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WTO to spark a race to the bottom

WTO-style unfettered free trade is at risk of sparking a race to the bottom where countries compete against each other to cut wages, working conditions and environmental protection.

Executive Director of the Australia Institute, Dr Clive Hamilton, today rejected right-wing claims that those supporting fair trade did not understand the purpose of the WTO.

“The WTO exists to establish and police trade rules, but there is no such thing as a neutral set of rules”, he said.

“Just as in cricket where a rule change benefits either the batsmen or the bowlers, the trade rules can be set up to benefit the big multinationals or to protect working men and women and the environment.”

“If the WTO sets the rules for competition but doesn’t include safeguards about how they can compete, big business will compete by eroding wages, employee conditions and the environment.”

International trade creates substantial benefits, but fair trade would make sure the benefits don’t end up in the pockets of a few and at the expense of the environment. Rather than being a return to the bad old days of protection, fair trade is about sharing around the benefits of globalisation.

Dr Hamilton also expressed his disappointment at government tactics on fair trade.

“The Federal Government is trying to stir up trouble at the protests by painting supporters of fair trade as radicals. They are trying to divert attention from their own radical free market beliefs.”

“The Government is trying to steal the middle ground on an issue where most Australians disagree with them”, he said.

The Australia Institute has produced an issues paper entitled *Making the Trade System Fairer*. The paper is available on the Institute’s website.

The Australia Institute www.tai.org.au