

World Free Trade

Fact Sheet May 2004

The Uniting Church is part of the global network of Christian churches. We look at the free trade agenda not only from the viewpoint of how it affects Australia, but how it affects less developed nations, especially the small nations of the Pacific region.

- Free trade is about minimising government regulation and controls on companies that operate internationally, freeing them to trade where they will on the same basis as local companies.
- Free trade agreements seek to remove tariffs and other public policies that limit the access of foreign companies to markets or disadvantage them compared to local companies. The agreements regulate governments, not corporations.
- Trade negotiations have been criticised as being conducted through undemocratic and secretive processes. From within the World Trade Organisation and in Australia, documents have only been made public as a result of lobbying by non-government organisations which have insisted that negotiations should be subject to public scrutiny and debate.
- Governments have a responsibility to govern. This is particularly important because the current economic model serves the rich better than the poor and disadvantaged.
- Government plays an important role in setting standards that business must meet with regard to wages, working conditions, environmental responsibility, restrictive trade practices, honesty in advertising and many other matters.



UnitingCare NSW.ACT

**Summary of NSW Synod Resolution
Rev. Ann Wansbrough**

Trade itself is not in question.

The free trade agenda is often supported by a claim that business creates wealth (and therefore should be unfettered) and government consumes wealth (and therefore should be reduced and controlled).

Such claims require that a value be given to goods and services such as health and education on the basis of who supplies and pays for them rather than what they contribute to the common good.

General criteria for trade negotiations

These criteria are intended as a guide for UnitingCare NSW.ACT, other agencies of the synod and church members, so they may assess proposed trade agreements and advocate for more appropriate rules and agreements.

Human wellbeing, international security and world peace cannot be achieved unless sovereign nations - particularly those with the greatest economic and military power - respect the rule of law, especially with regard to:

- human rights, including the economic, social & cultural rights and core labour standards.
- the environment, as required by the international treaties protecting the environment.
- the United Nations charter with its commitment to peace and local development.

Trade agreements do not contribute to Australia's progress and the common good when they :

- give priority to trade over human rights, labour rights and environmental protection.
- assume that increased economic production and consumption necessarily improve human well-being.
- fail to take account of the complex policy and human issues that are raised by the movement towards a single global market governed by a single set of rules.
- regulate government rather than business and create a single global market, rather than respecting national policy priorities in each nation.

The issue for the church is not trade itself. It is the agenda that seeks to limit the ability of government to regulate the actions of corporations that is of concern. This limits government response to local concerns and public interest as well as the ability to fulfil obligations under international law.

Looking at trade through the eyes of faith

Christians seek human development – development that allows people human dignity and their human rights. That encourages community life, a strong civil society, and the relationships with one another that enable trust, cooperation, care for one another and peace.

That is why churches have set up their own aid agencies, to work with communities in a way that enables economic development to serve human development.

What can you do?

- Pray
- Find others in your congregation to work with
- Join AFTINET* (Australian Fair Trade and Investment Network)
- Get the latest information sheets from AFTINET* about the USA FTA and WTO GATS and new issues
- Choose areas of concern that are particularly relevant to you or your local community – *you don't have to deal with everything.*
- Join a campaign on your areas of concern with the USFTA eg... environmental groups have been lobbying on water services, media groups and actors are raising awareness of impact on culture, public health groups are concerned about attempts to undermine the price controls which make the PBS listed drugs affordable.
- Send a letter to the Minister for Trade and your local member – AFTINET* website has some model letters.
- Participate in activities such as rallies and public meetings.
- Help organise events and letter-writing campaigns

The Synod notes that free trade negotiations in 2003/04 include :

1. The free trade negotiated between Australia and the USA and currently before the Australian Senate.
2. The “Doha” round of negotiations in the WTO. Developing nations want access to affordable medicines, access to markets and the right to develop their economies in the way they see fit, rather than under rules developed for the benefit of the nations with the most highly developed economies.
3. Negotiations to extend and change the General Agreement on Trade in Services (GATS), an agreement negotiated through the World Trade Organisation.

Questions that should be asked in relation to trade agreements :

A ‘yes’ answer suggests there may be a problem :

- Will government have to change policies that have the support of the electorate? For example, the Pharmaceutical Benefits Scheme or food labelling laws?
- Can companies litigate to force Australia to change its laws?
- Does government have to make subsidies and grants available to foreign companies as if they were locals?
- Do any foreign governments get a say on our quarantine laws?

A ‘no’ answer suggests there is a problem :

- Can government still regulate and provide essential services such as education, health, community services, water, energy and post?
- Can government impose conditions on foreign investment, to ensure jobs, transfer of technology and so on?
- Can the government require Australian content in the media?
- Does the agreement specify the policy areas it covers (a positive list)?
- Can government favour local providers when it buys goods and services?
- What effect will this agreement have on less developed nations? Is it what

When we use the above criteria, the free trade agreement between Australia and the USA has many problems. Take action now.

This information is based on a resolution of the NSW Synod in 2003. Full text and UnitingCare papers on trade are available at :

<http://unitingcare.nswact.org.au/advocacy/globalisation.html>

or phone : (02) 8267 4277

for unabridged text from UnitingCare archives on many topics go to : <http://www.unitingcare.nswact.org.au/advocacy/archive.html>

The free trade agreement between Australia and the USA was analysed by AFTINET with funding from UnitingCare. (see www.aftinet.org.au)