

## **MAKEPOVERTYHISTORY**

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As the world gets richer, so should the poor. But they aren't. Instead millions of people are stuck in poverty, barely earning enough to survive. 30,000 children still die needlessly from extreme poverty every single day.

2005 is being hailed as the year to reverse this trend. The Prime Minister has set up the Commission for Africa and declared the UK presidencies of the G8 and the EU 'development presidencies'. In September the UN meet in New York to review the Millennium Development Goals and in December the World Trade Organisation will meet in Hong Kong.

On the campaigning front, a group including over 100 UK development agencies, churches and unions have set up the MAKEPOVERTYHISTORY campaign. We are calling for three things: trade justice, drop the debt, more and better aid.

In 2005 Christian Aid is focusing on trade justice. Firstly because it could bring the greatest reduction in poverty - international trade rules rob poor countries of £1.3 billion a day - 14 times what they get in aid. Secondly because a far greater shift in political thinking is needed on trade than on debt and aid. And finally, because without significant progress on trade, there will never be a meaningful shift in power relations between the rich and the poor.

### **The problem with Free Trade**

In the UK, most of the media and parliamentary debate about trade has focused on the need to cut rich-country export subsidies and increase access to rich-country markets for goods from poor countries. Although important, these changes will never achieve the scale of poverty reduction we are striving towards. We need to tackle the underlying problem - that rich countries are forcing free trade policies on poor countries.

For years, rich countries, and the international institutions they control, such as the World Trade Organisation, the International Monetary Fund and the World Bank, have been quietly forcing free trade on the poor.

Through economic liberalisation conditions attached to loans and debt relief, through free trade agreements, through biased 'advice' and heavy-handed pressure, poor-country governments are being forced to open their markets to Northern goods, reduce the support they give to farmers and industries, and privatise essential services.

As a result, thousands of the world's poorest people are struggling to make a living, feed their families and send their children to school.

### **Are we anti-business?**

Far from being anti-trade or anti-business, the trade justice campaign is arguing for realistic solutions to support economic growth and poverty reduction in poor countries. We are not advocating a return to the excessive protectionism of the 1930s. But we are saying that forcing free trade on poor countries is not the only alternative.

There is growing evidence that a pragmatic mixed economy approach reaps the greatest benefits for poor countries. For example, in Mauritius poverty reduction and economic growth has been achieved through carefully targeted intervention. In Mozambique the redevelopment of the sugar industry was only achieved by protecting it from volatile international sugar prices.

In fact no economy has ever successfully developed without some degree of intervention. By denying poor countries this possibility, it is the current free trade model which is anti-business.

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### **Trade Justice denied to Ghana**

In March 2003 the Ghanaian government announced much needed tariff increases to protect its local rice and chicken farmers from unfair competition caused by cheap imports. Rice and poultry are essential to Ghana and these tariff increases (5% for poultry and 20% for rice) were introduced to boost rural incomes, encourage local production, increase revenue and reduce the import bill.

However, within 5 days of this announcement - under pressure from the International Monetary Fund, and without consulting Parliament - the Ghanaian government was forced to shelve their plans. Christian Aid has joined our Ghanaian partner, ISODEC to campaign to reintroduce the tariffs.

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### **The Global Week of Action on Trade Justice - April 2005**

The Trade Justice Campaign is growing. During the Global Week of Action on Trade, from 10-16 April 2005 tens of millions of people will be taking action in over 70 countries to call for Trade Justice not Free Trade.

In Ghana campaigners will be giving each Member of Parliament a live chicken to highlight the need for import tariffs. In the UK we are holding an all night vigil in Whitehall to call on the Government to 'Wake up to Trade Justice'. Wherever you are, please join us!

### **What are we calling for?**

Poor country governments should not be forced to adopt free trade policies. They should have the right to greater policy flexibility in order to determine their own poverty reduction strategies. We are calling for change in 3 specific areas.

1. An end to trade policy conditions on World Bank and IMF loans and debt relief.
2. Strengthening and enforcing a principle of special treatment to favour poor countries in the World Trade Organisation.
3. Economic Partnership Agreements (EPAs) between the EU and the ACP countries must be stopped. In their current form they are free trade agreements that have little to say about tackling poverty.

For more details see 'Taking Liberties: Poor People, Free Trade and Trade Justice' (Christian Aid, 2004)