



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

**Background on Trade**  
**May 2008**

*Trade conditions favorable to poor countries, including, above all, broad and unconditional access to markets, should be made available and guaranteed in lasting and reliable ways.*

-- Pope Benedict XVI, December 2006

## **BACKGROUND**

Global trade talks and negotiations take place among the 150 member countries of the World Trade Organization (WTO). The current series of trade negotiations are called the Doha Development Agenda (DDA) and were due to conclude by the end of 2006. Talks have started and stopped for over two years with periodic bouts of enthusiasm. President Bush wants to complete the Round by the end of his term but few commentators believe an agreement is likely. There have been some efforts to reach an agreement by the end of 2008.

To complicate U.S. efforts, the President's Trade Promotion Authority (TPA) expired in June 2007. TPA allowed the President to negotiate trade agreements without having them altered by Congress. Congressional leaders have stated their intention to use a possible renewal of TPA to reshape TPA to increase the involvement of Congress during trade negotiations. Some commentators are speculating that the Doha Round may not conclude until 2010, if at all.

### **Bilateral trade agreements**

In addition to global trade talks, the U.S. has continued its efforts to negotiate *bilateral trade agreements*. Negotiations between the U.S. and two Andean countries, Colombia and Peru, have been completed. The U.S.-Peru agreement has passed Congress and been signed into law. The U.S.-Peru agreement incorporated important and enforceable provisions into the trade agreement text, including labor and environmental protections as well as relaxing intellectual property provisions previously negotiated to allow greater access to affordable medicines. The Administration has made passage of a similar agreement with Colombia one of its top remaining legislative priorities. In April 2008, the Administration sent the Colombia FTA to Congress for consideration without prior agreement from Congressional leadership. This prompted Congress to vote on a rule-change that would remove the 90-day time-limit for Congressional consideration once the President has formally submitted the trade agreement to Congress. This action means that Congress is not bound by any time limit in its consideration of the Colombia FTA. The U.S.-Colombia agreement faces serious obstacles in the U.S. Congress because of Colombia's poor record in protecting labor leaders. The U.S. also hopes to ratify similar agreements with Panama and South Korea.

### **Trade Preferences**

USCCB remains very engaged in seeking improvements to the new trade preference program for Haiti. Coming into force in March 2007, the new program has been responsible for recreating lost jobs, up to 4,000 in the first few months. Still more needs to be done to ensure that Haitians can benefit from these new economic opportunities. Building on the experience of Haitian manufacturers who have increased production and employment over the past year, existing trade preferences could be modified to facilitate further use of this important means of promoting economic growth. See the Haiti Backgrounder for more information.

3211 Fourth St., NE, Washington, DC 20017. Tel: (202)541-3160 Fax: (202)541-3339

In 2008, Congress has committed itself to a reexamination of its various trade preference programs to ensure that they are working to promote development in poor countries. These include the Generalized System of Preferences (GSP) and the Caribbean Basin Initiative (CBI), two programs that are due to expire in 2008. Originally designed to offer preferential access to the U.S. market for goods from very poor countries, these preferences have come to focus on just a few commodities e.g. oil, that have not contributed to broad-based growth in those countries.

## **USCCB POSITION**

For over a decade, USCCB has addressed aspects of international trade. Rather than take a position for or against complex trade agreements, the Conference has proposed a set of ethical criteria that should guide trade negotiations. In July 2004 these criteria were applied to the U.S.-CAFTA agreement in the Bishops' Joint Declaration and in November 2005 they were applied to the U.S.-Peru Free Trade Agreement.

In November 2003, the U.S. Catholic Bishops issued the statement, *For I Was Hungry and You Gave Me Food: Catholic Reflections on Food, Farmers and Farmworkers*. This statement articulates the Conference's specific policy on trade, particularly as it applies to agriculture. It can be found at this website: [www.usccb.org/bishops/agricultural.htm](http://www.usccb.org/bishops/agricultural.htm).

## **USCCB PRIORITIES**

### **Domestic Farm Policy**

- The U.S. should target agricultural supports to small and moderate income farmers and to programs that promote sustainable agricultural practices and rural development. (See Farm Bill Backgrounder.)

### **International Trade Policy—Subsidies, Tariffs and Quotas, and Differential Treatment**

- Richer countries should reduce the subsidies, tariffs and quotas that severely constrict poorer countries in their ability to sustain their own agriculture.
- Developing countries should be given some flexibility (technically referred to as “special and differential treatment”) in using appropriate subsidies, tariffs, quotas and other support measures to make sure they have sufficient food supplies, enhance rural incomes and promote rural development.

### **Having a Voice**

- Trade documents should be made available during the process of negotiation for review and public comment.
- Major elements of civil society, including groups representing the poor, business, labor and religious communities, should have greater access to participation in the negotiation process.
- Richer countries should provide technical assistance to help poorer countries be able to participate more fully in trade negotiations.

### **Labor and Environment**

- Trade agreements should treat labor and environmental concerns as integral to trade agreements and not as peripheral matters.
- Trade agreements should lead to economic and social improvements at home and abroad, particularly for poor and vulnerable workers and their families; this can be accomplished by adopting internationally agreed upon labor standards.
- Trade agreements should foster the right to organize and bargain collectively.
- Trade agreements should encourage and not undermine the ability of poor countries to promote environmental protection and sustainable agricultural practices.

### **Migration**

- The impact of trade on migration should be concretely addressed when trade measures are considered.

**For more information:** Visit these websites: [www.usccb.org/sdwp/international/globaltrade.shtml](http://www.usccb.org/sdwp/international/globaltrade.shtml) and [www.usccb.org/globalpoverty.shtml](http://www.usccb.org/globalpoverty.shtml) or contact Fr. Andrew Small, OMI, United States Conference of Catholic Bishops, at (202) 541-3153 (phone); 202-541-3339 (fax), or [asmall@usccb.org](mailto:asmall@usccb.org).

**3211 Fourth St., NE. Washington, DC 20017. Tel: (202)541-3160 Fax: (202)541-3339**