

How Research Helped in Policymaking and Negotiations: Case study of India

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Impetus for trade policy related research

- A key challenge for trade negotiators and trade policy makers in formulating the country's negotiating strategy in multilateral and bilateral trade negotiations lies in identifying and reconciling the diverse range of interests of stakeholders.
- Provides the rationale for trade policy related research
- Research also necessary in non-negotiating context

Research initiatives analysed

- Research – trade policy link analysed through 3 research initiatives relating to:
 - Trade Facilitation (TF)
 - FTA negotiations
 - EU GSP super regional cumulation (SRC)
 - SSM
 - Agriculture Modalities
 - Local content in schemes of other countries

Research on TF

- Up to 2004, India's position on WTO Trade Facilitation (TF) negotiations appeared to be characterized by inward-oriented policy, giving very little weight to addressing problems faced by Indian exporters in foreign markets.
- At the request of the Department of Commerce, the Project got research undertaken on TF problems faced by Indian exporters in foreign markets.
- Results of research endorsed by broad-based stakeholder national seminar.
- Negotiating proposals made to WTO in February 2006

Importance of research on TF

- Results of research on TF provided technical information to the government for approaching the negotiations from the point of view of its traders' and exporters' interests - marking a significant shift from its earlier inward looking approach.
- WTO members commended India for the research and the process leading up to the TF negotiating proposals – significant success story for the Project
- In the absence of research undertaken by the Project, it is likely that India's inward looking orientation in trade facilitation negotiations would have continued.

FTA Research: Role played by knowledge inputs

- Some of India's FTA/RTA engagements were undertaken without prior comprehensive study, resulting in considerable adverse impact in certain sectors.
- At the request of the DOC, during 2004-05, the Project undertook research for identifying the segments of the industry that would be vulnerable as a result of the tariff preferences which India might grant to country X under an FTA.
- Broad-based stakeholder consultations used to validate/refine the results of research CGE/ econometric analysis.
- FTA research provided the DOC with a list of sensitive products, determined on the basis of economic consideration (and not lobby driven).
- Importance of knowledge inputs recognised in the process of trade policy formulation- comprehensive studies initiated for other FTA negotiations using the Project methodology

Research on EU GSP super regional cumulation: No policy uptake

- At the request of DOC, the Project undertook research on possible implications of super regional cumulation (SRC) in EU GSP scheme.
- No policy uptake of the SRC research
 - research not directly linked to trade negotiations;
 - limited stakeholder validation of empirical results;
 - research results not widely disseminated;
 - likely that key decision makers do not have access to research findings; and
 - research issue may not be of immediate priority

SSM

- India and other G 33 main demandeurs of SSM in Doha Round
- Conditions sought to be imposed for using SSM
- Extensive number crunching undertaken to understand the effects of the conditions
- Other G 33 countries made aware of the implications of conditions
- Helped influence the negotiating approach of G 33

Agriculture Modalities

- Agriculture modalities have evolved through various texts of the Chair of Special Sessions
- Analysis undertaken of how various provisions evolved in successive modalities texts.
- Enhanced awareness of lack of overall balance in agriculture modalities

Local content in schemes of other countries

- Renewable energy sector emerging as one of the biggest recipient of subsidies
- India's interest being adversely affected by local content subsidies of some developed countries
- Detailed research analysing almost 100 schemes undertaken
- Questions posed to the developed country in WTO committees

Thank You