



APPLYING THE DIAGNOSTIC: FROM ANALYSIS TO POLICY OPTIONS

Policy Options on Service Reforms

- Identify growth and development bottlenecks in each sector and decide the role (if any) that trade and investment policies can have in this process
- Determine the extent that trade agreements and unilateral liberalization can be used as an anchor of ongoing policy reforms in the sector or as precursors of future reforms
- State the desired participation of the state in the services sector and its modality. The options for state participation, if any, are:
 - as an exclusive service provider,
 - as a service provider in competition with the private sector, under similar rules,

Policy Options for Service Reforms

- limiting its role to policy design and regulator, including ensuring competition and enforcement, or
- a combination of all of the above.
- It should articulate the extent of private sector involvement. For example, in certain countries the public sector may limit its role to very narrow services activities, such as public transportation or rail transportation services, while other transportation services are open to private sector providers.
- It should also state the extent of foreign services providers' participation. Broadly, the greater its participation, the greater the benefits to the economy. But, for instance, certain countries maintain foreign ownership limitations in media services.

Policy Options for Service Reforms

- It should have a clear view of the regulatory framework that will best serve the objectives of the reforms, including the appropriate sequencing between regulatory and outright market-access reforms.
- Regulatory coherence: complementary policies to support the services reforms.