

Submission of the Australian Fair Trade and Investment Network (AFTINET) for the White Paper Advancing the National Interest , July 2002.

Prepared by

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Introduction

The Australian Fair Trade and Investment Network (AFTINET) is a network of 55 church groups, unions, environment groups, human rights and development groups and other community organisations and individuals which conducts public education and debate about trade and human rights policy.

Because of the restriction of submissions to five pages, this submission can only present an overview of the White Paper issues based on AFTINET's principles. It does not represent the detailed policy positions of all member organisations. Members of the network will be making more detailed submissions on policy areas of particular interest to them.

AFTINET supports the international conventions on human rights and the environment developed through the processes of the United Nations. AFTINET also supports the development of fair trading relationships with all countries and recognises the need for regulation of trade through the negotiation of international rules. However we believe trade policy needs to be more transparent and democratically accountable, and that trade agreements must be assessed in terms of their impacts on communities and on public policy.

1. Australia and the UN System

Australia is a signatory to the United Nations Declaration of Human Rights (UNHDR) adopted in 1948 as “ a common standard of achievement for all peoples and all nations”. The declaration recognised the “inherent dignity and equal and inalienable rights” of all people. The convention contains basic human rights, civil and political rights and economic, social and cultural rights, which were subsequently elaborated in other UN and International Labour Organisation (ILO) agreements.

Successive Australian governments have supported UN Conventions on Human Rights and the Environment, and ILO conventions, and have implemented them through national legislation in the Australian parliament and consultation with state governments.

This support has rested on both support for human rights principles and on the practical recognition that, as a relatively small country, Australia depends on co-operative multilateralism for its voice to be heard.

Recently, the Australia government has not been consistent its attitude to the United Nations. It has reduced its role in the ILO and has not acted on the criticisms made by the ILO Committee of Experts on Australia's workplace relations legislation. It has also rejected criticism by UN bodies of its treatment of indigenous people and asylum seekers. It has not ratified the Optional

Protocol of the Convention to Eliminate all Forms of Discrimination against Women. It has not ratified the Kyoto Protocol. on Global Warming.

Both Australian foreign policy and trade policy should be consistent with the principles of democratic governance, respect for human rights, peaceful resolution of international disputes, social justice and environmental sustainability which are contained in the UN conventions which Australia has endorsed.

2. Impacts of September 11 on the international and regional security environment and on Australia

The terrible events of September 11 have had a major impact on the international security environment. The threat of terrorism is now much higher on the agenda for most countries, including Australia. However, there are pitfalls in the theory advocated by some that September 11 means that everything has changed fundamentally and that we should ignore the continuities in the international environment. These continuities include the following.

a) Global Poverty and Inequality

The World Bank (one of the more conservative commentators on these themes) noted in its *World Development Report 2000/2001* pp3-4:

"At the start of a new century, poverty remains a global problem of huge proportions. Of the World's six billion people, 2.8 billion live on less than \$2 a day and 1.2 billion on less than \$1 a day. Eight out of 100 infants do not live to see their fifth birthday. Nine out of 100 boys and 14 out of 100 girls who reach school age do not attend school. Poverty is also evident in poor peoples' lack of political power and voice and in their vulnerability to ill health, economic dislocation, personal violence and natural disasters...

This destitution persists even though human conditions have improved more in the past century than in the rest of history: global wealth, global connections, and technological capabilities have never been greater. But the distribution of these global gains is extraordinarily unequal. The average income in the richest 27 countries is 37 times the average in the poorest 20 - a gap that has doubled in the past 40 years. And the experience in different parts of the world has been very diverse. On East Asia the number of people living on less than \$1 a day fell from around 420 million to around 280 million between 1987 and 1998 even after the setbacks of the financial crisis.

Yet in Latin America, South Asia, and Sub-Saharan Africa the numbers of poor people have been rising. And in the countries of Europe and Central Asia in transition to market economies, the number of people living on less than \$1 a day rose more than twenty-fold"

b) The end of the Cold War and its impact on the arms race and resources for development

The end of the Cold War opened the possibility for reductions in armaments and for more goodwill and resources for genuinely co-operative multilateral initiatives to address the issues of poverty and inequality. At the same time there has been a growth of localised conflicts and of terrorist violence which can only be addressed by co-operative multilateral initiatives.

The dangers of the emphasis on fundamental change is that it can provide justification for extreme unilateralist policies which not only violate human rights principles but would also be against Australia's national interest. As a small to medium sized country Australia depends on co-operative multilateralism for its voice to be heard. These dangers are already visible and include:

- a) Domestic restrictions on basic human rights such as freedom of speech and association, freedom from arbitrary detention, the presumption of innocence until proven guilty and the right to legal representation
- b) Growth of intolerance and discrimination based on race, nationality and religion
- c) Justification of unilateral pre-emptive attacks on countries designated as "evil"
- d) Abandonment of nuclear disarmament goals and abrogation of treaties like the anti-ballistic missile treaty
- e) Large increases in military expenditure at the expense of social expenditure and resources for aid to developing countries.

Policy developments of this kind in the United States are leading to increasing isolation from and criticism by both informed commentators and some of its traditional allies. Unilateralism will not be an effective response to terrorism. Co-operative multilateralism is required to address both terrorism and the poverty and despair which can nurture it.

Australia's response should be based on independent analysis of Australia's interests in co-operative multilateralism at regional and global levels and not simply following the US example. Australia's endorsement of the International Criminal Court is a positive initiative in this context.

The recent Australian debate and amendment of the anti-terrorism legislation shows that public opinion does not support the abrogation of human rights in the name of defending freedom.

Australia should support nuclear disarmament treaties and other treaties to reduce weapons of mass destruction and should increase its development aid budget to the levels recommended by the UN.

3. Trade Policy

AFTINET supports the regulation of trade through the negotiation of international rules. However we believe that the current WTO negotiating processes and the negotiation of regional and bilateral treaties lack transparency and accountability, and are dominated by the most powerful economies, to the disadvantage of smaller and developing countries. WTO agreements have also been heavily influenced by corporate interests at the expense of the examination of their impacts on human rights. One of the clearest examples of this was the use of the Trade in Intellectual Property Rights Agreement to attempt to prevent access by people in developing countries to affordable medicines. This issue was only exposed to public debate and addressed by the WTO after a global campaign by developing country governments and civil society organisations. WTO agreements should be consistent with UN Conventions on human rights, labour rights and the environment.

WTO structures should be more open and transparent and should give more voice to developing countries. This is more vital in a context where the largest trading powers are seen to be exercising double standards by loudly supporting free trade abroad while enacting higher domestic protection in areas like steel and agriculture. We urge the government to join with others in challenging these decisions.

We note that, unlike the UN, the WTO meets behind closed doors. WTO agreements are implemented by Cabinet decision, not through national legislation with full parliamentary debate like UN Conventions. The Joint Standing Committee on Treaties briefly examines agreements after they have been negotiated and can only make recommendations to Cabinet. These processes can undermine the democratic process, as important public policy issues contained in trade agreements are not decided by parliament. We support full public and parliamentary debate and voting on draft trade agreements before they are signed.

The impact of trade agreements on communities and public policy should be carefully assessed. The expansion of global trade is not an end in itself, but should be part of a balanced strategy for equitable and environmentally sustainable development. Australia's trade policy must be accompanied by economic and social development policies which ensure domestic investment in infrastructure and in health, education and other services to provide employment, increase education and skill levels and ensure access to essential services for all Australians.

We support the following recommendations of the 2001 report of the Joint Standing Committee on Treaties Inquiry into Australia's relationship with the WTO and urge the government to implement them.

- a) the government should commission multi-disciplinary research to evaluate the socio-economic impact of trade liberalisation in Australia since the WTO Uruguay Round.
- b) in evaluating whether Australia should enter into any future WTO agreements, the Government should assess the likely socio-economic impacts on industry sectors and surrounding communities and whether structural adjustment measures are available and appropriate to alleviate any adverse socio-economic impacts of such actions.
- c) the establishment of a specific Joint Standing Committee to deal with trade agreements and their socio-economic impacts.

Community groups have sought consultation about trade policy and we welcome the consultation which has occurred over the past two years on WTO policy. However, there has not been the same level of consultation on regional and bilateral trade agreements and not all relevant documents are publicly available. We ask that the Australian government's policy for all negotiations be public and that all documents be made available.

There is currently a Trade Advisory Panel on WTO policy only, with only four out of sixteen community representatives. There should be a general trade advisory panel which deals with all areas of trade policy, including the WTO, regional agreements and bilateral agreements. Such a panel should include representatives from a wide range of community organisations. There should be a balance between community and business representation

On the WTO General Agreement on Trade in Services (GATS) negotiations we request:

- a) a review of the impact of the existing GATS agreement and full public discussion of proposed changes
- b) Australia's requests of other countries in the current GATS negotiations, and the responses to the requests from others due on March 31, 2003, be made public.
- c) no reduction in the ability of governments to regulate services
- d) clear exclusion of public services and cultural services from the agreement

4. Australia's relations with the Asia Pacific Region

The Asia-Pacific region is of immense importance to Australia. It contains strategically significant neighbours and some of our most important trading partners. Australia's policy should not rely solely on the development of trade, but should demonstrate our commitment to respect for peoples of all races and cultures and to co-operative multilateralism in the region. Recent Australian policy on asylum seekers has contributed to a deterioration in relationships with some of our neighbours. Our policy should be based on principles of democratic governance, respect for human rights, peaceful resolution of international disputes, social justice and environmental sustainability discussed above. The government should support increased cultural and educational exchanges between peoples in the region.

East Timor provides a positive example of what can be achieved by policy change based on these principles. After decades of massive human rights violations ignored by governments from both major parties, Australia played a key role in the UN transition process and is contributing to the rebuilding of that country.

The APEC strategy gives priority to removing all trade and investment barriers but has neglected the social impacts of economic change. Many developing countries in the region have not recovered from the economic crisis of 1997 and there is still widespread unemployment and poverty. Australia should increase its role in providing assistance based on the real needs of local communities in areas like health and education.

Australia also has a continuing responsibility to assist democratic development in Pacific Island countries, many of which are experiencing political and economic instability resulting in part from the social impacts of economic change.