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From: Jane O'Sullivan [SMTP:J.OSullivan@mailbox.uq.edu.au]
Sent: Thursday, August 24, 2000 10:41 AM
To: jsct@aph.gov.au
Subject: WTO and Australia's relationship with it.

The Secretary
Joint Standing Committee on Treaties
Parliament House
Canberra ACT 2600

Dear Sir/Madam,

I would like to express to the Committee my concerns about the current negative impacts of the WTO on the globalisation process, and my opinion on what Australia's position should be in relation to it.

Regarding the balance between WTO agreements and UN agreements, there are clear and unjust inconsistencies in standards. The UN is toothless to uphold its agreements, and as a consequence they are regularly regarded by signatory governments as so many pies in the sky, not realistically attainable in the current time frame, although in many cases they could be achieved if given a modest level of political will and a supportive international community. The WTO, on the other hand, has real teeth capable of inflicting painful wounds. Thus it can force governments to take measures that would normally be politically unacceptable, and cause great disruption to the economy and harm to the wellbeing of the population.

Australian politicians have repeatedly argued that overseas environmental and labour standards are the mandate of the UN, have nothing to do with trade, and should therefore be kept out of WTO negotiations. This is a ridiculous fallacy. These standards are the basic bargaining chips for nations trying to attract industry. The governments of Indonesia and Vietnam, and probably others, openly admit that their minimum wages are well below the poverty line, but they can't raise them for fear of multinationals taking the jobs elsewhere. The existence in many countries of special export industry zones, in which the normal rights of citizens are reduced, is a graphic demonstration of the negative relationship between trade forces and human rights.

The policies of the WTO actively operate to reduce these standards.

This effect must be reversed. To do this, it should:

Remove the rule prohibiting discrimination on the basis of process. If products are made overseas using processes or standards prohibited in Australia (because we, as a nation, have decided they cause unjustifiable impacts on people or the environment), we should have a right to prohibit their entry, or to levy tariffs to eliminate the economic advantage of that process over one which meets our standards.

Remove the rule prohibiting discrimination against foreign corporations bidding on government contracts. A realistic economic evaluation of

tenders would recognise that jobs and profits that stay in the country have a significant multiplier effect on the economy, and on government revenue, whereas those that go overseas should be discounted to the value of welfare payments for every Australian job opportunity lost. While the Australian government, in its foolishness, does not employ such analyses, if it were to do so this would be judged by the WTO as illegal discrimination.

Set minimum labour rights and environmental standards which all member nations must meet. Only by having an independent body raise the baseline for everyone can poor nations avoid the economic disadvantage of doing what they know is justified. These minimum levels could be set at a modest and attainable level initially, but subject to regular scheduled increases. Attainment of all current UN standards should be a target for the first phase.

There are two ways to level a playing field. One is to remove the bumps, thus lowering the overall level. This is what current “free” trade policies do. The other is to fill in the dips, gradually increasing the overall level. This is what “fair” trade policies strive to do.

Far from being democratic itself, the WTO undermines the sovereignty of democratic governments around the world. The WTO clearly acts in the interests of large multinational corporations, and not in the interests of the global citizenry. But this is merely a reflection of the economic policies of its most powerful member governments, who are equally at the behest of their most wealthy corporations. However, there are many poorer but more populous nations who have very little opportunity to influence WTO decisions, so the system is not even democratic at the level of government representation. In terms of opportunity for community involvement in policy development and impact assessment, this would seem to be minimal in Australia as in other participating nations, and severely impeded by the lack of transparency in the process.

The Australian Treasury’s behaviour in relation to the MAI clearly illustrates the arrogant stance taken by the Government with respect to transparency and community consultation. When community pressure put the MAI under public scrutiny, it was found that Treasury had done very little homework on the impact of the MAI on Australia, but supported it from a purely ideological “free trade” standpoint. There are probably many cases of Australia’s position on WTO decisions being equally misguided, but the public cannot scrutinise them due to the lack of transparency in the process.

I am grateful to the Standing Committee for this opportunity for public input, and hope that it has some impact on Australia’s relationship with the WTO in the future.

Please let me know about any public hearings in relationship to this inquiry.

Yours sincerely,

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