

# Life beyond local content: Exploring alternative measures of industry support in the context of WTO accession

Pierre Sauvé\*

## ABSTRACT

*This paper explores the industrial policy options and constraints confronting countries acceding to the World Trade Organization stemming from the obligation to phase out non-compliant local content requirements (LCRs). The widespread recourse to various local content practices and their political economy appeal make their removal a daunting task in many countries, particularly those characterized by weak productive diversification and a heavy reliance on extractive activities. After reviewing the policy rationale behind the prohibition of LCRs, the paper advances a number of alternative measures of industry support available to WTO acceding countries, placing particular emphasis on corporate social responsibility incentives and the design of supplier development programmes aimed at strengthening linkages between foreign invested or lead firms to an ecosystem of typically small and medium-sized local suppliers.*

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\* Director of External Programs and Academic Partnerships and a faculty member at the World Trade Institute, University of Bern, Switzerland. The author is grateful to Roberto Echandi, Dorsati Madani and an anonymous reviewer for helpful comments and suggestions on an earlier version of the paper. E-mail: pierre.sauve@wti.org.

The views and opinions reflected in this paper are that of the author alone.