

Fair Trade - Balancing the Books

By Fr. Bill Turnbull W.F.

For many years now there has been a battle between the supporters of **Free Trade** and those who are for **Fair Trade** and **Trade Justice**. **Free Trade**, as preached by the **World Trade Organization (WTO)** and other financial institutions, often divides the product from its producer so much so that they do not receive fair payment for it, and those who process it, or sell it on in between times, reap enormous benefits. It is for this reason that many people, organizations, and some governments agree that the rules that govern trade at present should be reviewed. ⁽¹⁾

In essence **Free Trade** means that the movement and trade of goods, capital, services, and people, across borders should be free from government tariffs and quota restrictions. In this scheme the prices and products are determined by the market forces of supply and demand and as a result often do not give the producer a fair price. On the other hand in **Fair Trade** the bias is towards those who produce the goods in helping them to gain a decent price for their product.

THE WORLD TRADE ORGANIZATION (WTO)

The main institution that regulates world trade is aptly named the **World Trade Organization (WTO)**. In theory the **WTO** is supposed to represent the views of all its members, but in practice it is biased towards the richer industrial nations who dominate it. The **WTO** is a forum overseeing the rules of international trade, with the aim of promoting **free trade** by lowering and

eliminating trade tariffs and other barriers. It administers and polices **free trade** agreements, resolves trade disputes between governments, and organises trade negotiations. **WTO** decisions are absolute and members must abide by them. Members are empowered by the organization to enforce its decisions and can do so by imposing trade sanctions against countries that have breached the **WTO** rules. ⁽²⁾

THE WTO TALKS IN GENEVA – JULY 2005

July 2004 saw further developments in **WTO** discussions concerning the **Doha Development Agenda** for tackling global poverty, which were begun at the Fourth Ministerial Conference in Doha, Qatar, November 2001. This was the deadline set for the agreement of a framework for a new round of trade talks. After the set back of the meeting in Cancun, Mexico, 10-14 September 2003, it was hoped that things would improve. Although there was some progress, opinion is divided as to whether the poorer countries will gain from the agreements.

Farm Subsidies have been under discussion for a long time. In Geneva the rich countries accepted proposals to cut all forms of export farm subsidies, but they are able to keep some of their domestic support. The deal includes an immediate 20% cut in the maximum permitted payments by rich nations. The European Union has refused to reform the Common Agricultural Policy (**CAP**) which means that

export subsidies will probably remain until about 2017. The rich countries accepted to cut tariffs on farm imports, though no figures were agreed, which should improve access to their agricultural markets for developing countries. Poor countries now will be able to protect some of their agricultural products because of their importance to food security and poverty reduction. Neither Europe's multi-billion-pound sugar industry nor the **US** cotton subsidies were included in the main negotiations though the **US** has said it will do something about their subsidies. ⁽³⁾

Imports and Exports also came in for some change. Poorer/developing countries will have to cut import barriers and negotiate rules to make customs procedures easier and cheaper for business. On the other hand they won the right to protect '**special**' products that are crucial to the well being of their economies. The **key nations**, including the **US**, the **EU**, Brazil and Japan, agreed to get rid of export subsidies, to limit other subsidies and to lower tariff barriers. The initial cut will be 20% but no starting date has been agreed and nations



have the right to keep higher tariffs on some of their most important products. This trade **liberalisation** means that the richer countries will have better access to markets in developing nations for industrial goods and services, such as banking, water and telecommunications.

^{3:} *Cotton Subsidies* were also under discussion but no progress was made. The **US** Government annual **US\$3bn** (£1.65bn) subsidy to its cotton farmers is greater than the entire output of Burkina Faso. As a result of these subsidies the **US** is able to control 40% of world cotton exports; the **US** cotton floods world market; and it lowers prices making cheaper West African cotton worthless. The West African nations failed in their attempt to have separate negotiations over these subsidies but it is reported that the **WTO** has already ruled that they are illegal. It is said that President George Bush instructed his negotiators to 'prioritise' the cotton issue as a means to placate Mid Western farmers before the November elections.

EU Sugar Subsidies were challenged in the **WTO** by Brazil, Thailand and Australia. The **WTO** has reportedly ruled that Europe exports up to four times the permitted amount of subsidised sugar each year. According to **Oxfam** the **EU** dumping depresses world sugar prices and led to foreign exchange losses of about **US\$494m** for Brazil, **US\$151m** for Thailand, and **US\$60m** each for South Africa and India in 2002. In the **Uruguay Round** of trade talks the **EU** agreed to reduce its subsidised exports to just over 1m tonnes each year, but in fact it exports up to 5m tonnes. The final **WTO** ruling was due in September 2004 and the **EU** will then have the opportunity to appeal, which could delay the final outcome until early 2005. (*Oxfam Press Release - 4 August 2004 - EU Sugar Subsidies Ruled Illegal*)

Picture above: A student examines the cotton from an experimental field at Nyegezi Social Centre, Tanzania

Foot Notes 01: Previous 'White Fathers – White Sisters' magazines that have related articles: Issue 302, February-March, 1992, 'The African Debt Situation' at www.thewhitefathers.org.uk/302dt.html; Issue 304, June-July, 1992, 'Aid and Development' at www.thewhitefathers.org.uk/304dv.html; Issue 338, February-March, 1998, 'Influences in Africa Pt. 5: Globalisation' at www.thewhitefathers.org.uk/3338glob.pdf; Issue 342, October-November, 1998, 'The group of Eight and Debt - Part 1' at www.thewhitefathers.org.uk/342g8dt.html; Issue 343, December-January, 1999, 'The group of Eight and Debt - Part 2' at www.thewhitefathers.org.uk/343g8dt.html; Issue 369, April-May, 2003, 'Which Plan Should We Adopt In The Fight Against Poverty?'; 'Globalisation as Seen by Africa's Cotton Farmers' at www.thewhitefathers.org.uk/369bf.pdf; and Issue 371, August-September, 2003, 'Africa in the Global Economy' at www.thewhitefathers.org.uk/371glob.pdf.

02: see pages 16 and 17 for details of the **WTO**.

It is possible that developing countries will lose from this liberalisation because their economies are not strong enough to survive the competition from developed countries.

The present round of talks is not over yet but the WTO believed it was crucial to make progress in the July 2004 meeting because of the pending US Presidential Elections in November and changes in the European Commission due in the autumn. If there had been no progress then it could have resulted in delays of several years. In Geneva all the 147 members of the WTO agreed on the basic framework for future talks on a trade deal, but it still left months of hard negotiations ahead. Negotiators returned to the table in September 2004 to sort out a deal ahead of the WTO's next ministerial summit in Hong Kong in December 2005 - the final deadline - though the final agreement may not be reached until 2006 or 2007 if talks do not collapse. Analysts say it is vital that any new deal be agreed before 2007 when the US 'fast-track legislation' expires. (4)

The World Bank estimates that once the new deal on the rules governing farm subsidies and tariffs on foodstuffs and industrial goods have been completed it could possibly add a further US\$520bn (£280bn; 420bn Euros) to the world economy by 2015. According to the World Bank poorer countries will be the ones to benefit the most from this, but some trade negotiators and most NGOs involved with development say that the draft is biased in favour of the West's richer industrialised countries, and that there is still much to do to secure a deal that will benefit poor countries. This is especially so when the richer nations are able to put so many people and resources into the WTO negotiations which the poorer countries do not have. It still remains to be seen who will really benefit from the Doha Development Agenda talks by the time they are completed.

FIGHTING POVERTY THROUGH FAIR TRADE

The Fair Trade movement is found throughout the world. The hundreds of organizations involved in Fair Trade are bound by a common thread that links the producer with the consumer in a partnership. With this the organizations are able to help both become aware of the other, how they interact through trade, agree a fair price for a product, and make it possible for the product to be traded on the world market at the agreed price. In this way consumers can have more control over their purchasing power and use it in a positive way.

Fair Trade is not restricted to poorer countries, though many of the items traded, such as commodities, are produced by small producers in developing countries. By working together the producers do not lose because of the fluctuations in world market prices. The result is that the small producers in developing countries can gradually improve their standard of living, and have better trading conditions. At the same time the consumers in the developed world play a direct part in establishing sustainable development.

THE KEY PRINCIPLES OF FAIR TRADE

On an international level Fair Trade has many objectives from helping people to become aware of trade issues to working together to raise the standard of living of people in developing countries by getting a fairer price for the merchandise produced. The major aims are listed below.

Campaign and Awareness - Fair Trade attempts to raise awareness among consumers of the negative effects that the existing conventional international trade has on producers. To this end the various organizations involved campaign to change the rules and practice of international trade.

Trade Partnership - in raising awareness Fair Trade organizations work in a partnership with

consumers and are actively engaged in supporting producers. The trading partnership is based on dialogue, transparent management, and commercial relations to deal fairly and respectfully with all involved.

Sustainable Development - Fair Trade contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers - especially in developing countries.

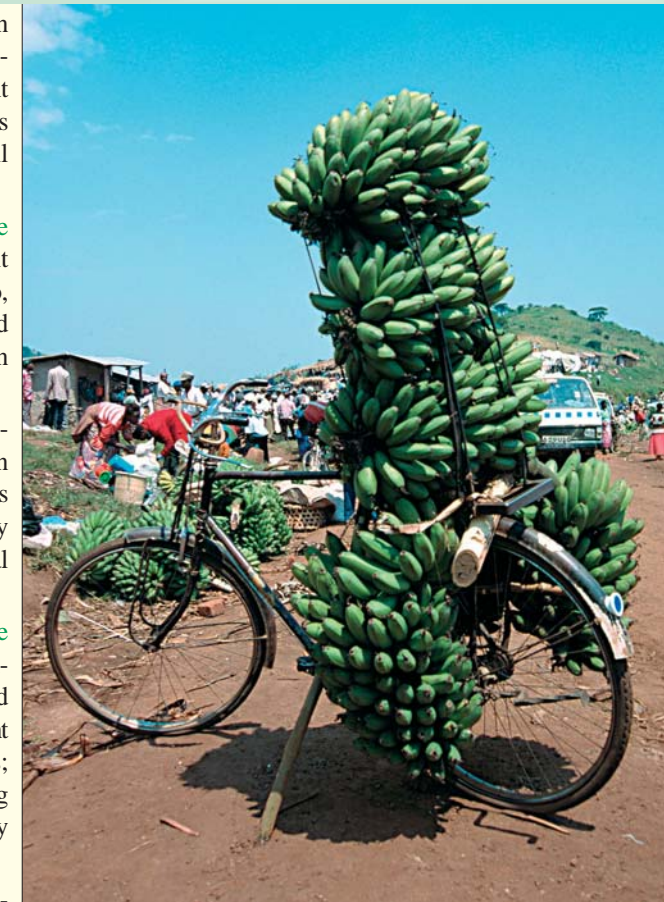
Poverty Reduction - by encouraging sustainable development Fair Trade helps in reducing poverty by creating opportunities for producers who suffer economically or are marginalized by the conventional trading system.

Organization and Continuity - Fair Trade helps to develop the producers' independence and better their livelihoods and well-being by: improving their management skills; gaining access to new markets; strengthening producer and marketing organizations; and providing continuity in the trading relationship.

Fair Price - a fair price in the local context is agreed through dialogue and includes: the costs of socially just and environmentally sound production; fair, equal, and prompt payment to partners; access to pre-harvest or pre-production financing; and gives economic security.

Gender Equity - through Fair Trade women's work is properly valued; and they are paid fairly for their contribution to the production process, and are given a voice in the various organizations.

Working Conditions - Fair Trade protects human rights by promoting social justice in a safe and healthy working environment. It pro-



protects any children involved in the production process from exploitation and follows the UN Convention on the Rights of the Child and local laws.

Protect the Environment - Fair Trade encourages better environmental practices and responsible methods of production.

FAIR TRADE ORGANIZATIONS AND PRODUCTS

As can be seen from all the above Fair Trade is a lot more than simply international trading. By building a global partnership it has begun to prove that greater justice is possible in world trade and it has highlighted the need for changing conventional trade so that people are put first.

Foot Note 4: Without 'fast-track', which limits the power of the US Congress to alter trade deals negotiated by Washington, there is little prospect that the US would adopt a new pact.

We all can be involved as much or as little as we wish. If we have not begun, then maybe one way to start is just to look out for the next farmers' market in our area and buy some local produce. If we would like to go further we could buy supermarket products that carry the **Fair Trade** logo. Below are a few more ideas that have already got underway and maybe will inspire us to learn more about **Fair Trade** and to follow it up.

CAFOD AND THE TRADE JUSTICE CAMPAIGN

Since their foundation **CAFOD** (Catholic Agency for Overseas Development) and **SCIAF** (Scottish Catholic International Aid Fund) have worked to bridge the gap between the rich and poor all over the world. In this line both organizations have been campaigning to change global trade rules because of the way they affect the ordinary people in developing countries. To this end **CAFOD** and **SCIAF** have joined the **Trade Justice Movement (TJM)**, a coalition of charities and campaigning organizations who are working for change in international trade. The **TJM** coalition is calling for basic changes to the unjust rules and institutions - such as the **EU**, the **WTO**, **World Bank** and **IMF** - that govern international trade, so that it can be made to work fairly for everyone and take millions of people out of poverty. ⁽⁵⁾

Part of this work is done by lobbying the **UK (British Government)** and MPs. The **TJM** also encourages everyone to get involved and to this end the '**Vote for Trade Justice**' was launched in the summer of 2004. The ballot page can be found on the **CAFOD** web site and simply reads:

'I believe everyone has the right to feed their families, make a decent living and protect the environment.'

But the rich and powerful are pursuing trade policies that put profit before the needs of people and the planet.

To end poverty and protect the environment we need **Trade Justice** - not free trade.

I call on the **UK** government to:

- * fight for rules that ensure governments, particularly in poor countries, are able to choose the best solutions to end poverty and protect the environment. These will not always be free trade policies;
- * end export subsidies that damage the livelihoods of poor people around the world;
- * make laws that stop big business profiting at the expense of people and the environment.' ⁽⁶⁾

Through the '**Vote for Trade Justice**' campaign the **UK** organizations involved in the **TJM** are collecting votes to send to the **UK Government**. At the same time other countries are gathering votes in order to target their own national leaders. The idea behind it is to create such a public pressure on politicians across the world so that they will be encouraged to rewrite the rules of international trade to make them more balanced, to fight poverty, and to protect the global environment. The **Jubilee 2000** campaign proved that ordinary people are willing to get involved in global issues and that politicians and governments do listen to what they say, especially when they host high profile events such as the **G8** world leaders' summit of 1998 in Birmingham. With the **UK** hosting the **G8** meeting again in July 2005 there is another important opportunity to lobby international leaders about trade issues. ⁽⁷⁾

TRADE JUSTICE MOVEMENT PRIORITY

The **TJM** have as their priority achieving six policy changes for 2004-2005. They believe

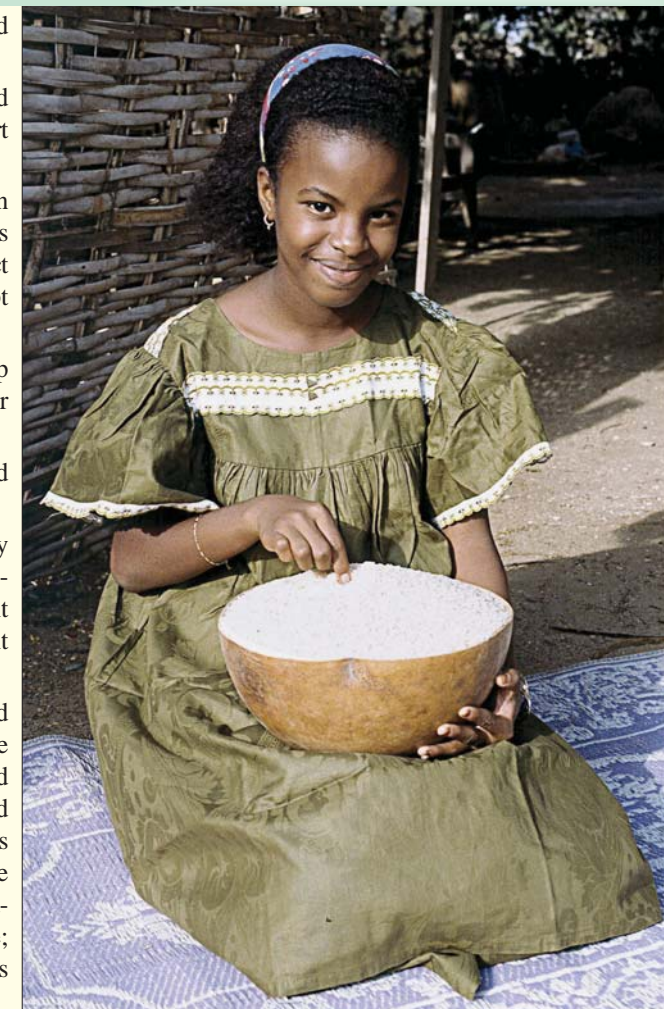
that the following are possible and would bring us closer to **Trade Justice**:

- 1 The **EU** should agree now to an end date for eliminating agricultural export subsidies.
- 2 The **EU** should agree that its position for **WTO** agriculture negotiations is that developing countries can self-select food security products to be exempt from any further liberalisation.
- 3 The **IMF** and **World Bank** should stop imposing trade conditions on poor countries.
- 4 The **EU** should withdraw its demand that water is included in **GATS**. ⁽⁸⁾
- 5 The **UK Government** should oppose any restrictions on the ability of governments to regulate foreign investment in accordance with their development and environmental needs.
- 6 The **UK Government** (and **EU**) should regulate companies so that they are held accountable for their social and environmental impacts at home and abroad: promote core labour standards for all workers by strengthening the role of the International Labour Organization in promoting global compliance; actively support the UN Human Rights Norms for Business. ⁽⁹⁾

2005 DATES AND REMINDERS

The year 2005 is important for international trade and related issues which are of great importance to the developing, poorer countries of the world. Every year there are many events that affect us all but which take place without us realising their importance.

The **EU** holds a key position as it is a very important trading partner to Africa importing nearly



half of the continent's merchandise. In this respect the **EU** can influence matters in the **WTO** more than individual African countries. Despite having 10% of the world's population Africa only has 1% of world trade so its voice is not as strong in **WTO** matters as the **EU**. The negotiations are carried out as an **EU** block of member states, not as individual countries, formed on a common position within the **Union**.

among the developed countries that participated in the Conference on International Economic Cooperation (CIEC) that was held in several sessions between December 1975 and 3 June 1977.

Picture above: preparing a calabash of locally produced rice in Senegal

Foot Notes 5: **CAFOD's Trade Justice Campaign** web page at http://www.cafod.org.uk/get_involved/campaigning/trade_justice_campaign.

6: see the web page at http://www.cafod.org.uk/get_involved/campaigning/vote_for_trade_justice.

7: The **Group of 8 (G-8)**: The Group of 8 is made up of the world's strongest economies Canada, France, Germany, Italy, Japan, Russia, UK, US. It was established in October 1975, to facilitate economic cooperation

Listed below are some of the key events that could improve the plight of poorer countries by simply having the richer countries agree to making trade fairer. These are also events in which our leaders speak on our behalf and it is in these that we should be able to truly have a say.

2005 this year marks a 10-year countdown for the richest nations to reach the ten United Nations' Millennium Development Goals in 2015.

April - the Commission on Africa, set up by the British Prime Minister, Tony Blair', is due to report back.

10-16 April 2005 - is the Global People's Week of Action when people around the world will be organising events, demonstrations and campaigns for fairer global trade rules that will benefit poor nations and the environment.

6-8 July 2005 - the British Government will host a meeting of the G8 group of leaders of the world's eight richest nations, in Gleneagles, Scotland. As the host the UK sets the agenda and so can push the issue of poverty, fairer trade rules, cancelling third world debt, and

increasing aid. Demonstrations and events calling on the G8 to end poverty are planned to coincide with the meeting.

July - December 2005 - the UK will have the Presidency of the European Union (EU). This is an opportunity for the EU President to push issues through, such as to commit the EU to negotiate fairer international trade rules.

December 2005 - the WTO's next ministerial summit in Hong Kong and the final deadline for the Doha deals.

CAFOD, SCIAF and many other NGOs are pushing that 2005 should be the year to end global poverty and to remind the governments of the rich nations about the commitments that they have made. Even if we do not wish to take part in any of the events it may be of interest for us to keep an eye on developments. ⁽¹⁰⁾

We conclude with the words of the Catholic Bishops of England, Scotland and Wales from a joint statement they produced on trade in 2003: ⁽¹¹⁾

'Trade, like globalisation, is not an end in itself: it is evaluated by its relationship to a

more comprehensive human good. It is in this spirit that we would advocate that the World Trade Organization, though principally a negotiating forum for trade and an arbiter of trade rules, could fruitfully adopt the Millennium Development Goals as the over-arching framework for its policies. This step would enable it to call negotiators and the governments they serve to look beyond narrow national advantage to the wider interests of humanity.

It is governments that negotiate the ground rules of trade in the WTO and elsewhere. But it is the function and duty of governments to act in the name of and with the mandate of their peoples. As the Jubilee 2000 campaign for debt remission showed, ordinary people acting together can deeply affect government policy. Many of those who campaigned on debt are now aware that trade rules must be changed in order to prevent the countries that have benefited from debt cancellation - inadequate though it may be - from falling back into unpayable debt. Such campaigning

is solidarity in practice. Such collective action expresses the Christian conviction that the 'market', properly understood, can allow for a balancing of freedom with responsibility and of prosperity with solidarity. A global market calls for global solidarity.'

From the above words of the Catholic Bishops of England, Scotland and Wales it is clear that each one of us has a role to play in world trade. Such trade is not isolated from those who produce the items to the final purchasers, no matter how many miles may separate the two - trade



is a partnership. As we have seen all of us can have an influence in trade matters, whether it is from what we put in the supermarket basket to directly lobbying our MPs. The decision is ours, but if nothing else we should try and learn more about how trade works and we keep in mind that, like everyone, we should also do our part to create a level playing field for all concerned. Let us hope that this year of 2005 will bring progress in the deliberations and rules of the World Trade Organization that will benefit the poorer nations, especially those in Africa.

Foot Notes 8: GATS: General Agreement on Trade in Services is a WTO agreement of international rules, containing specific commitments to liberalise trade in the services sectors, such as advertising, banking, education, health care, retailing, sanitation, transport, and tourism.

GATT: General Agreement on Tariffs and Trade was agreed by 23 countries in Geneva in 1947, its purpose was to increase international trade by reducing trade barriers. Until the Uruguay Round in 1986 it concentrated mainly on trade in manufactured goods. It was replaced by the WTO in 1995.

Trade Justice Movement Membership: ActionAid, ACTSA, ADRA-UK, African Initiatives, AEFJN-UK, Baby Milk Action, Banana Link, CAFOD, Campaign Against the Arms Trade, CARE International UK, Catholic Institute for International Relations, Christian Aid, Church of Scotland, Board of World Mission, The Church in Wales, The Fairtrade Foundation, Find Your Feet, Friends of the Earth, Greenbelt Festival, Greenpeace, Harvest Help, Justice for Colombia, MAYC World Action, Methodist Relief & Development Fund, National Federation of Women's Institutes, National Justice and Peace Network, National Union of Students, Nicaragua Solidarity Campaign, One World Action, Oxfam, Peace Child International, People & Planet Peru Support Group, Quaker Peace and Social Witness, Rugmark UK, Save the Children, SCIAF, Scottish Catholic Justice & Peace Commission, Shared Interest, SPEAK, Student Christian Movement, Tearfund, Tools for Self Reliance, Traidcraft, TUC, Unitarian Office of Social Responsibility, Unison, United Reformed Church, VSO, War on Want, Women's Environmental Network, Women's International League for Peace and Freedom, The Woodcraft Folk, World Development Movement, and World Vision UK (from <http://www.tjm.org.uk/members.shtml>).

9: Policy Demands are from the Trade Justice Movement web site at <http://www.tjm.org.uk/briefings/TJMdemsands.shtml>

10: To find out more about important events taking place during 2005 see CAFOD's campaign page on their web site at http://www.cafod.org.uk/get_involved/campaigning/trade_justice_campaign/2005. An example of the possibilities for group activities on a parish level may be seen in the article 'Fair Trade Comes to Long Island' by Fr. Patrick Fitzgerald W.F. on page 13.

11: From part XIII Catholic Social Teaching and Trade of 'Trade and Solidarity' A statement of the Catholic Bishops' Conference of England and Wales and the Catholic Bishops' Conference of Scotland, 1 June 2003.

Picture above: this farmer is fortunate to have oxen and a plough, most still cultivate with hand implements

SOME TRADE RELATED FACT AND FIGURES

- ☞ International trade is worth US\$10m. a minute. Poor countries only have 0.4% of this trade. Since 1980 their share has halved and prices of some of the key exports are at a 150-year low. (a)
- ☞ According to the UN the present trade rules cost the developing world US\$700bn. a year - an export income of £1.3bn. a day - 14 times what they receive in aid. (a, b & c)
- ☞ While world trade has increased ten times since 1970 and more food is produced per person than ever before, the number of people going hungry in Africa has doubled. (c)
- ☞ Income per person in Africa's poorest countries has fallen by a quarter in the last 20 years. (a)
- ☞ The three richest people in the world control more wealth than all 600 million people living in the world's poorest countries. (a)
- ☞ The world's 50 poorest countries have less than 3% of the vote at the International Monetary Fund and just the US has sole veto power. (a)
- ☞ At the WTO meeting in Doha, November 2001, the EU had 500 negotiators while Haiti had none. Only half the poor countries in the WTO can afford a representative at its HQ. (c & d)
- ☞ After one round of trade negotiations, rich countries calculated that they would be US\$141.8bn. better off, while Africa would lose US\$2.6bn. (a)
- ☞ About 96% of the world's farmers, or 1.3 billion people, live in developing countries. (e)
- ☞ OECD figures show that industrialised countries spend US\$350bn. a year, 32% of all revenues, subsidising their farmers to produce crops, many of which could be produced more economically in developing countries. (f)
- ☞ Rich countries impose tariffs as high as 350% on imports. Cutting the tariffs would add an extra US\$520bn. to the global economy by 2015 and, according to the World Bank, would lift 144 million people out of poverty. (e)
- ☞ African and Latin American countries say subsidies enable wealthy farmers to 'dump' cheap produce on their markets, killing their domestic farming industries. (e)
- ☞ For each pound rich countries give poor countries in aid, they give about ten to their own farmers. (d)
- ☞ At present, 80% of UK subsidies go to the richest 20% of farmers. For example, the Duke of Westminster - one of Britain's richest men - has been given £3 million! (d)
- ☞ The average European cow receives US\$2.20 a day while nearly half the world's population (2.8bn. people) live on less than US\$2 per day. According to Oxfam 900 million people in poor, rural areas live on under US\$1 a day. (a & b)

Sources and Notes: a = Christian Aid's Trade Justice Campaign: the basics; b = CAFOD;

c = CAFOD at http://www.cafod.org.uk/get_involved/campaigning/trade_justice_campaign; d = Christian Aid's Trade justice: a campaign handbook at <http://www.christian-aid.org.uk/campaign/trade/handbook/index.htm>;

e = 'Deal to slash farm subsidies 'would end poverty for millions' ' by Philip Thornton Economics Correspondent, The Independent, 30 July 2004; f = OECD is the Organisation for Economic Co-operation and Development - Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, South Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey, UK, US.

Fair Trade Comes to Long Island

By Fr. Patrick Fitzgerald W.F.

Fr. Patrick Fitzgerald is a British White Father who spent many years working in both England and Zambia before going to Long Island, New York State, United States of America. Fr. Pat is still carrying on his missionary work in the USA with a new sense of purpose which stems from his long time commitment to Justice and Peace. In America Fr. Pat is working together with the people of Long Island to bring an awareness of Fair Trade into their daily lives. The work carried out by the Fair Trade group can be an inspiration to us all. It shows what it is possible to do on a local level and how the efforts of ordinary people can develop from something very small to the involvement of the parish community and its neighbours. We hope to hear more from Fr. Pat in the future.



International trade may seem a remote issue, but when prices for commodities like coffee, tea, and chocolate fall dramatically it has a catastrophic impact on the lives of millions of small-scale producers, forcing many into crippling debt and countless others to lose their land and their homes. Unfair trade practices force families to break up for long periods or leave home to find work in other countries. When you buy a mug of coffee in one of the many outlets in our big towns the farmer who grew the coffee will usually receive 1% of the price you have paid!

Picture above: the donkey is a valuable means of transport as here at Oulad Moussa, Morocco.

Fair Trade does what it says on the label; it guarantees a better deal to producers in the developing world. This means a stable price which covers their production costs, along with a premium that their organization will be able to reinvest either in the business or in social or environmental schemes among the wider community. Fair Trade enables these producers to educate their children and promote their health and remain within their communities.

When a small group of people on Long Island (in the State of New York) became aware of the plight of coffee farmers across the world, and of children being made to work long hours for incredibly low wages and in inhuman con-

ditions, they made a decision. They could no longer say “Father, Thy kingdom come”, and leave the rest to Him. Aware that Christ lived, and lives, to ‘present to you his Almighty Father a kingdom of justice, love, and peace’ (the Preface of the Mass of Christ the King), aware, after listening to Pope John Paul II telling us that “We are all responsible for all”, they decided, to open a Fair Trade shop, under the leadership of a dynamic wife and mother of a family. It would be the first Fair Trade shop on Long Island. Given that Fair Trade was hardly known on the island it was an act of faith. Indeed faith, prayer, and trust in God were, and always will be, the foundation of the enterprise.

The purpose of the shop was not only to sell Fair Trade goods. It was meant to spread the ‘gospel’ of Fair Trade. More than that, it was intended to share God’s love with whoever entered, whether they made purchases or not. The group was acutely aware that ‘unless the Lord builds the house they labour in vain who build it.’

No sooner was the shop opened and operating than the group heard of many Aids orphans in Africa and decided to adopt some. Links were made; one of the group went to Kenya and Zambia, and finalised the details of the orphans it would take under its care. As I write our missionary to Africa is there once again, to follow up the work that has been begun.

We have discovered that goodness is contagious. Having heard of what we are doing another wife and mother decided that she had to join us. Now she is selling Fair Trade goods from her home and explaining to people what it is all about.

I have the good fortune of being able to preach on ‘Mission’ in many parishes, and, more recently, to preach parish missions in partnership with another priest and with the foundress of our Fair Trade enterprise. These have been golden

opportunities to make the ‘gospel’ of Fair Trade known. She and I have also spoken to Rotary Clubs up and down Long Island.

At the heart of our mission are not only the words of John Paul II that I have quoted. There are the words of St. James: ‘If one of the brothers or one of the sisters is in need of clothes and has not enough food to live on, and one of you says to them. “I wish you well. Keep yourself warm and eat plenty, without giving them these bare necessities of life, then what good is that?”

Even more central to our Mission are the words of Jesus “What you do to the least of my brothers and sisters you do to me.” And other words of Jesus apply very much to me as a priest. “When you come to offer your gift at the altar and remember that your brother has something against you go first and be reconciled with your brother, and then come and offer your gift.” These words explain why I, a priest, spend one and a half days a week serving in the shop.

My years in Africa taught me that my brothers and sisters there do indeed have ‘something against us’ in the field of unfair trading practices. So many of them are exploited so that I can have cheap food, cheap coffee, cheap clothes. Unless I seek to be reconciled with them by working to ensure that they are paid just prices for their goods I think that my gift at the altar will not bring a smile to the face of Christ who is heart and soul with his exploited brothers and sisters.

It is an immense privilege for me to have found this wonderful group of people on Long Island, people of prayer, of love, of total dedication to promoting Christ’s kingdom of justice, love, and peace. After years in England and Africa I find myself living my missionary vocation in the USA, loved and accepted by people whose example inspires me and will continue to do so, I hope, ‘as long as the light lasts’.

Notes on World Trade and the WTO

Compiled by Fr. Bill Turnbull W.F.

TRADE AND FAIR TRADE RELATED WEB SITES:

- The British Association for Fair Trade Shops at <http://www.bafts.org.uk/>;
- CAFOD at <http://www.cafod.org.uk/>;
- Christian Aid Trade Campaign at <http://www.christian-aid.org.uk/>;
- Equal Exchange at <http://www.equalexchange.com/>;
- Fair Trade at <http://www.fairtrade.org.uk/>;
- the Fair Trade Federation at <http://www.fairtradefederation.com/>;
- Fair Trade Expo at <http://www.fairtradeexpo.org/>;
- Fair Trade Resources at <http://www.fairtraderesource.org/>;
- Global Exchange, Coffee at <http://www.globalexchange.org/campaigns/fairtrade/coffee/>;
- The International Fair Trade Association at <http://www.ifat.org/>;
- the Lutheran World Foundation at <http://www.lwr.org/fairtrade/index.asp>;
- Make Trade Fair at <http://www.maketrade.com/en/index.htm>;
- New Internationalist at <http://www.newint.org/issue322/contents.htm>;
- Friend of the Earth at http://www.foe.co.uk/campaigns/global_trade/issues/fair_trade_future/;
- Trade Craft at <http://www.traidcraft.co.uk/>;
- the Trade Justice Movement at <http://www.tjm.org.uk/>;
- TransFair USA at <http://www.transfairusa.org/>;
- the Trade Justice Movement at <http://www.tradejusticemovement.org.uk/>;
- the UK Department of Trade and Industry (DTI) at <http://www.dti.gov.uk/ewt/whitepaper.htm>;
- A World Connected at <http://www.aworldconnected.org/article.php/560.html>;
- and the World Trade Organization (WTO) at http://www.wto.org/wto/english/tratop_e/tpr_e/tpr_e.htm.



Picture above: watering the vegetable patch, a staple for many families in rural areas

The WTO in Africa



WORLD TRADE ORGANIZATION STRUCTURE

THE MINISTERIAL CONFERENCE

The **Ministerial Conference** is the highest-level decision-making body of the **WTO**. It is made up of all **WTO** members, meets at least every two years and takes decisions on all matters under any of the multilateral trade agreements.

THE GENERAL COUNCIL

The **General Council** is the **WTO**'s highest-level decision-making body based in Geneva. It meets on a regular basis and is made up of representatives from all member governments, such as ambassadors, and acts with the authority, and on behalf, of the **Ministerial Conference**. The **General Council** meets under different rules: that of the **Dispute Settlement Body** and **Trade Policy Review Body**.

THE GENERAL COUNCIL AS THE DISPUTE SETTLEMENT BODY

When the **General Council** meets as the **Dispute Settlement Body (DSB)** it has the ultimate responsibility to resolve disputes between members of the **WTO**. These trade quarrels are resolved under the **Dispute Settlement Understanding (DSU)** which enforces the rules and makes certain that trade flows smoothly. The **DSU** resulted from the Uruguay Round negotiations and the agreements are a result of negotiations between member countries. The **Appellate Body**. The **Appellate Body** is established by the **Dispute Settlement Body** and represents the **WTO** membership. It has seven permanent members who serve a four-year term. Each member has to have expertise in the law and international trade. The disputes are settled through **Dispute Settlement Panels**.

THE GENERAL COUNCIL AS THE TRADE POLICY REVIEW BODY

The **General Council** meets as the **Trade Policy Review Body (TPRB)**, which is open to all members, to undertake trade policy reviews of member states under the **WTO**'s **Trade Policy Review Mechanism (TRPM)**.

There are **Councils** which come under the **General Council**. They are for: **Trade in Goods**; **Trade-Related Aspects of Intellectual Property Rights**; and **Trade in Services**.

There **Committees** which come under the **General Council** are on: **Trade and Environment Committee**; **Trade and Development Committee**; **Trade Negotiations Committee**; **Regional Trade Agreements**

Committee; **Balance of Payments Restrictions Committee**; and **Budget, Finance and Administration Committee**.

There are various **Working Parties** which come under the **General Council**. The main one is on **Accessions** for countries that want to join the **WTO**.

There are also **Working Groups** under the **General Council** on: **Relationship between Trade and Investment**; **Interaction between Trade and Competition Policy**; **Transparency in Government Procurement**; **Trade, Debt and Finance**; and **Trade and Technology Transfer**.

There are two **Plurilateral Committees** - the **Trade and Civil Aircraft Committee**; and the **Government Procurement Committee** - under the **General Council**.

WORLD TRADE ORGANIZATION AFRICAN MEMBERS

MEMBER	DATE JOINED	MEMBER	DATE JOINED
Angola *	23 November 1996	Mali *	31 May 1995
Benin *	22 February 1996	Mauritania *	31 May 1995
Botswana	31 May 1995	Mauritius	1 January 1995
Burkina Faso *	3 June 1995	Morocco	1 January 1995
Burundi *	23 July 1995	Mozambique *	26 August 1995
Cameroon	13 December 1995	Namibia	1 January 1995
Central African Republic *	31 May 1995	Niger *	13 December 1996
Chad *	19 October 1996	Nigeria	1 January 1995
Congo	27 March 1997	Rwanda *	22 May 1996
Congo, Dem. Rep. *	1 January 1997	Senegal *	1 January 1995
Djibouti *	31 May 1995	Sierra Leone *	23 July 1995
Egypt	30 June 1995	South Africa	1 January 1995
Gabon	1 January 1995	Swaziland	1 January 1995
Gambia, The *	23 October 1996	Tanzania *	1 January 1995
Ghana	1 January 1995	Togo *	31 May 1995
Guinea *	25 October 1995	Tunisia	29 March 1995
Guinea Bissau *	31 May 1995	Uganda *	1 January 1995
Ivory Coast	1 January 1995	Zambia *	1 January 1995
Kenya	1 January 1995	Zimbabwe	5 March 1995
Lesotho *	31 May 1995	African Governments with Observer Status: Algeria, Cape Verde, Equatorial Guinea, Ethiopia, Libya, Sao Tome and Principe, Seychelles, Sudan.	
Madagascar *	17 November 1995		
Malawi *	31 May 1995		

Notes: * There are 31 UN designated **least-developed countries (LDCs)** that are members of the **WTO**. Nine (Bhutan, Cambodia, Cape Verde, Ethiopia, Laos, Samoa, Sudan, Vanuatu and Yemen) other **LDCs** are in the process of accession to the **WTO** and two others (Equatorial Guinea and Sao Tome and Principe) are observers.

Source: **WTO Membership and Observers** (23 April 2004) at http://www.wto.org/wto/english/thewto_e/whatis_e/tif_e/org6_e.htm