



# Are These Our Neighbours?

People who advocate increased world trade

*“What will it profit them to gain the whole world and ruin their life?”*

*Mark 8:36; Matt 16:26*

## Background Information

The practice of bartering started very early in human history. As society developed it became more complex.

The next stage was the introduction of money in exchange for goods. Money made possible the practice of buying and selling for profit as well as the storing and transporting of goods. In turn trade became a major human occupation with immense cultural, economic and political effect.

Once human greed, which is a natural outgrowth of cash trading and economic risk taking, takes over, trading tends to favour the already wealthy who exert their financial/economic power over the poor, the immobile and the weak.

### **Definition:**

Trade: The barter or buying or selling of items.

## Problems

Modern world trading is very complex. The current imbalance of power, economic and political, between the Western First World and the rest leads to many difficult problems particularly in the Third World.

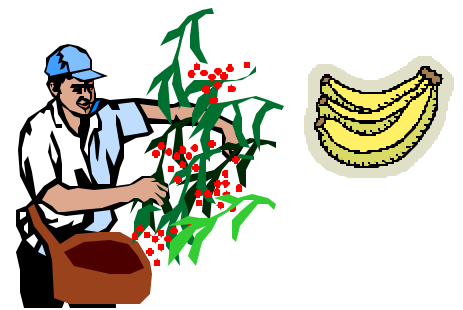
The World Trade Organization (WTO) with 135 member countries was established in 1993 to reduce trade barriers and discrimination, settle trade disputes and free world trade from most restrictions like quotas, subsidies and tariff protections.

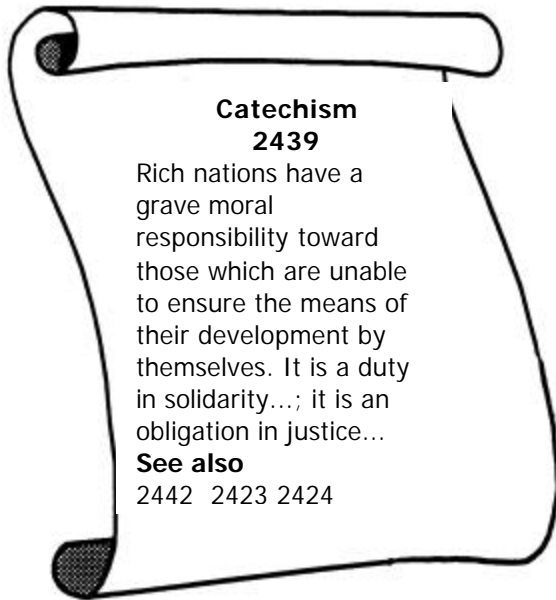
It has been successful to some extent among wealthy nations of the First World, but not in opening up First World markets to the finished and manufactured products of Third World economies.

To pay for First World loans, impoverished Third World countries are told to produce cash crops for export. Yet they are unable to compete on the world markets with crops grown at less cost in First World Countries using advanced methods of production. These include highly mechanized, minimum human labour, chemically assisted operations, and very high levels of subsidy. Also, food production for their own people suffers.

Specific examples:

- Bananas where three US multinationals control the price since they are the producers of 65% of the world's production.
- Coffee where four multinationals in the USA buy 70% of the world's raw coffee beans.
- Local rice production in Ghana has been replaced by American subsidized rice resulting in bankrupt, hungry farmers, loss of education and government services.
- Attempts to even the balance between trans-nationals and third world producers through innovations such as identifying “fair trade” products are considered “illegal” by the WTO.





***“It is evident that the principle of free trade, by itself, is no longer adequate for regulating international agreements”***

***Pope Paul VI, 1967***

***The strong drive towards global unity, the unequal distribution ... places decisions concerning three quarters of income, investment and trade in the hands of one third of the human race, namely the more highly developed part.***

***“Justice in the World” document of Second Vatican Council, Rome, 1971***

## **References**

Canadian Council for International Cooperation

World Almanac and Book of Facts.

Council of Canadians.

World Trade Organization

Organization for Economic Cooperation and Development

Social Encyclicals Populorum Progressio 57 on, Justice in the World 12

Ongoing coverage of World Trade Forums and meeting of the World Bank and IMF.

## **Speaker Resources**

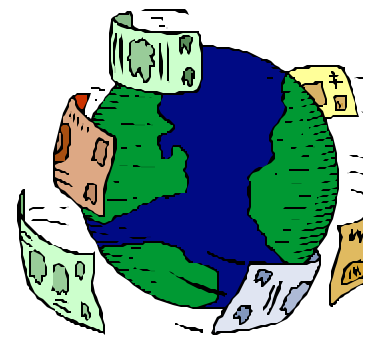
Social Justice Ecumenical groups.

Returned personnel after service in Third World Countries, e.g. Mennonite Central Committee, Volunteers in Christian Service.

Food Security groups.

## **Discussion**

1. How is trade able to put a country's values and culture in danger?
2. What are the adverse effects of a First World country offering subsidies to its own producers?
3. What are the advantages to a First World company operating in a Third World country?
4. Why are segments of labour as well as church groups against unfair World trade?
5. What alternatives can we offer to Third World workers besides the production of goods for export?



## **Action Suggestions**

- Communicate with elected officials who need education on the moral issues of world trade.
- Join non violent peaceful protest action of social justice ecumenical groups.
- Support refugees with the ultimate aim of resettlement in their own country.
- Follow the work of Development and Peace and other religious socially minded groups.