**Submission on a progressive and inclusive trade agreement with the Pacific Alliance**

On behalf of: The Alliance Party

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**Preamble**

The Alliance welcomes the opportunity to put forward our views on progressive and inclusive trade. We strongly support the new government’s desire to do things differently when it comes to trade.

The world has changed significantly since the emergence of ‘free trade’ in the 1980’s.

We now know that the earth’s resources are finite and are being used up much faster than they can be replenished.

We know that carbon dioxide emissions are set to cause catastrophic climate change if we do not act quickly to reduce them

We know that pollution is causing damage to the earth’s ecosystem and that the methods of production, and overproduction of non- recyclable consumables is largely to blame for this.

We know that economic inequality is rife both within countries and between countries and that much of the political and social unrest in the world is caused by inequality.

But we also know that there are enough resources for all, today and for future generations, if they are distributed more equitably and sustainably. This applies especially to energy. Professor Colin Campbell Hunt states “if there are limits on our use of energy they are not the ones imposed by the planet, but by our technological imagination and our determination not to ruin the only planet we have.” We all have to move on from fossil fuels as our main source of energy. Our trade agreements have to ensure that this can happen as quickly as possibly for all.

It is vital that addressing climate change is not seen as a business/trade opportunity. Catastrophic climate change will not be averted unless the entire planet adopts the measures necessary – specifically moving away from fossils, sustainable use of resources and non- biodegradable products. We need to deliver not just a “clean green New Zealand”, but also a clean green planet. Therefore new initiatives and technologies and must be shared with everyone, everywhere. Sovereign nations, companies and individuals will need to work together cooperatively not in competition with each other to promote greater equality.

Multilateral progressive and inclusive trade agreements with any group of countries must reflect a global perspective. The goal of trade agreements must change.

The goal of progressive and inclusive trade agreements for the 21st century must be

 *to foster cooperation amongst trading nations for the good of all people and the planet*

Progressive and inclusive trade agreements for the 21st Century should encourage ethical, sustainable trade in goods and services that safeguards the health and wellbeing of people everywhere and the planet, and protects from exploitation and profiteering.

**Labour – progressive and inclusive trade agreements should:**

* ensure that producers and workers receive a liveable income, as defined by the living wage calculated for each country.
* ensure that the health and safety of both producers/ workers and consumers is paramount
* ensure that profit at each stage of the supply chain is equitable

**Environment – progressive and inclusive trade agreements should:**

* promote the free flow of information and knowledge
* ensure that the earth’s resources are used in an equitable and sustainable manner
* aim to reduce carbon emissions and limit global warming to less than 2 degrees above pre industrial levels (as per Paris Agreement)
* ensure that the environment is protected during production and in disposal of goods
* promote quality of products over quantity – discourage over supply and

 built in obsolescence

**Regional Economic Development: progressive and inclusive trade agreements should:**

 **• ensure** imported/ exported goods and services do not undermine local or regional

 production

 • ensure imports/exported goods and services do not prevent regions from making the

 changes necessary to become more resilient and self sufficient

 • ensure that there are no impediments to actions addressing regional inequalities and

 encouraging appropriate regional development in underdeveloped areas

**General – progressive and inclusive trade agreements should:**

* recognize the sovereignty of each nation in matters such as what services are provided as public services and by whom, the movement of people and capital and dispute resolution (as long as human rights are not breached)
* respect any measures a nation may wish to take to protect their citizen’s interests, protect rights of indigenous cultures, deal with social disadvantage, or environmental degradation.

 • establish consistent and fair levels of taxation for transnational companies

* ensure that agreements entered into are transparent to, and agreed upon, by all affected parties, including representatives of indigenous cultures, workers/ producers and consumers

“Trade is double-edged – so make it fair” (Kate Raworth)

**Additional Recommendations:**

• we recommend that strong consideration be given to the suggestion that ethical business guidelines (guidelines that protect workers, consumers and the environment) be made into law in New Zealand so that they can be enforced for local producers and businesses importing goods into New Zealand.

•  we recommend that New Zealand push for the adoption of the living wage concept in trade treaties. In Asia this is known as the ‘floor wage.’ A living wage is a human rights issue, not necessarily a left wing construct. And it is not new:

“It is a serious national evil that any class of His Majesty’s subjects should receive less than a living wage in return for their utmost exertions.” (Winston Churchill Trades Bill Debate 1909)

“No business which depends for existence on paying less than living wages to its workers has any right to continue in this country.” President F.D. Roosevelt, Statement on National Industrial Recovery Act, 1933

“It is but equity, besides, that they who feed, clothe, and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed and lodged.” Adam Smith

•  we also recommend that the UN declaration of Human Rights be given more teeth in international agreements, including trade agreements. And all trade agreements should adhere to ILO conventions on labour/ workers rights.

• we strongly recommend that you drop the “free” from the title of the agreement. Free trade has too many negative associations with the failed neoliberal economics our new government is trying to distance itself from. Refer to it as a “progressive and inclusive trade agreement.”

Resources

‘Slow Fashion Movement Wants Ethics Made Into Law’ Morgan Tait, Newsroom May 2017

‘Could We Have A People-Friendly Globalization?’ Bill Rosenberg CTU Monthly

Bulletin No 186 Feb 2017-05-21

‘The Doughnut Economy’ Kate Raworth, Random House, 2017

‘Basking in an untapped flow’ Colin Campbell-Hunt Otago Daily Time Sat 14 April 2018

<https://asia.floorwage.org>

<https://www.livingwage.org.nz>