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Free Trade Agreements and Human Rights: A Christian Perspective on Globalization

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Human rights are fundamental to Catholic social teaching having as their foundation the dignity of the human person. Catholic teaching on human rights is stated most prominently and authoritatively in the very famous 1963 encyclical letter of Pope John XXIII, *Pacem in Terris* (Peace on Earth).

Pope John begins with a profound expose on the human person. He teaches: "God created man in His own image and likeness, endowed him with intelligence and freedom, and made him lord of creation....The Creator of the world imprinted in man's heart an order which his conscience reveals to him and enjoins him to obey: This shows that the obligations of the law are written in their hearts; their conscience utters its own testimony."

Pope John affirms the principle that "every human being is a person, that is, his nature is endowed with intelligence and free will. Indeed, precisely because he is a person he has rights and obligations flowing directly and simultaneously from his very nature. And these rights and obligations are universal and inviolable so they cannot in any way be surrendered". He then provides the theological foundation for human dignity: "If we look upon the dignity of the human person in the light of divinely revealed truth, we cannot help but esteem it far more highly; for men are redeemed by the blood of Jesus Christ, they are by grace the children and friends of God and heirs of eternal glory".

The rights of human persons flowing from their human dignity are then outlined by Pope John. He states: "Every man has the right to life, to bodily integrity, and the means which are suitable for the proper development of life; these are primarily food, clothing, shelter, rest, medical care, and the necessary social services. Therefore, a human person also has the right to security in cases of sickness, inability to work, widowhood, old age, unemployment, or in any other case in which he is deprived of the means of subsistence through no fault of his own".

With specific reference to economic rights, Pope John affirms that all persons have a right "not only to an opportunity to work but also to go about their work

without coercion". Human persons have the right "to demand working conditions in which physical health is not endangered, morals are safeguarded, and young people's normal development is not impaired."

He continues: "From the dignity of the human person, there also arises the right to carry on economic activities according to the degree of responsibility of which one is capable. Furthermore, the worker has a right to a wage determined according to criteria of justice, and sufficient, therefore, to give the worker and his family a standard of living in keeping with the dignity of the human person."

This Catholic teaching on human rights holds a significant place in the thinking of the United States Catholic Bishops. In their 1986 pastoral letter, *Economic Justice for All*, the bishops recall the systematic treatment of human rights by Pope John XXIII and how that teaching echoes the United Nations Universal Declaration of Human Rights noting how the internationally accepted human rights standards are endorsed by Catholic teaching. They then affirm the following: "These rights include the civil and political rights to freedom of speech, worship, and assembly. A number of human rights also concern human welfare and are of a specifically economic nature. First among these are the rights to life, food, clothing, shelter, rest, medical care, and basic education. These are indispensable to the protection of human dignity."

In *Economic Justice for All*, the U.S. Catholic bishops offer a visionary and prophetic moral value perspective on the global economy. They teach that "every economic decision and institution must be judged in light of whether it protects or undermines the dignity of the human person".

In articulating this Christian vision of economic life, the bishops also referred to the Second Vatican Council's seminal document, *Gaudium et Spes* (the *Pastoral Constitution on the Church in the Modern World*), and Pope John XXIII's encyclical, *Mater et Magistra*: "The dignity of the human person, realized in community with others, is the criterion against which all aspects of economic life must be measured".

With this vision and moral conviction, the U.S. bishops, at the very outset of their pastoral letter, stated flatly: "Every perspective on economic life that is human, moral, and Christian must be shaped by three questions: What does the economy do *for* people? What does the economy do *to* people? And how do people *participate* in it?"

In nearly two decades since its promulgation, the moral insight and wisdom of the Catholic bishop's economic analysis and ethical evaluation have not been well heeded by the market players from government and business alike. In direct contrast to Catholic teaching on human dignity and human rights, from the Americas to Asia and around the world, the gap between rich and poor has escalated steadily. Women and children continue to be exploited. Rainforests

disappear. Fish stocks are depleted. Natural resources are ravaged. Environmental pollution abounds. And, the dignity of God's people is defamed on every side.

Constituent to globalization are the so-called "free trade" agreements. "If allowed to take root, [the proposed Free Trade Areas of the Americas (FTAA) agreement] threatens to make more extreme the poverty, injustices, and inequalities that we suffer in our countryside and our cities, and to subordinate our nations once and for all to the interests of the U.S. corporations". So reads in part the *Final Declaration* of a recent five-day international hemispheric conference on free trade.

Significantly, that conference's participants numbered 1,230 from 35 countries in North, Central, and Latin America. They included not only scholars in theology, economics, political science, engineering, and other professions, but also politicians, environmentalists, labor leaders, elected officials, Church workers, health workers, and others. Most important were representatives from the working classes and the poor themselves including the working poor, indigenous peoples, farm workers, factory workers, the underemployed, and the jobless. Their multitude of personal stories and individual testimonies provided firsthand witness to the daily lived experience of millions. The subsequent socio-political and economic analysis and moral evaluation produced a very important critical assessment of the proposed FTAA.

One of the strongest criticisms of the proposed FTAA is that it has been constructed without the participation of the people who will be most affected by it. It was written by corporate attorneys without public knowledge or input. Like the ten-year old North America Free Trade Agreement (NAFTA), the proposed FTAA clearly favors corporate profits above and beyond the social needs and human rights of citizens and irrespective of a sustainable environment.

As Nobel laureate and former World Bank Vice President Joseph Stiglitz recently warned: "Economic policy is today perhaps the most important part of America's interactions with the rest of the world. And yet the culture of international economic policy in the world's most powerful democracy is not democratic."

The free trade agreements also transcend democratic legislation. The less than analytical U.S. media typically confines the debate over free trade to the sole issue of tariff reduction. Officially the free trade goal is "to lower tariff and non-tariff barriers to trade and investment". Thus, local laws that protect the quality of water, require just wages for employees, give preference to wood harvested in an environmentally sustainable way, or protect domestic jobs, can be judged as "state interference", and can be struck down as a non-tariff barrier.

NAFTA's Chapter 11 section on investment specifically accords private investors and corporations the right to challenge environmental, worker safety, and health

regulations. In short, “free trade” means freedom from any democratically established laws that do not maximize the profit of international corporations.

Free trade policy and practices facilitate the privatization and deregulation of energy, health care, education, and water supply. These services will no longer be seen as the necessities to which every human person has a right. Rather, they become commodities to be traded for profit. Society’s poor and marginalized are often forced to go without life’s necessities. Thus, free trade agreements undermine the ability of governments to fulfill their responsibility to ensure basic services to all their people.

Free trade agreements like NAFTA not only cost U.S. jobs, but also do not provide good employment opportunities in developing nations. The U.S. Department of Labor certified that by the end of 2002, a total of 525,094 workers lost their jobs as a result of NAFTA. Other studies put the figure as high as 3,000,000. While Mexican unemployment rates may have dropped, for example, poverty has increased and minimum wages fell 25%. Thus, while free trade may be good for profits, it is bad for workers. As an AFL-CIO report concluded: “Globalization has spawned a race to the bottom for workers in both developed and developing nations alike”.

Free trade impacts almost all sectors of society including workers, small farmers, small business owners, environmentalists, women’s organizations, unions, indigenous rights groups, members of religious communities, international solidarity groups, government employees, and many others. Yet, the free trade emphasis on market supremacy meets the needs of only a select few. Instead, free trade ought to balance the needs of business, communities, and democratic governance.

A further criticism of NAFTA as representative of free trade agreements concerns the investor-state suit provisions. They are nothing short of a blatant departure from both domestic and international legal norms. First, they provide corporations with the right to directly enforce an international treaty to which they are neither parties nor under which they have any obligations. Second, they allow private industry to oppose long standing U.S. laws that have nothing to do with commercial contracts and everything to do with public policy. And third, they create substantive legal rights concerning expropriation and national treatment that go far beyond those available to local citizens and small businesses.

Trade and investment agreements, as part of globalization, are crucial to both developed and developing nations, with the potential to benefit both business and people alike. Trade agreements must meet everyone’s needs and respect everyone’s human rights. Unfortunately, current trade agreements emphasize market supremacy over and above the needs of the greater community. What is needed are trade agreements that respect human rights, that seek to alleviate poverty by educating the poor, that offer opportunities for living wage jobs, and

that make long term social development a top priority. Trade agreements must also protect the environment and offer incentives to innovative businesses seeking new, eco-friendly methods of production.

Pope John Paul II, together with so many religious, economic, political, and academic leaders have continued to provide critical analysis and moral assessment of the economic impact of globalization. The singular popular response heard from almost all sectors is this: "So, what's the alternative?"

The basis for a realistic alternative to the proposed FTAA is found both in sacred scripture and in contemporary Catholic social thought. In particular, as already noted, the U.S. Catholic bishops, fully in concert with a human rights consciousness, teach that "every economic decision and institution must be judged in light of whether it protects or undermines the dignity of the human person." In short, "the dignity of the human person...is the criterion against which all aspects of economic life must be measured."

Today, an alternative to the FTAA does exist. It was developed by the Hemispheric Social Alliance (HSA) in response to the proposed FTAA. The HSA is a coalition of labor unions, environmentalists, family farmers, economists, scholars, and other coalitions representing more than one hundred organizations throughout North, Central, and Latin America. It was created in 1999 to facilitate information exchange and joint strategies and action towards building an alternative democratic model of development in the face of the currently proposed international trade agreements within overall economic globalization.

The Alternatives for the Americas is a document of the HSA guidelines that would make the economic integration process of hemispheric globalization more inclusive, democratic, environmentally and culturally sustainable, and equitable.

Fully consistent with Catholic social teaching on human rights, the plan proposes economic development based on democratic citizen participation, local control over resources, and the reduction of economic and social inequalities. It proposes a more responsible proactive role for the state and increased regulation of the economy both nationally and internationally in the pursuit of social justice, public services, and public security.

With the economic purpose to achieve a just and sustainable development, the *Alternatives* proposal affirms that trade and investment should not become ends in themselves, but rather the instruments (means) to promote economic justice for all. The *Alternatives* delineates in detail three main guiding principles: democratic participation, the role of the state, and the reduction of inequalities.

The *Alternatives* document affirms that local communities affected by economic policies should be involved in drafting, approving, and monitoring those policies.

These include creating a national development program, free trade policies, development projects, mining, biodiversity, and so forth. Policy development should be a widely participatory process utilizing broad-based consultation. Local community rights to veto or reject a project must be respected and honored.

The document further affirms that the sovereignty of states should be preserved by any trade agreement such that states can exercise authority to maintain citizen well being. Such responsibility would include: to ensure that social needs supercede corporate interests, especially regarding education, housing, and health care; to control investment hazards to workers, the environment, and the national development plan; to promote just and sustainable development; to ensure that the export market not sacrifice the domestic market; to evaluate and define rules and regulations of free trade agreements within frameworks of national development plans; and, to protect natural resources including small family farms.

Finally, in order to reduce social and economic inequalities, the following alternatives are proposed: promote improved standardization of rights and laws, including the use of insecticides, emissions and transfers of pollutants, and labor standards; institute a tax on revenues from international financial transactions to endow investment in education, health, and job training; forgive foreign debt; promote aid to developing countries; compensate women and various racial and ethnic groups previously exploited; recognize indigenous rights to land and resources.

In accord with Catholic social teaching on human rights and the economy, the proposed alternatives to the FTAA also include directives on the following categories: human rights in general, and including labor, investment, agriculture, gender, environmental protection, and immigration.

All human rights should be promoted by economic integration. These rights constitute civil, political, economic, social, cultural, and environmental rights including rights specific to women, children, and indigenous peoples.

Labor issues should be included in trade agreements. Basic workers rights should be guaranteed, ensuring adequate social assistance to those negatively impacted by globalization. Labor standards and living standards should be improved.

Investment should be productive rather than speculative, transfer appropriate technology, and should create high quality employment. Governments should have the right to curtail investments that do not further development or are detrimental to human labor and environmental rights.

Agriculture should have high priority in trade agreements. To ensure food security, nations should have the right to protect or exclude various food stuffs. Property rights need to be respected. Small-scale farming needs special protection regarding land conservation, appropriate technology (including biotechnology), agricultural research, credit, and subsidies. And, trade agreements must improve the standardization of financial assistance for agriculture.

Women from all levels of society should be included and engaged in trade debates and negotiations. Trade agreements should ensure that women have equal access to needed resources such as credit, technological training, and land. Likewise, laws and policies should provide assistance to promote education, technological training, and skills development for women.

Environmental protections should be prioritized over corporate interests. Trade agreements should recognize government rights to direct investment towards environmentally sustainable activities, prohibit the privatization of natural resources, and eliminate policies that subsidize fossil fuel energy.

Finally, all trade negotiations should address immigration issues. Governments should grant amnesty to undocumented workers, demilitarize border zones, and support international subsidies for regions and countries that are major exporters of labor.

In conclusion, the challenge is not insurmountable. The change of priorities requires a change of heart. And a change of heart brings a change of mind. When the world's economic leaders are converted to see every man, woman, and child as brothers and sisters, then the genius of our human history, the moral values of human rights, and the insight of our ethical wisdom will guide our transformation from an economy of the few to an economy of the many. It is then that we will have begun to build the road to an economic justice for all.

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