

fresh thinking

Trade justice - by 'freedom' or by 'fairness'?

Thomas Wheeler looks at international trade from both sides of the ideological divide and

International trade, acting as a gearbox for modern economic prosperity, gives the potential for people to lift themselves out of poverty. Yet, despite living in an era of global growth, poverty still plagues millions across the world whom the benefits of trade have left behind: 2.8 billion people still live on less than \$2 a day.

As the UK takes Presidency of the European Union and hosts this summer's G8 summit in Gleneagles, calls to make trade 'fair' are becoming louder than ever. Amongst many others under the umbrella group of the Trade Justice Movement, organisations such as Oxfam and Christian Aid have placed trade high on the agenda. The trade debate has traditionally been one in which 'freedom' and 'fairness' have found themselves in opposition: typically the stances respectfully of the Bretton Woods organisations and the anti-globalisation movement. Yet the Trade Justice Movement arguably presents a paradigm shift in the traditional trade debate, away from one of free trade or protectionism.

The Trade Justice Movement recognises that trade plays an important, and even necessary, role in eradicating poverty. Although public advocacy of sustained import-substitution and isolation is invisible, major Western economies still adopt elements of protectionism: for instance EU farm subsidies and US steel tariffs. As with the traditional free trade approach, domestic and export subsidies, tariffs and other such barriers to trade, have been heavily condemned as unfairly undermining the ability of poorer nations to remove themselves from poverty.

The debate presents itself now in how global trade is best internationally managed. Those advocating a 'fairer' trading system in



GM maize returns

We should extract compensation from 'accidental' illegal GM maize says Jon Mendel

The US has been illegally exporting a banned GM maize to Europe for the past four years, reports *The Independent*. This maize is banned because it contains a gene that leads to antibiotic resistance, and there are fears that this resistance could be passed

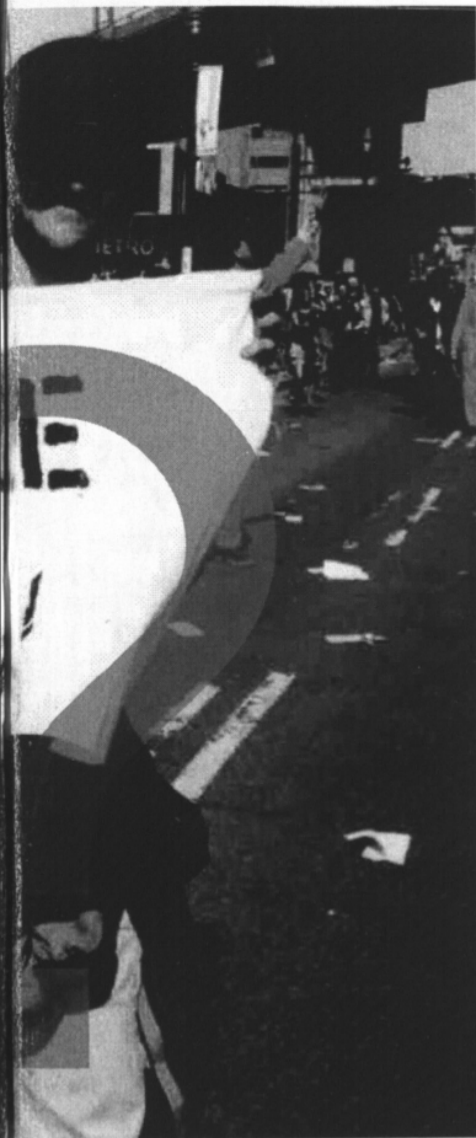
on to the people who eat it.

The maize was developed by Syngenta, and was imported to Europe in error because it was confused with a different strain of maize. Almost more worrying, though, is that when this error was discovered, the Bush regime

only informed customers in Europe of the problem after it was exposed by the journal *Nature*. Moreover, the *Independent* reports that there were "efforts to hush up and play down the scandal on both sides of the Atlantic".

I have previously argued (*L&L* 1204) that the patenting of the genetic characteristics of crops leads to the appropriation of the world's common resources in a way which echoes the violence of colonialism; it is coming to seem that the distribution of these resources also echoes such violence. GM grain gains

...ks shall ne'er the twain meet?



fact argue for a pro-poor 'free' trade regime. It is not only argued that the contemporary rules unfairly favour the wealthier nations, but that complete free trade is far from just, as the players are far from equal. Instead, the argument goes, trade should be used as a means not in itself, but as a tool to alleviate poverty, with the poorest countries receiving special treatment.

There is a modern notion that we are in an age beyond political ideology. In a globalised world that seemingly gets smaller by the day, to advocate protectionism and economic isolation no longer makes sense. It seems the Henry George free trade argument has in some sense been won - but not by free traders.

The Henry George Foundation has launched a research project which will explore the areas and their boundaries where those advocating fair trade are advocating protectionism or advocating free trade. It will look at whether pressure groups have ultimately recognised the limits of protectionism and moved on beyond a classical position to create an entirely new perspective on trade. Or, alternatively, whether they have simply dressed their language and direction of argument in order to remove themselves from ideological isolation and access what now presents itself as the mainstream. The project questions whether free trade is being critically and constructively advocated, or entirely

challenged from what may be exposed as an essentially protectionist starting point. Is the Fair Trade movement even a coherent set of ideas or simply incoherent dissidence?

For those who believe themselves to be free traders it is of course of vital importance that the fair trade argument is understood. If free trade advocates are to enter the current debate it is imperative that the fair trade argument is not simply approached - or shrugged off - as protectionism, but fully explored: it would be unfortunate if alternative ideas

were simply lost in miscomprehension stemming from ignorance.

The Foundation's project aims to critically understand what fair trade presents to the trade paradigm and where it stands within it.

The project will seek to provide the fullest perspective of the fair trade paradigm, and a comprehensive understanding of its nature and relation to free trade and protectionism. **L&L**

“Is free trade being critically and constructively advocated, or entirely challenged from what may be exposed as an essentially protectionist starting point?”

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entry to European markets through 'error' and - if the levels of antibiotics resistance in the population here do increase as a result of this grain - the damage will be practically irreversible. The massive community value to be found in our capacity to use antibiotics - the countless lives and huge amounts of money saved by these drugs - might have been depleted in order to allow private companies to profit from the sale of banned grain.

Readers may be wondering what the properties of this GM maize are that make

it worth risking such massive community value. It has been "modified to repel a pest called the corn borer." The corn borer is an important pest in the Midwest of the US. It is in everyone's interest to reduce the problems caused by such pests. It is even more in the interest of some individuals and companies to improve the value of their businesses by developing and growing such crops: however, they should not be permitted to risk much more substantial community values in the course of doing so. Imports of US corn to

Britain have thankfully been stopped while this issue is resolved; however, the EU should now look at how we can ensure that such a situation does not recur, and at how to extract compensation from those responsible for these errors. **L&L**

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