

Campaign summary

Trade has the potential to lift millions out of poverty. But the current rules of trade are biased in favour of multinational companies and often hurt the poor.

Trade takes place all the time and in many different ways, whether it is goods you buy, services you use or the direct exchange of money. In the era of globalisation, international trade has become big business, with two-thirds of world trade controlled by corporations. The search for profit has gone global.

In 2006 European officials and big European companies cooked up a new strategy in the quest for global market access. It includes a hit list of developing countries to target for new trade deals - countries where more than 920 million people live in poverty.

But history shows that these kinds of trade deals make companies richer without benefiting the poor.

For example, in Mexico a previous trade deal with the US has led to two million people leaving their land as the price for maize has collapsed, whilst corporate giants have reaped the profits.

It is possible to trade in a way that benefits people and the environment, but it requires rich governments to respect the rights of poor country governments to decide how to run their own economies.

The World Development Movement (WDM) wants to put a stop to these new trade deals and is calling for a trading system that prioritises the needs of the poor.

WDM's strategy

WDM will be challenging the European Union's¹ trade agenda both here in the UK and in Europe. Alongside other campaigners, we will demand that European member states shift to a more progressive position on trade. We will also work in solidarity with campaigners in the southern countries that Europe is targeting.

To win the campaign, resistance will need to take place in countries across Europe; in Brussels – the centre of European decision-making; and in countries affected by these trade deals. WDM will be focussing our efforts on each of these areas. WDM local groups will be critical in building up trade activism in the UK and challenging elected representatives on this issue.


The key moment the campaign is working towards is the MEP elections and appointment of a new European Commission in summer 2009. We need to ensure that trade is top of the list of issues at this time. And that means starting work right now.

Trade the background

For decades, international trade has been negotiated both multilaterally, through international institutions such as the World Trade Organisation (WTO) and regionally, between different countries and/or regions. Both systems are currently unfair and are biased in favour of the richer, more powerful countries.

The current international trade round at the WTO has been hugely delayed due to the excessive demands of rich countries to open up markets in the developing world, combined with their refusal to significantly reform their damaging agricultural subsidies. This delay has made rich countries, including Europe, very impatient and in recent years they have initiated many regional deals to press ahead with their agenda. This offensive must be stopped.

Poor countries sign up to such trade deals, because they hope that their companies will benefit, or because of the promise of aid, or because of political pressure. The pressure from rich governments to sign a deal can be immense even though the evidence shows that the poor rarely benefit.



“Free trade agreements are evil and must be stopped”

Lebohang Pheko,
Gender and Trade Network for Africa

¹The European Union will be referred to as Europe from this point on

First Europe, then the world

Europe negotiates as a trade bloc and is now putting increased energy into negotiating trade deals directly with countries or regions that European corporations are most interested in. In 2006 Europe published its strategy *'Global Europe – Competing in the world'* that set out a vision for European companies being able to trade, with as few restrictions as possible, around the world.

"We always use bilateral trade agreements to move things beyond WTO standards. By definition a bilateral agreement is 'WTO plus'."

Pascal Lamy, European Trade Commissioner 2004.

The Global Europe strategy is being made real through negotiations on a new wave of trade deals. A total of 34 countries are on the hit list, where 2.2 billion people live – 920 million in poverty. The objective is to win markets for European corporations.

Lessons from the past show that trade deals between rich and poor countries do not benefit the poorest people. Developing countries need time to develop their services and industries before they compete on the world market – but these deals force countries to open their markets to international competition before they are ready. The result? Countries are flooded with cheap imports; foreign companies suck money out of the country in the form of profits; local businesses struggle to compete; local jobs and livelihoods are lost; and food security is undermined.

For example, Europe wants all taxes and quotas on raw materials abolished in target countries so that European companies can access raw materials more easily and more cheaply. But these taxes and quotas are often used by poor countries to ensure that enough raw materials or food are available locally at an affordable price. Stripping poor countries of the ability to manage their own trade in raw

materials will leave them vulnerable in the face of rising world food prices, the impacts of climate change and demand for biofuels in rich countries.

Developing country governments are being pressured into signing deals because of political pressure, the promise of aid, or the belief that their own companies stand to benefit. WDM wants Europe to halt these new trade deals.

Trade that works for development

It is possible to trade in a way that benefits the poor. Some poor country governments, alongside grassroots organisations, are starting to call for a different trading system. A system that:

- Enables developing countries to choose their own development and economic policies
- Prioritises regional trade regimes between countries at similar levels of development
- Works in the interests of people and the environment
- Is not dominated by European corporate interests but is transparent, democratic and where the benefits can reach everyone

WDM wants Europe to adopt an approach to trade that prioritises the needs of the poor.

Campaign Messages:

- ✦ *Trade has the potential to lift millions out of poverty*
- ✦ *Europe is negotiating unfair trade deals with over half of all the countries in the world*
- ✦ *These deals will benefit big business at the expense of the billion people living in poverty*
- ✦ *We need to stop these unfair trade deals and adopt trade policies that works for the poor*