

## **PRISONERS OF POVERTY : THE “TRADE JUSTICE” MOVEMENT AND THE CHURCH**

**Address by Sir Leslie Fielding, Reader  
Ludlow, 16 November, 2003**

Today is Prisoners’ Sunday. But this morning I shall be talking about not the jail population but the prisoners of grinding poverty.

The sad fact is that hundreds of millions in today’s world struggle to survive on less than a dollar a day. The gap between the poorest and the richest countries has continued to widen, because, while some developing countries prosper, and others somehow drag themselves up by their own bootstraps, yet others have stayed stuck in the mire of debt, disease and economic dysfunctionality.

The message of scripture about this is eloquent and unmistakable, and includes the following :

“He who oppresses the poor insults his Maker ; he who is generous to the needy, honours Him”. Proverbs 14 v31.

“But if a man has enough to live on, and yet when he sees his brother in need shuts up his heart against him, how can it be said that the divine love dwells in him?”  
1 John 3. v17.

“Love your neighbour as yourself”. Matt. 22 v 39.

The commandment to love our neighbour – in practice, all our fellows on this planet – is mandatory, not optional. It comes from Our Lord Himself – from the One who fed the five thousand and who commanded His apostles to feed His sheep.

The Christian Churches have therefore been right to express their deep concern, about poverty and malnutrition. They have sent money and helpers. They warmly endorsed the World Bank’s call for debt relief, in 1996. (\$100 billion of relief is now scheduled). Christian NGOs (Non-Governmental Organisations) have united with Oxfam and others in the current Trade Justice Movement, led by Christian Aid. Hereford Diocesan Synod passed a resolution in March, calling on world leaders to recognise poverty reduction as one of their highest priorities.

The crisis of the moment arises from the collapse, without agreement, of the meeting of Ministers from the 150 or so countries or so of the WTO (World Trade Organisation), held at Cancun in Mexico in September. The future of the WTO, and the prospect of helping the poorest countries by a boost to their exports, appears to hang in the balance. Attention now shifts to a follow-up meeting to be held in Geneva in December, in the hope of getting the show back on the road.

International trade policy is complex, as Christian Aid admit. Neither the economics nor the politics are straightforward. Take old clothes. When you put them in the collecting bin, as gifts for the world’s poor, are you helping the needy – or under-cutting the local

budding textiles industry in the Third World? Or take charity. How much of what you put in the envelope actually reaches the kid in that photograph?

But this has not prevented outspoken comments from some leaders. The Roman Catholic Cardinal in Honduras, for example : “the greed of the few is leaving the majority on the margins of society”. Or the loud –and sometimes slightly wild – protests from Christian activists in the Trade Justice Movement. The latter tell us that the present global trading regime is “sordid and appalling” ; that the rich countries are “riding roughshod over the poor”. ActionAid say that the EU and the US at Cancun were “exposed as cheap conmen”. Trade Craft claim that the EU plans to “lay open the economies of the poorest countries to even greater exploitation”. Christian Aid says that international trade rules are a “scandal”, and that “no deal is better than a bad deal”, in the WTO. The Director of Third World Network goes further, in claiming that, in the Cancun debacle, the less developed countries won a victory, in standing up for their rights. It has been hard to separate rhetoric from reality, in these expostulations. Only CAFOD (the official aid agency of the RC church in England and Wales) has managed to keep its feet on the ground, in describing the Mexico collapse as “a very bad day for the poor”.

Other voices – admittedly, secular, capitalist, and Western – have distanced themselves from NGO opinions. The wilder fringes of the Trade Justice Movement are described as Luddites and “Localisers”, with anarchist sympathies. “Many elements in the self-styled global justice movement”, says the FT, “could benefit from a course in economics”. The FT adds that those who advocate protecting poor countries from imports of goods and services risk plunging the third world into “abject poverty”. The Trade Justice Movement, including Christian Aid, is suspected of being to some degree economically illiterate, politically naive and ideologically left-wing.

In view of the Church of England’s support for Christian Aid, and our Diocesan Synod’s call for the international rules and practices governing trade to be re-written, I feel compelled, in my dismay, to say something, as a Lay Reader, about all this. I shall do so, drawing on my past experience as the EU International Trade Negotiator who successfully launched the previous, “Uruguay”, Round of trade negotiations in the 1980s, out of which the current “Doha Round” initiative sprang ; and, on the overseas aid aspect, as the Brussels official once responsible for part of the EU’s development assistance programmes, and subsequently the Chairman of the Institute for Development Studies at Sussex.

This is not the place for a lecture on international economics. Instead, bearing in mind the passages from scripture quoted above, I shall try to pick a way forward on a middle path, which may appeal to the pragmatic majority who want to see something practical done, for the best, in a situation which admits of no easy answer. To quote a letter I have just received from a distinguished ex-Ambassador who is also a Christian : “Political issues are both more complex, and less morally clear-cut, than Church leaders ..... make them out to be”.

Before I come to a Christian conclusion about Cancun, and what the Churches might try to do next, let me clear the ground with some secular statements of the semi-obvious, which fringe people might dispute, but which otherwise probably hold the centre ground and command the assent of the majority of the so-called experts.

First, capitalism is here to stay, for the foreseeable future. It is of course unsatisfactory – as parliamentary democracy is, until one comes to the alternatives, which are all worse. Anatole Kaletsky, the economic editor of The Times, wrote recently that, “Communism, as an economic

system, was a complete failure that condemned Russia to a century of backwardness". Things were no better with Chairman Mao's "Great Leap Forward", from which China is still recovering. Something similar, but less emphatic, can be said of "managed" commercial and economic systems run by bureaucrats and politicians, all of whom make mistakes and some of whom can be arbitrary and corrupt – not least, in certain of the developing countries.

Second, 'Globalisation', notwithstanding the antics of anarchist protesters at the World Conference in Seattle in 1999, or the animadversions of Cardinal Oscar Maradiaga today, is very likely too advanced to be reversible – even if we wanted, which most of us, most of the time, should not. Not only the production of goods, but also the provision of services, are being re-allocated across national boundaries, in response to the logic of 'Comparative Advantage'. The shoe will sometimes pinch. But the greater good of the greatest number will not be served by requiring the global economy to advance barefoot across inevitably stony ground.

Third, there is a powerful link between the expansion of trade and the stimulus of economic growth. As Christian Aid itself point out, the poorer countries on average earn from exports six times what they receive in development assistance. The latest analysis by the World Bank reckons that achievable reductions in barriers to trade, through the Doha Round, currently-stalled at Cancun, could lift 144 million people out of poverty over the next 12 years. This is consistent with the experience of the post-war world. Eight successive trade rounds have slashed average tariffs on industrial goods from 40% to less than 5%, thereby contributing to the economic growth in prosperity of the trading countries in the second half of the twentieth century. The next leap forward will come not only from more North/South trade, but also much more South/South trade – because the trade barriers *between the poor countries* are still far higher than those between the rich and the poor. Nevertheless, according to the Institute of International Economics, in the six years between 1995, when the WTO entered into force, and 2001, developing countries' exports grew almost twice fast in value terms as total world exports. In all modesty, as one of the men who helped fix it, I take a little of the credit.

Fourth, "Mercantilism bad ; Multilateralism good"! Mercantilists believe (as people used to argue in the 1930s – the Smoot-Hawley tariffs in the US were a manifestation, which helped plunge the world into the Great Depression!) that trade is a "zero sum game", in which there are losers as well as winners ; that a country should try to export and not import. This is outmoded and non-sensical. Two-way trade, while it may benefit one party more than another in this or that case, nevertheless benefits everyone overall, to some extent. Multilateralism means the ordering of trade rules in an international body with as far as possible universal membership, rather than relying on bilateral deals between big country X and small country Y. A multilateral system helps the weak get a better deal from the strong. This is why the WTO is so important. Its procedures may need revising – my successors in Brussels call them "medieval" – and working by unanimity may have to be abandoned, if a tiny few can obstruct the great majority. But if the WTO is sidelined by the big players – the US, the EU and Japan, but also potentially China, India and Brazil – this will damage the interests precisely of those weaker developing countries who were proudest of their defiant stance at Cancun.

As so to Cancun. Who was to blame for the deadlock? Mainly, alas, the West. But sadly, everyone had a part in it. For the developing countries, agriculture was the most important issue. Here, the EU (in defence of the CAP) had the least to offer. But the Americans were hardly any better – on cotton and rice and the increased subsidies paid to their own farmers. Japan was hypocritical. On the other side, the developing countries, in the so-called G21 group, led by India and Brazil, seemed to have pursued confrontational negotiating tactics. Nor could they agree

among themselves : India and Brazil have different interests from each other on agricultural trade ; China and South Africa helped veto a US/EU compromise which would have given at least half a loaf to some developing countries. The G21 claim to speak for the poor, but (as an editorial in The Times pointed out) they did nothing of the sort. In the process, the WTO became politicised – as the Economist magazine comments, some countries were pushing geo-political objectives rather than trade reforms. Some third world ministers found it easier to posture than to cut a deal, as if making speeches in some UN body rather than hammering out a workable solution between negotiating partners. The Mexican ministers who, as hosts, chaired the meeting, handled it incompetently. Finally, the NGOs were accused, rightly or wrongly, of seeking to influence the developing countries against their better interests – for example in saying No to (admittedly novel and contentious) international disciplines designed to facilitate investment, elaborate competition policies and bring transparency to government procurement – all desirable longer term things in themselves, but which will now admittedly have to be kicked into touch, for lack of consensus. In short, it was a shambles all round, resulting in bitterness in the South and disgruntlement in the North. But it was something which Europe and America could and should have avoided. If I had still been in charge, I should have tried to play the EU hand differently. (No doubt, in the event, I would have made a “bish” of it).

So, what position should we Christians take? I do not myself see mileage in the Christian Aid demand – reflected in the wording of our Diocesan Synod’s resolution – that international trade rules should be completely re-written. It would take years even to attempt this – and with every prospect of failure. We have to work with what we have got. Nor can the WTO be converted, as the Trade Justice Movement seem to expect, into an organisation focused almost exclusively on development. Even the Catholic Bishops Conference in the UK, in June this year, saw that the WTO existed for other purposes also.

What I personally think matters most, in the Christian perspective, post Cancun, are the following.

First, the wealthy countries must be big-hearted, when it comes to trade. Strict reciprocity, in opening markets and reducing barriers, should not be expected of the poorer countries. Of course, the latter, too, in their own long term interest, will need to move away from protectionism, as and when they can. But there is a strong case for what my colleagues and I used to advocate, when in Brussels, as “special and differential treatment” for the least developed countries, and for what the EU has since taken further, in the “All but Arms” initiative. It is possible to believe in market economics without insisting that everyone should move together. Poor countries need time to build up their strength, before beginning to ‘graduate’ and face some degree of competition on their home market (as South Korea, Taiwan and Malaysia already do). The GATT and its successor the WTO have long allowed for this. To the needy, let us therefore now open our markets unilaterally and with generosity.

Second, we Europeans really must tackle agriculture. The CAP was engraved on my heart (like Calais on Mary’s) when I was trying to give EU trade policy honesty and conviction. In particular, we must stop dumping our uneconomic farm surpluses on third world markets, where they compete unfairly or destroy local attempts at agricultural production. (As subsidised Italian tomatoes have done in Ghana). Remember that the rich countries spend six times as much on subsidising their farmers as they do on assisting development in the poorer countries.

Third, we must be ready to pay our whack, when settling the bill. Some church pronouncements seem to assume that somehow “They” – i.e. someone else – can pay. That there

is a welfare tree somewhere, from which the fruit drops, cost-free. The freeing up of world trade through open competition has, for example, long cost jobs in this country, e.g. in textiles and steel. The process will continue, affecting not only industrial and perhaps agricultural labour, but also the skilled clerical classes, with the “outsourcing” of office work through the internet to India, South Africa, China and elsewhere. (British trade unions claim that 40,000 backroom and call centre jobs have already been lost ; this may be an underestimate ; and we are anyway only at the beginning). But the British will have to bite this bullet, as others everywhere are being asked to do, in the long-term interest of all. The Churches should also have fought for a higher priority to the UK’s very modest Overseas Development Assistance Programmes – if necessary, at the expense of higher taxation ; and, in any case, by at least a token reordering (to give a good example) of the Church’s own spending plans. Even Christian Aid might want to look at their overheads – whether in their generous staff salaries or the immense amount of documentation and general ‘agitprop’ (drafts of letters to MPs and Ministers, and advice on how to organise protests) which they disseminates. Jo Public’s pension funds will have to make do with reduced profits from Ethical Trading Initiatives ; the reduction of Patent protection (e.g. to get cheap medicines quicker to the suffering of the Third World). Also from any future constraints on the operations of oil companies and other Multinationals in the Third World, if NGO arguments (of which, I admit, I am critical) carry the day. *Conscience* in these matters must come with a *cost* to ourselves, as well as to others. If we follow the Gospel, concern for the world’s poorest will require sacrifice by you and me.

Fourth, and to avoid any feeling that you may have that I am being too “politically correct”, Christians in the West, and not least in the Christian NGOs in this country, should be careful not to generalise about, or idealise, or (least of all), drool over, what we call for convenience The Third World. It is true, as Lord Carrington, the Former Foreign Secretary, pointed out in a recent lecture, during the Cold War, “the richer countries were much more anxious to see that the developing countries were helped, in case they fell into communist hands”. So we must make up for any faltering in our attention, on those grounds. Meanwhile, however, the fact is that the poorer countries are often very different from each other, with different needs. Not all of them operate, in this general area, in a wholly rational – let alone admirable – fashion. They can be governmentally inefficient and stifled by their own bureaucracies – the World Bank asks why does it take \$1,500 (more than his average annual income) for a Cambodian to be permitted to start up a new business in his own country? Some of them are also frankly corrupt – with kickbacks demanded on a large scale at the highest level. (This is why the Catholic Bishops Conference, last summer, pointed out that freedom for poor countries to operate protectionist policies on the *dirigiste* lines advocated by some Christian NGOs, could be used to safeguard “inefficient local monopolies that survived only by enjoying political patronage”). Some developing countries spend more on armaments than they need.

To conclude, the plight of the world’s poor makes a claim on all of us who are relatively better off. Doing something about it – whether through higher government expenditure or greater freedom of trade, or the transfer of job opportunities, or reduced dividends to shareholders or general self-denying ordinances by the rich in their dealings with the poor – calls for sacrifice. When that sacrifice is well chosen, we should be glad to accept it. Christian Aid and their partners do us all a service in sensitising Church communities to the issues and giving a sharper point to the Christian conscience about the need for effective action. On what precisely that action should be, the Trade Justice Movement have no monopoly on wisdom and are capable of getting it wrong – as, indeed, are individual Christian experts such as myself. But that will not matter, as long as the caravan moves on, and our own and other governments, in the richer countries, act with generosity and imagination ; and when we ourselves, as individual Christians, accept the consequences and

put our shoulders democratically to the wheel. A global economy calls us, after all, to show global solidarity.

Pray, therefore, for those who will be attempting, in Geneva, next month, to pull the WTO chestnuts out of the fire, in the promotion of not only free, but also fair, trade. For, if they fail, the poor will be sent empty away. Pray, even, for the health of the negotiators. In negotiating the launch of the Uruguay Round, I spent most of the last two nights without sleep. I did so, in part, because I was a committed Christian, doing the will of Our Lord as I saw it, in troubled secular circumstances. Not in “Brinkmanship”, as one NGO teenage scribbler has just said of the European Commission, but in the midwifery of a positive agreement. The Mexicans in Cancun would have done well to do likewise. Sometimes, even the Siesta has to go.

Finally, the Editorial of this quarter’s Reader magazine reminds us that optimism is not a Christian virtue ; but that *hope* is. Amen to that.

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