

TRADING IN JUSTICE:

THE LOCAL IMPACT OF GLOBAL ECONOMIC DECISIONS

MARYKNOLL LEADERSHIP STATEMENT ON TRADE AND INVESTMENT

As Catholic missionaries – priests, brothers, sisters and lay people – who live and work in some of the world’s most impoverished communities, we feel compelled to speak a word in the current debate about international trade and investment. We speak as people of faith who have watched with care the impact of economic policy decisions on the people and the natural environment in the local communities where we live and work. We are committed to upholding the right of all people to meet basic needs and to live in dignity and harmony with the rest of creation.

We acknowledge that a process of globalization is well underway. We also acknowledge that there are positive elements to this phenomenon. However, we are profoundly skeptical that many benefits of this globalization will accrue to the poor without significant transformation of the assumptions, goals and process of globalization. In fact, global rules for trade are now being codified that may well intensify the disadvantage of already impoverished peoples.

Maryknoll missionaries are present in the slums and barrios of growing urban centers, in rural villages, in refugee camps, in indigenous communities - in dynamic places where people work hard for a life of dignity and often balance on the edge of survival. Many of the people we serve live beyond the reach of macroeconomic measurements, earning their sustenance outside the formal economy. Often they are not represented by organized labor or by non-governmental organizations. In many areas, there is a remarkable level of local organization that strengthens the capacity of people and communities to survive and to hold on to values and customs important to their identity, but this knowledge and experience has little entree into the political or economic decision-making process.

Time after time we have witnessed the disastrous impact on these communities of

decisions made in distant or disconnected places. We see this happening once again as people in increasingly centralized positions of power negotiate trade agreements that place profit and growth before human and environmental well-being.

By our faith we are committed to protecting the dignity of each human life and enhancing the integrity of creation. In our reflections on jubilee we have renewed our determination to help make right the unjust relationships between human beings, societies and the rest of creation. Common sense tells us that violence to peoples and the environment eventually affects us all.

Catholic social teaching, and struggles throughout the history of humankind, remind us that people have the right to participate in the important decisions that affect their lives; that all people have the right to dignified work, to participate in the act of creation; that human labor takes precedence over capital; that workers have a right to a living wage; that people have a right to culture; that family and community life must be supported and promoted; that the fruits of the earth are to be used with care for the benefit of all.

By these values and our experience we are led to raise the following questions and express the following concerns:

- **Costs of trade:** Rather than experiencing real benefits from trade liberalization and intense promotion of international trade, the most impoverished people with whom we live and work and the environment are bearing the burden of the process. In many countries we have seen good laws meant to protect the worker and the environment weakened or ignored. We have seen whole sectors of the economy in which poor people were participating, such as small scale and subsistence farming and small, locally owned businesses, destroyed.

The importing of highly subsidized agricultural products, especially from the U.S., has destroyed smaller farms in many countries. Entire cultures are transformed over night because they cannot compete with products dumped into their markets at such a rapid rate. The Mayan people in southern Mexico, for example, have always identified themselves as “people of corn;” their mythology declares that humans were made of corn and this fact fostered the strong link between growing and eating corn as a way of life. Now many traditional Mayan corn farmers have been forced to leave their land.

Meaningful work that connected people to the earth and to the community has been replaced most often by assembly plant jobs that undercut family and community life, are dehumanizing, and do not pay the workers a living wage. All workers, both organized labor and the informal sector, seem to be in a “race for the bottom” as highly mobile corporations pursue the cheapest labor sources in every corner of the world. Job loss is common as local products are undersold by imported goods. In many places real value of wages has decreased while productivity has increased. Millions of people now work in the informal sector without regular income or benefits.

Increasingly around the world women are the heads of households and the sole wage earner in families. They make up the bulk of unskilled labor and often have the added responsibility of caring for the family. Often, young girls leave their farm homes to work to send back money to support the family. Because of their tremendous responsibilities, women often do not have leisure time to pursue training to increase their levels of education and skill. Thus they swell the ranks of a non-union work force that will take the most undesirable jobs where human rights, safety standards and health conditions are often ignored. Women also make up the bulk of unpaid (child rearing, care for the sick, housekeeping) and informal-sector labor. In Africa women represent about 70 percent of the subsistence farmers – who are not paid for their work.

Investment intended to build sustainable local communities, whether rural or urban, in order to create opportunities for work, in contrast to speculative investment, is essential to protect the dignity of the people who live there.

- **Culture, traditions, languages:** The pace of globalization, driven by the relentless pursuit of new markets, is creating an abrasive interface between the cultures, traditions and languages of wealthy and powerful societies and those with less capacity to project themselves beyond a local or regional context. The potential loss of identity and vision, as traditional languages, values and practices are devalued or lost, is a tragedy of immense consequence for the whole human family. The world must create space and support efforts of local communities to honor and preserve their own identities.

- **Integrity of creation:** The environment is also threatened by trade agreements that see environmental protection laws as trade barriers or promote unsustainable development such as highly industrialized, mono-crop farming of cash crops for export. This type of farming is usually wrought with environmental consequences as the small farmer’s intimate connection to the land is lost and with it a theology of care for creation and knowledge of the most locally-appropriate and sustainable farming practices. In the Philippines an integrated economy that enabled people to live has been replaced by banana exports where people work on land that they do not own earning not enough money to live a dignified life as before. Deforestation and clear cutting for profit or to make way for large single crop fields also threaten the loss of animal habitats, desertification in once-fertile areas, and the intensification of damage from natural disasters.

- **Intellectual property rights:** Catholic tradition supports the right to private property, but conditions that right on the common good. We believe there is a social mortgage on intellectual property as there is on physical property. The right of indigenous peoples, for example, to traditional knowledge cannot be subordinated to the rights of individuals or corporations to make a profit. The right of the private sector to benefit from patented products or business investments must be subordinated to the right of all people to access the basic necessities of life, including food, health care and essential medicine, shelter and basic education.

For generations subsistence farmers have developed their own varieties of seeds picking the strongest, most flavorful, pest resilient

varieties. They never sought patents on these, but kept them within the community as the shared common wealth, or passed down the knowledge to their children in rich oral or folkloric traditions. The WTO developed laws to protect intellectual property on inventions to ensure that inventors of technological, medical and artistic advances could be ensured 20 years of exclusive marketing rights -- so that they could have enough profit to provide incentives for further research. Such laws are now being used to steal this traditional communal knowledge from indigenous populations, who do not often have the resources or access to get patents, nor the motivation in societies where such knowledge is traditionally shared.

Trade Related Intellectual Property Rights (TRIPS) agreements have also been a stumbling block to providing life-saving drugs to people suffering with diseases including HIV/AIDS in epidemic proportions around the globe. The World Health Organization revised drug strategy declares that public health should be paramount in trade disputes. Compulsory licensing should enable the production of cheaper generic drugs, making pharmaceuticals more accessible to poor people, but drug companies argue that this practice, legal under current world trade law, could undercut their profits.

- **Terms of trade:** The valuing of goods and services for trade is also seriously prejudiced against the poorest countries, who often depend on raw materials, basic agricultural products, and human labor for their export earnings. The free market alone cannot be assumed to assign just value to these products. Powerful nations protect their own markets and subsidize products while forcing more vulnerable countries to eliminate market protections and subsidies for domestic products.

- **Process and participation:** Most important decisions about trade and investment are being made by powerful nations, institutions, corporations and individuals to benefit a minority of the global population. Poor nations and organizations of impoverished people are regularly excluded from a meaningful role in these decisions. People negatively impacted by

private sector activities have almost no way to hold corporations accountable. Some institutions, such as the World Bank and the International Monetary Fund (IMF), are structurally exclusive, giving strong preference to the most powerful and wealthiest countries. Other instruments, such as the World Trade Organization (WTO), claim to be more inclusive, but key decisions are often made behind closed doors by a select and elite minority. The few institutions, such as the International Labor organization (ILO), that bring different voices and perspectives to the table still do not hear the voices of the most impoverished, often unrepresented, communities on a regular basis. Yet these communities will most immediately feel the impact of decisions made in all of these places. A serious debate about transparency and justice in process and participation in decision-making is essential.

- **Toward just and sustainable alternatives:** These reflections and questions will guide our ongoing engagement in the growing debate about the way the global economy is organized. They emerge from the experience of Maryknoll missionaries and are shaped by a faith tradition that calls us to the side of those who are most impoverished and to support the integrity of creation. In country after country around the world we have witnessed the development of alternatives for social and economic organization that are more respectful of the local reality, more attentive to the real needs of local communities, both urban and rural, and often more environmentally sustainable. Yet these proposals are often discounted as irrelevant, impractical or inappropriate in the context of an integrated global marketplace. The wisdom gleaned from grassroots experiences of survival must be honored. The real needs of impoverished nations, peoples and their environment must be considered in a serious review of the most fundamental rules of trade.

We believe that this broken world, so sharply divided between rich and poor, will be a better place if we listen with care to voices from the margins now much too infrequently heard and almost never heeded. We commit ourselves to this task and call the powerful decision-makers to do the same.

March 2002

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