Economic Development   
Negative Case by Naomi Mathew



When tackling a problem, it is common sense to address the root cause rather than just limiting the side effects. How does this apply to free trade? While fair trade tries to solve the symptoms of poverty, free trade directly addresses the problem by promoting economic development.

The beauty of this case is that you don’t need to pretend that free trade is perfect right now. You can acknowledge that issues (sweatshops, child labor, etc.) exist. Your main point should be that these problems will naturally go away on their own as free trade promotes economic development. Fair trade, on the other hand, cannot solve the root problem of poverty. Instead, the most it can do is try to make poverty more bearable.

This case uses a value of economic development – but any similar values (prosperity, quality of life, general welfare) should work as well. What’s really important are the two contentions; they’re full of evidence supporting the main thesis. It is important that you bring up the evidence in the 2NR as well, and remind the judges that your side has the empirical support behind it.

The affirmative will try to focus the debate on short-term issues with free trade: child labor, sweatshops, low wages, etc. Don’t let them! Bring it back to the big picture. These problems go away as poverty disappears. And which type of trade promotes economic development and reduces poverty? That’s right, free trade does!

Economic Development

Imagine you’ve caught the flu and you’re given the choice between two treatments. One treatment will lessen your symptoms, but the other will cure the sickness. Most people would probably agree that treating the sickness is more important than just stopping the symptoms. In general, the best way to solve a problem is to tackle the root cause, not the side effects. This principle also applies the debate around free trade vs fair trade, and it is because free trade solves the root issue of poverty I stand **Resolved: When in conflict, governments should not value fair trade above free trade**.

# Definitions

Merriam Webster’s Dictionary defines **Fair Trade** as:

“a movement whose goal is to help producers in developing countries to get a fair price for their products so as to reduce poverty, provide for the ethical treatment of workers and farmers, and promote environmentally sustainable practices.”[[1]](#footnote-1)

The same source defines **Free Trade** as:

“trade based on the unrestricted international exchange of goods with tariffs used only as a source of revenue.”[[2]](#footnote-2)

# The Value

The value for this round should be **economic development**, which is defined by the Business Dictionary as:

“Progress in an economy, or the qualitative measure of this. Economic development usually refers to the adoption of new technologies, transition from agriculture-based to industry-based economy, and general improvement in living standards.”[[3]](#footnote-3)

Economic development is so important because it’s the goal of trade:

## Value Link: The goal of trade

Both fair and free trade occur because countries wish to better themselves. Additionally, a more developed economy means lower poverty and increased quality of life for those in it. The concept that leads to economic development and fulfils the goal of trade should win the round. This leads us to the first point:

# Contention 1: Fair Trade is a Short-term Fix

Fair trade can do good temporarily. Paying workers more, ending child labor, improving workplace conditions – these are all noble goals. However, fair trade fails to tackle the root issue behind these problems: poverty.

Fair trade regulations and organizations artificially mess with the world market, harming those that fair trade seeks to help. As professors Krasnozhon, Simpson, and Block explain in their 2015 peer-reviewed article, fair trade prices create an unnatural price floor for goods. Because fair trade wages don’t accurately reflect a worker’s productivity, they fail to make the country more productive or increase economic development. The article concludes that:

“Fair trade has had a negative effect on developing countries. Its adherents are trying to impose a premium on prices so workers get paid more, but this does not make people more productive. Instead, it prices poor producers out of the market. The goals may be noble, but the solutions they provide do not work and are incompatible with free trade and the free market. The claims made by the fair trade labeling organizations that they are alleviating poverty are not compatible with the evidence.”[[4]](#footnote-4)

Fair trade may try to tackle issues that stem from poverty, but it fails to completely solve the issues because it does not promote economic development. Free trade, on the other hand, reduces poverty.

# Contention 2: Free Trade is a Long-term Solution

Instead of attacking the symptoms of poverty (sweatshops, low wages, harmful working conditions), free trade solves the root issue by promoting economic development. For example, free trade has an impressive record of reducing poverty. As the Economist reported in 2013:

“The world’s achievement in the field of poverty reduction is, by almost any measure, impressive. Although many of the original Millennium Development Goals (MDGs) —such as cutting maternal mortality by three-quarters and child mortality by two-thirds—will not be met, the aim of halving global poverty between 1990 and 2015 was achieved five years early. The MDGs may have helped marginally, by creating a yardstick for measuring progress, and by focusing minds on the evil of poverty. Most of the credit, however, must go to capitalism and free trade, for they enable economies to grow—and it was growth, principally, that has eased destitution.”[[5]](#footnote-5)

Free trade is also especially beneficial to disadvantaged countries. A paper authored by John Romalis and published by the National Bureau of Economic Research concluded that eliminating tariffs worldwide would more than double the annual GDP growth rates of developing countries.[[6]](#footnote-6) The true solution to poverty is increased free trade, not fair trade.

Once the root issue of poverty is solved, other issues disappear. Professors Krasnozhon, Simpson, and Block point out that once countries are developed enough (they have around a $5000 per capita income), the issues that fair trade attempts to solve, such as child labor and harmful working conditions, disappear on their own.[[7]](#footnote-7)

This is why we should prioritize free trade over fair trade – because it’s a long-term solution rather than a quick fix. Unlike fair trade, free trade has the ability to lift people and countries out of poverty – solving the main problem. Rather than criticizing developing countries for their labor standards and lack of regulation, the most compassionate solution is to promote free trade. To quote Gary Burtless writing for the Brookings Institution:

“If we insist that developing countries meet immediately the labor standards that the richest countries achieved only gradually, we will keep some of them out of the world’s best markets. The poor countries that agree to abide by ILO standards will occasionally be challenged—sometimes by representatives of rich countries more intent on protecting their own workers from “unfair” overseas competition than on improving the lot of third-world workers. While the moral case for requiring our trading partners to respect labor rights is compelling, the case for removing trade barriers that limit the product markets and incomes of the world’s poorest workers is just as powerful.”[[8]](#footnote-8)

Think back to the thought explement from the beginning of this speech. Except now the choice isn’t between two medicines, but fair trade and free trade. Fair trade may have temporary benefits, but free trade is the long-term solution to poverty. Choose free trade: the side that leads to economic development and solves the root problem.

Opposing This Case

First up: the value. Not all problems can be solved by economic growth. Point out the role that political institutions, culture, and values play in a society. The actions that happen within a country are just as, if not more, important for ending poverty as international trade. This case ignores all the moral questions surrounding fair vs free trade, so you can use this to your advantage if you have a value such as human rights or ethics.

You should also dispute the contentions. The negative would have you believe that valuing fair trade means giving up trade completely. Don’t buy into this idea. Countries can still trade with each other (and therefore promote economic development) while having fair trade policies in place. Find examples of this to challenge your opponent with.

Also, dispute that fair trade cannot solve the problem of poverty. There are lots of ways fair trade could potentially promote long-term economic growth. Ending child labor and increasing child education would increase a country’s long-term GDP. So would having higher wages so that workers can invest their savings.

Finally, addressing short-term issues with free trade is important. Should we really do nothing to help workers who are suffering currently because perhaps in the future free trade will make conditions better? Show how free trade stops the injustices happening right now, while still working to solve long-term problems.

1. Merriam-Webster, “fair-trade” <https://www.merriam-webster.com/dictionary/fair-trade> [↑](#footnote-ref-1)
2. Merriam-Webster, “free trade” <https://www.merriam-webster.com/dictionary/free%20trade> [↑](#footnote-ref-2)
3. The Business Dictionary, “economic development” <http://www.businessdictionary.com/definition/economic-development.html> [↑](#footnote-ref-3)
4. Leonid A. Krasnozhon, David Simpson, and Walter E. Block. *The Review of Social and Economic Issues*, v. 1, n. 2, Spring 2015. <ftp://ftp.repec.org/opt/ReDIF/RePEc/rau/rseijr/SP15/RSEI-SP15-A1.pdf> [↑](#footnote-ref-4)
5. The Economist, June 1, 2013. “Towards the end of poverty” <https://www.economist.com/leaders/2013/06/01/towards-the-end-of-poverty> [↑](#footnote-ref-5)
6. John Romalis, April 2007, “Market Access, Openness and Growth” <https://www.nber.org/papers/w13048.pdf> [↑](#footnote-ref-6)
7. Leonid A. Krasnozhon, David Simpson, and Walter E. Block. *The Review of Social and Economic Issues*, v. 1, n. 2, Spring 2015. <ftp://ftp.repec.org/opt/ReDIF/RePEc/rau/rseijr/SP15/RSEI-SP15-A1.pdf> [↑](#footnote-ref-7)
8. Gary Burtless. The Brookings Institution, September 1, 2001. “Workers’ Rights: Labor standards and global trade” <https://www.brookings.edu/articles/workers-rights-labor-standards-and-global-trade/> [↑](#footnote-ref-8)