



## Department of Justice, Peace and Human Development Office of International Justice and Peace

### Background on Trade

*Every economic and political theory or action must set about providing each inhabitant of the planet with the minimum wherewithal to live in dignity and freedom, with the possibility of supporting a family, educating children, praising God and developing one's own human potential. This is the main thing; in the absence of such a vision, all economic activity is meaningless.*

--Pope Francis, June 15, 2013

#### **BACKGROUND**

Trade agreements have human consequences and moral dimensions, and must be evaluated with reference to the effects that they have on the people of both developing as well as developed countries. The Church believes trade must benefit people, not just markets and economies.

In January 2017 President Donald Trump signed an executive order withdrawing the U.S. from further consideration of the **Trans Pacific Partnership (TPP)**. USCCB looks forward to an inclusive national debate that considers sound ethical criteria in formulating trade policy.

**NAFTA Renegotiation Process:** In November 2017 the Chairmen of USCCB's Committee on International Justice and Peace and the Committee on Domestic Social Development, in conjunction with chairmen from the Conference of the Mexican Episcopate's Pastoral Social Committee, emitted a joint statement entitled, "RENEGOTIATING NAFTA: Rebuilding our Economic Relationship in Solidarity, Mutual Trust, and Justice." The statement outlines basic principles of Catholic Social Teaching regarding international trade. Because of the almost unreconcilable disagreements between the governments of the United States, Canada, and Mexico during the last phase of the negotiation in 2017, the process will likely extend at least to the middle of 2018.

#### **USCCB POSITION**

USCCB does not usually take positions for or against complex trade agreements. Rather, the Conference offers ethical criteria, based on Catholic Social Teaching and longstanding Conference policy, to help guide policies and decisions on trade. Below is a summary of the criteria that we share with Congressional leaders.

#### **USCCB Criteria on Trade:**

**Labor Protections.** The Church teaches that work has inherent dignity. We support the protection of worker rights, including the right to organize, as well as compliance with internationally-agreed worker standards. Our concern with job loss in our own urban and rural communities requires that any agreement be accompanied by firm commitments to help U.S. workers, as well as their families and communities, cope with both the social and financial strain of dislocation that free trade might cause. Similarly, our concern extends to the human rights implications that any U.S. action can have for the people of other countries, especially developing nations. In particular, this requires special attention be devoted to safe working conditions, reasonable work hours, time off, living family wages and other

recognized social benefits. This also demands commitments to provide aid, either directly or through international institutions, to displaced workers and their families in countries affected by the agreements, and to respect labor rights in these countries, including the right to organize.

**Indigenous People.** Catholic bishops throughout the world minister extensively among indigenous groups. Out of respect for their cultural heritages and in view of their need for economic development, we hope that the United States will ensure 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.

**Migration.** Our Church has long defended the right of people to migrate when conditions in their home countries prevent them from providing for themselves and their families. If migration is to be reduced, we believe that it must be done through alleviation of the conditions that impel people to leave their homelands. Any trade or investment agreement should be designed to assure a reduction in the need to emigrate.

**Agriculture.** Catholic bishops at home and abroad, along with other partners with whom they work, have expressed grave fears about the vulnerability of small agricultural producers when confronted with competition by large U.S. agricultural producers who enjoy an advantage due to U.S. government policies. Any agreement should promote the agricultural sectors both of developing and developed countries, as well as protect small-scale producers in this country.

**Sustainable Development and Care for Creation.** Increasing global economic integration holds potential benefits for all participants, but it should do more than simply regulate trade and investment. The essential link between preservation of the environment and sustainable human development requires giving priority attention to protecting the environment and health of communities, including assistance to poor countries that often lack sufficient technical knowledge or resources to maintain a safe environment. Agreements should include relieving the crushing burden of external debt held by some poor countries so that they can invest in the health and education of their people and can protect public health and the environment.

**Intellectual Property Rights.** Intellectual property rights provisions, especially with regard to pharmaceuticals and agriculture, can stimulate innovation, but also limit access. 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 society, especially the poor. Excessive extension of the protections afforded pharmaceuticals and agricultural products has negative consequences for the poor.

**Dispute Resolution Mechanisms.** We question the merits of requiring sovereign parties to international treaties to agree to binding international arbitration as the forum for dispute resolution. Such a path may lead to unfair advantages for commercial interests willing to exploit the rules of the arbitration system, and result in the weakening of environmental, labor, and human rights standards.

**Participation.** It is critical that people have a voice in decisions that touch their lives. Human dignity demands transparency and the right of people to participate in decisions that impact them.

**RESOURCES Statements and letters on Trade:** <http://www.usccb.org/issues-and-action/human-life-and-dignity/global-issues/trade/> **For more information:** *Christopher S. Ljungquist*: 202-541-3153(ph); 202-541-3339 (fax); CLJUNGQUIST@USCCB.ORG