

APPENDIX F

Trade Justice: A Uniting Church View

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Trade Justice: A Uniting Church View

INTRODUCTION

1. Why a Uniting Church paper on trade justice?

“Before you’ve finished your breakfast this morning, you’ll have relied on half the world.” - Martin Luther King Jr

Whether we are conscious of it or not, now more than ever we are dependent upon distant others in the ordinary course of our daily lives.

Globalisation has transformed relations between states and between people. The exponential increase in the movement of goods, capital and knowledge across the globe has resulted in an unprecedented level of economic interdependence. Trade is a significant factor in this increased interdependence. Although international trade has existed for centuries, the volume and value of trade has grown at a staggering pace in the last two decades.¹ Globalisation has not only seen a rise in the volume of trade, it has transformed the nature of trade itself. The production, distribution and marketing of goods and services are increasingly global.

The result is a complex picture of economic integration in which countries increasingly depend on each other for their prosperity. It also means that ordinary people – as consumers and producers – are deeply connected through and affected by international trade.

However, the benefits and burdens of this increased interdependence have not been equally shared. Globalisation has had uneven effects: while some have enjoyed increased prosperity, the poorest are often left behind. Our partner churches in developing countries have expressed concern that their communities are being harmed by globalisation and marginalised in the international trade system.²

All of this means that trade is an issue with which the church must grapple. The purpose of this paper is to encourage a full and informed discussion amongst congregations and agencies of the Uniting Church about trade and its implications for who we are and how we respond to the world around us.

This paper is set out as follows:

- Part 1 provides a brief introduction to free trade;
- Part 2 discusses the theological underpinnings for the church’s response to trade, and
- Part 3 discusses possible responses for the Uniting Church.

This discussion paper recognises and seeks to build upon the existing work of the Uniting Church relating to this issue, particularly:

- *Economic Justice – The Equitable Distribution of Genuine Wealth* (1988) Discussion paper prepared by Assembly Social Responsibility and Justice Committee (commended by the National Assembly in 1988)
- Dr Ann Wansbrough, *A Call to Justice Concerning Employment* (1994) Assembly Social Responsibility and Justice Committee
- Dr Ann Wansbrough, *Trade (Not Globalisation)* (2001) Election 2001 Briefing Note
- Submissions by UnitingCare NSW-ACT to Treaties Committee inquiries into the Multilateral Agreement on Investment and Australia’s relationship with the World Trade Organisation, and submissions to the Department of Foreign Affairs and Trade public consultations in 2000 and 2001.
- Denham Grierson, *Fair Trade: Some Theological Perspectives* (2006) commissioned by the Justice and International Mission Unit, Synod of Victoria and Tasmania.

¹ Between 1990 and 1999, the annual growth of world exports was 6%, which was slightly more than double the growth of global GDP in the same period. (Kevin Watkins and Penny Fowler, *Rigged Rules and Double Standards*, Oxfam, 2002, p35)

² See, for example, Pacific Conference of Churches, “The Island of Hope: The Pacific Churches Response to Economic Globalization”, August 2001. This paper comes in direct response to the requests of our partner churches, particularly through the Pacific Conference of Churches, to support them in responding to the impact of international trade on their communities.

This paper also acknowledges the responses of ecumenical bodies and other churches to economic globalisation, including the Pacific Conference of Churches,³ the World Council of Churches,⁴ the World Alliance of Reformed Churches,⁵ the Ecumenical Advocacy Alliance,⁶ the Presbyterian Church of the USA⁷ and the Lutheran World Federation.⁸

I. INTERNATIONAL TRADE: A BRIEF INTRODUCTION

2. Free trade and neo-liberalism

Free trade doctrine states that when artificial barriers to trade are eliminated, the market works to create the most efficient allocation of resources.⁹ Barriers to trade include policies such as tariffs,¹⁰ subsidies to local production and non-tariff barriers, such as product standards. The greatest sin under this doctrine is protectionism: the use by a government of policies or regulations to assist local industries or promote exports. Protectionism is seen to distort prices, increase inefficiency and undermine the free working of market forces.

However, the application of this theoretical doctrine to policy prescription has been controversial because in reality no economy is entirely unregulated – each country's economy sits somewhere on a spectrum between autarky¹¹ (ie. self-sufficiency) and free trade.¹²

The idea that unfettered trade is *always* welfare enhancing has been largely discredited amongst academic economists, who recognise that the theoretical assumptions underpinning free trade theory are rarely present in the real world.¹³ Yet international financial institutions and many rich country governments continue to embrace an ideology of neo-liberalism or 'market fundamentalism' – the belief that markets by themselves lead to economic efficiency and that intervention in markets is always to be discouraged.

In the 1990s this approach was enshrined in the Washington Consensus – a package of neo-liberal prescriptions created by international financial institutions to reform developing country economies. These reforms include:

- *trade liberalisation* (lowering of barriers to trade);
- *deregulation* (abolishing regulations that impede market entry or restrict competition), and
- *privatisation* (the provision of public services through the private sector).

This was touted as a formula for economic growth that would benefit the poor – as the saying goes, a rising tide lifts all boats.

However the present global financial crisis is a demonstration of the volatility and vulnerability of the neo-liberal economic system. In providing funds to 'bail out' corporations facing closure, governments in the developed world have exposed the contradictions of a *free market* economic model founded on minimal state intervention. The impact the present economic crisis will have in the long term is unknown, however it is the vulnerable that are the most adversely affected in situations such as those being experienced.

³ Pacific Conference of Churches, "The Island of Hope: The Pacific Churches' Response to Economic Globalization", August 2001.

⁴ World Council of Churches, "Alternative Globalization: Addressing Peoples and Earth", ("the AGAPE document"), Geneva 2005.

⁵ World Alliance of Reformed Churches, "Covenanting for Justice in the Economy and the Earth", Accra 2004.

⁶ See <http://www.e-alliance.ch/trade.jsp>.

⁷ See <http://www.pcusa.org/trade/>.

⁸ Karen L Bloomquist, "Engaging Economic Globalization as a Communion", Lutheran World Federation, Geneva, May 2001, p19.

⁹ Influential figures in the development of free trade doctrine included Adam Smith, David Hume and David Ricardo. Modern proponents included the Austrian school (eg. Fredrich von Hayek) and the Chicago School (eg. Milton Friedman).

¹⁰ A tariff is a tax imposed on imports.

¹¹ Autarky is an economy that is self-sufficient (ie. a closed economy) and one that does not take part in - or has extremely limited - international trade (eg. North Korea).

¹² Joseph E Stiglitz and Andrew Charlton, *Fair Trade For All: How Trade Can Promote Development*, Oxford University Press, New York, 2005, p12., p126.

¹³ Joseph E Stiglitz, *Making Globalization Work*, Allen Lane, London, 2006, p xiv.

What the present crisis highlights is the flaws of this economic doctrine that have been noted for some time in the failure of neo-liberalism to lift the poor out of poverty.¹⁴ Liberalisation, deregulation and privatisation are not simply dry economic prescriptions, but processes which can have an enormous impact on ordinary peoples' lives, and particularly on the poorest. Despite its claims to objectivity, neo-liberalism is as much a political agenda as an economic one – an agenda which produces winners and losers.

Over recent years, the neo-liberal doctrine has been challenged by civil society organisations across the world – churches, trade unions and community organisations – which have worked alongside the poorest members of their communities and seen the ill-effects of free market economics. Poor countries have not benefited equally from the expansion of world trade.¹⁵ The international trading system has left the poor behind.

3. How the international trading system leaves the poor behind

a) The myth that liberalisation automatically leads to growth

In conventional wisdom, trade liberalisation is meant to encourage economic growth, and therefore reduce poverty. However, a number of economists have questioned the evidence behind this claim.¹⁶ In reality, those countries which are lauded as development success stories – such as the 'tiger' economies of East Asia – have not done so through conventional neo-liberal trade policies, but through innovative approaches that defy many Washington Consensus prescriptions. As former World Bank Chief Economist, Joseph Stiglitz, notes, "To date, not one successful developing country has pursued a purely free market approach to development."¹⁷

Many countries that have followed the Washington Consensus prescriptions have found it bitter medicine. Rapidly opening local industries to foreign competition can be devastating for the poor. Sectors which struggle to compete in open markets may see huge job losses; and where employment is created by liberalisation, it often benefits more educated and skilled workers, who tend not to be the poorest.¹⁸ In agriculture, liberalisation may reinforce pressures on smallholder farmers who have to absorb the impact of lower prices for their produce. By cutting revenue from import and export taxes, liberalisation may also undermine the ability of governments to provide services that can assist the poor to benefit from trade.¹⁹

Contrary to neo-liberal ideology, trade liberalisation is not synonymous with development. This paper does not argue that trade liberalisation is *never* good for development or that there are not other contextually specific practices that hinder a country's fulfilment of development (e.g. corruption), but that liberalisation should not be pursued at any cost. Trade liberalisation can foster development *if* pursued in a manner that is sensitive to national circumstances, appropriately sequenced and integrated into national poverty alleviation strategies.²⁰

However, trade-related development initiatives are not the only or necessarily the best path to development. For some communities, such as those in remote locations, export-oriented development strategies may simply be inappropriate and undesirable. Ultimately, trade liberalisation should only be pursued if and when it is sought by affected communities rather than thrust upon countries as a prerequisite for ongoing trading relationships.

b) Double standards and the governance gap

¹⁴ For an account of the failures of the Washington Consensus, from a former Chief Economist of the World Bank, see Joseph E Stiglitz, *Globalization and its Discontents* (1st ed), WW Norton, New York, 2002.

¹⁵ Despite having four-fifths of the world's population, developing countries generate less than a quarter of world exports, while industrialised countries generate three quarters of world exports (Watkins and Fowler, p69).

¹⁶ For a review of these studies, see Watkins and Fowler, p128-130. Economists Francisco Rodriguez and Dani Rodrik write, "[T]he nature of the relationship between trade policy and economic growth remains very much an open question... We are in fact sceptical that there is a general, unambiguous relationship between trade openness and growth waiting to be discovered. We suspect that the relationship is a contingent one, dependent on a host of country and external characteristics." (*Trade Policy and Economic Growth: A Sceptic's Guide to the Cross National Evidence*, National Bureau of Economic Research, Cambridge MA, 1999, p4.)

¹⁷ Stiglitz and Charlton, p17. See also Dani Rodrik, *The Global Governance of Trade as if Development Really Mattered*, UNDP, 2001, p23ff.

¹⁸ Watkins and Fowler, p137-9.

¹⁹ *Ibid*, p145.

²⁰ See Stiglitz and Charlton; Watkins and Fowler (especially Chapter 5); Rodrik.

Free trade is said to create a level playing field by reducing barriers to trade and allowing companies to compete on an equal footing. In reality, the field is less than even. According to the International Monetary Fund's Trade Restrictiveness Index, which measures countries' openness to trade, many developing countries are now far more open than industrialised countries.²¹ Wealthy countries have long argued for open markets abroad whilst maintaining protection in sectors such as agriculture and textiles and using loopholes in international trade rules to limit access to their own markets.²² These trade barriers hurt people who are poor in particular because they are targeted at the goods that the poor produce.

The major multilateral negotiating forum on international trade is the World Trade Organisation (WTO).²³ The current round of WTO negotiations is based on the Doha Development Agenda (2001).²⁴ Ministerial meetings have occurred at Cancun (2003), Geneva (2004) and Hong Kong (2005) but as yet an agreement on the Doha Development Agenda remains elusive. The last breakdown in meetings occurred in July 2008.²⁵

Multilateral trade negotiations have long been dominated by rich country governments and interest groups, with the result that international trade rules are weighted in favour of goods and services produced in wealthy countries.²⁶ Thus there is a governance gap in which those most affected by international trade rules have the least ability to set the agenda and influence the outcome of trade negotiations.

This governance gap is at the heart of the failures of the international trade regime. It has created a system of "rigged rules and double standards"²⁷ in which developing countries are expected to open their markets without receiving reciprocal access to the markets of industrialised countries. Until this governance gap is addressed and the playing field is made more genuinely level, the international trade regime will continue to marginalise the poorest.

c) Primary commodities

Many of the world's poorest people remain heavily dependent on the export of primary commodities for their livelihoods. More than 50 developing countries depend on three or fewer primary commodities for more than half of their export earnings.²⁸ Yet global commodities markets are marked by instability and extremely low prices. This leaves poor producers and agricultural labourers in a position of extreme vulnerability.

On the whole, prices for primary commodities have been on a downward trend for the last three decades. For example, coffee prices fell by two-thirds between 1988 and 2001.²⁹ In addition, these prices tend to fluctuate wildly. It is not uncommon for primary commodity prices to fluctuate from below 50% to 150% of the average price on a year-to-year basis.³⁰ This instability is due to a range of factors.³¹ These include structural over-supply due to the emergence of new producers, agricultural

²¹ Watkins and Fowler, p125-6.

²² In agriculture, for example, farm producers in rich countries receive support in excess of \$250 billion. (Jeffrey Sachs, Ernesto Zedillo & Patrick Messerlin, 'A global breakthrough in trade' in United Nations Development Programme, *UN Millennium Project*, 2005, p 213).

<<http://www.unmillenniumproject.org/documents/MainReportChapter14-lowres.pdf>>

²³ The WTO came into existence in 1995 for the purpose of supervising international trade and reducing trade barriers. It was the outcome of nearly five decades of negotiations around the General Agreement on Tariffs and Trade (GATT) which was created in 1947. The purpose of this agreement was the reduction of barriers to international trade especially with the hope of rebuilding war-torn Europe. The aim to create an International Trade Organisation did not succeed until the creation of the WTO in 1995. There are currently 153 member states of the WTO. (WTO, 'The GATT years from Havana to Marrakesh', Understanding the WTO: Basics. http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact4_e.htm).

²⁴ World Trade Organisation, Doha Development Agenda http://www.wto.org/english/tratop_e/dda_e/dda_e.htm.

²⁵ Patricia Ranald, "Behind the spin on collapse of World Trade Organisation Doha Round", AFTINET, July 29 2008. <http://www.aftinet.org.au>.

²⁶ Diana Tussie and Ngaire Woods, "Trade, Regionalism and the Threat to Multilateralism", in Woods, Ngaire (ed) *the Political Economy of Globalization*, Macmillan Press, London, 2000, p54-76 at 72.

²⁷ Watkins and Fowler.

²⁸ *Ibid*, p150.

²⁹ World Bank, *Global Economic Prospects and the Developing Countries*, Washington, 2002.

³⁰ Watkins and Fowler, p153.

³¹ The "commodity problem" is an extremely complex one and has been the subject of considerable debate. For a discussion of the debates around commodity trade and development, see Benoit Daviron and Stefano Ponte, *The Coffee Paradox*, Zed Books, London, 2005.

subsidies in industrialised countries and the fact that by nature agricultural production is less responsive to price and demand because of the lag between planting and harvesting.³² Further, producers have limited access to price information which would allow them to adjust their production.

The harshest impacts of these market fluctuations fall on producers and agricultural labourers. Faced with dramatic cuts in income, children are withdrawn from school, health and nutrition deteriorates and households are left more exposed to risks. Women bear a double burden, often being required to find additional work to supplement the family's income, whilst continuing to maintain the household. Unless mechanisms are developed to cushion the poorest against the harsh impacts of price volatility, they will continue to be made vulnerable by their exposure to international markets.³³

Producers of primary commodities often gain only a small share of the final value of their product. This is due in part to trade barriers in industrialised countries, many of which have 'escalating tariffs' that increase according to the degree of processing a commodity has undergone. This means that most processing of raw materials takes place in industrialised countries, depriving developing countries of the opportunity to earn a larger share of the value of their produce.

For a number of commodities, such as cocoa and coffee, market power is concentrated in the hands of a small number of large transnational corporations. Small producers have very little power to negotiate better prices, leaving them in a weak position in the global supply chain. Yet plummeting commodity prices have often not been shared by the consumer, but have resulted in widening profit margins for these large corporations. Unless developing countries are able to gain a larger share of the value of primary commodity exports, and to diversify into other industries, the benefits accruing to them from international trade will be limited.

It should be noted that the pursuit of export-oriented development in agriculture can have negative consequences for the environment and food security. Farmers may shift from mixed subsistence agriculture to cash crops,³⁴ creating threats to food security as farmers cease producing food for local consumption. As export production tends to require bulk quantities, cash crop production often encourages monoculture farming,³⁵ increased chemical use and more intensive farming practices. This results in environmental damage, such as soil degradation and reduced biodiversity.

These concerns have underpinned movements to advocate food sovereignty, the right of peoples to determine their own food and agricultural policy without external influence or interference.³⁶ The movement for food sovereignty critiques trade liberalisation for prioritising the production of agricultural exports over the rights of people for food. Climate change exacerbates these concerns about food security, as changing weather patterns affect food production and make the current reliance on fossil-fuel dependent transport untenable.³⁷ This may indicate some of the limits of trade-oriented development.

d) Manufacturing and global supply chains

Globalisation has resulted in a massive expansion of trade in manufactured goods, with the greatest growth concentrated in high-technology products. Developing countries have increased their share of

³² United Nations Conference on Trade and Development, *Development and Globalization: Facts and Figures 2008*, United Nations, New York and Geneva, 2008, p8.

³³ United Nations Development Programme, Human Development Report 2003, "Millennium Development Goals: A compact among nations to end human poverty", Oxford University Press, New York, 2003, p156.

³⁴ A cash crop is a crop which is grown for money, as distinct from subsistence farming in which crops are grown for consumption by the producer. Coffee, cocoa, sugarcane and cotton are common cash crops.

³⁵ Monoculture farming is the cultivation of a uniform species of crop, rather than mixed crops. Monoculture is favoured by large agricultural business (or 'agri-businesses') because it allows for greater standardisation and industrialisation of planting and harvesting. However, monoculture has a range of negative environmental consequences and is usually alien to indigenous farming practices. See, eg, Martin Wolfe, "Diversity within crops restrict disease", *New Agriculturalist Online*, <http://www.new-agri.co.uk/01-1/perspect.html>. See also Victor M Toledo 'Indigenous Peoples and Biodiversity', paper presented at the Congr s de Biodiversitat, Institut d'Estudis Andorrans, 1999 <http://www.iea.ad/cbd/congres/cima99/toledo.pdf>.

³⁶ "Food Sovereignty" www.nyeleni2007.org/IMG/pdf/Foodsov_tripitico_english-2-2.pdf. See generally the website of Ny l ni 2007 – Forum for Food Sovereignty (23-27 Feb 2007, S lingu , Mali), www.nyeleni2007.org/spip.php?rubrique46. See also the website of La Via Campesina, the international peasant movement http://viacampesina.org/main_en/index.php?option=com_content&task=view&id=47&Itemid=27 and the work of Vandana Shiva, particularly, *Stolen Harvest: the Hijacking of the Global Food Supply*, Zed Books, London, 2000.

³⁷ UN Food and Agriculture Organisation, "Climate Change and Food Security: A Framework Document", Rome, 2008 <http://www.fao.org/forestry/media/15538/0/0/>.

manufacturing exports, but these tend to be low-technology, labour-intensive goods, such as garments and footwear. Where developing countries are involved in production of high-technology goods, it is usually based on low-wage, low-skill assembly work, rather than technological innovation.

This means that the benefits to developing countries of increased trade in manufacturing are mixed. These industries may create employment for the poor, but often under conditions that undermine human development goals and offer limited prospects for long term growth. Manufacturing employment in developing countries is often characterised by extremely low wages, sometimes near the poverty line.³⁸ Workers may lack basic labour rights, such as safe working conditions and the ability to join a union. There are often serious occupational health and safety risks for workers, who may be exposed to toxic chemicals and dangerous processes in the course of their working life, then left to fare with sub-standard healthcare when they are no longer able to work. This employment is often precarious – on casual, short-term or home-work contracts – with limited access to social protection.

Growth in manufacturing exports has been accompanied by a 'feminisation' of labour. Women's participation in these workforces has dramatically increased, and women now account for about one third of manufacturing workers in developing countries.³⁹ Women are often employed in the informal sector, such as home-work in the garment industry, which is even more poorly regulated than manufacturing work in the formal sector. While women's increased employment has created some benefits, in terms of income, women also tend to face lower wages, longer work hours, poorer protection of employment rights and a weaker negotiating position than their male counterparts.⁴⁰

Manufacturing employment in developing countries is often influenced by the activities of large transnational corporations (TNCs). TNC activities in developing countries have rapidly expanded as major retailers and brand owners have become 'global sourcing companies', outsourcing the production of goods through international networks of suppliers and producers or 'global supply chains'. Large sourcing corporations retain enormous power to determine labour conditions for suppliers and producers down the chain. Although manufacturing workers in developing countries may not be directly employed by a TNC, their wages and working conditions may be directly affected by pressure from sourcing companies – and their shareholders – to keep production levels high and costs low.

This means that manufacturing workers in developing countries are often in an extremely poor position to negotiate adequate wages and working conditions. For many workers in the manufacturing sector, and for women in particular, integration into the global economy has created employment, but under conditions that can only be regarded as dehumanising and exploitative.

4. A human development perspective

The above discussion details the ways in which the current international trade regime often leaves the poor more vulnerable. Trade in and of itself does not necessarily lead to development. However, this is not to suggest that trade can never be good for the poor. Trade *can* be a powerful tool for poverty reduction when linked to appropriate strategies to assist the poor to participate in markets on more equitable terms.

If trade is to realise its potential for contributing to poverty reduction a paradigm shift is required. This paper suggests that there is both a theological and economic basis for the proposition that *trade must not be seen as an end in itself, but as a means of enhancing human development*.

The Millennium Development Goals (MDGs) have helped to reinforce the importance of a human-centred approach to development.⁴¹ The MDGs are a set of eight international development goals agreed by 189 states and 23 international organisations as a target to be achieved by the year 2015. The goals are: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability; and develop a global partnership for development. Goal 8 Target 12 of the MDGs is to "develop further an open, rule-based

³⁸ Watkins and Fowler, p81.

³⁹ *Ibid*, p80.

⁴⁰ *Ibid*, p83-4. See also Kate Raworth, *Trading Away Our Rights: Women Working in Global Supply Chains*, Oxfam, 2004.

⁴¹ United Nations Development Programme, p27-8.

predictable, non-discriminatory trading and financial system". This is an acknowledgement that the international trading system must be reformed if it is to foster human development.

The concept of human development recognises that there is much more to human flourishing than economic growth. Human development can be understood as the expansion of human freedoms and the creation of an environment in which people are able to realise their potential and to live full and productive lives.⁴² When viewed through the lens of human development, trade is desirable only to the extent that it enhances the choices and capabilities of the poorest and fosters the conditions for human flourishing. As discussed in the following section, this resonates with a Christian theological perspective in which abundant life is at the heart of God's economic order.

II. THEOLOGICAL UNDERPINNINGS FOR THE CHURCH'S RESPONSE TO TRADE

5. *Why Christians should care about economics*

"I came that they may have life, and have it abundantly."(John 10:10)

The Scriptures reveal a God who created the world and pronounced it good,⁴³ who loves the world and suffers with it, even to the point of dying on the cross. God's willing solidarity with the suffering creation demonstrates that God does not think the world so wretched that it deserves condemnation and destruction, but rather so precious that its redemption is worth dying for.⁴⁴ Douglas John Hall writes, "God is as firmly committed to the life of this world as that cross was planted in the ground at Golgotha..."⁴⁵

In the resurrection, we see God's great protest against death and suffering⁴⁶ and the announcement of the victory of love over that which undermines life in its fullness – including poverty, injustice, war and environmental destruction. The church then lives in expectant hope of the final fulfilment of this victory in the coming of the promised Kingdom of God. This draws us into engagement with the world, for in looking forward to this hope, the church is compelled to transform the present. As Jürgen Moltmann writes, "Those who hope in Christ can no longer put up with reality as it is, but begin to suffer under it, to contradict it."⁴⁷ This suggests that "genuine faith drives to greater engagement with the life of the world – indeed, that 'discipleship' means, primarily, just such engagement."⁴⁸

The church, then, is called to participate in the liberating mission of God in the world.⁴⁹ In this the church must be more than an organisation for humanist activism. We are reminded to be in the world but not of it.⁵⁰ "The church is always and at the same time called out of the world and sent into the world",⁵¹ a dual orientation which must ever be held in "redemptive tension".⁵² Jürgen Moltmann writes, "Not to be conformed to this world does not mean merely to be transformed in oneself, but to transform in opposition and creative expectation the face of the world in the midst of which one believes, hopes and loves."⁵³

⁴² See Amartya Sen, *Development As Freedom*, Knopf, New York, 1999. See also the website of the United Nations Development Programme Human Development Report <http://hdr.undp.org/en/humandev/>.

⁴³ Gen 1:31.

⁴⁴ Douglas John Hall, *The Cross in Our Context*, p 23-24.

⁴⁵ *Ibid*, p36.

⁴⁶ Jürgen Moltmann, *Theology of Hope*, Fortress Press, Minneapolis, 1991, p21.

⁴⁷ *Ibid*. Moltmann writes, "In this hope the soul does not soar above our vale of tears to some imagined heavenly bliss, nor does it sever itself from the earth... It sees in the resurrection of Christ not the eternity of heaven but the future of the very earth on which his cross stands. It sees in him the future of the very humanity for which he died. That is why it finds the cross the hope of the earth." (*Theology of Hope*, p21.)

⁴⁸ Hall, p183. Dietrich Bonhoeffer wrote "...I'm still discovering right up to this moment that it is only by living completely in this world that one learns to have faith... In so doing we throw ourselves completely into the arms of God, taking serious, not our own sufferings but those of God in the world – watching with Christ at Gethsemane. That, I think, is faith... and how one becomes a man [sic] and a Christian." (Dietrich Bonhoeffer, *Letters and Papers from Prison* (enlarged ed.) Macmillan Publishing Co, New York, 1953, p360-1.)

⁴⁹ "It is not the church which "undertakes" mission; it is the *missio Dei* [mission of God] which constitutes the church... [M]ission is, quite simply, the participation of Christians in the liberating mission of Jesus..., wagering on a future that verifiable experience seems to belie. It is the good news of God's love, incarnated in the witness of a community, for the sake of the world." (David J Bosch, *Transforming Mission*, Orbis Books, Maryknoll, 1991, p519.)

⁵⁰ John 17.

⁵¹ Bosch, p386.

⁵² Howard Snyder quoted in Bosch, p386.

⁵³ Moltmann, p330.

Christian mission is about much more than 'saving souls'; it requires the church to engage with the all matters that touch on abundant life. For salvation must be understood as *shalom*.⁵⁴ "This does not mean merely salvation of the soul, individual rescue from the evil world, comfort for the troubled conscience, but also the realization of the eschatological *hope of justice*, the *humanizing* of man [sic], the *socializing* of humanity, *peace* for all creation."⁵⁵

Thus questions of economics and the distribution of resources should be of great concern to the church. As Ched Myers notes, "the pre-eminent challenge to the human family in our time is the increasingly unequal distribution of wealth and power, and any theology that refuses to reckon with these realities is both cruel and irrelevant."⁵⁶

6. God's economy: Biblical principles for economic justice

The Biblical principles for economic justice discussed in this section can be summarised as follows:

- God provides abundantly and self-limitation is the appropriate response. Excessive accumulation of wealth and environmental degradation are not a part of God's vision for abundant life.
- The poor have a right to share in the economy and we must undertake practices of redistribution to ensure those rights.
- The economy exists to serve people, not the reverse. The rationale for our economic activity, including trade, is to foster abundant life.

a) Sabbath: The economy of sufficiency

In the biblical creation story God creates a world of abundant goodness sufficient to sustain life, a world in which God takes great delight. On the seventh day, we find the apex of God's good creation: the Sabbath. God's rest on the Sabbath is a witness to God's *shalom*,⁵⁷ a celebration of God's complete and just reign over the earth.⁵⁸ Here we find the two principles that underlie God's proper economic order: God provides abundantly, and self-limitation is the appropriate response. These principles are also reflected in the manna story in Exodus 16. After the escape from slavery in Egypt, the Israelites face the challenge of surviving in the wilderness. God provides food in the form of manna, however, the blessing comes with strict instructions.⁵⁹ First, each was to gather as much as they needed – no more, no less. Secondly, none was to be kept for the next day. Finally, on the sixth day they were to gather twice as much and on the seventh day they were to rest. Those who tried to hoard more than they needed found that it went bad and could not be eaten and those who tried to gather manna on the Sabbath found that there was none.

In God's economy, God provides abundantly and no one is excluded. God provides to each as they have need – in the manna story, "some gathered more, and some gathered less" but "they all gathered exactly what they needed to eat".⁶⁰ This stands in stark contrast to the picture presented by capitalism, which assumes that the natural condition of the world is scarcity and that human needs and wants are unlimited. In contrast to the capitalist ethos, hoarding or accumulation is strictly forbidden. Greedy consumption is not only a direct breach of God's instructions, but an act of disbelief and a rejection of God's commonwealth in which enough is provided to all.⁶¹

The Sabbath is also intended to provide rest for the natural environment from rapacious human consumption. Under the Torah laws, every seven years is a Sabbath year, in which slaves are set free, debts are forgiven and the land is to lie fallow.⁶² God's Sabbath order encompasses rest from exploitation not only for humans, but for the land and livestock. Human flourishing depends upon the flourishing of the earth, not upon relentless exploitation of the natural environment.

⁵⁴ *Shalom* is a Hebrew word meaning peace, wholeness and completeness. It denotes not only the absence of war, but the presence of abundant life.

⁵⁵ *Ibid*, p329. See also John Stott, *New Issues Facing Christians Today* (3rd ed) HarperCollins, London, 1999, p27-29.

⁵⁶ Ched Myers, *The Biblical Vision of Sabbath Economics*, Bartimeaeus Cooperative Ministries, 2001, p6.

⁵⁷ See above, n54.

⁵⁸ Richard Lowery, "Sabbath, A Little Jubilee", Center for Christian Ethics, Baylor University, 2002, <http://www.baylor.edu/christianethics/SabbatharticleLowery.pdf>, p6.

⁵⁹ Ex 16:16-30.

⁶⁰ Ex 16:18.

⁶¹ Lowery, p7.

⁶² Ex 23:10-12; Lev 25:39-42; Deut 15:1-2, 7-8.

The concept of Sabbath is central to a biblical perspective on economics. Sabbath-keeping disrupts our attempts to control nature and to maximise the forces of production.⁶³ It is an affirmation of the sovereignty of God over the economy. Observing Sabbath “requires a leap of faith, humble confidence that the world will continue to operate benevolently for a day without our labor, that God is willing and able to provide enough for good life.”⁶⁴

b) God’s house rules: Practising redistribution

The word economy finds its root in the Greek *oikonomia*,⁶⁵ meaning ‘law of the household’. *Oikonomia* relates to how a household manages its resources in order to provide for all its members. Thus M Douglas Meeks notes that economy in its ancient sense is about access to what it takes to live and live abundantly.⁶⁶ In the Torah, God sets out the rules of the house – the standards by which abundant life was to be ensured for the community. Under these standards, the poor have a right to share in the resources of the community and practices of redistribution are required to ensure that all have enough to live.

God’s laws included specific instructions for the protection of the poor and vulnerable. The people of God were required to tithe regularly to provide support to the most marginalised in the community: aliens, orphans and widows.⁶⁷ The Israelites were not to charge interest to the poor and thus profit from their vulnerability.⁶⁸ During the harvest, they were instructed to leave gleanings from the field, so that the poor may have food to gather.⁶⁹ In God’s economy, the poor share in the harvest – not as a matter of charity but as a matter of justice or rights. As John Wesley noted, what one does not need for life *already belongs to the poor*.⁷⁰

The ultimate expression of the Sabbath ethos was found in the Jubilee.⁷¹ Every 50 years, debts were cancelled, forfeited land was returned to its original owners and slaves were freed. According to Ched Myers, this radical redistribution was intended to remind Israel that the land belongs to God.⁷² It was also a symbol of Covenant and a reminder that just as God had liberated them from oppression, so they were to avoid oppressive practices and show compassion to the marginalised in their midst.⁷³

Throughout the Old Testament, God strongly condemns those who fail to uphold God’s standards of economic justice. God condemns those who exploit the poor, trading on unfair terms and denying their gleaning rights, saying, “We will make the ephah small and the shekel great, and practise deceit with false balances, buying the poor for silver and the needy for a pair of sandals, and selling sweepings of the wheat”.⁷⁴ There are many further examples,⁷⁵ but the message is clear: the poor have a right to share in the economy on fair terms and denial of that right is abhorrent to God.

c) Good news for the poor: The Sabbath is made for humanity

At the beginning of his ministry, Jesus places himself firmly within the Jubilee tradition:

“The Spirit of the Lord is upon me
Because he has anointed me to bring
good news to the poor.
He has sent me to proclaim release for the captives
And recovery of sight to the blind,
To let the oppressed go free,

⁶³ Myers, *The Biblical Vision of Sabbath Economics*, p13.

⁶⁴ Lowery, p7.

⁶⁵ From the Greek *oikos*, meaning household or family, and *nomos*, meaning rules or law.

⁶⁶ See M Douglas Meeks, “The Economy of Grace and the Market Logic” www.pcusa.org/trade/downloads/meeks-paper.pdf. See also M Douglas Meeks, *God the Economist: The Doctrine of God and Political Economy*, Fortress Press, Minneapolis, 1989.

⁶⁷ Deut 15:7ff, Lev 25:35 ff; Deut 14:29; Lev 26:12.

⁶⁸ Lev 25:35-38; Ex 22:26-27.

⁶⁹ Deut 24:19-21, Lev 19:9.

⁷⁰ Meeks, “The Economy of Grace and the Market Logic”, p15.

⁷¹ Lev 25.

⁷² Ex 25:23.

⁷³ Ex 22:21-27. Myers, *The Biblical Vision of Sabbath Economics*, p15.

⁷⁴ Amos 8:5-6. An ephah was an ancient Hebrew unit of dry measure. A shekel was an ancient Hebrew unit of weight.

⁷⁵ See for example, Jer 34:13-16, Is 5:8; Mic 2:1-2; Hab 2:6-11.

to proclaim the year of the Lord's favour."⁷⁶

Jesus' proclamation of good news for the poor is evident throughout his ministry. He lives in solidarity with the poor and marginalised, proclaiming God's Kingdom of justice and freedom in which the last will be first and the first will be last.⁷⁷

Jesus' proclamation of the Kingdom brings him into conflict with the keepers of the existing social order. The temple authorities were responsible for administering the redistribution of wealth under the Torah laws so that everyone was provided for, including the most vulnerable. In Jesus' time the temple had come to amass great wealth,⁷⁸ yet the temple authorities failed to ensure distributive justice, instead excluding the marginalised through the enforcement of elaborate purity and debt codes.⁷⁹ Through the Pharisees' legalism God's 'rules of the house' became a self-serving code rather than performing the role for which God intended them: to ensure that all in the community had enough.

When the Pharisees condemn Jesus for breaking the rules against picking grain on the Sabbath, he declares, "The Sabbath was created for humanity, not humanity for the Sabbath".⁸⁰ As Ched Myers explains, Jesus' fraternising with 'sinners',⁸¹ his declarations that the last will be first and his apparent subversion of the Sabbath laws⁸² demonstrate God's intention that "cultural systems must enhance and liberate human life, not marginalise it – or to put it in modern parlance, they must function 'for people, not for profit'".⁸³

Today, neo-liberalism has made the market an end in itself, rather than a means to an end. Neo-liberal ideology insists upon its own demands of liberalisation, deregulation and privatisation, even when these result in greater vulnerability for the poor. In so doing, it has subverted God's proper order, making free markets the ultimate goal rather than ensuring that the economy serves to generate the conditions for abundant life.

d) Trade for people, not people for trade

By extension, trade is only acceptable to the extent that it enhances abundant life for humanity and all creation. This is consistent with the Old Testament prophecies against the Phoenician city of Tyre.⁸⁴ Tyre was a city of great wealth and one of the major trade centres of Old Testament times. In Ezekiel's prophecy, the sins of Tyre were twofold. First, Tyre was guilty of selfish pride: "Because your heart is proud and you have said, 'I am a god'".⁸⁵ Secondly, Tyre's trade was unjust and exploitative: "In the abundance of your trade you were filled with violence, and you sinned".⁸⁶

The prophecy against Tyre is not an injunction against trade itself. God extols the splendour and prosperity of Tyre before it turned to sin: "You were the signet of perfection, full of wisdom and perfect in beauty".⁸⁷ But the trade of Tyre became unacceptable when it defied the sovereignty of God and failed to conform to God's requirements of justice.

In Isaiah, the prophet looks forward to a time when the trade of Tyre will be dedicated to God and its abundance shared amongst all in the community: "Her merchandise and her wages will be dedicated to the Lord; her profits will not be stored or hoarded, but her merchandise will supply abundant food and fine clothing for those who live in the presence of the Lord".⁸⁸

⁷⁶ Luke 4:18-19.

⁷⁷ Mark 10:31; Matt 19:30.

⁷⁸ See Ched Myers, *Binding the Strong Man: A Political Reading of Mark's Story of Jesus*, Orbis Books, Maryknoll, 1988, p78-80.

⁷⁹ *Ibid*, p73-80, 433-434.

⁸⁰ Mark 2:27.

⁸¹ Mark 2:16.

⁸² Mark 2:23-27; 3:1-6; Luke 14:1-4. John 7:22ff; 9:14-16.

⁸³ Myers, *Binding the Strong Man*, p431.

⁸⁴ For further reading see Christoph Stückelberger, "When Trade Services God's Justice... Biblical and ethical flashlights and suggestions" Ecumenical Advocacy Alliance, 2003.

⁸⁵ Ezek 28:2.

⁸⁶ Ezek 28:16.

⁸⁷ Ezek 28:12.

⁸⁸ Is 23:18.

e) Summary: Biblical principles for trade justice

From the above, we can articulate the following biblical standards for acceptable trade:

- Trade is not an end in itself, but must serve the life-giving purposes of God revealed in Jesus.
- Trade is acceptable to God when it promotes abundant life for all in the community and respects the integrity of creation. Trade must promote human development and environmental sustainability.
- The poor and marginalised must not be excluded from the benefits of trade. Trade should not aggregate power and wealth to a few; instead, the profits of trade are to be shared amongst the community.
- The poor have a right to participate in the global economy on terms that guarantee them enough to live.
- Trade must not be oppressive or exploitative. Producers must be granted a fair wage⁸⁹ and the rules of trade should not be weighted in favour of the rich but should enable fair dealing.

III. HOW THEN SHOULD WE LIVE? RESPONDING TO INTERNATIONAL TRADE ISSUES

The church's response to the issue of international trade can be broken down into three aspects:

- To prophetically critique injustices and to proclaim just alternative visions through its corporate life and worship;
- To advocate for change so that political and economic structures promote, rather than undermine, abundant life;
- To live out alternatives as seeds of the Kingdom.

7. Prophetic voices: A Christian critique of neo-liberalism

a) Neo-liberalism as idolatry

If religion is understood as a set of beliefs which teaches us what our world is and what our role is in it, then neo-liberalism – which provides an encompassing worldview and set of values to guide behaviour – can be said to fulfil a religious function for us.⁹⁰ In this worldview, society is a collection of rational self-interested individuals in competition with one another, seeking to pursue their own individual preferences through a process of market exchange. The natural environment holds no intrinsic value but is seen merely as the raw material for human production. The (omniscient, omnipresent, omnipotent) god of the market offers salvation through the promise of ever-increasing economic prosperity, if only we open our economies to the grace of the market's invisible hand.

Today neo-liberalism has assumed the mantle of established truth in most Western countries and in many capitals in the developing world, in spite of the fact that many ordinary people do not bow down before the idol of the market. Neo-liberalism is the accepted orthodoxy on which much contemporary economic policy stands. It is believed that the invisible hand of the market will naturally lead to socially optimal outcomes: the underlying assumption is that market capitalism is a 'natural' system whose 'laws' inevitably work to produce social benefit. Thus we resign ourselves to the fact that the less appealing consequences of capitalism – such as its failure to address economic inequality – are "the inevitable results of an objective system in which... intervention is counterproductive."⁹¹

As a result, capital has ceased to be a servant and has become our master. "Assuming a separate and independent vitality [capital] claimed the right of a predominant partner to dictate economic organization in accordance with its own exacting requirements."⁹² Thus society has undertaken a great transformation: "instead of economy being embedded in social relations, social relations are embedded in the economic system."⁹³

b) Engaging the powers: Unseating the god of the Market

⁸⁹ See Is 23:3, James 5:4-6.

⁹⁰ David Loy, "Religion and the Market", 1997, <http://www.religiousconsultation.org/loy.htm>.

⁹¹ A Rodney Dobell, "Environmental Degradation and the Religion of the Market", in Harold Coward (ed), *Population, Consumption and the Environment*, State University of New York Press, Albany, 1995, p232.

⁹² RH Tawney, *Religion and the Rise of Capitalism*, Harcourt, New York, 1926, p31.

⁹³ Karl Polanyi, *The Great Transformation*, Beacon, Boston, 1957, pp46, 57.

Yet a biblical perspective suggests that no institution or system exists as an end in itself, but instead to enhance the common good. All things are created in and through and for Christ,⁹⁴ and must therefore serve the humanising purposes of God revealed in Jesus, in whom “all things hold together” or literally “receive their systemic place”.⁹⁵ Institutions (or Powers,⁹⁶ to draw on Walter Wink) become idolatrous when they pursue a vocation other than that for which God created them, making their own interests the highest good. The task of the church is to unmask this idolatry and to recall the Powers to the purposes for which God created them: to foster life in all its fullness.⁹⁷

The church must thus prophesy against the hubris of neo-liberal ideology. Neo-liberalism is a totalising worldview, which tends to transform everyone and everything into commodities whose value can be determined by the market. Free markets are trusted to determine the best social outcome, yet as the World Council of Churches states, “[t]here is no divine force that guides markets. To suggest that markets have such saving powers amounts to idolatry.”⁹⁸

Under neo-liberalism, open markets are seen as an end in themselves, rather than a means to an end. Markets must be “freed” from regulation at all costs, even when this disadvantages the most vulnerable and undermines human development. This is an inversion of God’s purposes for the economy: in God’s order, the economy is to serve human life and not the reverse (see section 6). When market imperatives overtake societies’ ability to pursue human development, the Powers have turned from their rightful place and replaced the sovereignty of God with the sovereignty of the market.

c) Proclaiming an alternative vision: Life in community

Against the triumphalist narrative of neo-liberalism, the church is to proclaim the sovereignty of God and the in-breaking of God’s reign. The church must critique the dehumanising tendencies of the existing international trade regime and call into question the image of society as a collection of atomised self-interested individuals that lies at the heart of the neo-liberal worldview. Instead, the church is to proclaim an alternative vision: life in its fullness is found not in individualistic self-realisation but through life in community.

Trinitarian theology presents us with a powerful image of God in community. God as Father, Son and Holy Spirit exist in *perichoresis* or “being-in-one-another”, entwined in a divine dance. “The Trinitarian persons are precisely not self-enclosed subjects who define themselves in separation from and opposition to others.”⁹⁹ Instead, “the three persons of the Trinity have their distinctive identity only in deep and inseparable relationship with each other.”¹⁰⁰ As people made in God’s image¹⁰¹ we too find our fullest identity not as atomised individuals, but in relationship with one another.

The image of God in community has important implications for the identity of the church and its work in the world. As Daniel Migliore writes, “Just as the persons of the Trinity are not self-contained individuals but have their identity in mutual, free, self-giving relationships, just as the life of the triune persons is life with, for, and in each other, so the church is called to life in communion in which persons flourish in mutually supportive relationships with others.”¹⁰² We are called to live in right relationship with others, acting justly and showing compassion towards those with whom we interact. In a globalised world, the webs of our relationships are not only local but global in scope and include

⁹⁴ “He is the image of the invisible God, the firstborn of all creation; for in him all things in heaven and on earth were created, things visible and invisible, whether thrones or dominions or rulers or powers—all things have been created through him and for him. He himself is before all things, and in him all things hold together.” (Col 1:15-17).

⁹⁵ From the Greek *sunistemi*. Walter Wink, *The Powers That Be*, Galilee, New York, 1998, p30, 33.

⁹⁶ Walter Wink describes the Powers as “the impersonal spiritual realities at the center of institutional life.” (*The Powers That Be*, p28).

⁹⁷ Wink, p29-30. Jürgen Moltmann writes that Christian hope will “endeavour to lead our modern institutions away from their own immanent tendency towards stabilization, will make them uncertain, historicise them and open them to that elasticity which is demanded by openness towards the future for which it hopes. In practical opposition to things as they are, and in creative reshaping of them, Christian hope calls them in question and thus serves the things that are to come.” (*Theology of Hope*, p330).

⁹⁸ World Council of Churches, “Alternative Globalization: Addressing Peoples and Earth”.

⁹⁹ Daniel L Migliore, *Faith Seeking Understanding: An Introduction to Christian Theology* (2nd ed) William B. Eerdmans Publishing Company, Grand Rapids/Cambridge, 2004, p77.

¹⁰⁰ *Ibid*, p79.

¹⁰¹ Gen 1:27.

¹⁰² Migliore, p262.

those distant others who are affected by economic systems in which we participate. We must thus show solidarity with and seek justice for those who are marginalised in the global economy.

Communion provides an alternative lens through which to view our relations with distant others – not through the mechanism of market exchange, but through the relational power of the Holy Spirit, who forms us into a 'holy community'.¹⁰³ Christ's table is a radically inclusive one to which all are invited, especially people who are poor, sick or marginalised.¹⁰⁴ The apostle Paul reminds the Corinthian Church that social and economic inequalities are not to be perpetuated at the Communion table.¹⁰⁵ As we break bread and share wine around this table, we share in the lives of others, together remembering the reconciling activity of God and being strengthened to participate in God's liberating mission in the world.

God's vision of abundant life in community infuses the church's corporate life and worship. We affirm the sovereignty of God, proclaiming God (not the market, nor any other power or principality) as the source of value and life, who cares for creation and provides abundantly to all. We share bread and wine, participating in the inclusive hospitality of God and being sustained to share God's self-giving love with the world. We pray for the world and for those who are poor and marginalised, remembering our partner churches in the developing world, groaning in solidarity with the suffering creation¹⁰⁶ and hoping together for the fulfilment of God's promise of *shalom*.¹⁰⁷ Our prayerful advocacy arises from our participation in the worshipping community and our communion in Christ with people from whom we can be distanced by the powers of the world. Those with whom we trade are sisters and brothers, sitting at the same table.

In celebrating life in community in the midst of an individualist and consumerist culture, the church participates in the triune life of God and provides a glimmer of the imminent reign of God's kingdom of reconciliation, equality and justice.

8. Advocating for change

With our eyes on the promised Kingdom, the church must seek to transform existing institutions to conform to God's hope of abundant life. The church must advocate for reform of the rules and practices of international trade, with a view to ensuring that international trade serves life, and not the reverse.

a) Reform of the international trading system

The Church should:

- **Advocate for a system of international trade that places human development at its centre.** We must oppose the notion that trade maximisation is synonymous with development. Instead, trade should be promoted only to the extent that it advances sustainable human development. Advocating for a focus on the Millennium Development Goals may help to bring abundant life to the centre of the trade and development agenda.
- **Oppose trade liberalisation when it will undermine governments' ability to promote human development.** 'One-size-fits-all' prescriptions for trade policy should be abandoned. Trade liberalisation should only take place in a manner which is sensitive to national circumstances, appropriately sequenced and integrated into national poverty alleviation strategies, and where it is sought by local communities.
- **Oppose double standards in trade liberalisation.** Churches should advocate for the reduction of industrialised countries' barriers to trade, particularly in agriculture and primary commodities.

¹⁰³ Bloomquist, p19. See also Christian Aid, *Trade Justice: A Christian response to global Poverty*, Church House Publishing, London, 2004.

¹⁰⁴ Migliore, p293. Throughout his ministry, Jesus shared table fellowship with "sinners" and poor people (eg Mark 2:15; Luke 15:1-2).

¹⁰⁵ 1 Cor 11:20-22.

¹⁰⁶ Rom 8:19-23.

¹⁰⁷ See above, n54.

- **Call for the elimination of 'escalating tariffs'** (ie. Tariffs which increase according to the amount of processing a commodity has undergone). Escalating tariffs undermine developing countries' ability to earn a greater share of the production value of primary commodities.
- **Advocate for the democratisation of the multilateral trade regime.** As long as rich countries and interest groups dominate international trade negotiations, poor communities will continue to be disadvantaged in the international trade regime. The Church should call for greater transparency and accountability in the World Trade Organisation and for measures that enhance the ability of developing countries to participate meaningfully in decision making, such as initiatives to build developing countries' negotiating capacity.
- **Call for measures to mitigate the effects of volatility in primary commodities on the poorest.** The underlying structural problems which leave commodities producers vulnerable in international markets will only be addressed through concerted international cooperation to manage commodity markets and reduce price volatility.¹⁰⁸
- **Promote 'aid for trade'.** Rich countries and international institutions may assist in smoothing the adjustments relating to economic integration, through 'aid for trade'. Aid may be targeted towards developing essential infrastructure to facilitate trade and boost productivity and helping to meet the costs of adjustment. Churches should advocate for the use of Australia's aid budget to facilitate human-centred trade and to reduce the vulnerability of the poorest in the process of adjusting to economic integration. However, trade-related aid and development should only be promoted where this is desired by the local community.
- **Seek justice for workers.** The Church should advocate for the enactment and enforcement of national employment laws consistent with International Labour Organisation core standards. The Church should also advocate for the development of trade-related labour standards in World Trade Organisation, which would strengthen the recognition of labour rights as an issue of international trade.¹⁰⁹
- **Advocate for accountability of transnational corporations for their activities in developing countries.** The Church should call on Australian corporations operating in developing countries to actively commit to upholding human rights and contributing to sustainable development. The Church should call on the Australian government to develop mechanisms for holding Australian corporations accountable for their actions in developing countries.
- **Continue to develop networks and work together with like-minded organizations on both existing and new trade justice efforts.** Organisations with which we have established links include AFTINET, the Australian Council of Trade Unions, the Pacific Conference of Churches, the Australian Council for International Development and Oxfam Australia.

b) Solidarity with the poor: Supporting our partners in the Pacific

The Uniting Church's commitment to trade justice arises not only from a commitment to theological principles of economic justice, but also from its understanding of itself as a part of the body of Christ, living in relationship with partner churches across the world. In the Basis of Union, the Uniting Church "commits itself to seek special relationships with Churches in Asia and the Pacific."¹¹⁰

The Uniting Church's partners both in Asia and the Pacific have expressed concern about the ways in which economic globalisation has rendered their communities more vulnerable. The issue of international trade has been raised by our partner churches in the Pacific, where Australia has a particularly large influence.

The negotiation of free trade agreements in the Pacific is of great concern to our Pacific partner churches. A number of agreements are currently under negotiation:

¹⁰⁸ Watkins and Fowler, p169-174.

¹⁰⁹ *Ibid*, p206-8.

¹¹⁰ Basis of Union (1992 ed), par 2.

- The Pacific Agreement on Closer Economic Relations (PACER) is an agreement between Australia, New Zealand and members of the Pacific Islands Forum.¹¹¹ PACER is a broad umbrella agreement for the integration of Pacific Island countries into the international economy. In June 2007, "PACER-Plus" negotiations began towards the development of a more comprehensive free trade agreement within the PACER framework.¹¹²
- The Pacific Island Countries Trade Agreement (PICTA) was endorsed by Pacific Island Forum heads of government in 2001. It provides for the phased elimination of tariffs for trade in goods between Pacific Island countries, and is now being expanded into trade in services.
- The European Union is negotiating an Economic Partnership Agreement with African, Caribbean and Pacific countries. Thus far, Fiji and PNG have signed interim agreements.¹¹³

Many Pacific Island countries face particular challenges to development associated with small size and isolation, natural resource constraints, frequent natural disasters and vulnerability to climate change induced sea-level rise. The agreements under negotiation will have significant implications for development in the Pacific. Pacific churches and civil society organisations are concerned that these agreements will curtail their governments' ability to develop policies which are tailored to their particular development needs. In particular, they are concerned that the agreements will:¹¹⁴

- Erode government revenue, resulting in cuts in services such as health and education;
- Prevent governments from taking measures to support the development of local industries and service sectors;
- Restrict the ability of governments to ensure essential services are provided to all citizens.

Pacific Island churches are concerned that the EU, Australia and NZ are bullying Pacific Island governments in trade negotiations and attempting to push them into trade liberalisation on unacceptable terms.¹¹⁵

The Uniting Church should show solidarity with its partner churches in the Pacific, by supporting their advocacy efforts and helping to make the voices of Pacific communities heard through:

- Sharing skills and resources to build our partners' capacity in trade negotiations, where appropriate,¹¹⁶
- Working with partner churches to bring voices from the Pacific and Asia into Australian debates on trade and economic justice (such as on issues of labour mobility and trade liberalisation), and
- Providing pastoral support to Pacific Island workers in Australia under a seasonal labour mobility scheme.¹¹⁷

In particular, the Church should advocate that PACER-Plus negotiations between Australia and Pacific Island countries:

- Should not take place at a pace that Pacific Island governments are not prepared for;
- Should not undermine Pacific Island governments' ability to promote local industries and to ensure that essential services are available to the poor, and
- Should not use the issue of seasonal labour mobility as a 'carrot' in trade negotiations to gain concessions on other issues.¹¹⁸

¹¹¹ The members of the Pacific Island Forum are the Cook Islands, Federated States of Micronesia, Fiji Islands, Kiribati, Republic of Marshall Islands, Nauru, Niue, Republic of Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

¹¹² See Jane Kelsey, "A People's Guide to PACER", Pacific Network on Globalisation, August 2004. http://www.bilaterals.org/IMG/pdf/A_Peoples_Guide_to_PACER.pdf.

¹¹³ See Jane Kelsey, "A People's Guide to the Pacific's Economic Partnership Agreement: Negotiations between the Pacific Islands and the European Union Pursuant to the Cotonou Agreement 2000" World Council of Churches Office in the Pacific, March 2005 <http://www.igt.org/page/627/1>.

¹¹⁴ Joint statement of civil society and private sector organisations from seminar on the Pacific-EU Economic Partnership Agreement, Madang, 30 April 2008 <http://www.pang.org.fj/22.html>.

¹¹⁵ Press Release, "Pacific trade ministers slam EU bullying in trade deal", Pacific Network on Globalisation, 30 April 2008, http://www.pang.org.fj/doc/290408_EU-Pacific_Seminar_Civil_Society_Joint_St.pdf. See also Jane Kelsey, "Big Brothers Behaving Badly: The Implications for the Pacific Island of the Pacific Agreement on Closer Economic Relations", Pacific Network on Globalisation, April 2004. <http://www.pang.org.fj/doc/040401bigbrothersjanekelsey.pdf>.

¹¹⁶ See, for example, the work of WWF South Pacific, http://www.wwfpacific.org.fj/what_we_do/climate_change/neg_training/neg_training.cfm.

¹¹⁷ See "Uniting Church in Australia welcomes Pacific Islands Seasonal Labour Scheme", August 2008 <http://www.uim.uca.org.au/uim/news/news>.

9. Embodying alternatives

a) Harnessing the church's consumer power

As a prophetic community, the church is called not only to critique unjust systems but to embody an alternative which witnesses to God's Kingdom of justice and freedom. One of the most powerful ways that the Church can do this is through choosing to use its purchasing power to promote trade justice.

The complexities of international trade make it difficult for consumers to make ethical choices about their purchases. However, if the church is to take seriously the idea that it is to foster right relationships, then it must consider the impact of its choices as a purchaser of goods and services. It cannot be doubted that this takes the church into murky terrain. Short of living in complete self-sufficiency, it is impossible for any consumer to guarantee that they make ethical purchases 100 percent of the time. Yet this should not prevent the church from committing to *being intentional about its role as consumer*.

b) Fair trade

In recent years, the fair trade¹¹⁹ movement has gained a great deal of momentum. Fair trade has been defined in the following way:

"Fair trade is a trading partnership, based on dialogue, transparency and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers – especially in the South. Fair trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade."¹²⁰

A key element of the fair trade movement has been the promotion of Fairtrade labelling, a certification system designed to assist consumers to identify goods which meet agreed labour and environmental standards.¹²¹ The Fairtrade label indicates that producers receive:



- A fair and stable price, long term trading relations and advance payments for their products
- Investment in local community development
- Support for environmentally sustainable farming methods
- Support in developing skills to operate successfully in the global economy.

Fairtrade has received its share of criticism.¹²² It is certainly not a panacea. Fairtrade has succeeded in creating pockets of improved trade conditions within a broader system which continues to marginalise commodity producers. Structural change to the international trade regime is necessary if economic justice is to be afforded to primary commodity producers outside Fairtrade market enclaves. As discussed in section 7, the church must also be engaged in advocacy to this end.

However, the fact that Fairtrade is not in itself a panacea for unjust trade does not remove the need for the church to make a choice between purchasing Fairtrade and non-Fairtrade products. Faced with this choice – and remembering the church's call as a prophetic community to embody

¹¹⁸ See Nic Maclellan, "Seasonal Workers for Australia", Australian Policy Online, August 2008 http://www.apo.org.au/webboard/comment_results.shtml?filename_num=226327. See also Pacific Civil Society Organisations Statement on Trade Justice, Auckland, 12-14 August 2008 http://www.uim.uca.org.au/_data/page/1311/Final_Pacific_CS_O_S_Statement_to_leaders.doc.

¹¹⁹ This paper makes a distinction between "fair trade" as a social movement which promotes equity in international trade and "Fairtrade", which refers to Fairtrade labelling through the international Fairtrade certification system.

¹²⁰ Definition of fair trade developed by FINE, an informal association of four international fair trade networks: Fairtrade Labelling Organisations International, International Fair Trade Association, Network of European Worldshops and European Fair Trade Association.

¹²¹ For more information, see <http://www.fairtrade.net/>.

¹²² For a good introduction see Radio National Background Briefing, "Free Trade vs Fair Trade", 13 July 2008, <http://www.abc.net.au/rn/backgroundbriefing/stories/2008/2297789.htm>.

alternatives to unjust trade – there is a strong argument for the church choosing Fairtrade over non-Fairtrade products.

Fairtrade should certainly not be the end of the church's efforts to promote trade justice, but it might well be a good beginning. Therefore:

- Congregations and agencies of the Uniting Church should be encouraged to purchase Fairtrade products in place of non-Fairtrade products.
- Congregations may be encouraged to become a 'Fair Trade Congregation', by committing to purchase Fairtrade and promote trade justice.¹²³

c) Beyond Fairtrade

The Fairtrade label applies only to a small range of products in Australia, but there are many other initiatives to promote ethical trade through consumer power. A number of congregations and agencies of the Uniting Church are already engaged in advocacy efforts and have established networks and partnerships that can be built upon to promote trade justice. The Justice and International Mission Unit of the Synod of Victoria and Tasmania is engaged in promoting justice in the garment industry, supporting initiatives such as the No Sweat Shop label, which certifies that a garment is manufactured in Australia with, as a minimum, Award wage rates and conditions.¹²⁴ They are also pursuing trade justice in the manufacture of Christian merchandise, through the IFAT network,¹²⁵ a global network of Fair Trade Organisations.¹²⁶ These initiatives should be commended, encouraged and built upon as part of a broader movement within the Uniting Church to promote trade justice.



They

Churches and the trade justice movement

After the Second World War, church organisations began to market handicrafts to assist the recovery of war-ravaged communities in Europe. Direct marketing links became central to faith-based solidarity efforts with a number of communities in the developing world. These efforts were the seeds of what was to become the contemporary fair trade movement.

By the 1960s, a number of "World Shops" had been established by Alternative Trade Organisations, which promised a greater share of market price to producers by eliminating intermediaries. Eventually, the movement branched out from handicrafts to a number of food commodities, such as cocoa, tea and coffee.

CONCLUSION

International trade is an issue of enormous consequence. Trade offers opportunities to foster human development, but instead the current international trade system is leaving the poorest and most vulnerable behind. This is a gross economic injustice to which the church must surely respond.

The way in which the church responds to the issue of international trade ultimately reflects our understanding of who we are and where we place our hope. If we are a people who confess the lordship of Christ, then we must expose the idolatry of the prevailing neo-liberal paradigm and affirm the sovereignty of God over all spheres of life, including the economy. If we are a people who believe that the ultimate arbiter of value is not the market but God, then we must pursue God's vision of economic justice, in which the rights of the poorest and the integrity of the environment are respected. If we are a people who are joined by the Holy Spirit into one body with our brothers and sisters in the

¹²³ Resources for becoming a Fair Trade Community can be found at <http://www.fta.org.au/FTAANZ/fairtradecommunities>.

¹²⁴ The Fairwear campaign promoting trade justice in the garment industry. See <http://www.fairwear.org.au/engine.php?SID=1000079>. See also the website of the No Sweat Shop label <http://www.nosweatshoplabel.com/>.

¹²⁵ The mission of IFAT is to improve the livelihoods and wellbeing of disadvantaged producers by linking and promoting Fair Trade Organisations and speaking out for greater justice in world trade. One example of an IFAT organisation is Holy Land Handicrafts, which includes artisans from Bethlehem, Beit Sahour and Beit Jala. See the Holy Land Handicraft website <http://www.holyland-handicraft.org/>.

¹²⁶ See the "Holy hardware" campaign http://www.justact.org.au/?page_id=108. In future, further information will be available from <http://www.justholymaterial.org.au>.

developing world, then we must stand in solidarity with them in calling for reform of the international trading system to foster human development for the poorest. If we are to be witnesses to and agents of the coming Kingdom of God, then we must act for change, recognising that we are people of God on the way to the promised hope of justice and abundant life for all.¹²⁷

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¹²⁷ cf Basis of Union (1992 ed), par 18.

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