



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

Background on Trade January 2014

"[T]he goal of economics and politics is to serve humanity, beginning with the poorest and most vulnerable wherever they may be, even in their mothers' wombs. 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.

The global trade negotiations—called the “Doha Development Agenda” (DDA), or Doha Round—reached a partial agreement in December 2013 among the member nations of the World Trade Organization, but the final results of the Doha Round remain uncertain. The United States and other nations have turned to bilateral and regional trade agreements in the interim. The same concerns that existed at the beginning of the Doha Round (human rights, agriculture, labor rights, the environment, intellectual property, the role of multinational corporations, etc.) apply to these more contoured free trade agreements (FTAs). The Administration is currently making recommendations to Congress on the negotiation of the **Trans Pacific Partnership (TPP)**, as well as possible agreements with the European Union and other trading partners.

The President's Trade Promotion Authority (TPA) expired in June 2007. The President is seeking to renew this “fast track” authority in order to expedite the TPP and other trade negotiations.

Recent Bilateral Trade Agreements Currently In Force:

The **U.S.-Peru Free Trade Agreement** was ratified and came into force in 2009. It incorporated important and enforceable provisions into the trade agreement text, including labor and environmental protections, as well as relaxed intellectual property provisions to allow greater access to affordable medicines. It is the first agreement directly incorporating provisions that protect the environment and labor rights.

The Obama Administration successfully secured passage of similar **U.S.-Colombia** and **U.S.-Panama Free Trade Agreements**. The U.S.-Colombia trade agreement faced serious obstacles in Congress because of Colombia's past record on protecting human and labor rights. There were also concerns with rural displacement, the environment, and lack of access to patented medicines by the poor. Passage of the trade agreement was made possible because the President of Colombia, Juan Manuel Santos, made human rights a high priority, and new Colombian laws were adopted to protect human rights, labor and the property claims of indigenous peoples. The jury is still out on how much progress will be made. With respect to the Panamanian trade agreement, Panama bolstered its anti-money laundering and anti-trafficking efforts, convincing Congress to pass the trade agreement. Both agreements passed Congress in 2011.

USCCB POSITION

USCCB does not 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. In January 2014, Archbishop Thomas G. Wenski and Bishop Richard E. Pates of USCCB shared the following criteria with key Congressional leaders to guide consideration of trade policies:

USCCB Criteria on Trade:

Labor Protections. The Church teaches 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 bring about. 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.

Indigenous People. Catholic bishops throughout the world minister extensively among indigenous groups. Out of respect for their cultural heritage and in view of their economic development, we hope that the United States will give careful attention to requirements that commercial agreements honor the patrimony of these indigenous communities, and share equitably the benefits of any commerce with groups in which traditional knowledge and natural resources originated.

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 U.S. agricultural products that enjoy an advantage due to U.S. government policies. Any agreement should promote the agricultural sector of developing countries and protect those who live in rural areas.

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 poor countries and support development which increases self-reliance and broad participation in economic decision-making.

Intellectual Property Rights. We are also concerned about intellectual property rights provisions with regard to pharmaceuticals. 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 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 may result in the weakening of important 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: Visit <http://www.usccb.org/issues-and-action/human-life-and-dignity/global-issues/trade/index.cfm> and <http://www.usccb.org/issues-and-action/human-life-and-dignity/poverty/global/index.cfm> Contact: *Richard Coll*, USCCB Office of International Justice and Peace, 202-541-3153, rcoll@usccb.org