

**The WTO, tourism and small states:
finding policy space to develop**

**Submitted by A.B. Turner
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Abstract: The WTO, tourism and small states: finding policy space to develop

This study examines whether the General Agreement on Services (GATS) provides the necessary policy space for small states to pursue their development agendas. Small states in this study are defined in power terms. But the study also focuses on small states in a property sense--those with few diversification options, making the services sector potentially an important avenue for economic growth and diversification.

The study seeks to examine critically the parameters that GATS places on policy-making of small states--whether governments are limited to providing a competitive business environment, or if they retain sufficient policy space to shape the development of a sector. The study also looks at the interplay between international and domestic factors in development of policy.

The tourism industries of Oman and Qatar provide case studies to examine these issues. Tourism has the potential to contribute to the economies of small states generally, but debate exists as to whether GATS leaves small states with sufficient space to influence the direction of this sector. The similarities between Oman and Qatar in both power and property terms allow for a comparative examination of whether small states can find meaningful policy space. In addition, their domestic dynamics provide insight into the interplay between domestic and international pressures on policy choices.

The experiences of Oman and Qatar suggest that there remains some policy space for states to develop their tourism industries in a manner compatible with local aspirations. Governments thus have some scope to direct the shape of the tourism sector beyond merely providing a competitive business environment. But policy direction is influenced by capacity, past experiences and existing norms, and these differences can result in varying outcomes. Additionally, small states must decide their priorities in on-going WTO negotiations in order to maintain existing policy space.

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