“Faced with the tragic situation of persistent poverty which afflicts so many people in our world, how can we fail to see that the quest for profit at any cost and the lack of effective, responsible concern for the common good have concentrated immense resources in the hands of a few while the rest of humanity suffers in poverty and neglect? … Our goal should not be the benefit of a privileged few, but rather the improvement in the living conditions of all.” Pope John Paul II, Message for Lent 2003

Our Catholic Worldview, based on the principles of Catholic Social Teaching, acknowledges that we have an obligation to work to create conditions in which the unique dignity of each person is respected and all human rights are protected.

The past few decades of exceptional economic growth, largely built on a more liberal international trading system, clearly illustrate that Trade is a crucial element in advancing a more prosperous world. Trade in itself though will not solve poverty, particularly if the trading rules are rigged in favour of the wealthy.

Fair Trade is trade based on the principles of participation and solidarity. Fair Trade puts people first, supporting much more than the economic aspects of people’s lives.

“Freedom of trade is fair only if it is subject to the demands of social justice” (Pope Paul VI, Populorum progressio, 1967 n. 59).

<table>
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<th><strong>Free trade</strong> is trade which takes place between countries which is free of barriers or restrictions such as tariffs or taxes imposed by governments.</th>
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<td><strong>Fair Trade</strong> is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers - especially in the South. Fair Trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising, and in campaigning for changes in the rules and practice of conventional international trade.</td>
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**From cotton to cows the trade rules are tangled**

When we buy rice, think of small scale rice farmers in the Philippines and Haiti. Many millions of small scale farmers and their families are reliant on selling their rice to pay their rent. When cheap imports from developed countries such as Australia flood their markets in a practice known as 'dumping' (where rich countries with a surplus, export produce to developing countries), the market for the domestically grown rice by small scale farmers, was rapidly diminished. When these same farmers can not sell their rice, they can not pay the rent and often are forced from their farms.

The practice of 'dumping' is a result of policy prescriptions emanating from the World Trade Organisation. It is enticing for many developing countries to join the WTO and gain access to more international markets. Too often though the rules are rigged in favour of developed countries, where Governments often pay enormous subsidies to their own farmers thereby
distorting the market and making it difficult for developing countries to compete eg the European Union’s Common Agricultural Policy guarantees a minimum price to producers, imposes import tariffs and quotas on certain goods from outside the EU and provides a direct subsidy payment for cultivated land. In total it is estimated to be in the vicinity of $43 billion Euros annually ($70 billion AUD).

When we buy clothing, think of the cotton growers of Kenya who used to supply cotton to their local textiles factories. The Kenyan government was forced to cut its assistance to local cotton producers and at the same time American cotton was allowed to be sold on world markets at 40% less than it cost to produce, due to the massive subsidies paid to US producers. This has devastated the Kenyan cotton industry and its many small farmers.

The pattern is repeated throughout the world especially in agricultural produce. One in four people in the world, or 70 to 80% of the world’s poorest people, rely on farming for their livelihood. The common complaint from developing countries is that they are forced to open their markets and rich countries continue to pay huge subsidies to their producers. Meanwhile the rich countries keep their own markets firmly closed. The rules are stacked against the poor.

**Cows worth more than people?**
The average European farmer receives around $20,000 per year in subsidies, more than 100 times the average income of an African farmer. Cows in the European Union are subsidised by $2 a day while around 500 million Africans live on $1 a day. The rich countries continue to promise to reduce the subsidies that they pay to their own farmers but the Europeans have put off any real action until 2013 and the US is planning to *increase* payments to their farmers by $175 billion over the next ten years.

As consumers we are connected to the world. How we choose to spend our money has consequences that we may not always be aware of.

We do have a responsibility to ensure that how we spend our money does not indirectly have disastrous consequences for some of the most vulnerable people in our world.

We of course, are not only consumers. We are also global citizens and as such have the right and the duty to tell our leaders when we think that the rules of international trade are not fair. We should tell them until they listen and take steps to change them.

**What Can You Do?**

- As a consumer, you have purchasing power. Try to buy fair trade products, and ask your local supermarket to stock fair trade products such as coffee, tea, chocolate, rice, and sugar.

- Ask your parish or school to buy fair trade coffee, tea and chocolate. Taste the difference!


- Caritas Australia also supports the Australian Fair trade and Investment Network. Find out more here about how we are working together to make trade fair. [http://www.aftinet.org.au/](http://www.aftinet.org.au/)