

In the framework of:



International trade and transformative economies

29th June 2020

Summary

In today's debate we have started by asking ourselves where do we want to get, what is the **vision of each panellist for the world's economy in 2030**? After understanding that there is a remarkable alignment on our answers to that question we have moved to a more conflictive debate: is there a **dichotomy between international trade and localisation**? How to solve it?

The debate has then moved to **scoping the alternatives** that already exist and that could help us advance towards that 2030 vision, and also **analysing the obstacles** that we face. We have finally summed up the debate by identifying the **windows of opportunity** that lay ahead.

This is a debriefing of the main messages of each participant. These are not comprehensive minutes of the conference, but a debriefing with some of the key messages

Participants

- Vandana Shiva. Activist
- Stuart Trew. Candian Centre for Policy Alternatives
- Charles Snoeck. Fairtrade Belgium
- Mute Schimpf. Friends of the Earth Europe
- Yorgos Altintzis. ITUC
- Rain Morgan. Fair Trade enterprise "Turqle Trading" South Africa
- Yazmin Romero Epiayu. Wayuu Community (Colombia) (*could not participate for technical issues*)
- Rachmi Hertanti. Indonesia for Global Justice

1. What is your vision for the economy in 2030, how would you like the world to be then?

Vandana Shiva. An economy that starts doing what economy is supposed to be about: “taking care of our home”, instead of being a disguise for colonialism and extractivism.

Stuart Trew. Canadian economy will be decarbonised, if not totally, at least the transition will be ongoing. The economy will be decolonised and degendered, and indigenous people will have their rights back. More cooperation and less competition; more open source (tech transfer) and planned, including for medical equipment.

Charles Snoeck. The economy will have been transformed to a system at the service of humans and not driving human beings into servitude. We have to move from an exclusive focus on creation of monetary value to a new set of indicators allowing to create and share prosperity.

Mute Schimpf. A world economic system based on equity and participation, and conscious of the Earth’s limits; and a trade system that supports these values.

Yorgos Altintzis. A world that makes sense. Diverging from today’s contradictions: a handful of millionaires accumulate an unreasonable proportion of wealth, climate action is lagging back, trade is based on exploitation, and supply chains are beset with exploitation and slavery.

Rain Morgan. My dream – for our economy – and indeed for the global economy – is that by 2030, every economic decision, will consider planet and people ahead of financial and national interests.

We are a little, vulnerable world – the only known planet fit for people...

We have finite resources – enough for everyone’s needs – but way too little for limitless growth.

BUT – I really do believe that people are infinitely resourceful – we can create the solutions – for the planet and the people - to thrive!

Rachmi Hertanti. An economy which has been transformed under the control of the people: we have got rid of monopolies, and of the control of transnational corporations.



A vision for 2030:

The economy will have been transformed to a system at the service of humans and not driving human beings into servitude”

2. International trade vs localisation: is it a dichotomy?

Yorgos Altintzis. The International Trade Union movement does not see a dichotomy. There are essential goods and services that need to be available locally to everyone, it is an issue of sovereignty, security and resilience. But global trade will continue.

The key is that all transactions must be done on a basis of equality and fairness. For that to be possible we promote the concept of Human Rights Due diligence, labour provisions in Trade Agreements, and cross border collective bargaining. This is self-empowerment, not charity.



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Even before COVID-19 we advocated for a strong industrial policy for every country so that they can all promote their own development. Now it is even more relevant to increase the public spending to re-think the economy; and also to invest in the care economy, and in a global social protection fund.

Vandana Shiva. There is no need to choose between international trade and localism. The conflict is only due to corporate driven globalisation (which is not based on the planet boundaries and justice). India has exported textiles and spices for millennia... until the British colonisation. This proves that the problem is the extractive nature of corporate globalisation, not international trade.



There is no need to choose between international trade and localism. The conflict is only due to corporate driven globalisation

The current rules of WTO the rules are: “export what you grow, and import what you need”, which shows that the current model of globalisation is not about geography, but about power.

Stuart Trew. There is some flexibility in the current trade regime that would allow for it to be sustainable, but it is not enough. We have to change certain dogmas like ‘national treatment’, or the obstacles to apply the ‘precautionary principle’.

Some discrimination would indeed be justified if, for example, it corrects structural inequalities.

Rachmi Hertanti. Covid-19 has shown the failures of the system creating supply chain disruptions. It shows that global trade routes have failed to solve the problem, while local economy has created cooperative structures. In other words, COVID-19 pandemic has shown the power of people economy based on collective work.

I’m afraid that COVID-19 will be used by the strongest countries to push for a more aggressive trade agenda, while countries in the global south like Indonesia, who were already the victims of the system, will be more hardly hit.

Rain Morgan. This is not an ‘us’ vs ‘them’ conversation – this is a ‘we’ and ‘ourselves’ conversation.

A healthy economic system is a balanced system. Like a conscientious farmer – when you harvest, you eat some, you sell some, you save some and you share some and next year, before planting, you buy some – just to make sure your seed-stock is not weakened by in-breeding!

Populist leaders would love us to buy into the idea that all the economic hardships created by the pandemic is the fault of 'an other' – another nationality – another people – preferably others who have been proven to be constantly plotting against us for their own gain...

The nationalist, populists in politics are the driven by fear – the fear of losing their power – the fear that 'sharing' means someone else will 'take' something you are entitled to...

This is true if we are all in line to share one apple – but if we work together to plant an orchard, and a wheat field and vegetables and raise some chickens and build some computers – suddenly it is a different conversation... this may sound simplistic – but perhaps it is time to start our re-build with the basics.



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Mute Schimpf. There are some dimensions of international trade that do benefit only a few people. For example: shipping maize, wheat, or beef across the ocean... That kind of international trade has to be phased out. To move from an extractive economy to a more sustainable one we have to think better how to use the resources (reuse, recycle, etc), and shall find effective ways so that those who pollute pay the cost.

It must be the people, the local communicates, the cities, who decide who trade should look like, not transnational corporations.

Charles Snoeck. There is no real dichotomy, but a lack of balance. We do need both, international and local try, but structured in a way that makes sense.

In the context of the COVID-19 here is a push to buy local products. This protectionism is harmful and doesn't match reality since it doesn't take into account that we live in an interdependent world. In Belgium, 17% of our food comes from other continents and large parts of our local economy depend on that. Losing international trade would also mean to lose the morning coffee, or the choice of vegetables we have during the winter. The key is rather to think how can we all benefit.

We might need to rethink globalisation. A suggestion could be to identify three categories: (1) harmful and unsustainable globalization - to be eliminated asap, (2) globalization that is useful but needs to transition towards sustainability and (3) 'forced' globalisation for products we cannot grow ourselves.

3. What are the alternatives that currently exist to the extractivist economy?

Vandana Shiva. We shall move from an extractive economy to circular models. But recycling the waste of transnational corporations is not real circularity. Circularity is a model that gives back to

the people and the planet, and to make it happen we also to change the metrics: not use GDP and yields, but see all the variables, including the resource and energy costs.

There are 3 treaties of the GATT/WTO that are totally unnecessary: the intellectual property rights (TRIPS) Agreement on Agriculture (which reduces agriculture to a market and food to commodities), and the SPS sanitary and phytosanitary measures (which are actually a barrier for healthy food)

It is possible to fight against transnational corporations: in India we prevented patents on seeds , plants and animals we just have one GMO. All models show that small farmers produce 80% of the food, while actually only 3% of the employment comes from global corporations. So more small farms, more local food systems address poverty, hunger , unemployment and climate change.

On the 12 of July we launch a campaign: healthy and safe food is a decision of the communities, we can't leave the choice of the definition to TNCs. Also, we have found that small farmers produce more.

Rain Morgan. One of the biggest 'mindset' hurdles we have to work at, is the notion that we – with what we know here and now, have the ability to conceptualize the one 'system' that will take us from where we are now, to where we want to be.

When we think of AI – and whether we like it or not, we will have to learn to work with it – the golden thread, is that it is basically programming designed to not only do what you want it to do (for example, sew on buttons), but while its sewing on buttons, it will learn, adapt and modify so that inside a number of iterations, it may decide that not everything needs the same size buttons – and not everything needs buttons – some things will do better with ties, Velcro or zippers...

The roadmaps that will get us to where we're going will be varied and individual – be it tailored to industries, regions or preference 'tribes' (like those people who eat Nutella with cheese!). Incidentally – contemporary communication makes the preference tribe a significant driver of trends.

So – the short answer is – there are many, many organisations and groups and 'conversations' out there – each with part of the answer – but no one has the whole answer.

So much of our 'academic' training has been about 'formulas' and 'singular truths' - but this academic paper we will have to write looking back; right here, right now we need to trust our vision enough to custom-build our bridge while we're crossing the ravine.

We – as people – will have to start doing what we do so much better than any AI ever could – do, assess, learn, adapt, do, assess, learn, adapt – and keep doing it.

For me – the central nervous system of WFTO – the Guarantee System based on the 10 Principles of Fair Trade and driven by the core-energy of continuous improvement, is heading in the right direction. It is not perfect – but the seeds are there – we just have to "do, assess, learn and adapt" – and stay humble enough to take the learning as (and where they come from) !

Rachmi Hertanti. Until now Indonesia's involvement in global trade has been bound by international trade rules, not by our own interests; and the dogmas of international trade have become a system of beliefs for our government.

“ The economic crisis is getting worse, and that has shown that the system has failed, and that we should be claiming back our rights

The economic crisis is getting worse, and that has shown that the system has failed, and that we should be claiming back our rights, since resilience does not rely in the strength of the international corporations, but on the people.

The alternative is to abandon the large scale industrial models ruled by corporations, and move to models ran by the people; to claim back the people's rights and the real sovereignty.

Mute Schimpf. We promote agro-ecology as a solution. Even in industrial countries, buying local food keeps local economy twice alive. The question is not how to feed the world, but who is feeding us. It's not Carrefour or Netsle, but the farmers.

Our proposal is to prevent FTA from having an even greater power by not allowing them to have a key role in, for example, carbon taxes. It is the people and not FTAs who should have more

choices and more power. Indeed, in the EU, more often than not the real transformation come from the local level, not from the national or the EU one.

“ The question is not how to feed the world, but who is feeding us. It is not Carrefour or Netsle, but the farmers.

Stuart Trew. We need an industrial strategy. That doesn't mean necessarily 'buying Canadian', but to

think what do we want to produce and sell. We used to have in Canada, for example a lab that would develop new drugs, it was privatised, and now basic research is done in universities, but then is soon handed to private actors to make a profit. We should change that.

It is key to protect jobs that are essential for the functioning of society.

Charles Snoeck. The challenge is huge, but doing nothing is not an option: our vision is to change the rules so that within this system we can create relations that are better, but at the same time keep on investing models that look forward and have the ambition to challenge the system.

For example, in Belgium, where there is a big chocolate industry -which we know is flawed- we know that just pushing for Fair Trade is not enough, so we are pushing for living incomes for the whole of the actors. In other words, to challenge the system through the creation of new alliances.

Yorgos Altintzis. New technologies, like platforms could represent alternatives if there were not ran by corporations like Uber. There is, for example, a model of a drivers' cooperative ran by themselves thanks to this technology.

4. What are the obstacles that prevent these alternatives from actually becoming the norm?

Mute Schimpf. The power of corporations must be limited drastically. If they are the ones deciding on the rules, things won't get better.

The question is how to link local movements, inspire each other, and create together. It is not by a "change.com" petition, or by a vote in the Parliament. Our theory of change is to make the local movements stronger, and only then we'll be able to tackle the power of corporations

Rachmi Hertanti. Initiatives that have been created locally have to be up-scaled. The question is how to transform initiatives of the people's economy to an industrial model.

The way forward: supremacy of human rights over terms of trade agreements.

Charles Snoeck. Scalability is a key issue. The problem of ambitious change is that some times it is only touching a small number of farmers, hence the importance of taking the consumer into account and developing Fair Trade markets both in the North and in the South to increase the impact.

The second obstacle is the competitive pressure in global value chains. A bold move of a large actor might take him to lose economically, which is why no one actor can move alone. That is why it is needed to a) change consumer mind sets b) collaborate among actors c) regulatory measures.

We require to complement supply chain initiatives with enabling political framework (for example competition law, HRDD); and finally transparency in supply chains.

Stuart Trew. The pandemic has ruptured public faith in corporate globalisation, and a paradigmatic example is investor to state dispute settlement. We have an opportunity to freeze ISDS challenges related to measures to address the pandemic, and that can lead to more ambitious change, for example in a peace clause on any government measure to stop global warming



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Rain Morgan. Humans do not do well with sudden changes and major disruptions.

There is a wry observation that did the rounds a few years ago – and it said: "Everyone wants change – until it affects them..."

Transforming our planet, the people and the economy is something every single human being on earth will have to commit to – some to a much greater degree than others.

The 'call-out' style of activism (find the people to blame and hammer them into the ground) needs to be replaced by personal responsibility: I need to make sure you are ok, you need to make sure I am ok and we need to make sure they are ok and if the Pandemic taught us anything – it is how fast something that wants to spread, can spread...

We have spent so much energy fighting against things – our time is too precious – we need to spend more time growing what we want. We – every single one of us – holds a thread (or two or three) – and it is our choice how we use it.

Yes – the economic tsunami that is still building because of the earthquake of the Pandemic, is going to be mighty.

Armies of economists have made predictions – but if the truth be told – none of them (or us) have any idea what we're going to be dealing with - not even close.

The one thing we do know, is that we have to build back better.

We have abdicated too much power to institutions and governments – we – every single one of us – is going to have to choose how we re-build – and whether we re-build the highest, flashiest sky-scraper in the world, or whether we build for need, commit to 'growing' what we need, and accept the messy stuff that comes with 'gardens': everything has a season - there's a time to plant and a time to harvest; not everything you plant will grow; some things will thrive and some will die – and you have to work at it all the time. It is going to take a lot of sunshine, rain and a heap of manure to make it happen!

5. One window of opportunity to bring this agenda forward

Charles Snoeck. During crisis, some of the alternatives have shown their added value. In terms of policy HRDD is an opportunity, if done correctly.

Mute Schimpf. Increased awareness of politicians that global supply chains are not always reliable and strengthen social movements.

Yorgos Altintzis. The issue of industrial policies, which had not been on the table for years, has come back.

Stuart Trew. The debate on industrial policy. Additionally, technologies such as databases and AI open new opportunities for democratic planning.

Rain Morgan. There are more consumers than politicians, which means that there are many opportunities to campaign and tell our stories.

Links to documents shared during the webinar

- Friends of the Earth Europe's proposal for a new trade agenda that serves people and the environment in: http://www.foeeurope.org/sites/default/files/eu-us_trade_deal/2018/trade_alternatives_designreport_v6_ld.pdf
- Capturing Our Future. How WTO is helping Big Tech Corporations to Take Over the World of Work. A Webinar by the International Trade Union Confederation (ITUC) and the New Economics Foundation (NEF) https://ituc-csi-org.zoom.us/webinar/register/9015929010536/WN_UsV2i9AkQa6bqbSIDx8uFw
- Navdanya project <http://www.navdanya.org/site/>