

Live to Trade or Trade to Live: The WTO and Human Rights

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Introduction to the WTO

- Created in 1994 after the Uruguay round of GATT talks
- World Trade Organisation has 149 Member States
- Supervises rules regarding trade liberalisation (goods, services), protection of intellectual property
- Negotiating forum for the creation of new rules
- Remarkable level of compliance with its rulings



Comparative Advantage

- Theory holds that States should specialise in producing what they are best at producing
- Otherwise – inefficiency, opportunity costs
- Will increase net wealth for all States



Free Trade and Human Rights

- Good for ESC rights, right to development, poverty alleviation
- WTO preamble: Trade should be conducted with a view to raising standards of living
- Allow for optimal use of resources to promote sustainable development
- Its mission seems compatible with human rights



So why does it get such a hard time?

- Arguments from the South regarding unfairness of WTO
- Arguments about effects of free trade per se



- Argument: Uruguay round biased against South
- If true, WTO is not achieving optimal outcomes



The Southern side of the Uruguay Deal

- Goods (more obligations)
- Services (favour Northern-style services)
- Transitional costs of implementing agreements
- TRIPS



TRIPS

- Protects IP
- Promotes research and development
- Regressive transfer of wealth from South to North
- Problems regarding access to essential goods



The Northern Side of the Bargain

- Agreement on Agriculture, Agreement on Textiles and Clothing
- Both still allow for massive protectionism



Is free trade a good thing anyway?

- **Effects of liberalisation on growth inconclusive**
- **Effects on absolute poverty inconclusive**
- **Has accompanied increase in equality**



Trade: Detrimental Outcomes

- Trade may stoke conflict
- Allegations of human rights abuses by foreign investors – lots of rights but no duties
- Trade that is itself harmful – eg tobacco, arms



Free trade: problems for the South

- Problems with Agricultural liberalisation:
- Problems with low-skilled manufacturing
- Problems also with ongoing protectionism
- Need for policy space and proper sequencing of reforms



A new deal?

- Assymmetric deal
- Agriculture, textiles, TRIPS relief
- Preservation of policy space for poorer States
- Labour rights clause



Conclusion

- Change negotiating outlook
- Alter assumption that free trade is either beneficial or neutral
- Coordinate progress in trade and non-trade (human rights, development, poverty) arenas

