

# Building Blocks of Sound Trade Strategy

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QUEEN'S INSTITUTE ON TRADE POLICY

SCHOOL OF POLICY STUDIES

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Aligned with the Government agenda

Grounded in the national / public interest

Based on evidence / analysis

Forward-looking

Deploys the right policy tools

Implemented / measured

Communicated effectively

# Aligned with the Government Agenda

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For the feds: Platform, SFT, Budget, Minister's mandate letter, RPP, speeches (tweets ... sigh)

Trade Minister's mandate:

- Inclusive, transparent, evidence-based, ... etc.
- Trade agenda:
  - Lock down CETA (again)
  - Save NAFTA
  - Sign new FTAs:
    - Progressive trade agenda
    - Modernization – Israel and Chile
    - Emerging markets – China and India (... and Mercosur)
    - Traditional markets – Japan
  - Collaborate with:
    - Provinces and Territories
    - AAFC, TCS/EDC/BDC, ISED, ECCC/NRCan/ISED, PCH, Fin/Minister for International Development
    - Nation-to-Nation relationship with Indigenous Peoples

# Grounded in National / Public Interest

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Grounded in economic policy:

- Industrial policy
- Agricultural policy
- Energy policy
- Labour force policy
- Innovation policy

And our “social preferences” (Pascal Lamy)

- Development policy
- Cultural policy
- Human rights policy
- Minority rights policy

The basis of Canada’s commitment to multilateralism



# Based on Evidence ... and Analysis

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What is evidence-based decision-making?

What evidence do you need?

- Your interests
- Their interests
  - United States
  - Mexico

The critical role of consultation

What is policy analysis?

# Forward-looking

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## Where is trade going?

- Protection of intellectual property rights
- Protection of investments, including rules for sovereign wealth investment
- International standard in competition policy
- Regulatory cooperation

## New issues in trade:

- Currency
- Energy
- Digital commerce
- Participation of SMEs / women / Indigenous Peoples

# Deploys the right policy tools

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Define the objective – conduct the analysis – select the policy instrument - build consultation and communication into the strategy from the beginning

The four basic policy tools: information; treasury; authority; direct delivery

- A spectrum from least to most coercive
- And least to most resource-intensive

The trade policy toolkit:

- Diplomacy
- Unilateral actions
- Invoke rights under existing trade agreements
- Apply national trade laws
- Regulatory standard setting
- Dispute settlement
- Negotiation
- Do nothing !!!!!

# Implemented ... and measured

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Implementation also starts at the beginning

- What will you need to do to bring the obligations into effect?
- What will they need to do to bring the obligations into effect?
- How will Canadian traders, investors seize the opportunities created?
- How will you know?

The implementation deficit and the missing science of “Deliverology”

Implementation fails because:

- It wasn't considered at the outset
- Implementation experts weren't involved in the design of the strategy / wrong skill sets
- The customer wasn't given voice
- Objectives not clear / no real priorities



# Communicated effectively

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Communicating complex concepts and advice effectively:

- to Ministers with no time
- to stakeholders with narrow interests
- to a general public with no technical background

Synthesis: *“Please forgive the long letter; I didn’t have time to write a short one.”*  
*(Blaise Pascal, 1623-1662)*

Effective briefings:

- Focus on the messages not the facts
- Main messages: what’s the issue; why this is important; the analysis is sound; the recommended approach is the best option.