

**Twenty-sixth regional course on key issues on the international economic agenda
EAFIT University, Medellin, Colombia**

4–22 February 2013

COURSE SYLLABUS

This syllabus presents a short overview of the content of the six modules that go to make up the course. For each module, participants from developing countries (including least developed countries (LDCs)), selected to attend the course will be expected to gather information on a number of issues before the beginning of the course, so that they can contribute to discussions on the different modules based on the experience of their countries.

Module 1: Trade, financial flows and macroeconomic policies in a globalizing economy

Objectives: This module highlights topical economic issues at the global level and explores their implications for countries' development policies. It introduces participants to UNCTAD's integrated approach, by examining the interdependence between different policy areas such as macroeconomic management and international trade and financial integration. This is to enable participants to better discuss growth and development challenges and opportunities. The module's principal objectives are (a) to examine global economic dynamics and the attendant challenges faced by developing economies in bringing about inclusive growth via appropriate macroeconomic policies; (b) to enhance participants' understanding of continued global economic and financial uncertainty, the direction in which current macroeconomic policy choices are heading, especially in the major developed economies, and what this implies for policymakers in developing economies; and (c) to help participants recognize the opportunities for development emanating from globalization, and the policy approaches that can help create an enabling environment for investment and growth.

Expected outcome: At the end of this module, participants will have deepened their understanding of the implications of trade and financial integration for inclusive economic growth, structural change and technological upgrading. They should also be able to understand key challenges related to macroeconomic and regulatory policies in order to prevent crises and enhance investment and growth. Participants will thus develop their capacities to pursue appropriate policies and strategies in these areas at national, regional and international levels.

Questions:

1. What are the major macroeconomic challenges that your country is facing, and how are your country's policies addressing these challenges? What domestic and international constraints affect the choice of policies and their effectiveness?
2. How has your country used foreign trade as an instrument for economic growth? How have your country's terms of trade developed over the past few years? What have been the main changes in the composition of your country's exports and imports in the recent past, and what factors have caused these changes?

Module 2: Investment and enterprise development: trade and development implications

Objective: The objective of this module is to define and evaluate the impact of foreign investment on development, and to highlight best practices on how to create linkages between transnational corporations (TNCs) and domestic enterprises.

This module addresses issues related to international and domestic investment and trade. It begins by examining the latest trends in foreign direct investment (FDI) flows, corporate strategies, and international systems of production. This will provide a basis for an assessment of the links between investment and international trade – the integration of developing countries into international systems of production (also called global value chains) as suppliers and producers. Attention will be paid to linkages between small and medium-sized enterprises (SMEs) and TNCs in order for developing countries to benefit from global trading opportunities, and also to the need to promote entrepreneurship and strengthen the local supply capacity to sustain competitiveness in the long term. The focus during the whole module is on the policies, institutions and strategies that can best attract FDI and “embed” it in host economies, as well as on policies for strengthening local productive capacity.

Expected outcome: At the end of this module, participants will be able to define and evaluate the impact of foreign investment on development. Participants will also be able to identify the policies, institutions and strategies that can be put in place to attract and enhance the impact of foreign investment through technological and financial spillovers, growth of employment and exports, TNC–SME linkages, and local enterprise development. Participants will also have a firm grasp of global and regional trends in foreign investment flows.

Questions:

1. National FDI policies: What are the perceptions of the role of FDI in your country? Has your country developed a national policy on FDI? If so, what are the key objectives and instruments of this policy? What institutions are responsible for the implementation of the FDI policy in your country? What are their mandates, as regards FDI policy? Does your country receive enough, too much, or too little FDI, and why? Does it receive the right kind of FDI? Is the role of FDI positive or negative?
2. Regarding national enterprise development policies, are there any links between transnational corporations and small and medium-sized enterprises in your country? What are the policies that the Government has put in place to support the small and medium-sized enterprises and/or entrepreneurship in your country? Is there any positive spillover in terms of technology transfer between transnational corporations and small and medium-sized enterprises? Are there clusters of sectorally specialized companies that have been successful in attracting FDI and have become internationally competitive?

Module 3: The knowledge economy: harnessing science, technology and innovation for development

Objective: The objective of this module is to familiarize participants with how countries can harness science, technology and innovation (STI) to address development problems through the design and implementation of national STI policies and strategies.

The sources of economic growth and development include technological progress and innovation. Harnessing STI has contributed to economic and social progress in many countries. It has also been a key part of the development strategies in several developing countries that are developing quickly and are catching up with the most advanced economies. This module discusses what STI is, how it can contribute to growth and development, and what types of policies and strategies countries can design and implement to build STI capabilities, promote successful technology transfer and develop strong innovation systems.

There is huge diversity among countries in many respects, and national STI strategies and policies must take account of different country circumstances. But the argument will be made that all countries can harness STI in ways that support growth, development, and improved social welfare, regardless of their specific circumstances. The module is therefore relevant for economic policy analysts and policymakers from all countries.

Expected outcome: Participants will understand (a) the role that science, technology and innovation can play in stimulating economic and social development; (b) the concept of innovation systems; and (c) how national policies can be used to build STI capabilities and promote technological progress and innovation.

Questions:

1. What roles do technology and innovation play in the development process of your country? What are the main weaknesses and strengths of your country's scientific, technological and innovative development?
2. Does your country have a national policy and/or strategy on science, technology and innovation (STI)? What period does it cover? Are there any budgetary resources allocated to the implementation of the policy/strategy?

Module 4: International transport and trade facilitation

Objective: The objective of this module is to introduce participants to key issues in international trade logistics, transport, and trade facilitation, with an emphasis on economies in Latin America and the Caribbean. Participants will also discuss trade facilitation measures at the World Trade Organization (WTO), as well as at regional negotiations, by gathering the elements required to establish a national position in these negotiations. To this end, the module will look at the role of international transport for countries' trade competitiveness, global transport networks, trade support services, and institutional frameworks, as well as customs issues and trade facilitation measures that are presently being negotiated at WTO. In this context, the module will also elaborate on countries' needs and priorities, capacity-building, and technical assistance, as part of the modalities of a potential negotiation of new binding rules on trade facilitation at WTO.

Expected outcome: At the end of this module, participants will better understand the role of institutional and physical trade infrastructures in fostering trade competitiveness in terms of supporting productive and trading capacities; they will be able to grasp the relevance of trade and transport facilitation and their importance in trade transactions, at national, regional and multilateral levels.

Questions:

1. Please describe one practical example from your country where insufficient or inadequate transport services are an obstacle to trade competitiveness. Please discuss the possible roles of national governments, port authorities, customs, international organizations, the private sector, and neighbouring countries (e.g. for transit trade) in overcoming this obstacle.
2. From the list of trade facilitation measures that are being negotiated at WTO (see the latest revision of Draft Consolidated Negotiating Text TN/TF/W/165), select one or more measures that, in your view, are important for your country, and should therefore reasonably be accepted by your Government as measures to possibly be included in a WTO rule on trade facilitation. Please gather information from the national institutions concerned, about the extent to which the measure has already been implemented in your country. If the measure is not fully implemented, what would be required for its effective implementation?

Module 5: Development gains from the international trading system: the perspective of developing countries in Latin America and the Caribbean

Objectives: This module will (a) examine developments in the international trading system, especially in view of the global financial and economic crisis and its impact on development and the Millennium Development Goals; (b) review the state of play in multilateral trade negotiations under the Doha Round of international trade negotiations, as well as issues of particular relevance for developing countries in the region and policy options in that regard; (c) consider broader trade and trade-related policy reform issues in these countries' efforts to achieve structural transformation and to draw maximum development gains from the international trading system; and (d) investigate ways and means to maximize the beneficial effects of trade agreements, for instance by adopting coherent national approaches to regional and multilateral negotiating processes, mitigating adjustment costs, and exploring opportunities to export to regional partners for diversification of countries' economies.

Expected outcome: At the end of this module, participants will be able to identify and understand key challenges and opportunities in the international trading system. They will also be cognizant of important factors affecting the design of appropriate national policies and strategies, to maximize gains from their integration into the global economy and to mitigate the negative impact of the crisis.

Questions:

1. Could you list and explain the constraints facing your country in drawing gains from international trade and the international trading system?
2. Could you briefly explain/provide examples of how the economic and financial crisis has impacted trade policy formulation and development strategies in your country?
3. Please explain how the trade negotiations can deliver development gains to economies in the Latin American and Caribbean region in the current context.

Module 6: Simulation exercise on national policy objectives and the multilateral trade negotiations

Objective: In order to understand the relationship between negotiations in trade in services (in the context of a country's services negotiations at WTO) and the wider policy context at the national level, participants will undertake a simulated consultation between national stakeholders as regards the country's possible commitments under the GATS on financial services. The exercise will result in a consensual services offer.

Expected outcome: At the end of the simulation exercise, participants will be able to understand the dynamics and challenges of crafting a national position to participate in trade negotiations.