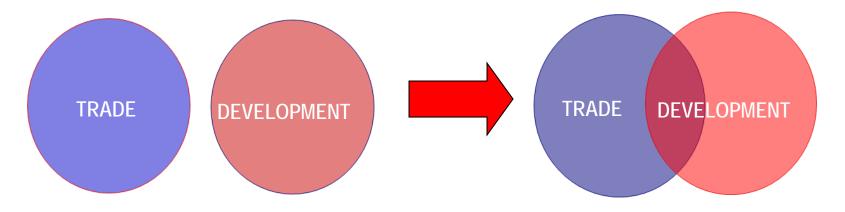
#### **Trade Agenda and Development Agenda**

• Where do you see Trade Policy Agendas and Development Goals overlapping?



#### **Trade Agenda and Development Agenda**

- TCB is valued by trade policy agency since USAID assistance advances the trade agenda by helping developing countries participate in market-opening trade negotiations.
- The Development Agenda benefits from trade reforms and more open markets. Food security is an example.

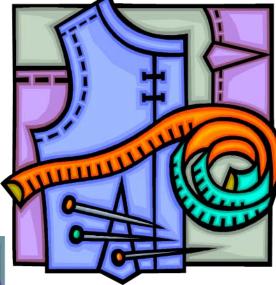


# Know-how is valuable in a number technical areas of international trade





Shipping / Logistics



**Reducing Paperwork** 



Raising Awareness of Trade Agreements



Investments in training to raise productivity

Understanding International Buyers



#### How does the U.S.G Define Trade Capacity Building?

Building Trade Capacity in the Developing World





U.S. Agency for International Development March 2003

D-A6X-241

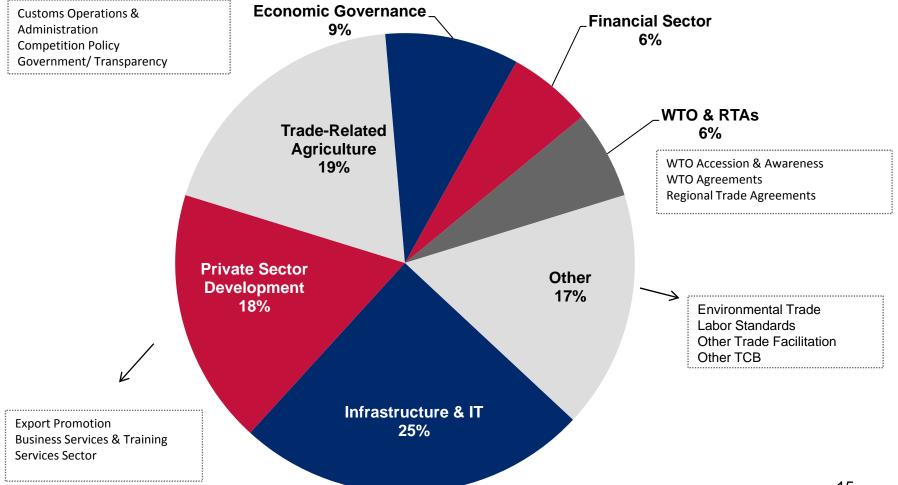


#### **Defining TCB: Triple Layer Cake**

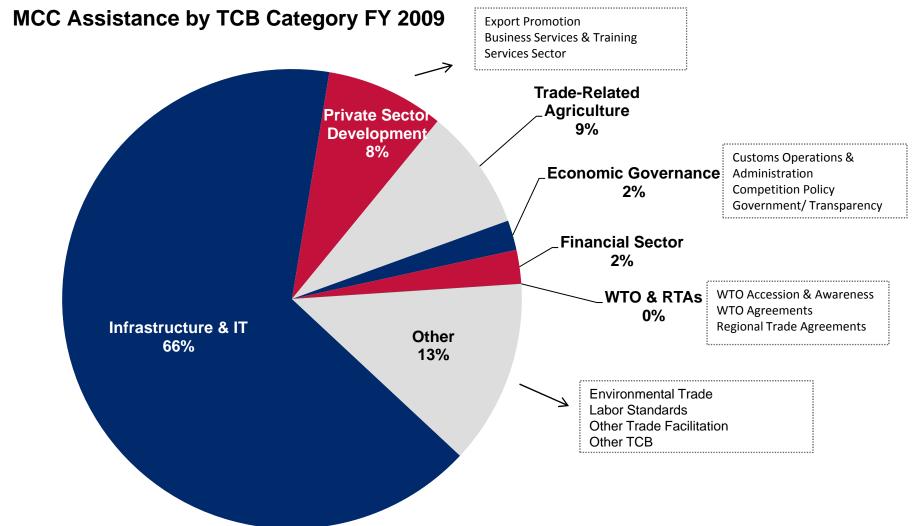




#### USAID Assistance by TCB Category FY 2009

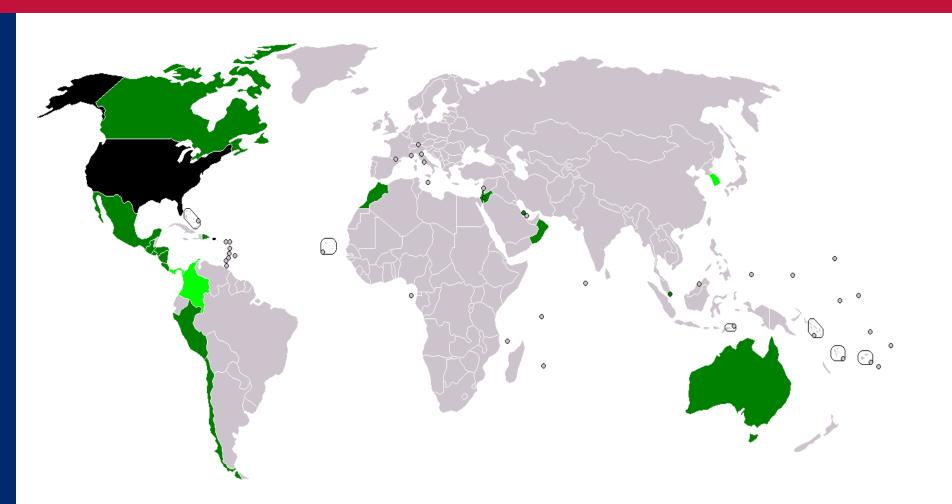






#### 1

# Participation



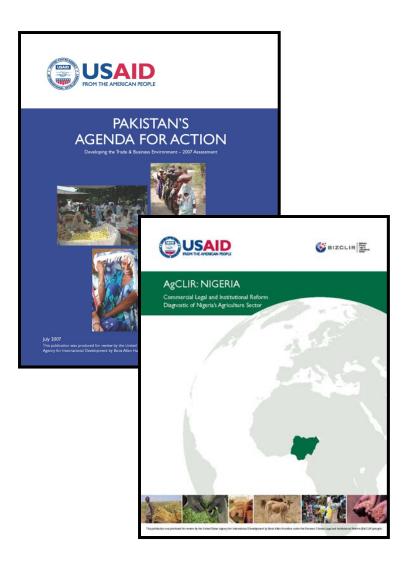
**US Free Trade Agreements—existing and pending** 

#### 

# **Opportunities**









# Implementation









WORLD INTELLECTUAL PROPERTY ORGANIZATION





