



Fair trade

Of celebrities, charity and trade

Charities are not yet free-traders, but some are halfway there

IN THE energy-sapping heat of Uganda, women bend double to grow flowers for export to Europe. According to Bono, singer of Irish rock band U2, this scene represents “globalisation at its best”.

He is right, of course. Growing flowers is hard work, but no more so than subsistence farming, which is the alternative; and it pays better. Everyone benefits: Europeans get roses in winter and Ugandan rose-growers eat better and put their children through school. A number of organizations now recognise that trade between developed and less developed economies allows poorer countries to improve their economies. A number of charities have also noticed that north-south trade is not always exploitative.¹ Another leading charity has condemned northern protectionism.

² It was an odd spectacle: US finance ministers do not often spend time in African slums and rock stars rarely take part in high-level discussions about development economics. But the trip revealed a few things about the changing relationships between governments, charities and celebrities. Even

if politicians in democracies don't have to do what voters want, they generally do take their opinion seriously. So, if charities want them to be nice to Africa, they must persuade voters to demand this. And to attract voters' attention, it helps to have a few celebrities.

This tactic succeeded spectacularly during the “Jubilee 2000” campaign for debt relief. By using Bono and other famous people to draw attention to the problem, campaigners persuaded a record 25m people to sign their petition, which then pushed rich-country governments into cancelling a large part of poor-country debt.³ Mr O'Neill used to argue that aid was wasteful and created dependence; now he says that rich countries should give grants, not loans.

⁴ A small increase in trade would make far more difference than a proportionately similar rise in aid. Bono is not very clear about how this could be done, but DATA, the lobbying group he fronts, insists the rich world must lift quotas and duties on African exports, and cut subsidies that harm African growers.

That would be helpful. But there is also a selfish case for ending protection: that it would save taxpayers a fortune and make their food cheaper.⁵ The farm bill that George Bush signed is expected to cost the average US household \$4,377 over the next decade. Poor Americans will suffer most, because they spend the largest share of their incomes on food. This continues partly because voters are unaware of it. “Fair trade” charities and their celebrities could surely stir a lot of people to angry protest over farm subsidies if they tried. But being charitable people they prefer to make liberalisation sound like the sacrifice it is not ■

Glossary

subsistence farming farming for food not trade

protectionism using tariffs to block imports

slum overcrowded and poor area of a city