



Appendix A

Comment by Senator Andrew Bartlett, Australian Democrats

General comment

The Australian Democrats support the notion of 'fair trade' over free trade. Whilst recognising the importance of trade to the Australian and international economies, we believe it is important that trade policies be balanced with those which ensure protection of human rights, labour and environment standards.

Proponents of free trade point to macroeconomic modelling which claims to demonstrate 'net benefits' of trade liberalisation – in reality this means that the overall outcome from the winners and losers is sometimes positive, not that no-one loses out.

When low income people are the losers (for example, people employed in low skilled manufacturing) and high income earners are the winners (through the availability of cheap imported manufactured items), it is easy to understand why the 'losers' aren't impressed by claims of net benefits.

It should also be pointed out that a growing body of economic modelling counters the claim that trade liberalisation produces net benefits, and demonstrates a growing wealth/poverty gap both within and between countries.

The Committee argues that globalisation is inevitable, and that it presents a challenge for governments is to 'ensure the benefits of globalisation are more equitably distributed throughout the global community'. I believe this can only be achieved through comprehensive policies aimed at alleviating poverty and improving income distribution – there is no discussion of such measures in this report.

While the WTO cannot be expected to solve problems of unequal wealth distribution and global poverty, its work should not focus solely on trade liberalisation, but on using fair trade as a means to facilitate a better standard of living for all people, including the poor.

Since its inception in 1995, the WTO has had a far broader impact on economic, environmental and social policies than its predecessor the GATT.

One of the WTO's Agreements, the General Agreement on Trade in Services (GATS), seeks to open up international trade in public services such as education, health, water, electricity and other essential public infrastructure. The Australian Government has entered negotiations on the GATS with little, if any, public consultation. Removal of domestic regulation for these essential services would stifle democratic accountability and public debate on the role and responsibilities of public utilities, and restrict policy choices for future governments.

The WTO's dispute panels have, on a number of occasions, found that countries' domestic measures regarding environmental regulation, quarantine standards, food safety standards and industry development policies are in breach of WTO trade rules. Many of these decisions undermine general United Nations principles and limit countries' ability to determine domestic policy.

The Australian Government should play a leading role in protecting the environment, human rights and core labour standards by ensuring that all trade treaties have standard clauses addressing these issues.

The Committee's report outlines statistics on employment benefits of increased trade. However, the Committee has not adequately canvassed the need to facilitate comprehensive structural and regional change. Workers in traditional industries such as textiles, clothing and footwear find it difficult to make the transition to new sectors such as retail and services. The current Government has cut or substantially reduced specific labour market programs aimed at fixing such problems.

This report has a heavy focus on agricultural and quarantine issues. The Committee states that under WTO rules, a zero-risk approach to protecting Australia's quarantine standards is 'not an option'. I do not agree with this approach. The policy of the Australian Democrats is that the protection of Australian consumers, natural assets and producers should be primary directive when making quarantine decisions.

Comment regarding specific recommendations

Much of the Committee's report on Australia's relationship with the World Trade Organisation, and its recommendations, presupposes the position that criticism of 'free trade' is based on a lack of understanding of the issues that can be overcome with improved information.

Recommendation 3 proposes measures to produce Government information on the 'benefits' of trade liberalisation. The Australian Government should provide balanced information on trade liberalisation and the World Trade Organisation in order to facilitate informed and accurate public debate. In preparing information about globalisation and trade liberalisation the Government should work with environment and non-government organisations (NGOs) to prepare balanced information packages.

Recommendation 17 urges the Australian Government to support any moves to resolve the issue of potential conflicts between the WTO Agreements and multilateral environment agreements. The Australian Democrats position is that protection of the environment must be given priority over trade matters, and as stated above, trade agreements should include environmental and social clauses. The Australian Government should support the primacy of international environment agreements over WTO and other trade agreements.

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