

RENEGOTIATING NAFTA:

Rebuilding our Economic Relationship



in Solidarity, Mutual Trust, and Justice

A Joint Statement of the Chairmen of the Committee on Domestic Justice and Human Development and the Committee on International Justice and Peace of the United States Conference of Catholic Bishops and

the Chairmen of the *Pastoral Social* Committee of the Conference of the Mexican Episcopate On the North American Free Trade Agreement's Renegotiation Process

Even though the North American Free Trade Agreement (NAFTA) renegotiation process is now underway, and despite the various positions the three countries have expressed as of now, our political leaders should seize this opportunity to deepen the bonds between our nations, taking into account the concerns that have arisen since the implementation of the original agreement. Regardless of whether a successful renegotiation of NAFTA takes place, the three governments should steadfastly pursue a commercial relationship that is mutually respectful, just, and solidary, especially for the poorest in our countries.

The Compendium of the Social Doctrine of the Church teaches: "Today more than ever, international trade — if properly oriented — promotes development and can create new employment possibilities and provide useful resources." "[E]thical criteria ... should form the basis of international economic relations: the pursuit of the common good and the universal destination of goods; equity in trade relationships; and attention to the rights and needs of the poor in policies concerning trade and international cooperation. Otherwise, 'the poor nations remain ever poor while the rich ones become still richer" (#364).

Trade agreements have consequences beyond the economic sphere; they affect human and moral dimensions, which should also be considered. Therefore, they should be evaluated in terms of the effects they have on people, regions, and the environment in affected countries. The Church believes that trade must, first of all, benefit people, in addition to markets and economies. It is crucial that these complex and multifaceted agreements arise from a sound legal and moral framework that protects the common good and the most vulnerable.

We believe that treaties, like all commercial and economic policies, are means of achieving the welfare and integral development of all. As such, they must respond to peoples' most basic needs. This means that they must be crafted and evaluated in such a way that they respect human, civil, political, economic, social, cultural, and environmental rights at the individual, family and community levels, as well as the rights of nations and peoples. Otherwise, and if adequate compensatory economic, political, and social policies are not adopted that mitigate and counteract the previously mentioned adverse effects, as has been the case thus far, inequalities between regions, sectors, and various groups will deepen, as well as forced displacement and disordered, involuntary and unsafe migration, as well as violence, will continue to predominate.

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¹ Pope John Paul II, Encyclical *Sollicitudo rei socialis*, 33.

GUIDING THEMES AND CRITERIA FOR THE NEGOTIATION PROCESS

As bishops, we approach the issue of trade as pastors, not economists. Any trade deal should be evaluated, in addition to its economic impacts, using the following criteria:

The Poor: During this renegotiation process, the poor cannot be abandoned once again. Agreements must prevent the deepening of poverty, as well as provide adjustment services to those affected by them.

Migration: Migration must be transformed into a dignified process, recognizing that people have the right to stay in their country or migrate in order to support their families;² any trade or investment agreement should be designed in a way that aims to alleviate the conditions that impel people to leave their homelands. It is critical to take this opportunity to address the roots of migration that continue to force many Mexicans to risk the dangerous journey north. Both countries must address the economic conditions of poor families, especially small agricultural producers, as well as the increasing displacement occasioned by technological innovation and insecurity. It is a multinational phenomenon, and it must be treated as such.

Work and Labor Protection: The Church teaches that work has an inherent dignity. We support the protection of worker rights, in their country and in foreign lands, including the right to organize, as well as compliance with internationally agreed-upon worker standards. Concern with job loss in both countries requires that any agreement be accompanied by firm commitments to help workers, as well as their families and communities, cope with both the social and financial strains of dislocation that free trade might bring about. It is fundamental that attention be devoted to safe working conditions, reasonable work hours, time off, living family wages, and other recognized social benefits, as well as preventing child labor.

Sustainable Development and Care for Creation: The essential link between preservation of the environment and sustainable human development requires prioritizing care for the environment and the health of communities.

Indigenous Peoples: Out of a necessary respect for their cultural heritages, and in light of their own forms of economic development, we hope both countries guarantee that commercial agreements honor the patrimony of these indigenous communities, and that the communities share equitably in the benefits of any commerce which uses their traditional knowledge or natural resources.

Agriculture and Food: The bishops of both countries have expressed grave fears about the vulnerability of small agricultural producers when confronted with competition by large-scale agricultural producers that enjoy a notable advantage due to U.S. government policies. Any agreement should consider compensatory policies to promote food production, distribution, and social consumption systems in Mexico's agricultural sector, and protect those living in rural areas in the United States.

Intellectual Property Rights: Intellectual property rights provisions regarding pharmaceuticals and agriculture are particular concerns. The Church locates intellectual property rights within the broader framework of the common good and believes these rights should be balanced with the needs of the

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² Pope John XXIII, *Pacem in Terris*, 25.

poor for access to medicines and to food, as well as the intellectual, economic, and political recognition of traditional knowledge. An expansion of NAFTA's market exclusivity for pharmaceuticals would jeopardize the health of millions as they struggle to support their families.

MAXIMIZING PARTICIPATION IN THE PROCESS

The renegotiated agreement, or any mutual accords we arrive at, must be supplemented with additional economic measures, especially financing mechanisms and further development cooperation to arrive at the objective of social wellbeing, and prevent the deepening of inequality between families and regions. Agreements should strengthen human rights protections, especially labor standards, but also social, cultural, and environmental rights, as well as human security on both sides of the border.

Human dignity demands that people have a voice in decisions that touch their lives. During the negotiation talks, as well as the subsequent implementing process, adequate mechanisms must be created that take real and direct consideration of participation rights, the rights of the poor, native peoples, the care of creation, communities, and laborers.

As pastors and teachers in a global Church, from our experience of the impact of trade and other aspects of economic integration, its possibilities and dangers, we are willing to further share our perspectives to ensure these guidelines can be applied. We will continue to monitor the agreements reached, as well as evaluate their contribution towards the joint resolution of our common problems.

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