

Geneva Trade & Development Forum: Inclusive Globalization

Trade and Livelihoods

Update of their progress: 30.05.08

The working group on trade and livelihoods has examined the factors linking trade and livelihoods and developed a working analytical framework. The framework encompasses multiple channels through which trade liberalization may affect livelihoods, including sectoral impacts, effects on workers at different skill levels, and overall labor market equilibria. We will hold a teleconference discussion in early June that is aimed at developing a consensus on appropriate policy responses to maximize the livelihood benefits of trade liberalization and cushion the losses to those employed in declining sectors or who possess skills or assets that will be less in demand after trade opening.

The analysis and policy frameworks provide the context for the group's work on Kenya, its focus country. An in depth research project on Kenya, involving many of the theme group members, is currently in progress. It is examining the impacts of alternative scenarios of international trade negotiations on trade and production patterns, employment and poverty in Kenya. The project uses global and country computable general equilibrium (CGE) models and includes a micro-simulation to assess the impact upon poverty and inequality. The models include information for different labor groups and distinguish between rural and urban areas. A meeting to present and discuss preliminary results of these simulations with Kenyan government officials is scheduled for the last week of June.

The Trade and Livelihoods theme group will develop a preliminary action plan for Kenya by mid-June and concretize that plan through discussions with Kenyan government officials and the private sector in late June.