

Glossary Terms

Agricultural problem

A problem affecting farmers worldwide, although farmers in richer countries are often protected by subsidies. As economies grow, farmers' incomes are left behind, compared with the incomes of other people, and they become relatively poorer. For a fuller explanation, look at the **agricultural problem** in **The issues**.

Balance of payments

The difference between the funds received by a country (for its exports) and those paid by a country (for its imports).

Campaign

A series of actions and activities aimed at influencing governments and decision-makers, e.g. Oxfam's Make Trade Fair campaign.

Common Agricultural Policy (CAP)

A scheme to ensure that farmers in the European Union receive a reasonable income for their produce, and are protected from the effects of the agricultural problem.

Common External Tariff (CET)

An agreement made between member states of the European Union, according to which they decide to protect an industry from international competition and impose a tariff (or tax) on imported goods. All member states impose the same tariff. There are no tariff barriers between EU member states themselves.

Dump, dumping, dumped

When a country or countries sell their unwanted surplus produce on world markets at a price below the cost of producing it. This is unfair to farmers in the countries which buy it.

Economy

Is made up of all the organisations that provide goods and services in a country and all the individuals and organisations that buy them.

European Union

A political body consisting at present of 15 member states, including the UK.

Export

A good or service sold to another country.

Fair trade

A way of trading which aims to ensure that small producers in developing countries receive a fair price for their products.

Free trade

Trade between countries, which is not restricted by things like high taxes on imports.

General Agreement on Tariffs and Trade (GATT)

An agreement signed by many countries in 1947 and designed to agree rules and standards for international trade.

Global citizen

Someone who is aware of the wider world and has a sense of their own role as a world citizen. A global citizen respects and values diversity and is willing to act to make the world a more equal and sustainable place.

Import

A good or service bought from another country.

International Monetary Fund (IMF)

Set up in 1944 to provide finance for countries with economic difficulties, particularly those with balance of payments problems.

Lobby

An attempt to influence or persuade governments or decision-makers to support a particular point of view.

Negotiate

Discuss a situation with others in order to reach a compromise or agreement.

Protectionism

Erecting trade barriers, e.g. tariffs and quotas, to limit imports and protect a country's economy from competition from other countries.

Quota (import)

An import quota is a limit to the number of imports of a particular kind that a country will accept.

Structural Adjustment Programme (SAP)

The name given to the strict conditions that the IMF imposes on countries that they lend money to.

Subsidy, subsidies, subsidised

Grants given by governments to help producers. A product which has been subsidised is one which has been produced or sold with the help of a subsidy. The fact it cost less to produce means it can be sold at a lower price.

Summit

A high level meeting between heads of government, or those acting on their behalf.

Tariff

A tax placed on an imported good.

Trade barriers

Restrictions on international trade, e.g. quotas and tariffs. Trade barriers protect a country's economy from cheap imports.

World Trade Organisation (WTO)

An organisation set up in 1995 to replace and build on the work of the GATT agreement. The WTO aims to make it easier for countries to trade with each other.