

## **Global Trade Ethics**

A project of the Centre for International Studies  
And the European Studies Centre  
University of Oxford

Principal investigators:

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### ***Vision***

Most decision makers today share the view that international trade is a force for good in a globalising world. They may generally be right, but as tensions about growing inequalities and environmental risks in the global economic system increase, we need to ask again: under what conditions can trade be a force for good? How can lofty and vague principles such as fairness, human rights, justice or equity be applied in a world where patterns of globalised production and consumption reflect the logic of a global market? How can we better devise trade policies, be they unilateral, regional or multilateral, to manage our global interdependence in a manner that is equitable and environmentally sustainable? If we care about “trading away poverty”, how should the international trading system evolve beyond the Doha Round to reflect this goal? Can we continue to rely on increased trade to fuel growth while living within the means of the planet? How should we think about balancing concerns over free trade and (perceived) fair trade, that is about drawing the line between protection (of workers, consumers, the environment, the rights of others) and protectionism? Such questions and the concerns they reflect have become only more pronounced in the context of the economic recession currently gripping the world.

The aim of this project is to articulate alternative visions of a global political ethics relevant to trade issues. We critically examine the ethical dimensions of global trade by bringing together two scholarly worlds which usually do not speak much to each other, namely trade specialists on one hand (whether from the field of economics, international relations or law) and political philosophy and normative theory on the other. In doing so, we hope to bring new insights to the perennial debates on WTO reform and more generally the sustainability of the global trading system. The ethical focus of the work is organized around a set of pressing global challenges, including poverty, inequality, employment security, quality of work and environmental sustainability in the global South and global North. In terms of trade policies, our project will adopt a broad understanding that includes policies relevant to managing flows of goods, services, labour, knowledge and capital between countries whether unilaterally, regionally, inter-regionally or multilaterally.

Our objective is to develop and apply conceptual frameworks for devising trade policies that respond to concerns for justice and fairness for each of these global challenges and to link these to specific trade policy debates. The project aims to bridge the academic and policy communities, producing research that is relevant to policy makers and those seeking to influence policy, while ensuring that our research draws on top scholarly insights and is analytically robust and empirically grounded. Finally, the project will seek to straddle two imperatives: to give pride of place to the needs and demands of the weaker

and more vulnerable actors in the system, especially from the South, while at the same time focusing its recommendations where power lies, with those actors who are most likely to implement or resist change.

### ***Justification***

This project is motivated by the observation that academic work has much to offer policy-makers and civil society organisations that grapple with fundamental ethical dilemmas of global trade, but that it often misses the mark. Academics have thought deeply about questions of justice and equity in the global economy, but their work is often too far removed from the day to day reality of trade negotiations and government decision-making for it to have traction. Moreover, academic work often fails to take account of the political context in which policy decisions are made, so valuable ideas are swept aside as politically infeasible.

### ***Approach***

The core of our project will be an interdisciplinary team of academics who are committed to exploring trade policy from a normative perspective. We will hold a series of seminars, mainly in Oxford University, in which we explore possibilities for applying concepts of fairness and justice to key trade policy issues. Once we have established some common principles and conceptual frameworks, we will then test and refine these with policy makers and civil society organisations. The outcome will be a series of analytical papers setting out past efforts, successes and tensions in efforts to devise conceptual frameworks, and to propose how our efforts improve upon them. A further value-added of the papers will be to propose and develop policy-relevant recommendations for specific issue-areas. These again would be tested with input from policymakers and civil society organisations. The output would be a series of individual working papers, which could be produced as an edited volume. Short research briefs for a non-academic audience on each of the chapters would also be produced for broader dissemination.

### ***Proposed Issue Areas***

A global trade ethics is relevant to all modes of governance: adjudication by judges, day to day management by expert networks as well as political negotiations involving actors from governments to parliaments or NGOs. Our agenda will be organized around a series of clusters which will help us debate such an ethics:

#### 1. Underlying benchmark principles: Legitimacy, Justice, Equity and Fairness

While global governance and the international institutions associated with it face perennial challenges to their legitimate authority, trade-related governance has attracted a plurality of global critics. At the heart of these critics is the relationship between power and legitimacy. Conventional analyses have tended to categorise the problem of legitimacy into either 'input' legitimacy issues (such as procedural codes and the scope for democratic voice) or 'output' legitimacy concerns (material

conditions generated by its policies and norms) and ask to what extent each obtains. While these debates are certainly important, they must be embedded in a broader substantive normative context. Questions include:

- What are the principle techniques and mechanisms used by various actors in the legitimation of certain policy ideas and frameworks?
- Which alternative proposals on subjects of reform are commonly considered to be ‘less legitimate’ and why?
- What definitions and conceptual classifications are important in the analysis of equity and fairness?
- How can alternative notions of equity be translated into concrete reforms of trade rules and trade institutions?
- How is the notion of ‘fair’ trade understood by decision makers and/or publics around the globe?
- How can greater tolerance, transparency, and reason be accommodated in the WTO setting? To what extent do these principles in turn serve to enhance WTO legitimacy? How can greater political contestability, and if so, how could this be fostered?
- How are efficiency and human welfare connected? Are they mutually reinforcing as the WTO’s norms of reciprocity and equal obligations would suggest?

## 2. Trade economics, “trade and...” policies and issues of fairness

The second building block brings in more technical consideration of trade economics and trade policies and debates over the legitimate and reasoned grounds for disagreements in the trade community. These in turn can be put to the test through normative benchmarks. In particular we need to think about trade governance holistically in a world where “trade and...” issues increasingly pervade the agenda of global economic governance – from trade and finance to trade and development, trade and labor, trade and human rights, trade and climate change, trade and geo-politics.

- In a time of economic crisis, what is ‘fair’ when it comes to the protection of the national economy and workers? How do we overcome the tensions that arise between those working to protect the interests of workers and farmers in Northern countries whilst also protecting the interests of workers and farmers in developing countries?
- What are the competing understandings of the linkages between trade and development? Why do they arise? How can these tensions be addressed?
- How can we manage labour migration in a way that is equitable to workers both sending and receiving countries?
- How can we integrate environmental sustainability into trade policies in a manner that both tackles climate change and supports the development aspirations of developing countries?
- How should access to technology be managed? How do we find a fair balance between the push for greater sharing of technologies and knowledge on the one

hand, and the challenges of protecting competitiveness on the other? If so, then what is a fair balance?

- What would an ethical policy be for governing the growing trade in medical tourism and other services?
- What are fair principles with respect to the rights and responsibilities we should accord to investors and consumers and how should these be enforced?

### 3. Operationalising a global trade ethics

The promotion of a global trade ethics seeks to find common threads in the ways in which such issues can be addressed to the extent that the first order conflict of values that often underpinned them do not call for rigid answers set in stone in perpetuity. The focus on ethics stems from the realization that questions of fairness and justice in the international system cannot easily be resolved through architectural tinkering and institutional reform at least narrowly defined. Indeed, some might view a trade ethics as another way to refer to institutional norms and principles. But while institutions are certainly the shell within which such ethics take place and might flourish, mainstream technical institutional thinking rarely asks how institutions can be designed to achieve deeper normative concerns. Questions include:

- What underlying principles should constitute a global trade ethics?
- How does the promotion of a global political ethics fit with the judicial and political negotiating spheres respectively?
- Through what concrete instruments should it be operationalised? Can we think of ways to promote an ethics that is not overly legalized but rather akin to a global code of conduct?
- What are fair processes and mechanisms for protecting the rights of workers and consumers across the world? How should these be enforced? What role could trade agreements and institutions play?
- Where the increased scope of trade agreements reduces economic sovereignty (policy space), what ethical dilemmas does this present? Who is accorded rights and responsibilities in these agreements? How could we define just and fair approaches to the challenge of protecting policy space?

### **Time frame and staffing**

This research project will be coordinated by Emily Jones under the supervision of Professor Kalypso Nicolaidis, Department of Politics and International Relations, University of Oxford. It will work in close collaboration with Dr Carolyn Deere, Director of Global Trade Governance Project at the Global Economic Governance Programme, University of Oxford.

It is envisioned that this project will run for two years, from May 2009 to May 2011.