CUTS International

Bridging the Gap

"Encouraging dialogue between North and South"

CUTS International London Resource Centre, Year 1, No 4/2005

Food Safety Standards

A Skeleton in the Closet for the Doha Round?

African countries face critical challenges in improving domestic capacity to meet production and quality standards that are required in foreign markets… Non-compliance with international standards…may lead to a further reduction in global market share.

This is one of the conclusions of a recent report by the World Bank (WB). The report highlighted the impact on developing world producers of increasingly strict production and quality standards, which in 2002 disrupted exports from developing countries worth an estimated US$1.75bn.

Rigid, untransparent and complex food safety standards make the global market place seem ever further out of reach for local African producers

Burden on poor producers

Production and quality standards, the volume of which have exploded, in recent years, following consumer pressure in developed countries, are becoming an increasing burden on producers. This burden has been felt most of all in developing countries where producers and governments lack the resources to invest in the infrastructure required to comply with these standards. This is a situation which threatens to further impoverish developing country producers. The international standard setting process involves tense negotiations.However, many developing countries lack the technical expertise to analyse the impact of proposed standards and the resources to play a pro-active role in the standard setting process. Therefore, international standards often fail to reflect the interests and circumstances of developing countries.

Lack of capacity support

Despite these increasingly apparent concerns, the current round of World Trade Organisation (WTO) trade talks, which has been dubbed as the Doha Development Round, has done little to alleviate the problems developing countries face in relation to these increasingly strict production standards and the response of international donors to this challenge has also been disappointing.

The WTO Agreement which regulates the application of food safety standards in the interests of global trade [Agreement on the Application of Sanitary and Phytosanitary (SPS) measures] obligates developed countries to provide capacity support to developing countries in order to help them comply with these standards.

However, the Agreement does not specify how much support is to be provided nor a timetable for providing it, and only a limited amount of support has so far been committed.The WB estimates that in 2002 only US$53mn was spent by donors on food safety standards compliance projects in developing countries.

No political will at the WTO

In the lead up to June 2005's WTO SPS Committee meeting, a number of developing countries put forward proposals aiming to operationalise the capacity support clauses in the SPS Agreement.

So far there has been little agreement on these proposals with developed countries showing the most determined opposition to them. The failure of the Doha Round negotiations in relation to food safety standards to adequately respond to the concerns of developing countries threats to make a mockery of Doha's so-called development focus. In addition, by further reducing the confidence of developing countries in the multilateral trading system (MTS), it makes substantial movements in the Doha Round negotiations an even greater challenge.

by Gideon Rabinowitz

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GATS, Infrastructure and Regulation

Progress in the General Agreement on Trade in Services (GATS) negotiations during the Doha Round has been disappointing. Members have fallen well behind the deadlines to submit their requests and offers for sector or horizontal commitments and the offers that are on the table are very cautious. By the May 2005 deadline, more than 40 initial offers were outstanding, not including the least developed countries (LDCs).

Potential developing country gains

Within the GATS negotiations, developing countries have been focusing their efforts on Mode 4: supply of cross-border services through the movement of natural persons (MNPs). This is widely seen as the type of service liberalisation from which poor countries have the most to gain. But despite all the attention focused on Mode 4, developing countries may have more to gain in the long-term from the 'horizontal issues' which cut across all sectors. The horizontal issues include disciplines on domestic regulation, credit for autonomous liberalisation, disciplines for services subsidies and government procurement. Better regulation of both domestic and foreign providers in the utilities sector, for example, could generate huge benefits for the consumers.

Ideally, reform should be targeted at those sectors likely to bring about the most significant gains for the country, including the key infrastructure sectors. In the past, protection of public and private monopolies in utilities has led to considerable inefficiency. The ordinary consumer has paid the price for this in lower quality of service and restricted network coverage.

Infrastucture reforms

Infrastructure services make a huge, direct difference to the quality of people's lives and are severely lacking in many low income countries. Better water and sanitation improve health outcomes; greater access to electricity, communications and transport networks expand the livelihood options available to the poor. Infrastructure services are also vital inputs in virtually every production process and improving the quality of these services will improve a country's prospects for future growth and development.

In the last 15 years, foreign participation in infrastructure rose from less than US$20bn in 1990 to almost US$130bn by 1997 but then declined to around US$48bn in 2004. In recent years, macroeconomic shocks and currency fluctuations have heightened investors' perceptions of developing country risk and made them more reluctant to take on major investment projects in emerging markets.

Global water industries backing down

Water services, for example, used to be one of the most controversial issues on the GATS agenda. Opening up the water sector under GATS raised the spectre of privatisation to large multinationals that would hike up prices and cut-off poor households who could not afford to pay, setting in train public health disasters. The French and British water companies were seen as aggressive players pushing for liberalisation of developing country markets. But changes in the global water industry have put the issue in the background – at least for now.

In the last couple of years, the international water companies have shrunk back. They are no longer *demandeurs* for GATS commitments in the sector and the three largest companies – Veolia, Suez and Thames Water – have all announced their intention to focus on 'core' low-risk markets in Europe and North America. Just in 2005, Suez withdrew from two major contracts in Latin America, demonstrating the company's risk-averse approach.

Long-term commitment

Current estimates point to infrastructure financing needs of about 7 percent of Gross Domestic Product (GDP) for all developing countries and up to 9 percent of low-income countries' GDP. But with severe budget constraints preventing LDC governments from financing these themselves, encouraging the private sector to return may be necessary if countries are to meet their development goals. A first step in this direction is to reduce risks for private companies by improving regulatory stability and transparency. By making a commitment under GATS to this effect, countries can signal a long-term commitment to reform to potential investors worldwide.

It is clear that any future involvement of foreign companies in such a sensitive sector should be well regulated at the national level. Here, the existing agreement on telecommunications services under the GATS provides a potential model.

Telecommunications as a model

In the Uruguay Round, Members agreed the Annex on Telecommunications and the accompanying Reference Paper on pro-competitive regulation. This contains basic elements of a regulatory regime drawing on best practices from around the world, allowing developing countries to learn from the mistakes of countries that have a longer history of liberalisation.

The Annex sets out agreed terms and conditions for transparent, non-discriminatory and reasonable access and use of the public telecoms transport network – effectively, the right to interconnect. The main aim of the annex, then, is that market access commitments should not be frustrated by restrictions on access to the basic telecoms network. At the same time, the annex clearly recognises the right of each Member to safeguard public service goals and to impose universal service and other obligations in order to achieve these goals.

Given the concerns of developing countries and the sector specificities of each of the infrastructure sectors, the sector-by-sector approach implied in the telecoms agreement may provide a good model of how to move forward for the other infrastructure sectors.

However, negotiations on energy and water services are still at a preliminary stage. Energy services and environmental services needed to be reclassified to reflect the changing nature of these markets but it was only in 2005 that Members finally got down to the business of writing schedules for the energy sector. Currently, the schedules are too vague to be useful and many categories of services are missing from the definitions.

While sector-specific disciplines could constitute a promising way forward to balance social and economic needs in the complex infrastructure sectors, concrete agreement is still a long way off.

by Olivia Jensen

Special & Differential Treatment for Developing Countries in the Doha Round

Given the rhetoric and the frequent references to development in the 2001 Doha Declaration and the 2004 'July Package', the Doha Round will be very much judged on whether it has delivered on the developmental aspects. The issue of 'special & differential treatment' (S&DT) is thus at the core of the negotiations but not much seems to have come out of the discussions in concrete terms.

The value of preferential treatment

What is currently on the table is a combination of vague good intentions at the general level: development is an 'integral part of the Doha Ministerial Declaration', developed countries 'should' open their markets to LDCs; and at the specific level, that developing countries should be allowed to make smaller reductions in their own tariffs. The general proposals do not meet the developing countries' demands for enforceable commitments and the specific ones merely extend the type of rule differentiation offered in the last Uruguay Round. However, developing countries have not formulated a new model for S&DT.

The discussion now must be different from that in the Uruguay Round for three reasons. Developing countries are now active participants in the Round, and have made it clear that they will not be party to a consensus settlement until they see clear gains. Bilateral initiatives since 1995, by the European Union (EU) for the LDCs and by the US for Africa, have demonstrated that preferential treatment is valuable, and, therefore, something to seek and to try to keep. And finally, the commitments inside and outside the WTO to reducing poverty mean that the results of the Round will be judged by different standards.

Market access for some....

Designing a 'developmental' outcome that helps all developing countries is not straightforward. The effects of a deal in the Round will be different for different countries. The characteristics of individual developing members of the WTO are too diverse. Their interests and priorities vary to a much higher degree than among the 'developed members', a much more homogenous group of countries.

Banana preferences are some of the most disputed among developing countries

For most developing countries the Doha Round will – if it succeeds – bring increased market access, in both developed and other developing markets. Increased access for all means lower preferences for some. For many countries, the gains will exceed any losses, but there remains a small number of countries for which these gains are too meagre to compensate for their preference losses.

...lower preferences for others

Some developing countries will face costs of adjusting to a less distorted trading system, if the current Round achieves this. The preferences that they have received will be reduced, and therefore, their rents from higher prices and in most cases also the volume of their exports will fall, reducing their income. The consequence is that they will suffer significant losses if trade is liberalised. Total world welfare will be increased, because removing protection will remove trade distortions, with the gains going to both the currently protecting countries and the currently non-preferred developing countries. Some of the currently preferred countries will gain because other exports will rise.

The problem is that there remains a small number of countries for which these gains are too small to compensate for their preference losses, so the criterion that S&DT should increase the benefits to developing countries from trade suggests action is necessary. Because it is only a small number of countries, the cost of providing them with funds to meet the losses is also small.

Compensating the losers

These countries need non-repayable support from the developed world in order to be able to make the investments in physical and human infrastructure and in productive capacity to permit alternative production. Compensating these countries through a fund would of course be a major new initiative for the WTO and could seem inconsistent with its role as a trade agency. The reason for suggesting it is that the other proposals for dealing with the problem of preference erosion are more unsatisfactory and more difficult. Alternative gains from trade (in goods) are either too small or (in services) too sensitive. Postponing liberalisation hurts more people in developing countries than it helps.

Previous S&DT in the Doha Declaration and existing WTO Agreements has often been of a 'best endeavours' nature. Such clauses have raised expectations, but have not been enforceable. As a result, they have led to dissatisfaction. It is, therefore, absolutely necessary that the fund proposed here is bound such that the commitments by the more developed WTO members will be legally irrevocable.

The Doha Round will not be successfully concluded unless the question of S&DT is confronted and addressed in a way which gives some security for the countries which have benefited from it in the past and which creates a legally and developmentally sound system for the future.

by Sheila Page

Also see: Sheila Page and Peter Kleen, 'Special & Differential Treatment of Developing Countries in the World Trade Organisation' (www.egdi.gov.se)

Linking Grassroots to International Policy-making

LRC Project in Six African Countries

In general, there appears to be a huge gap between local communities, especially in the Southern world, and transnational policy-making institutions. Often official channels of communication between the two are non-existent, or lacking transparency, or if proper policy consultations are taking place, civil society may not have the resources or the knowledge to fully participate.

Small-scale producers all over the ESA region like the women in Malawi will be affected by an EPA.

Grassroots and trade agreements

This is definitely the situation facing African civil society attempting to feed into the free trade negotiations currently taking place between African regions and the EU [the so-called Economic Partnership Agreements (EPAs)] – and this is despite the fact that the framework agreement guiding these negotiations (the Cotonou Agreement) guarantees the right of civil society to be involved in the negotiating process.

The decisions taken in these negotiations will no doubt have a profound effect on the livelihoods and the fundamental social and economic rights of a vast majority of the African population. It therefore, is of utmost importance that initiatives are taken to bring marginalised groups' concerns surrounding EPAs to the attention of the policy-makers. And this is exactly what LRC's new project aims to do for a wide range of local grassroot groups in six African countries.

Grassroot consultations

Over the next two years, grassroot organisations in Ethiopia, Kenya, Uganda, Tanzania, Malawi and Zambia representing marginalised groups including women, subsistence farmers and people with HIV/AIDS, will participate in consultative workshops organised by LRC's partner organisations in the project countries. At these workshops, they will be informed about the potential impacts of an EPA on their everyday lives and they will be able to voice their concerns and put forward recommendations in relation to EPAs. At the same time, the workshops will also support the efforts of local groups to advocate their concerns to local decision-makers.

After the completion of the consultative workshops, LRC's partners will summarise the wide range of concerns expressed at the workshops in an advocacy document. LRC's partner organisations are all represented at their national EPA negotiation fora, so the advocacy documents will be presented at the fora as well as supporting wide-ranging advocacy activities at the national level.

EPA's effects on civil society

LRC's EPA project began in October and the first three months will see the production of a background paper for each of the project countries summarising existing impact studies of EPAs, and drawing out their effects on civil society and marginalised groups. In January, the first technical workshops will be organised after which LRC's project partners will begin preparations for the local workshops and the production of EPA information and campaigning packs to be distributed to their national networks.

LRC's partner organisations are:

- Ethiopia: ActionAid and Mamo Mihretu;
- Kenya: CUTS Nairobi and ECONEWS;
- Uganda: Development Network of Indigenous Voluntary Associations (DENIVA);
- Tanzania: Tanzania Association of Non-governmental Organisations (TANGO);
- Malawi: Malawi Economic Justice Network (MEJN); and
- Zambia: CUTS Lusaka and Civil Society Trade Network Zambia (CSTNZ).

We will keep our readers updated as the project progresses, and will highlight the outcomes of the workshops and the advocacy activities in *Bridging the Gap*. If you have any questions regarding the project, please contact: *Signe Glahn or Gideon Rabinowitz on 0044 207 482 8830 or london@cuts.org*

The EPAs project is supported by the Danish Ministry of Foreign Affairs

Getting the MDGs Back on Track?

An Assessment of the UN Millennium Review Summit

by Jane Nalunga , SEATINI

Southern and Eastern African Trade Information and Negotiations Institute (SEATINI) works to strengthen Africa's capacity to take a more effective part in the global trading system.

The world's leaders meeting at United Nations Headquarters in New York from September 14-16, 2005 for the UN Millennium +5 Summit agreed to take action on a range of global challenges, including development, environment, peace, and security. This Summit intended to take stock of the progress of implementing the Millennium Development Goals (MDGs), agreed upon by world leaders in 2000, during the Millennium Summit.

African leaders and people had hoped that this Summit would address the challenges facing them in implementing the MDGs, particularly financing. It was anticipated that this meeting would deliver concrete proposals on poverty eradication, especially as it was following on from the July G8 Summit, which had been a disappointment to many who had expected real and tangible solutions to the issues of aid, debt and trade.

Five years after the world leaders signed the historic Millennium Declaration and adopted the MDGs, it is clear that a number of countries, especially in Africa will not be able to meet the MDG target of eradicating extreme poverty by 2015. The first goal of universal primary education, which was to be achieved by 2005, has not been achieved in a majority of African countries. This missed deadline was neither discussed nor acknowledged, indicating the lack of seriousness on the part of the Summit in addressing the challenges of meeting these goals.

Africa is facing the challenge of resourcing development sustainably, for instance, 52 percent of the national budget of Uganda is donor funded. Therefore, in order for Africa to achieve the MDG targets, the issue of financing has to be addressed. The UN Summit reaffirmed its commitment to "…increase international financial and technical cooperation for development, sustainable debt financing and external debt relief…" Yet, the July G8 Summit had declared that increased aid and debt relief will depend on the implementation of International Monetary Fund/World Bank (IMF/WB) policies.

In fact, these very policies are the underlying causes of poverty in Africa. The conditionalities attached to debt relief and aid imposed by the WB/IMF not only limit policy space for national governments to implement national development programmes, but they also lead to the further impoverishment of the people. For instance, the policies of deregulation, liberalisation and privatisation, the hallmark of the Structural Adjustment Programmes (SAPs) pushed by the WB, have severely limited people's access to essential services. Water privatisation has been made a condition of aid and debt relief in a number of countries.

Although the UN Summit reaffirmed its support for developing countries "to adopt and implement national development policies and strategies through increased development assistance", what Africa wants in addition to development assistance is policy space. However, individual governments have little choice, as the Summit noted:

> "It is for each government to evaluate the trade off between the benefits of accepting international rules and commitments and the constraints posed by the loss of policy space".

There is a democratic deficit within the institutions of global governance i.e. the IMF, WB, WTO and the UN itself. These institutions wield enormous power over the governments and peoples in the developing countries, yet they are accountable primarily to the trans-national corporations (TNCs), not to the people affected by their policies.

It is imperative to curb the powers of the TNCs whose principle motive is profit at the expense of the impoverishment of the people and degradation of the environment. If the democratic deficit at the global level is not addressed, then the continuation of these policies of the international monetary, financial and trading systems being advocated for by the UN Summit will only hurt the people further.

Trade is an issue which was circumvented by this Summit as has been common in such important meetings. Yet, if poverty is to be eradicated sustainably all over the world, it will have to be through fair, just and equitable trade arrangements, and by putting development, not profit, at the centre of the trade negotiations and policies. The G8 Summit did not address the issue of fair trade, neither did the UN Summit apart from committing itself to: "…..work expeditiously towards implementing the development dimensions of the Doha Work Programme". The Summit does not say how this is going to be done. Developed countries continue to heavily subsidise their farmers and agricultural cooperations to the detriment of producers in developing countries. The WTO is also pushing for further liberalisation of services and non-agricultural markets, threatening livelihoods and jobs in poor countries.

Although the Summit expressed a lot of good will for the people of Africa and for suffering people all over the world, there was, therefore, no concrete political commitment to translate these sentiments into reality. Numerous Summits (the G8 Summits, the UN Summits, the Monterrey Summit on Financing for Development, the World Summit on Sustainable Development (WSSD), to name just a few) have been held to address the issue of poverty reduction and sustainable development; yet poverty is increasing. The poor (who are the majority) are becoming poorer and the rich are becoming richer. The policies responsible for this discrimination are being entrenched further in the WTO and by the IMF/WB conditionalities. Therefore, unless world leaders and global civil society address the issue of reforming these global institutions, so that sustainable development is at the centre of their policy making, and they are accountable to the people, then Summits will continue to be held, declarations will continue to be made, but poverty will continue to flourish.

CUTS CHD confronts smelting plant over health hazard

CUTS Centre for Human Development's (CHD) work on rural development issues in Chittorgarh district, Rajasthan, India where it is based, led to its involvement this summer in a local environmental and health outrage. Since being established in 1991, the Hindustan Zinc Smelter Plant has been repeatedly found guilty of criminal pollution of the local river that runs through Chittorgarh and into the larger Yamuna River. The smelting plant dumps toxic lead, sulphur dioxide and cadmium into the river. Local cattle are dying of lead poisoning, there have been mass deaths of fish, and people are suffering from eye, skin and lung diseases and heightened instances of miscarriages among women.

Despite demonstrations, the local authority raising the issue in the Legislative Assembly, and the Industry Minister writing to the district Health Department, Hindustan Zinc Ltd. continues to pollute and mislead the State Pollution Control Board (SPCB).

CUTS-CHD has taken the issue on board and is now supporting the advocacy efforts of local people through training and awareness raising.

CUTS to review WTO technical assistance programme

A team of experts from India-based CUTS International, Latin American School of Social Sciences, Argentina (FLACSO) and Canada-based North-South Institute (NSI) has been awarded a project to conduct strategic review of WTO's trade-related technical assistance programme over the next six months.

This review will look at WTO's comparative advantage in offering trade-related technical assistance *vis-à-vis* other agencies, the relevance of WTO's programme to the members and the participants, and efficiency and management of WTO-provided technical assistance.

"This is a very prestigious job and the challenge before us is to see how best poor countries can make use of WTO's assistance to develop their capacity to effectively take part in negotiations, and implementation of trade policies", said Pradeep S Mehta, Secretary General of CUTS International.

Indian Producers Debate Global Impacts on their Livelihoods

GRANITE grassroots meeting in Rajasthan

Normally, high-level debates on the global economy assume that small producers in developing countries will suffer from globalisation, and this assumption is dealt with as something lamentable but inevitable. But CUTS Centre for International Trade, Economics & Environment's (CUTS-CITEE) Grassroots Reachout & Networking in India on Trade & Economics (GRANITE) project brings global economic policy making to local villages all over India, and introduces these issues to rural producers to give them a wider perspective, and enable them to understand better their links to the global webs of production. GRANITE's objective is to build the capacity of grassroot organisations to tackle issues in the international economy that affect them.

In August and September 2005, a series of outreach meetings were held as part of the project in rural areas. The meetings touched upon different topics, under the general theme of discussing with producers, the impact of global economic trends on grassroot agricultural and textile producers. Among other things, the meetings discussed textile markets with handloom weavers, government regulation and supply bottlenecks with silkworm rearers, and the WTO Agreement on Agriculture (AoA) with farmers. At a workshop in Andhra Pradesh, farmers growing groundnuts debated their loss of revenue over the last decade due to liberalisation and the subsequent fall in oil prices.

Given the chance, the villagers astutely identified the same problems as economists do: lack of market information; monopsony buyers; collapsing prices for traditional products; and fierce competition with cheap imports. Hopefully this knowledge will help local producers improve their lives – something that economists seem to have been unable to do.

In December 2005, the outcomes of the meetings will be presented at the WTO Ministerial.

Investment Policy Review of Zambia

Foreign direct investment (FDI), its impact on economic growth, and strategies for economic development were among the key issues debated at a stakeholders' workshop, organised by CUTS Africa Resource Centre (CUTS-ARC), the Zambian Government and United Nations Conference on Trade and Development (UNCTAD). 80 representatives from the private sector, government, civil society, academia and the media gathered in Lusaka, Zambia, on August 22, 2005 to discuss a recent review of Zambia's investment climate conducted by UNCTAD.

Two of the biggest challenges facing Zambia right now are to deal with the perception of Zambia as an unattractive investment destination, and to attract the right kind of FDI. Even though FDI is a source of financing in Zambia, it has so far had minimum impact on economic growth and no impact at all on poverty reduction.

Worldwide experience shows that a vibrant and dynamic domestic private sector is critical to attracting FDI because it creates opportunities for partnerships between local and foreign investors. For that reason, it was suggested to strengthen the domestic private sector, so as to be able to fully reap the benefits of FDI. Participants stressed the need to urgently address the high cost of doing business in Zambia by investing in transport and communication infrastructure and reducing the high costs of energy and accessing capital. To achieve this, dialogue between the private sector and the government is cardinal and the private sector must take the lead on investment issues.

The stakeholders, therefore, recommended the development of a trade policy that is conducive to prudent investment policies, and encourages competition among enterprises, suppliers and indigenous investors. Through the implementation of this strategy, Zambia's investment climate will be greatly improved and ultimately attract more investment flows into the country.

Don't Miss Out

- Upcoming opportunities

Nuffield Foundation: Commonwealth Programme

Eligible organisations: UK based organisations

Funding Criteria: Nuffield funds projects in Commonwealth countries in Eastern and Southern Africa focusing on education, health and social welfare, in particular, science, mathematics and technology education, access to justice, child protection and family law, mental health and older people.

Funding available per activity: Not specified

Deadline: January 27, 2006 for outline proposals

For more information, go to http://www.nuffieldfoundation.org

Global Opportunities Fund Sustainable Development Programme

Eligible Organisations: NGOs with an office in the UK

Funding Criteria: Priority is given to activities promoting transparency, participation and access to justice, core human rights and natural resource management. The project must take place in one of the 18 priority countries; Argentina, Brazil, Burma, Cameroon, Caribbean Region, China, Colombia, Ethiopia, Guatemala, India, Kazakhstan, Malaysia, Mexico, Nigeria, Russia, South Africa, Thailand, Vietnam.

Funding available per activity: The total budget for 2006/7 is £5,000,000.

Deadline: End of January 2006

For more information, go to http://www.fco.gov.uk/

Joffe Charitable Trust

Eligible Organisations: UK based organisations

Funding Criteria: The trust's primary priority is the alleviation of poverty and the protection or advancement of human rights in the developing world (with a focus on Africa and the Indian subcontinent), the secondary priority is the support of outstanding individuals in the voluntary sector anywhere in the world who the trust judges are likely to make a real difference.

Funding available per activity: Not specified

Deadline: Initial applications can be sent at anytime

For more information, go to http://www.charitiesdirect.com/

The Baring Foundation: Strengthening the Voluntary Section

Eligible Organisations: National and international organisations based in England and Wales

Funding Criteria: The Foundation will support work which will lead to a significant and lasting change in the effectiveness of an organisation by improvements to its strategy, systems or structure. The work can relate to improving own effectiveness or providing services to make other organisations more effective in these ways.

Funding available per activity: Up to £30,000 for work spanning two years.

Deadline: December 30, 2005

For more information, go to http://www.baringfoundation.org.uk/

Briefing Papers on Competition and Investment

Investment for Development – Civil Society Perceptions

This paper addresses civil society perceptions of FDI based on a survey from seven select countries representing different geographical, political, social and economic scenarios. The views of civil society have been shaped by a combination of the current economic climate of greater liberalisation and openness in economic policy, and, perhaps more importantly, by the experiences of their countries. The civil society survey showed that civil society actors are largely positively oriented towards FDI. However, they do have certain concerns relating to FDI's contribution to the economy.

The countries included in the project survey were: Bangladesh, India, South Africa, Zambia, Tanzania, Brazil and Hungary. Apart from obtaining the views/perceptions of the civil society on issues pertaining to FDI, it also intended to raise awareness and build capacities of civil society, policy-makers and investors on investment issues. *(Suggested Contribution Rs20/£3)*

Foreign Direct Investment and Competition Policy

By providing a stable and predictable legal-economic environment for investors and by tackling entry barriers and high market concentration, a well-defined competition policy and law can help to create a sound economic environment that attracts FDI. A properly implemented competition law can also help to ensure FDI is development-friendly, and that the benefits are maximised for host countries.

This paper draws heavily from the experience/output of the '7Up Project' that involved a comparative study of competition regimes in seven developing countries. The project was implemented by CUTS during 2000-2002 in partnership with local institutions in selected counties: India, Kenya, Pakistan, Sri Lanka, South Africa, Tanzania and Zambia, and with the support from the Department for International Development (DFID), UK. *(Suggested Contribution Rs20/£3)*

In the coming issue...

- Briefings and analysis from the WTO Hong Kong Ministerial
- LRC's EPA Project - analysing the potential impacts on marginalised groups in Eastern and Southern Africa of an EPA
- Latest news and updates of CUTS' projects
- News from LRC's campaigns and advocacy activities in the UK and Europe
- Update on CUTS' publications, briefing papers and rapid briefings

The next issue of 'BRIDGING THE GAP' will be published in February 2006

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