



# International Trade and our Catholic Response

## What is the Issue?

International trade is the means by which goods, services, money and know how cross national borders through buying and selling according to certain rules and regulations. Trade can bring about good in our world, allowing the fruits of human labor to multiply and bring just rewards. An exchange between parties, if fair, can be of mutual benefit and increase human well-being, enabling people to support their families in dignity.

Yet too often trade fails to reduce poverty. When trade between parties takes place on unequal terms, the proper nature and goal of human activity and exchange are distorted. Such distorted activity can damage integral human development, create and expand inequities, and lead to violence, conflict and environmental destruction.

## Why Should People of Faith Care?

In the Church’s vision, economic life should be guided by a moral framework that respects the life and dignity of every person. The *Catechism of the Catholic Church* teaches: “The human being is the author, center and goal of all economic and social life. The decisive point of the social question is that goods created by God for everyone should in fact reach everyone in accordance with justice and with the help of charity” (no. 2459).

The United States Conference of Catholic Bishops (USCCB) focuses on global trade as a part of its teaching and advocacy on economic justice, and in particular on how trade policy impacts developing countries that are seeking to reduce poverty and increase their peoples’ income by selling their goods in the global marketplace.

The U.S. Catholic bishops have said: “The economy should serve people, not the other way around” (*Economic Justice For All*, 13). Trade should be a means to share the bounty of the earth and the fruits of human labor. It is frequently the case that existing inequalities between countries and within countries remain unchanged or even widen through increased trade, increasing the numbers of people living in poverty or further marginalized from a life of human dignity. The “preferential option for the

## How Does Trade Injustice Affect Real People?

Rasmata Sawadogo is a rice farmer in Burkina Faso. In developing countries like Burkina Faso, small farmers often teeter on the edge of survival, struggling to compete with much more efficient, highly subsidized, large-scale farmers in developed countries.



Photo by Lane Hartill/CRS

The recent global food crisis has exacerbated Rasmata’s bleak situation. Although the increased food prices allow farmers to sell rice at a higher price, the cost of fertilizer and other farming inputs has also increased. Because Burkina is landlocked, the country must import many of its goods. The high cost of trucking these goods from ports in Ivory Coast, Togo and Benin is passed on to people like Rasmata. There have been riots over the high cost of food and fuel. CRS has seen firsthand, through its many development programs, the damaging impact of the crisis on the poorest people. Families eat fewer meals, even skipping days, and children stop going to school to save on education fees to pay for food.

The situation of people like Rasmata is one reason why USCCB has urged preferential treatment for products from developing countries through trade preference programs. Such trade preferences can allow their goods to be more competitive on the global market and gives people like Rasmata an opportunity to support her family. Equipping Rasmata with better skills and equipment to increase her agricultural output goes hand in hand with allowing access to her products in U.S. and other developed-country markets.

## Trade Facts

- ⇒ Global trade is worth \$14 trillion.
- ⇒ International assistance is worth \$100,000 a minute; international trade is worth \$10 million a minute (100 times as much).
- ⇒ The World Bank estimates that if Africa increased exports by 1 per cent it would generate \$70 billion a year – compared with \$14.6 billion provided through international assistance and debt relief.
- ⇒ Rich countries generate 2/3 of world exports. Developing countries with almost four-fifths of the world's population generate 1/3.
- ⇒ Governmental financial support to agricultural producers in developed countries adds up to about \$280 billion per year (OECD estimates, 2006), about three times the level of 2006 global development assistance (World Bank, 2005).



Photo by Sean Sprague for CRS  
A young farmer in Ghana stands with his sickle.

poor flows from our understanding of Jesus himself,” as Pope Benedict has said, “who became poor himself so that we might be rich in him (cf. 2 Co. 8:9)” (Address at Aparecida, Brazil, May 13, 2007).

## What Response is Needed?

Rather than take a position for or against complex trade agreements, the USCCB has proposed a set of ethical criteria that should guide trade negotiations. Trade policy should be shaped so that it promotes “integral human development.” This means that every person should see his or her life develop in all its aspects, i.e. education, health, exercise of religion.

**USCCB** offers the following **moral framework**, against which trade agreements and trade policies should be judged:

**Livelihoods of farmers and food security.** Most of the world's poor live in rural areas and depend on farming for their livelihoods. Poor farmers are often not able to compete with much more efficient, highly subsidized farmers in developed countries. Trade policy must address the needs of small and medium-sized farms both in the U.S. and abroad in developing countries.

**Worker rights and environmental protection.** While certain labor and environmental provisions are included in new trade agreements, it is critical that they be demonstrably effective in leading to stronger protection of fundamental worker rights and the environment.

**Transparency and democratic participation.** Trade negotiations are classified as related to “national security” by the United States and are highly secretive. This process excludes participation of many communities directly impacted by trade agreements. Trade agreements should flow from broad consultation with those who will be affected, the outcome of which should be made available in publicly accessible forms.

**Intellectual Property.** Intellectual property, such as patents for new products, should be protected; but some intellectual property rights impair the right of poorer countries to exercise proper stewardship over their natural resources and may limit access of poor people to affordable generic medicines. Countries should have the right to get access to life-saving medicines at affordable prices.

**Poverty reduction and sustainable development.** Trade policies cannot be created in isolation from other international assistance, debt relief and development initiatives. Instead, trade must be integrated with measures to reduce poverty and improve education, health care, and democratic participation.