

Do you want free trade - or fair trade that helps the poor?

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Whenever the world trade talks begin to seem like a coma-inducing bore-a-thon, I am jolted back to consciousness by the throat-stripping smell of rubbish; miles of rotting rubbish. A few years ago I found Adelina - a skinny little scrap of an eight-year-old - living in a rubbish dump, where this stench made her eyes water all the time. It is this smell - and her sore, salty eyes - that hung over the corpse of the Doha trade talks this week.

Just outside the Peruvian capital of Lima, there is a groaning valley of trash, and, inside it, hordes of children try to stay alive. Adelina spends her days picking through the refuse looking for something - anything - she can sell on for a few pennies. Then she returns to the few steel sheets she calls home to sleep on a crunchy carpet of cans. She has never left the rubbish dump; its walls are the walls of her consciousness. She told me three of her friends had recently died by falling into the rubbish, or being pricked by fetid needles, or slipping on to broken glass. I asked her how often she eats, and she shrugged: "I don't like to eat much anyway." She will be 10 now, if she has survived.

When we juggle the dry, dull statistics of world trade, we are really asking if Adelina will remain in her rubbish dump - and if her children, and grandchildren, will live and die there.

The way we - the rich world - organise the world trading system today traps Adelina. But it just broke. This week, in Switzerland, the poor countries of the world refused to play along with the Doha trade negotiations. The mass movement of ordinary people demanding our governments Make Poverty History that rose up in 2005 needs urgently to reconvene.

To help Adelina, we need to start with a basic question: how do poor countries turn into rich countries? The institutions that dominate world trade - especially the World Trade Organisation (WTO) - have a simple answer: all markets, all the time. They tell poor countries to abolish all subsidies, protections and tariffs that protect their own goods. If you fling yourself naked at the global market, you will rise. If the poor countries disagree, they are cajoled to do as we say.

There's just one problem: every rich country got rich by ignoring the advice we now so aggressively offer. If we had listened to it, Britain would still be an agrarian economy manufacturing raw wool, and the US would be primarily farming cotton.

Look at the most startling eradication of poverty in the 20th century: South Korea. In 1963, the average South Korean earned just \$179 a year, less than half the income of a Ghanaian. Its main export was wigs made of human hair, and Samsung was a fishmonger's. Today, it is one of the richest countries on earth. The country has been transformed from Senegal to Spain in one human lifetime. How?

South Korea did everything we were pressing the poor at Doha not to do. Dr Ha-Joon Chang, a South Korean economist at Cambridge University, explains in his book *Bad Samaritans*: "The Korean state nurtured certain new industries selected by the government through tariff protection, subsidies and other forms of government support, until they 'grew up' enough to withstand international competition." They owned all the banks; they controlled foreign investment tightly. The state controlled and guided the economy to the international marketplace.

But we are so pickled in market fundamentalist ideology that we have blotted out this history - and even our own. Until the Tudors, Britain was a backward rural country dependent on exporting raw wool. Turning that wool profitably into clothes happened elsewhere. Henry VII wanted Britain to catch up - so he set up manufacturing bases, and banned the export of wool, so clothes were manufactured here. It's called protectionism. His successors kept it up: by 1820, our average tariff rate was 50 per cent. Within a century, protected British industries had spurred ahead of their European competitors - so the walls could finally be dismantled. Dr Chang explains: "Trade liberalisation has been the outcome of economic development - not its cause."

The US did the same. By 1820, the average tariff was 40 per cent; Abraham Lincoln then pushed them higher, and they stayed there until the First World War. Yet if Lincoln had been at the Doha trade talks, the United States of 2008 would have described him as a "fool" who was "harming his own people" with "despicable policies".

Before you make your child work, you give him an education and skills and abilities. Before a country pushes its infant industries on to the world market, it needs to do just that. Nokia, Samsung and Toyota all had to be cushioned with subsidies and tariffs for decades before they made a cent. Every one of these companies would have been stampeded to death on the open market as a toddler otherwise.

Yet the reaction to the poor world's rejection of Doha in our media has been mostly bemusement. Why have these simple-minded povvos declined our medicine? Are they mad? Amy Barry of Oxfam provides a quiet counter-balance, pointing out that if the agreement on the table at Doha had gone through, Brazil alone would have lost 1.2 million jobs, and "most poor countries would have deindustrialised, or never industrialised at all".

From the rubble of Doha, a new world trade system needs to be built - on the principle of fair trade, not free trade. If we really want to end extreme poverty, then we need to open up the markets of rich countries, while allowing poor countries to protect and subsidise theirs. It is the recipe that ensured you, today, are not hungry and tilling the fields.

But the WTO can only ever achieve half of that goal, at best. It is built on the market vision that there should be no trade barriers or "distortions" anywhere. That means opening up rich markets, which is great. But for each step in that direction, they demand a symmetrical concession from the poor. It is like telling Bill Gates and Adelina they both have to make sacrifices - and Gates won't shift until she does.

Here in the EU and US, there are hefty forces determined to smother fair trade in its cot. The current system works well for corporations, who get to wrench open poor economies without any risk of local competitors rising up. It works well for some slivers of workers here too, who thrive on rich-world subsidies. These forces are regrouping, but their system is lying in a crunched-up heap by the side of the road.

Our governments will always find a way to put these powerful sectional interests first - unless we, the people, make them do otherwise. Today, Adelina needs Make Poverty History to rise again to demand fair trade, not on a few fancy supermarket shelves, but as the principle governing world trade. Let the poor do what we did. Let them rise. Otherwise, those rivers of rubbish will be home to generation after generation of Adelinas the world over, and the stench will never clear.