



World Export Development Forum (WEDF), 8 – 11 October 2008

SESSION SUMMARY: Wednesday, 8 October 2008

Opening

DEBATE STARTS ON CONSUMERS AND ETHICAL TRADE

SPEAKERS:

Patricia Francis, Executive Director, International Trade Centre
Supachai Panitchpakdi, Secretary-General, United Nations Conference
on Trade and Development (UNCTAD)
Ashok Khosla, Chairman, Development Alternatives, India

MODERATOR: Samira Ahmed

“ETHICAL” TRADE RULES MUST NOT BE ABUSED, SAYS SUPACHAI

Ethical trade is a complex concept and must not be used by rich states as an excuse for raising barriers to the import of goods from developing countries, the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), Supachai Panitchpakdi, told exporters, government officials and trade support institutions from over 40 countries at the opening of the World Export Development Forum on Wednesday evening.

Supachai said that developing countries already have trouble meeting existing standards of production and quality without rich states adding further hurdles.

“You must not allow trade rules to be abused by those who say they are the conscience of the world,” Supachai told the Forum. “You must not allow this (ethical) awareness to become a burden and put impediments into the trading system.”



The theme of this year's forum is "Consumer conscience: How environment and ethics are influencing exports." While a growing ethical awareness among consumers in the developed world can help create new markets for the goods of poorer countries, the reverse could also happen, panellists warned. So-called production standards could be turned into a form of protectionism.

ITC Executive Director Patricia Francis agreed with Supachai that any new rules covering trade should not be imposed by one group of powerful countries and must be the fruit of dialogue between all trading interests.

"Our view is 'Let's try and bring transparency to the market'," said Francis.

For Ashok Khosla, Chairman of Development Alternatives, an Indian-based small business promotion non-governmental organization (NGO), "consumer conscience" is a problem for the developed countries. Even ethical problems such as child labour can be exaggerated to the detriment of economic development in poorer countries, he said.

"It is fine, but it is not the problem of the Third World. The problem of the Third World is how to produce," he said.

The current financial crisis rocking global market places is proof that the international economic model applied over the past 20 years is pure "madness", he added.

Even if the market had proved to be a terrific way of setting prices, "all the rules have been thrown out. We cannot have trillions of billions of dollars sloshing across borders," he said.

A new economic system is needed in which more emphasis will be placed on local production and less on international trade, he argued. "We have to look at the real economy and how to create the jobs, goods and services that people need." The world needs producer conscience as much as consumer conscience.

Supachai contrasted what he called the unregulated global financial system, marked by "greed, arrogance and hubris" that had brought about the current economic chaos, with the well-regulated world trading system.

Francis said she did not see any "revolution" coming in the working of the international economy, but there was clearly the need for a more sustainable model.

"Export impact for good is our theme. We are in the business of trying to help people get into a global trading system and the global economy so they can prosper," she said.

Khosla said the solution to the development crisis necessitates a more holistic approach. This included:

- New technologies
- Coordination between government and business entrepreneurs
- Taking the needs of local communities into account
- The use of local labour, material, and resources
- Environmental assessment
- An entirely new system for research and development tools to examine these factors

"We have an opportunity to bootstrap the economy into a system of sustainable industry," he concluded.