

**“TRADE JUSTICE - A CHRISTIAN RESPONSE TO GLOBAL
POVERTY”: AN INTRODUCTION TO THE DEBATE**

MISSION AND PUBLIC AFFAIRS COUNCIL

Introduction: Background to July 2004 Debate

1. In December 2003 the Mission and Public Affairs Council (MPAC) proposed that it would be desirable for the General Synod to debate international trade in July 2004. In reaching this decision the MPAC recognised that the main focus of the Churches' development agenda had shifted in the past three years away from debt relief to international trade. While the campaign for the cancellation of third world debt still remains an important priority, the creation of the Trade Justice Movement in 2000 and the subsequent launch of Christian Aid's Trade for Life Campaign pointed to a shift in strategies following the launch of the Doha Trade Round. The political failure to reach any settlement at the Cancun Ministerial meeting in 2003 suggested that trade and trade related issues would continue to be a pertinent public policy issue for the foreseeable future.
2. The number of diocesan synod motions passed over the last eighteen months also indicated that fair trade and trade justice were growing issues of diocesan concern. Over the last three years a number of dioceses have followed the example set by the Diocese of Chester in becoming fair trade dioceses by passing diocesan synod motions encouraging parishes and local churches to promote fairly traded goods. Indeed, it is clear that over the last ten years FairTrade and Tradecraft have grown from strength to strength not least by drawing support from churches and other faith based constituencies.
3. In response to the growing diocesan interest in this area the MPAC decided to produce material sufficient for the General Synod to deal with both the issues of trade justice and fair trade. It was felt that such a debate would provide a valuable opportunity for General Synod members to learn from each other as to the type of actions which dioceses, parishes and deaneries can take to encourage fair trade at a local level.

4. This brief covering paper provides an overview of past General Synod debates on this issue while also introducing *Trade Justice: A Christian Response to Global Poverty*. It shows how Trade Justice develops previous General Synod positions on trade and how such a report can helpfully be used to inform the church's thinking on trade justice at all its levels.

Past General Synod Debates on Trade Justice

5. The General Synod has debated international development on several occasions in the past. These debates have ranged in scope as well as in focus. While some General Synod debates, such as the 1993 debate on Sub-Saharan Africa, have taken a geographical focus others have adopted a more thematic approach by concentrating on issues such as the Jubilee Principle and the cancellation of third world debt, as in 1991 and 1996. Although there has only been one General Synod debate on international trade, when the Synod debated a motion brought by the Diocese of Newcastle in 1995, trade has nonetheless featured in past General Synod motions. Of particular note in this respect are the motions passed by the General Synod in February 1993 and July 2001 (See Appendix A).
6. It is important to highlight a number of issues raised by these motions. In both 1993 and 2001 the General Synod recognised that trading relationships and lending practices had exacerbated the acute economic and social problems facing developing countries. The General Synod urged that steps be taken to improve the terms of trade for developing countries by the honouring of past trade commitments and by ensuring that subsequent trade negotiations had a bias to the world's poorest communities. While the General Synod made demands of successive governments it also recognised that the churches had an important role to play in raising awareness as to the inequalities created by unfair trading systems. To this end the General Synod has consistently urged the Church to support the work of the development and mission agencies and by encouraging all congregations to buy fairly traded products.

7. Although the General Synod has never debated globalisation per se it has nonetheless acknowledged that globalisation has yet to work for the benefit of the world's poor. This position was well illustrated by a collection of essays produced by the Board for Social Responsibility in 2001, *Development Matters: Christian Perspectives on Globalisation*. In producing *Development Matters* the Board for Social Responsibility approached a number of contributors from a range of theological and political backgrounds to tackle various aspects of development such as debt cancellation, HIV/AIDS, peace, justice and reconciliation, good governance and globalisation. *Development Matters* is a useful reminder that development is a complex and multifaceted area that naturally solicits differing and sometimes competing responses from Christians.
8. Despite the diversity of opinion between Christians as to those policies best suited to contribute to the elimination of world poverty, it is evident from past General Synod debates that the Synod members have invariably approached the issue of trade from the perspective of producers rather than consumers. It has been inclined to argue that free trade will almost always benefit consumers, enabling them to provide goods at the lowest price. While trade benefits some producers, it harms others, thereby suggesting that some form of protection or compensation is required.
9. The General Synod has tended therefore to be critical of the unfettered globalisation of trade, which it has seen as exacerbating rather than promising an end to world poverty. In preparing background-briefing material for the July 2004 General Synod debate on Trade Justice, the Mission and Public Affairs Council sought to build on rather than depart from the positions taken by previous General Synods.

Trade Justice: A Christian Response to Global Poverty

10. In December 2003 the MPAC commissioned Christian Aid to write a report on trade and development as preparatory material for the July 2004 debate on

international trade. It recognised that Christian Aid, the official ecumenical development agency of the British and Irish Churches has significant expertise in the field of economics and trade as illustrated by its leading role within the Trade Justice Movement. By utilising the expertise provided by Christian Aid it was hoped that any report would help support and inform the Church of England's advocacy policy on international trade at both a national and European level. It was also hoped however that any report would act as a valuable resource for dioceses, deaneries and parishes to assist them in further understanding the relationship between trade and development and the practical steps that can be taken at a local level.

11. *Trade Justice: A Christian Response to Global Poverty* examines the relationship between trade and development and the barriers to development created by unfair trade practices. It explains why a genuine development round is important and why a shift to bilateral trade relations would marginalise developing countries. It shows that in some instances developing countries need trade rules to be written specifically and deliberately in their favour. The report is supported by a theology of trade justice that seeks to explain why this issue is of importance to Christians. The theological section provides a distinctive Christian perspective on trade and development, which supports the report's findings. The report draws broad conclusions about the Doha Trade Round in particular and the inequalities inbuilt into such negotiations. It advocates fundamental changes to the rules that govern and support international trade, so that they work in the interests of poor people. It argues that without such changes trade will continue predominantly to serve the interests of the more affluent.

12. *Trade Justice: A Christian Response to Global Poverty* provides useful recommendations that could help inform the Church's thinking nationally. It also provides suggestions as to how the report could be used at a parish, deanery or diocesan level. It suggests that the Church can make a vital contribution to tackling the fundamental causes of poverty and injustice. By participating fully within the life of the Trade Justice Movement and in specific campaigns such as the Christian Aid's Trade Justice Campaign, the

Church can help building and sustain pressure on national and international decision-makers.

The Trade Justice Movement

13. The Trade Justice Movement is a fast growing coalition which includes a broad range of organisations. It brings together organisations like CAFOD, Christian Aid, Tearfund, Friends of the Earth and Oxfam CAFOD, Christian Aid and Friends of the Earth, as well as religious communities and organisations like the United Reform Church, the Church in Wales. The Methodist Relief and Development Fund, Quaker Peace and Social Witness, the Scottish catholic Justice and Peace Commission and the Student Christian Movement. The movement is currently supported by more than 50 member organisations that have over 9 million members. New organisations are joining every month.
14. Together, the movement campaigns for trade justice – not free trade – with the rules weighted to benefit people and the environment. The movement calls on world leaders to
 - Stop forcing poor countries to open their markets; and champion their right to manage their own economies;
 - Regulate big business and their investments to ensure people and the environment come before profits
 - Stop rich countries promoting the interests of big business through trade interventions that harm the poor and the environment;
 - Ensure trade policy is made in a fair, transparent and democratic way.
15. The Trade Justice Movement is modelled on the Jubilee 2000 movement which showed that the world that by acting together, it is possible to bring about political change. By working together on trade – through the Trade Justice Movement – member organisations hope to have a much bigger impact than they could have if they worked in isolation. Formed at the end of 2000, the goal of the Trade Justice Movement is the fundamental change of the

unjust rules and institutions governing international trade, so that trade is made to work for all.

16. All coalition members of the movement support the policy outlined in the movement's founding statement *For Whose Benefit* (See Appendix B). Organisations which wish to join the Trade Justice Movement need to endorse this statement and must not have its proposed membership objected to by existing members. There is no financial cost involved in membership.

Conclusion

17. The British government has the opportunity to play a decisive role in shifting international policy on trade and other development issues in 2005. The British Government will chair both the G8 Summit meeting in June as well as the EU Presidency from July. Early indications suggest that the British Government will seek to use these occasions to raise further its concerns regarding the state of the world's poor. In preparation for these events the Prime Minister launched its Commission for Africa on 26 February 2004 to take a fresh look at the challenges facing Africa. The Commission will conclude its work and report next spring. The Commission will set out the facts on Africa and its assessment of policy on Africa (both within Africa and internationally): where it has worked; where it has failed; where more could be done; and where more support is needed from the international community. In September there will be a Millennium Review Summit that will determine those additional measures that will be necessary to realise the 2015 Millennium Development Goals.
18. In addition to these high profile political events, 2005 will also see the twentieth anniversary of Live Aid and the tenth anniversary of Comic Relief. Many of the aid agencies and other civil society organisations are already planning events to mark these occasions with a view to mobilising unprecedented UK public support in order to bring about a historic breakthrough in the fight against global poverty and injustice. These

organisations hope to achieve concrete policy changes in the future. These policy changes will focus on delivering trade justice and a major increase in the quantity and quality of finance available for overcoming poverty. While the Trade Justice Movement will be an important vehicle in the mobilisation of public opinion it is anticipated that the popular campaign in 2005 will reach beyond this movement.

19. Although the General Synod has considered the issue of international trade in the past it is appropriate, given the level of expected activity in 2005, that the General Synod gives further consideration to this matter. It is hoped that the July 2004 debate and the accompanying report *Trade Justice: A Christian Response to Global Poverty* will help facilitate this process.

APPENDIX A
RELEVANT GENERAL SYNOD MOTIONS

February 1993: Sub Saharan Africa

‘That this Synod:

- a) acknowledge with gratitude the contribution of African Christians to the world-wide Anglican Communion and calls upon the Church of England in all its structures to learn from them;
- b) affirm the continuing but changing role of the mission agencies, companion diocesan links and relief and development agencies in promoting partnership with the Anglican Churches in sub Saharan Africa and urge increased support in prayer and giving from every parish
- c) recognise that the international community through adverse trading relationships and lending practices has exacerbated the acute economic and social problems facing the countries of Africa and therefore urges Her majesty’s Government:
 - i) to accelerate its aid budget to 0.7 per cent of Gross National Product;
 - ii) to take urgent steps to improve the terms of trade for African nations;
 - iii) to continue to press for full implementation of the Trinidad Terms by this country and its international partners.’

November 1995 Fairer World Trade – Newcastle Diocesan Synod Motion

‘That this Synod congratulate Christian Aid on 50 years of working with the poor on behalf of the Churches, and

- a) support Christian Aid’s trade campaign by encouraging all congregations to buy fairly traded products (such as tea and coffee); and
- b) urge Her Majesty’s Government in conjunction with the European Union: to implement affirmative policies for fair trade with the Third World and in particular,
- c) to prevent the dumping of European agricultural surpluses on to the world market in ways which prejudice the livelihoods of Third World farmers.’

July 2001 Global View 2001 and Development Matters

‘That this Synod

- a) commend Development Matters to the dioceses and to the wider Church for further study;
- b) call for global political and economic action, as set out in Global View 2001, with a view to strengthening the position of the world’s poor;
- c) encourage the Church to advocate and practice justice in the distribution and investment of its resources;
- d) recognise that current trading relations and lending practices have exacerbated the acute economic and social problems facing developing countries and therefore:
 - i) urge Her Majesty’s Government to Give priority in trade negotiations to the needs of the poorest communities and
 - ii) encourage discussion with business about the wider social contract and corporate responsibility in pursuit of the common good;
- e) urge that Export Credit Guarantees are only provided for sustainable projects which do not add further unpayable debt to already indebted countries; and
- e) ask that education and health for the poorest should be priorities in any development agenda.’

**For Whose Benefit?
Making Trade Work for People and the Planet**

Introduction

This statement presents a positive agenda for change aimed at using the trade system to achieve sustainable development and poverty eradication. Although directly pertinent to the WTO, it is also relevant to other institutions that impact on local, national and international trade policy.

The need for change

The international trade system stands at a crossroads. In one direction lie politically difficult and complex choices concerning equity, sustainability and poverty eradication which could make the trade system work for people and the environment and also, in the long run, save it. The other direction offers clearer-cut, perhaps easier options to stick with the status-quo, ignore complex problems and pursue trade liberalisation as an end in itself. However, this could exacerbate current disaffection and bring the trade system to its knees.

The international trade regime needs fundamental change if it is to succeed and benefit us all. The world needs international trade rules, but to date these have favoured the narrow commercial interests of the most powerful trading nations and the largest corporations, at the expense of the wider public interest and smaller economic enterprises. In order to rebalance the global trading system, international trade rules and institutions must take their place within the broad system of international agreements aimed at sustainable development, poverty eradication and the promotion of human rights, and recognise the importance of local and regional trade as an engine for sustainable development and poverty eradication.

There is an increasing gap between many of the stated objectives of the world trading regime and the global reality of growing inequalities and environmental degradation.

The benefits of the international trade system have gone to those who already have the most, while many of the poorest have failed to benefit fully and some have even been made poorer. The environment has also suffered. Increasing consumption and transport related to increased volumes of international trade, particularly in the industrialised world, have contributed to increasing pressure on the world's natural resources and habitats. The growing importance of trade and competitiveness to national economic decision-making has also had a 'chilling' effect on the development of environmental and social policy in some countries.

The WTO trade agreements are seriously flawed because they largely prioritise liberalisation and deregulation in the private interest over national (and potentially international) regulation in the public interest. Ironically, in areas where certain 'liberalisation' policies could potentially have a range of social and environmental benefits (e.g. in policy areas such as export support, fisheries subsidies, market access for textiles and the flexible use of intellectual property rights), exceptions have been made in practice and the trade system has again been used to benefit the few, rather than the many.

The challenge facing the international community is to make the trade system reflect the concerns of civil society and work for poverty eradication and sustainable development. It is essential that governments adopt a new approach in the trade negotiations launched in Doha and that this marks the beginning of a new era in trade policy-making, which puts the needs of people and the environment at its heart.

A Positive Agenda for Trade

We stand for trade

Almost everyone is involved in or affected by trade. Trade is a way of overcoming local, regional and national scarcity, and can generate new livelihood and employment opportunities. Trade can therefore play an important part in contributing to poverty reduction and improving our quality of life. But trade is a 'means to an end', rather than an 'end in itself' to be pursued through export-led growth policies. Trade can damage the environment (e.g. greenhouse gas emissions from trade-related

transport) and the costs of adjustment to more open international trade policies frequently fall most heavily on the poor and vulnerable, who are least likely to be able to take advantage of new market opportunities. If the trade system is to benefit all on a long-term basis, governments have to take account of its positive and negative outcomes.

We stand for rules

We support having international agreements on trade. International trade rules are required to regulate the actions of governments and companies. They must also reflect the different levels of development of WTO member countries and provide greater policy flexibility to the poorest. However, international trade rules must not prevent national regulation in the public interest. Nor should they force 'equal' trade relations between unequals. Instead, the principle of special and differentiated treatment for developing countries should be fully incorporated into trade agreements. Governments must also develop binding international regulations for companies.

We stand for democracy

For international trade policy to be legitimate, all countries must have equal access to trade negotiations and have their concerns reflected in decision-making. This process must also be underpinned with effective public scrutiny over government policy and the actions of transnational corporations.

We stand for co-operation

Competition can spur innovation, wealth creation and greater efficiency. But it can also encourage a 'race to the bottom', 'policy chill' and short-term decision making with the worst affected often being the poorest. The ideological pursuit of competition for its own sake threatens to increase existing problems of poverty, inequality and unsustainability. Competition imposed on an 'unlevel playing field' with unequal players tends to exacerbate current inequalities. It is crucial that governments prioritise greater research and co-operation through a range of international processes/institutions to manage trade in the public interest.

We stand for fairness

Too often, Northern governments have failed to practice what they preach on trade

issues. They argue for free trade, yet erect barriers against imports from developing countries. They argue for rules, yet abuse anti-dumping or health and safety legislation to unfairly restrict imports. They support development, but then deter countries from processing their own products by tariff escalation. A new and pro-poor trade regime requires a change of mentality among the rich and powerful.

We stand for action to eradicate poverty

A stated objective of trade policy is to improve standards of living. Yet the income gap between rich and poor both between and within countries has reached record levels and continues to widen. Governments have signed up to the goal of halving income poverty by 2015, but this target will be missed unless the poor derive a greater share of the benefits from trade. Improving equity must be central to future trade policy formulation.

International rules must take account of the needs of poor countries and people, and allow for protection and intervention, where necessary, in order to build strong domestic economies and to promote important national development objectives such as food security, regional development, resource conservation or support for the livelihoods of poor communities. Trade policy must be designed to prevent the poorest from bearing the majority of adjustment costs, and to assist them in taking advantage of new market opportunities should they choose to do so. The ability of poor people to participate in markets on beneficial terms depends crucially on public investment and the redistribution of productive assets so that poor people are able to produce their way out of poverty.

We stand for sustainability and environmental protection

The language of sustainable development is widely used in relation to trade policy but is not being actively implemented. Trade agreements need to be focused on achieving this objective (of which poverty eradication is an integral part) and should respect the Rio Principles such as common but differentiated responsibility, the polluter pays principle and the precautionary principle.

The environment underpins our economies and needs to be taken fully into account by all those engaged in trade and trade negotiations. The key concern must be to

maintain a healthy environment from which both we and future generations can obtain sufficient resources. Trade rules must not promote the unsustainable use of resources. Governments must prioritise implementing national and international measures aimed at 'internalising' social and environmental costs, limiting any environmental degradation arising from trade policies, and ensuring that sustainability is not undermined by issues of 'international competitiveness'.

We stand for diversity

Free trade should not be pursued at the expense of economic, social, biological or cultural diversity. A one-size-fits-all approach to international trade policy is not compatible with the need for nations to democratically establish their own standards and norms and to protect the public interest.

We stand for negotiations

Inter-governmental negotiation is vital to addressing the current problems with the trade system. However, such negotiations have to be significantly different from what has gone before in terms of the objectives, format and content of international trade policy talks. The next section provides a little more detail on what this entails for the WTO in the short-term.

What does this mean for the WTO now?

Trade Policy Objectives

The primary goal of the trade system should be to achieve sustainability and poverty eradication. This requires an appropriate level of regulation to manage trade. Sustainability impact assessments, that use internationally agreed indicators, should be used to inform future trade policy development and measure progress towards this goal.

Implementation

The problems that many developing countries are experiencing in implementing existing WTO agreements should be addressed as a priority. Where appropriate, implementation deadlines should be extended and current texts amended to meet the

specific needs of poorer countries. Industrialised countries should demonstrate more commitment to progressive change in the textiles and agricultural sectors; in particular through use of non-reciprocal measures in areas of importance to developing countries.

Developing country capacity

Meaningful capacity-building has to go beyond providing technical assistance to negotiate and implement trade agreements and supporting the activities of developing and least-developed countries in Geneva. Equally important are changes to increase the internal transparency of international trade policy-making processes, the development of trade policy-making skills across civil service departments in capitals, analysis to assess the potential impacts of trade rules, and measures to facilitate input from parliamentarians and civil society.

Special & Differential Treatment

Whilst huge disparities in the economic and political might of different players remain, a more systematic application of Special and Differential Treatment (S&DT) will be central to any attempt to make trade work better for the poor. Trade rules must allow developing countries, especially the least developed and small, vulnerable economies, to retain the flexibility to shelter vulnerable sectors from competition in order to achieve overall national development goals.

S&DT must go beyond its current emphasis on delayed deadlines and occasional exemptions to allowing developing countries to implement the full range of policies necessary to reduce poverty and develop their economies. Operational measures, for example to promote technology transfer as required in the TRIPs Agreement, should be strengthened so as not to rely on the 'best endeavour' of industrialised countries.

Agriculture

Agricultural trade rules require significant change. With the right policies and incentives, agriculture can provide safe and nutritious food for the population; a livelihood for large numbers of people, both directly and indirectly; habitat for wildlife; and a range of land management and environmental services. Key priorities include the need to avoid encouraging unsustainable production and dumping, while

providing greater flexibility for poorer countries to use trade measures to pursue food security and rural development goals. 'Win-win' solutions should be prioritised, including eliminating export subsidies and supports, improving market access for the poorest countries, and reorienting domestic support towards achieving specific environmental, animal welfare and rural development objectives. Agricultural trade rules should not prevent measures to promote more sustainable agriculture.

Services

A key role for any government is to ensure that all citizens have access to basic services, such as water delivery, housing, health and education. Many industrialised countries have already liberalised key service sectors and, under IMF/World Bank structural adjustment programmes, developing country governments have been pushed in the same direction. Former state controlled enterprises have been replaced by unaccountable corporate monopolies. As there is no profit in providing services to the poorest, they therefore lose out. Past experiences in both North and South demonstrate that the provision of basic services cannot be left to the market.

The WTO negotiations on services must take account of the need to allow Governments the choice to manage and regulate the delivery of basic services in pursuit of domestic social and environmental objectives. Full and independent assessment of the experience of services liberalisation is vital if negotiations are to be based on evidence rather than ideology.

Intellectual Property

Intellectual property rules (including the TRIPs Agreement) should be substantially revised to reduce the length and scope of patent protection in developing countries. Greater flexibility must be provided for countries to protect the health and livelihoods of their people and environment, and to exclude life-forms from patenting.

Investment and Competition

Foreign Direct Investment (FDI), can make an important contribution to poverty reduction and sustainable development. But under the wrong conditions, FDI can lead to exploitation, displacement of livelihoods, environmental degradation, balance of payments problems, and the undermining of local cultures. What is needed are strong,

multilaterally-agreed anti-trust laws and binding rules on investors' rights and responsibilities (to facilitate the transfer of technology, to avoid restrictive business practices and tax avoidance, to promote employment and environmental objectives, and to respect human rights). Countries should be able to choose who invests within their borders and should not be pushed into any multilateral negotiations on investment liberalisation. With its institutional emphasis on liberalisation, the WTO is unlikely to be the appropriate forum to negotiate rules with the necessary balance between investors' rights and responsibilities required to promote pro-poor and environmentally sustainable FDI.

Northern trade barriers

The cost of northern trade barriers to developing countries is estimated at US\$700 billion a year in lost export earnings. Tariff escalation, which deters the progression of developing countries into production and export of higher-value processed goods, is a particular problem that must be addressed, along with non-tariff trade barriers such as quotas and seasonal restrictions, and restrictive rules of origin under preferential trade schemes.

Dispute Settlement

Existing provisions to settle trade policy disputes require serious change. Of particular importance are reforms to provide for greater public scrutiny over the system and measures to account for the imbalance in developing country capacity to initiate disputes and to enforce rulings through trade sanctions. Trade disputes relating to concerns about human rights (including labour), development or the environment should be adjudicated by joint panels involving the WTO and other specialised UN bodies in order to achieve an appropriate balance between the different interests in any dispute.

Labour

Trade can create employment and may enhance workers' rights. However, job security and working conditions can also be undermined where liberalisation and increased competition result in relocation or a 'race to the bottom'. International trade and finance policies and rules must not undermine employment and labour rights. National governments must enact and enforce legislation consistent with International

Labour Organisation (ILO) conventions particularly to provide for the right to collective bargaining and freedom of association and other fundamental labour rights. The ILO's supervisory role should be strengthened and donor governments should channel resources to ILO programmes which strengthen the capacity of national governments to comply with core labour standards. Recognising the relationship between trade and labour rights, the ILO should be granted observer status in the WTO. There must also be enhanced co-operation between the two organisations to ensure that labour rights are promoted and not undermined by international trade, in line with our call for greater coherence between the WTO and other international institutions (see below).

The Environment

Trade rules must not support the unsustainable use of resources. It is vital that trade rules do not obstruct trade-affecting environmental measures taken in relation to a Multilateral Environmental Agreement (MEA), should respect the Precautionary Principle and facilitate use of eco-labeling schemes. The environmental benefits and drawbacks of trade policies should be a key consideration when deciding if and how to change trade agreements or trade policies such as those on agriculture, fisheries, forests and intellectual property rights.

Public Concerns and Consumer Protection

The implementation of WTO rules has led to conflict with national measures adopted to meet domestic public concerns. Measures taken to meet concerns about food safety, new technologies, animal protection and the environment have been reversed, revised and questioned due to WTO rules, which effectively deny product distinctions to be made on the basis of the production processes used. In this regard, the WTO is a long-way behind consumers and even corporations in its thinking. The ability to reject, label or otherwise regulate products on this basis is of particular importance, as is the need to ensure that such measures are transparent, predictable and fair.

Trade can benefit consumers by providing increased choice and lower prices but trade policies can have a negative impact on other important consumer rights including: access to essential goods and services; food and product safety; and access to information. It is vital that trade rules safeguard universal access to essential goods

and services and consumer protection, respect the precautionary principle, and do not place obstacles in the way of labeling schemes that enable consumers to make informed choices.

Coherence

The WTO operates within a framework of global agreements. Yet, WTO rules often de facto take precedence due to the institution's strong dispute settlement procedures. This means that WTO rules have acquired unwarranted influence over other policy areas. Greater coherence is needed between the WTO and other international institutions/agreements to ensure that trade does not nullify other legitimate international policy objectives. In particular, WTO members must uphold the commitment made in the Vienna declaration and programme of action, adopted at the 1993 World Conference on Human Rights, that the "first responsibility of governments" is the protection and promotion of human rights and fundamental freedoms. All WTO agreements must therefore be explicitly subordinated to the human rights and fundamental freedoms contained in international human rights, labour rights and other conventions.

The international community should consider establishing a superior referral body to resolve disputes between trade law, multilateral agreements and international customary law such as Human Rights Conventions.

The Doha Negotiations

The Doha negotiations, launched in November 2001, must be conducted through a process that ensures participation, transparency and democratic oversight. Given the current lack of developing country negotiating capacity, the negotiation process should be tailored to suit the capacity of those least able to take part. The WTO agenda should not be expanded to include the so-called Singapore issues of investment, competition policy, transparency in government procurement and trade facilitation. The limitations of the 'single undertaking' were made evident by the Uruguay Round which wrongly assumed that it is appropriate for all WTO Members to undertake commitments in such areas as intellectual property and investment liberalisation. Future negotiations should allow countries - especially developing countries - considerable latitude as to whether and when to sign up to trade

agreements.

Governments also have the responsibility of ensuring that national Parliaments have effective scrutiny over trade policy-making, the public has access to information regarding trade negotiations and that consultation with all parts of society (e.g. Business and Civil Society groups) is conducted in a transparent way.

Conclusions

The performance and legitimacy of the international trade system must be judged in relation to its ability to meet the global challenges facing the international community at the beginning of the 21st Century: namely poverty, social injustice and environmental degradation.

To continue on the current course is not an option. The challenge is clear. But meeting it will require political will and fundamental changes to the world trading regime so as to put people and the environment at its heart. This is the demand of the undersigned agencies and we call on our governments to rise to the challenge.

10 June 2002