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BRIDGING THE GAP: A CATHOLIC PERSPECTIVE ON GLOBAL TRADE AS A TOOL OF DEVELOPMENT

ADAM K. BUTMAN*

INTRODUCTION

Globalization—the trend toward a unified, worldwide economy—provides a chance for broad-based, equitable development in the poorest countries. The emerging global market could be a place where developing states export goods in which they have a comparative advantage in exchange for a fair profit that can be invested in the world's poorest and most vulnerable people. But rich countries¹ often stack the terms of international trade unfairly against developing states and warp globalization from a potential blessing into a curse on developing countries. Through an array of high tariffs, export subsidies, and trade regulations, rich nations effectively deny developing countries access to the global market and undercut the ability of poor people to become global entrepreneurs.

Contending that extreme poverty presents “the one issue that most challenges our human and Christian consciences,”² Pope John Paul II offered ethical guidance to both the World Trade Organization (WTO) and the rich states that often dictate the terms of international trade. For those who believe that poverty, trade, and globalization pose moral as well as economic problems, the late pontiff's social teaching on development provides a framework for reorienting trade around the service of humanity, especially in the fight against extreme poverty.

This note considers John Paul's social teaching on international trade as a tool of human development. Part I analyzes how

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1. Unless otherwise indicated, the term “rich countries” throughout this note refers to the most powerful members of the World Trade Organization. Known as the “Quadrilateral” or simply the “Quad,” the group consists of Canada, the European Union, Japan, and the United States.

2. Pope John Paul II, World Day of Peace Message, para. 14 (Jan. 1, 2000) [hereinafter 2000 World Day of Peace Message].

globalization affects the developing world and why a moral theology of trade is needed in an area normally reserved to economists. Part II examines the pope's moral theology of development. Three principles—the priority of the person, the globalization of solidarity, and subsidiarity in support of economic freedom—provide John Paul's framework for analyzing the ethical implications of global trade patterns. Part III then considers the policy proposals of John Paul and high-ranking Vatican officials for reorienting the global trade system around people, solidarity, and freedom. This note concludes that international trade guided by John Paul's social teaching could be an effective tool for human development.

I. TRADE AND THE DEVELOPING WORLD

A. *Global Trade and Extreme Poverty*

In the modern world, globalization helps keep most people out of extreme poverty. It is easy to forget that at one point most people in most countries lived short lives at the subsistence level. Famine, disease, oppression, and war created a world with little time for industry, science, or trade. As a result, life for most was, as Thomas Hobbes famously described, "solitary, poor, nasty, brutish, and short."³

In the mid-1700s, hope for widespread economic well-being emerged. As economist Dr. Jeffrey Sachs, Director of Columbia University's Earth Institute, notes:

Humanity's sad plight started to change with the Industrial Revolution. . . . New scientific insights and technological innovations enabled a growing proportion of the global population to break free of extreme poverty. Two and a half centuries later more than five billion of the world's 6.5 billion people can reliably meet their basic living needs and thus can be said to have escaped from the precarious conditions that once governed everyday life.⁴

The fact that the majority of the world's population escaped the harshest forms of poverty in a relatively short period of time in human history should be recognized as nothing short of astonishing.

While progress lifted vast numbers of people out of extreme poverty, the global economic system seems to have been built

3. THOMAS HOBBS, *LEVIATHAN* 186 (C.B. Macpherson ed., Penguin Books 1986) (1651).

4. Jeffrey D. Sachs, *Can Extreme Poverty Be Eliminated?*, *SCI. AM.*, Sept. 2005, at 56.

above the heads—and possibly on the backs—of the approximately 1.1 billion people who are utterly destitute in the world today.⁵ These people subsist on \$1 a day or less and cannot consistently meet their medical, dietary, educational, or housing needs.⁶ For his part, John Paul contrasted the living situation of the rich, developed world with those still in the grip of extreme poverty:

Looking at all the various sectors—the production and distribution of foodstuffs, hygiene, health and housing, availability of drinking water, working conditions (especially for women), life expectancy and other economic and social indicators—the general picture is a disappointing one, both considered in itself and in relation to the corresponding data of the more developed countries. The word “gap” returns spontaneously to mind.⁷

One cannot survey the world without noticing both the opulence of countries fully plugged into the global economic system and the unmet human need that persists in states left behind by globalization.

The great gap between the developed and developing worlds leads some to conclude that poor people cannot trust market mechanisms such as global trade to lift them out of poverty.⁸ But globalization cannot necessarily be blamed for the persistent, extreme poverty in the world today. As Dr. Sachs comments,

Economic globalization is supporting very rapid advances of many impoverished economies, notably in Asia. International trade and foreign investment inflows provide major factors in China’s remarkable economic growth during the past quarter century and in India’s fast economic growth since the early 1990s. The poorest of the poor, notably in sub-Saharan Africa, are not held back by globalization; they are largely bypassed by it.⁹

In other words, many poor states remain poor because they are not properly plugged into the world market. Indeed, an empirical study by the independent Brookings Institution found that the primary reason why poor countries fail to catch up economi-

5. *Id.*

6. *Id.*

7. POPE JOHN PAUL II, SOLLICITUDO REI SOCIALIS: ON SOCIAL CONCERN, para. 14 (1987) [hereinafter SOLLICITUDO REI SOCIALIS].

8. See generally JOSEPH E. STIGLITZ, GLOBALIZATION AND ITS DISCONTENTS (W.W. Norton 2002).

9. Sachs, *supra* note 4, at 60.

cally with the developed world is closed markets to international trade.¹⁰

International trade promises to be a useful tool to integrate poor countries into the global economy. While some dissent, most economists agree that trade creates new wealth, affords access to large markets, spreads new ideas, furthers the development of technology, lowers prices for consumers, and benefits poor entrepreneurs.¹¹ As explained by the dominant neoclassical economic paradigm, "trade promotes growth through a myriad [of] channels: increased specialization, efficient resource allocation according to comparative advantage, diffusion of international knowledge through trade, and heightened domestic competition as a result of international competition."¹²

While no economic model perfectly predicts real world phenomena, international trade may hold the potential to meet human need and alleviate extreme poverty. Hence, the key issue for those concerned about extreme poverty is how best to integrate the developing world into the global marketplace. Globalization itself probably cannot be reversed (nor would it be desirable to do so). However, the mechanisms of globalization can be adapted to support a more equitable, broad-based prosperity.

Of course, trade alone cannot eliminate extreme poverty. To fully take their place in the global economy, poor people in developing countries need transparent government, infrastructure such as roads and public utilities, basic healthcare, primary education, job-market skills, technological innovation, and the protection of a social safety net. Nonetheless, trade liberalization in poor economies is "the sine qua non of the overall reform process"¹³ and it earned the thoughtful consideration of Pope John Paul II.

B. *The Ethical Implications of Globalization*

John Paul recognized globalization as the defining economic trend of his time. He described this economic integration as "a process made inevitable by increasing communication between the different parts of the world, leading in practice to overcoming distances, with evident effects in widely different

10. Anders Aslund et al., *Economic Reform and the Process of Global Integration*, BROOKINGS PAPERS ON ECONOMIC ACTIVITY (1995), at 3.

11. OXFAM INTERNATIONAL, *RIGGED RULES AND DOUBLE STANDARDS: TRADE, GLOBALISATION, AND THE FIGHT AGAINST POVERTY* 61–62 (2003).

12. Aslund et al., *supra* note 10, at 3.

13. *Id.* at 2.

fields.”¹⁴ John Paul further recognized that globalization “brings some positive consequences, such as efficiency and increased production which, with the development of economic links between the different countries, can help to bring greater unity among peoples and make possible a better service to the human family.”¹⁵

While John Paul never denied the positive values and great promise of globalization, he expressed considerable concern over its negative aspects, especially its neglect of some human needs in developing countries.¹⁶ To him, poverty posed not only an economic issue but also a deep moral problem. As the late pontiff said, “[W]e can no longer tolerate a world in which there live side by side the immensely rich and the miserably poor, the have-nots deprived even of essentials and people who thoughtlessly waste what others so desperately need.”¹⁷ Extreme poverty in the developing world challenged John Paul’s conscience and led him to urge all persons of faith and good will to stand in solidarity with the poor and to critique global economic structures that left a significant number of people behind.¹⁸

Although he rejected the view that globalization was a zero-sum game in which the winners profit at the expense of the losers, the pope still considered the gap between rich states and the developing world to be a profound moral challenge. As *Centesimus Annus* explains:

The fact is that many people, perhaps the majority today, do not have the means which would enable them to take their place in an effective and humanly dignified way within a productive system in which work is truly central. . . . Thus, if not actually exploited, they are to a great extent marginalized: economic development takes place over their heads, so to speak, when it does not actually reduce the already narrow scope of their old subsistence economies.¹⁹

To John Paul, this economic gap exposed the lack of a global sense of solidarity and created the potential for economic and

14. POPE JOHN PAUL II, *ECCLESIA IN AMERICA: THE CHURCH IN AMERICA* para. 20 (1999) [hereinafter *ECCLESIA IN AMERICA*].

15. *Id.*

16. *Id.*

17. Pope John Paul II, World Day of Peace Message, para. 4 (Jan. 1, 1998).

18. 2000 World Day of Peace Message, *supra* note 2.

19. POPE JOHN PAUL II, *CENTESIMUS ANNUS: THE HUNDREDTH YEAR [OF THE ANNIVERSARY OF RERUM NOVARUM]* para. 33 (1991) [hereinafter *CENTESIMUS ANNUS*].

cultural imperialism by rich states.²⁰ The extreme poverty of literally billions of people called for a moral recalibration of globalization.

C. *Why Economics Needs Catholic Social Teaching*

The reality of people left behind by globalization led John Paul to critique economic mechanisms that only accentuated the situation of the rich while doing little or nothing for the poor left behind.²¹ Believing such mechanisms needed to be subjected to a moral analysis, the pope proposed using Catholic social teaching as a means to reorient globalization around ethical and human rights norms.

Through its social teaching, the Catholic Church provides a moral framework for analyzing economic mechanisms such as trade. However, John Paul emphasized that the church's social teaching was to be understood as moral theology, not as a detailed economic program for development:

The Church has no models to present; models that are real and truly effective can only arise within the framework of different historical situations, through the efforts of all those who responsibly confront concrete problems in all their social, economic, political and cultural aspects, as these interact with one another. For such a task the Church offers her social teaching as an indispensable and ideal orientation, a teaching which . . . recognizes the positive value of the market and of enterprise, but which at the same time points out that these must be oriented toward the common good.²²

Because different cultures and different historical experiences produce different economic systems, John Paul denied that there is necessarily a single workable economic model.²³ The work of Catholic social teaching is to provide a moral orientation for a range of economic models, not to prescribe a particular economic model itself.

20. ECCLESIA IN AMERICA, *supra* note 14, at para. 55.

21. SOLLICITUDO REI SOCIALIS, *supra* note 7, at para. 16.

22. CENTESIMUS ANNUS, *supra* note 19, at para. 43 (internal citation omitted).

23. Pope John Paul II, Address to the Fiftieth General Assembly of the United Nations Organization, para. 3 (Oct. 5, 1994), available at http://www.vatican.va/holy_father/john_paul_ii/speeches/1995/october/documents/hf_jp-ii_spe_05101995_address-to-uno_en.html.

John Paul further underscored that the church's teaching was neither an endorsement nor a compromise of the dominant economic ideologies of his time:

The Church's social doctrine is not a "third way" between liberal capitalism and Marxist collectivism, nor even a possible alternative to other solutions less radically opposed to one another, rather it constitutes a category of its own. Nor is it an ideology, but rather the accurate formulation of the results of a careful reflection on the complex realities of human existence, in society and in the international order, in the light of faith and of the Church's tradition. Its main aim is to interpret these realities, determining their conformity with or divergence from the lines of the Gospel teaching on man and his vocation, a vocation that is at once earthly and transcendent; its aim is thus to guide Christian behavior. *It therefore belongs to the field, not of ideology, but of theology and particularly of moral theology.*²⁴

Since the church's teaching is primarily theology, not ideology, it cannot properly be appropriated to endorse a particular economic system or school of economic thought. This does not mean that certain economic systems cannot be judged by Catholic social teaching; certainly, any system can be evaluated based on how well it promotes basic human rights and moral values as understood by the Catholic Church. But while the values of Catholic social teaching (theoretically) never change, the application of those values to particular situations necessarily depends on relevant economic facts and trends, the local culture and social context, and a particularized understanding of human behavior. Because these real-world considerations constantly change, it is difficult—if not impossible—to produce a morally authoritative economic model based solely on timeless values.

However one understands economic facts and real-world situations, values must play a role and must be applied at some point. Even if the free market runs its course in an amoral manner or according to the preferences of its participants, an economic system still makes choices about what values are determinative. Because it is impossible to escape the application of values to an economic system and because the current course of globalization raises profound moral questions among many people, Catholic social teaching may play a valuable role in understanding how better to reform the mechanisms of globalization such as trade.

24. SOLLICITUDO REI SOCIALIS, *supra* note 7, at para. 41 (emphasis added).

II. TOWARD A MORAL THEOLOGY OF TRADE

John Paul's teaching on development provides a moral framework for evaluating the effects of international trade on the poor. Surveying the global economy, the pope argued that the Church's moral vision rests on "the threefold cornerstone of human dignity, solidarity and subsidiarity."²⁵ Understood within the moral language of John Paul, these three principles provide a comprehensive framework for evaluating international trade.

A. *Human Dignity and the Priority of the Person*

John Paul's advocacy for human dignity likely comprised the most lasting legacy of his pontificate. From his consistent ethic of life²⁶ to his empathy for poor²⁷ to his advocacy for genuine peace,²⁸ a concern for the inherent dignity and worth of the human being runs through his social thought. That emphasis on human dignity also grounded John Paul's view of economic issues, including trade. In particular, John Paul emphasized the need for authentic human development, the value of respecting local cultures, the importance of the person to the economic process, and the need to use economic mechanisms like trade to meet human need.

1. Authentic Human Development

A moral understanding of development stems from an understanding of the inestimable value of the person. As *Sollicitudo Rei Socialis* explains, "The moral character of development and its necessary promotion are emphasized when the most rigorous respect is given to all the demands deriving from the order of truth and good proper to the human person."²⁹

To John Paul, each person bears a transcendent, inherent worth based on being made in the image of God.³⁰ Because it comes from God, human dignity is neither won by individuals nor conferred by a government or economic system. Human dignity transcends worldly institutions and must always be

25. ECCLESIA IN AMERICA, *supra* note 14, at para. 55.

26. See, e.g., POPE JOHN PAUL II, EVANGELIUM VITAE: ON HUMAN LIFE (1995).

27. See, e.g., SOLLICITUDO REI SOCIALIS, *supra* note 7; CENTESIMUS ANNUS, *supra* note 19.

28. See, e.g., Pope John Paul II, World Day of Peace Message (Jan. 1, 2005).

29. SOLLICITUDO REI SOCIALIS, *supra* note 7, at para. 33.

30. Pope John Paul II, World Day of Peace Message, para. 2 (Jan. 1, 1999).

respected by political, social, and economic mechanisms. As the American bishops declared in *Economic Justice for All*, "When we deal with each other, we should do so with the sense of awe that arises in the presence of something holy and sacred. For that is what human beings are: we are created in the image of God."³¹

Because each person is created by God and has both a material and a spiritual dimension, John Paul cautioned against a purely economic understanding of the person:

[I]n trying to achieve true development we must never lose sight of that dimension which is in the specific nature of man, who has been created by God in his image and likeness. It is a *bodily and a spiritual nature*, symbolized in the second creation account by the two elements: the earth from which God forms man's body, and the breath of life which he breathes into man's nostrils.³²

Understanding this dual nature of the person is necessary for putting economic development into perspective. A human being cannot be reduced to *homo economicus*, a person limited entirely to the economic sphere and optimizing only material gain. Rather, the economic aspect of the person must be "measured and oriented according to the reality and vocation of man seen in his totality, namely, according to his interior dimension."³³

The transcendent dignity of the person provides the basis for a Catholic understanding of the moral dimensions of economic life. Indeed, human dignity is "the criterion against which all aspects of economic life must be measured."³⁴ As an expression of respect for God and human dignity, policies aimed at the economic development must promote human rights—civil, political, economic, social, and cultural—in their entirety. Development is not authentic if it sacrifices these rights for economic progress alone. In other words, economic development must be oriented toward the benefit of people, not people for the benefit of development.

This holds true in the global economy. In an address to the Pontifical Academy of Social Sciences on the effects of globalization, John Paul declared, "The human being must always be an end and not a means, a subject and not an object, nor a com-

31. NATIONAL CONFERENCE OF CATHOLIC BISHOPS, *ECONOMIC JUSTICE FOR ALL*, ch. 2, para. 28 (Nov. 1987) [hereinafter *ECONOMIC JUSTICE FOR ALL*].

32. *SOLLICITUDO REI SOCIALIS*, *supra* note 7, at para. 29 (emphasis added).

33. *Id.*

34. *ECONOMIC JUSTICE FOR ALL*, *supra* note 31, at para. 28.

modity of trade.”³⁵ As an example of wrongly treating people as means, not ends, John Paul criticized the exploitation of workers in developing countries with weak labor standards. *Sollicitudo Rei Socialis* describes the situation:

There exists, too, a kind of international division of labor, whereby the low-cost products of certain countries which lack effective labor laws or which are too weak to apply them are sold in other parts of the world as considerable profit for the companies engaged in this form of production, which knows no frontiers.³⁶

In this light, the pope recognized that while trade could potentially benefit developing countries, it was not enough to promote increased market access. To avoid exploitation, the terms of trade must account for human rights in their entirety.

2. Culture and the Person

A second aspect of human dignity is the importance of local culture. Because God created people to live in community, human dignity expresses itself primarily through a family, social, and cultural context. As *Centesimus Annus* explains, “All human activity takes place within a culture and interacts with culture. For an adequate formation of a culture, the involvement of the whole man is required, whereby he exercises his creativity, intelligence, and knowledge of the world and of people.”³⁷

To exercise their God-given vocations, individuals need a “family and social context in which they can be educated to meet the challenges of life with responsibility.”³⁸ This context includes language, work, civil society, and attitudes toward life, death, and the question of God. To John Paul, “[d]ifferent cultures are basically different ways of facing the question of the meaning of personal existence.”³⁹ The variety of local cultures around the world is, to some extent, simply a manifestation of

35. Pope John Paul II, Address to the Participants of the Seventh Plenary Session of the Pontifical Academy of Social Sciences para. 4 (Apr. 25, 2001) [hereinafter Address to the Pontifical Academy of Social Sciences], available at http://www.vatican.va/roman_curia/pontifical_academies/acdscien/documents/acta7-1of3.pdf.

36. SOLLICITUDO REI SOCIALIS, *supra* note 7, at para. 43.

37. CENTESIMUS ANNUS, *supra* note 19, at para. 51.

38. Archbishop Silvano M. Tomasi, Statement by the Holy See at the United Nations Conference on Trade and Development, Eleventh Session para. 12 (June 16, 2004), available at http://www.vatican.va/roman_curia/secretariat_state/2004/documents/rc_seg-st_20040616_tomasi-unctad_en.html.

39. CENTESIMUS ANNUS, *supra* note 19, at para. 24.

humanity's different ways of responding to the internal call of God that is implanted in each person.

John Paul expressed concern that globalization in general and international trade in particular could undermine the diversity of cultures and thereby destroy not only the identity of developing peoples but also their ability to orient themselves to God's calling on their lives. A globalization that leads to a forced homogenization that destroys the diversity of local cultures is, therefore, misguided:

The church on her part continues to affirm that ethical discernment in the context of globalization must be based upon . . . the value of human cultures, which no external power has the right to downplay and still less to destroy. Globalization must not be a new version of colonialism. It must respect the diversity of cultures which, within the universal harmony of peoples, are life's interpretive keys.⁴⁰

Economics—especially global economics—should be oriented to serve not only individual human dignity but also human culture. To undermine culture is to undermine part of what it means to be human. Hence, respect for human dignity requires that economic systems emerge within culture, not be imposed on top of it.

3. Centrality of the Person to the Economic Process

The third aspect of human dignity in the context of trade is the centrality of the person to the economic process or what John Paul termed “creative subjectivity.”⁴¹ Supporting the right of economic initiative, John Paul believed that economics should be not only people-oriented and culturally-bound but also people-driven.⁴²

Economic success hinges on the intelligence, education, character, and labor of the individuals who participate in the economy. Each economic system must therefore empower the individuals that participate in it. John Paul declared, “[E]conomic success is increasingly dependent on a more genuine appreciation of individuals and their abilities, on their fuller participation, on their increased and improved knowledge and information, and on a stronger solidarity.”⁴³ *Centesimus Annus* further explains,

40. Address to the Pontifical Academy of Social Sciences, *supra* note 35, at para. 4.

41. SOLLICITUDO REI SOCIALIS, *supra* note 7, at para. 15.

42. *Id.*

43. 2000 World Day of Peace Message, *supra* note 2, at para. 16.

[B]esides the earth, man's principal resource is man himself. His intelligence enables him to discover the earth's productive potential and the many different ways in which human needs can be satisfied. It is his disciplined work in close collaboration with others that makes possible the creation of ever more extensive working communities which can be relied upon to transform man's natural and human environments. Important virtues are involved in this process, such as diligence, industriousness, prudence in undertaking reasonable risks, reliability and fidelity in interpersonal relationships, as well as courage in carrying out decisions which are difficult and painful but necessary, both for the overall working of a business and in meeting possible setbacks.⁴⁴

Because these virtues are essential to productive people, policies aimed at development must value the worth of the human person in all of her dimensions.

A good economic system will support the subjective nature of work and empower individuals to exercise economic freedom. This is especially true as agrarian economies evolve into industrial economies and then develop into service economies. As John Paul explains,

Whereas at one time the decisive factor of production was *the land*, and, later, capital—understood as a total complex of the instruments of production—today the decisive factor is increasingly *man himself*, that is, his knowledge, especially his scientific knowledge, his capacity for interrelated and compact organization, as well as his ability to perceive the needs of others and to satisfy them.⁴⁵

In essence, the pope describes the quality of *entrepreneurship*. John Paul believed that economic systems that permitted the creative subjectivity of the individual to flourish would give themselves the best long-term chances of success.

The global trade system should encourage, not undercut, the ability of poor people in developing states to become global entrepreneurs. Given a fair chance to sell their products in other markets, poor people can better exercise the virtues, the knowledge, and the economic initiative essential to success in the global economy.

44. CENTESIMUS ANNUS, *supra* note 19, at para. 32.

45. *Id.*

4. Trade as a Means, Not an End

John Paul's vision of development as people-oriented, people-driven, and culturally bound affected his view of trade. While he supported efforts to expand the global economy, he never justified prosperity for its own sake.⁴⁶ Trade policies should be evaluated based on how they contribute to the development of the person in all dimensions—civil, political, economic, social, cultural, and spiritual. In other words, an ethical trade system must be directed toward the holistic development of the person; exchange should be people-focused.

Rather than exploiting people to further economic exchange, the global economy should be reoriented to meet human need. The *Catechism of the Catholic Church* explains the importance of prioritizing the person over economics:

Economic life is not meant solely to multiply goods produced and increase profit or power; it is ordered first of all to the service of persons, of the whole man, and of the entire human community. Economic activity, conducted according to its own proper methods, is to be exercised within the limits of the moral order, in keeping with social justice so as to correspond to God's plan for man.⁴⁷

To be considered ethical under Catholic social teaching, global trade must respect and uphold the dignity of all people, especially the poor and vulnerable. This requires what John Paul termed the "globalization of solidarity."⁴⁸

B. *The Globalization of Solidarity*

After human dignity, the second aspect of Catholic social teaching on the international economy is solidarity. As articulated by John Paul, solidarity centers on the interconnectedness of humanity, the universal destination of goods, and the preferential option for the poor. These concepts suggest an ethical

46. Holy See, Ethical Guidelines for International Trade: Note of the Holy See on the Preparation for the Fifth WTO Ministerial Conference (Sept. 10, 2003) [hereinafter Ethical Guidelines for International Trade], available at http://www.vatican.va/roman_curia/secretariat_state/2003/documents/rc_seg-st_20030910_ethics-intern-trade_en.html; see also CENTESIMUS ANNUS, *supra* note 19, at para. 39; Holy See, Development Dimensions of the World Trade Organization (Oct. 30, 2001) [hereinafter Development Dimensions of the World Trade Organization], available at http://www.vatican.va/roman_curia/secretariat_state/documents/rc_seg-st_20011030_doha-wto_en.html.

47. CATECHISM OF THE CATHOLIC CHURCH para. 2426 (2d. ed. 2000).

48. Pope John Paul II, Message on the Jubilee of the Agricultural World para. 6 (Nov. 11, 2000), available at http://vatican.va/holy_father/john_paul_ii/speeches/documents/hf_jp-ii_spe_20001111_jubilagric_en.html.

mandate for global solidarity through trade patterns that work for all people.

1. The Interconnectedness of Humanity

Solidarity stems from an awareness of the interconnectedness of all people in the economic, cultural, political, and religious spheres.⁴⁹ This interconnectedness ultimately stems from each person having been created by God into a common human family. People are not designed to exist as isolated, atomistic individuals; rather they are necessarily interdependent by nature. Solidarity helps us to understand this interdependence. *Sollicitudo Rei Socialis* explains:

Solidarity helps us to see the “other”—whether a person, people or nation—not just as some kind of instrument, with a work capacity and physical strength to be exploited at low cost and then discarded when no longer useful, but as our “neighbor,” a “helper” . . . to be made a sharer, on a par with ourselves, in the banquet of life to which all are equally invited by God.⁵⁰

As one person senses the “other,” solidarity emerges as a commitment to the common good because “we are all really responsible for all.”⁵¹ At the international level, solidarity recognizes the “family of nations.”⁵²

Solidarity itself is a response that requires loving, thoughtful action. John Paul described the type of action prompted by solidarity:

In the spirit of solidarity and with the instrument of dialogue we will learn: respect for every human person; respect for the true values and cultures of others; respect for the legitimate autonomy and self-determination of others; to look beyond ourselves in order to understand and support the good of others; to contribute to our own resources in social solidarity for the development and growth that come from equality and justice; to build structures that will ensure that social solidarity and dialogue are permanent features of the world we live in.⁵³

Hence, solidarity is more than a vague feeling of compassion or empathy for the plight of the poor. True solidarity requires

49. *SOLLICITUDO REI SOCIALIS*, *supra* note 7, at para. 26.

50. *Id.*, at para. 39 (internal citation omitted).

51. *Id.* at para. 38.

52. *CENTESIMUS ANNUS*, *supra* note 19, at para. 52.

53. Pope John Paul II, World Day of Peace Message para. 5 (Jan. 1, 1986).

action to address the human needs of others in a way that respects their dignity, freedom, and culture.

As globalization shrinks the economic, political, and security space between countries, “the destinies and problems of the different regions are linked together.”⁵⁴ Particularly appealing to rich, powerful states to recognize their interdependence with the poor and marginalized peoples of the world, John Paul argued:

Peace and prosperity, in fact, are goods which belong to the whole human race: it is not possible to enjoy them in a proper and lasting way if they are achieved and maintained at the cost of other peoples and nations, by violating their rights or excluding them from sources of well-being.⁵⁵

Because all humanity forms a global community, real development is not possible even in rich countries without a driving concern for the well-being of developing countries. Because the world is interconnected, the self-interest of individual states cannot properly be pursued without concern for the well-being of all humanity.

John Paul believed that reforming the international trade system to serve the interests of all countries would manifest solidarity. In 2003, Vatican diplomats declared at a WTO conference:

[T]he concept of a “family of nations” calls forth an international collective responsibility for development and for the universal common good. This implies the obligation of the richer countries to tackle and remedy the shortcomings and less favorable conditions of poor countries as if these were internal problems of their own. Trade policy must be organized in such a way as to not be harmful to poor countries but as a contributory factor to their sustainable economic development. . . . In trade relations, the good of people cannot be finally achieved against the good of another people.⁵⁶

At another WTO conference, the Holy See further argued, “[i]nclusiveness is both a moral and an economic value.”⁵⁷ Not only the right thing to do, inclusive trade policies help sustain

54. POPE JOHN PAUL II, *ECCLESIA IN AFRICA: THE CHURCH IN AFRICA* para. 114 (2000), [hereinafter *ECCLESIA IN AFRICA*].

55. CENTESIMUS ANNUS, *supra* note 19, at para. 27.

56. Ethical Guidelines for International Trade, *supra* note 46, at para. 1.

57. Bishop Diarmuid Martin, Intervention at the Fourth Ministerial Conference at Doha (Nov. 12, 2001) [hereinafter *Intervention at the Fourth Ministerial Conference in Doha*], available at http://www.vatican.va/roman_curia/secretariat_state/documents/rc_seg-st_doc_20011112_martin-doha_en.html.

global prosperity and international security.⁵⁸ In an increasingly interconnected world, no one can afford to ignore marginalized people. In this light, solidarity through the recognition of interconnectedness is not only essential to the development of poor nations but is also a step toward sustainable prosperity and security for rich nations.

2. The Universal Destination of Goods

An important aspect of solidarity is the “universal destination of goods.” This phrase refers to God’s intent that all people receive the material goods and services they need to develop holistically as creatures made in the image of God.⁵⁹ Properly cultivated, the resources of the earth—land, water, natural resources, technology, and human ingenuity—can provide for the material needs of each person and help all people fulfill their God-given capacity, potential, and vocation. Everyone bears an inalienable claim on earthly resources and basic goods.⁶⁰

A just economic system effectively ensures that the world’s resources are cultivated and that each person can obtain the basic goods necessary to develop as a full human being. While John Paul did not endorse a particular economic ideology, he judged economic systems, in part, on how well they provided for the needs of all members of a society, especially the poor and vulnerable.⁶¹ Obstructions in an economic system that left basic human needs unmet were labeled “structures of sin.”⁶²

Some consider private property to be in tension with the universal destination of goods. After all, a property owner exercises the right to regulate—or even exclude—other people who want to use the property for their own benefit. But John Paul saw private property as being both justified and limited by the universal destination of goods:

It is necessary to state once more the characteristic principle of Christian social doctrine: the goods of this world are originally meant for all. The right to private property is valid and necessary, but it does not nullify the value of this principle. Private property, in fact, is under a “social mortgage,” which means that it has an intrinsically social func-

58. *ECCLESIA IN AFRICA*, *supra* note 54, at para. 114.

59. Pope John Paul II, World Day of Peace Message para. 7 (Jan. 1, 2005).

60. *ECCLESIA IN AFRICA*, *supra* note 54, at para. 114.

61. *SOLLICITUDO REI SOCIALIS*, *supra* note 7, at para. 36.

62. *Id.*

tion, based upon and justified precisely by the principle of the universal destination of goods.⁶³

In other words, private property is justified by the universal destination of goods because it affords each person the scope necessary to provide for the needs of his or her family. Properly understood, private property is an aspect of personal freedom. John Paul believed that a person deprived of private property depends on the "social machine."⁶⁴ This makes it difficult for the individual to express human dignity and for the community to achieve solidarity.⁶⁵ But private property is also limited by the universal destination of goods. Property becomes illegitimate and violates the "social mortgage" when it is not utilized to meet human needs or when it is used to exploit other people in an effort to gain a profit.⁶⁶ This type of private ownership is not justified.

The universal destination of goods relates to international trade because the material resources of the earth are disparately scattered around the globe. Different countries are more suited to producing different types of goods based on varying types of natural resources, climates, access to sea or trade routes, technologies, or even human cultures. This prompts nations to specialize in producing goods and services in which they maintain a competitive advantage and to trade in order to achieve God's purpose of providing for everyone's material needs. Because countries need resources from other states to develop fully, Pope Pius XI urged the family of nations to develop international agreements and institutions to promote global economic cooperation.⁶⁷ Pope Paul VI further stressed that property rights and free trade should be subordinated to the concept of the universal destination of goods so that the earthly goods God created would be fairly distributed to all people and nations.⁶⁸

For his part, John Paul recognized that "the *free market* is the most efficient instrument for utilizing resources and effectively responding to needs."⁶⁹ But to ensure that all people may access the earth's goods, "[i]t is necessary to break down the barriers and monopolies which leave so many countries on the margins of

63. *Id.* at para. 42.

64. CENTESIMUS ANNUS, *supra* note 19, at para. 13.

65. *Id.*

66. *Id.* at para. 43.

67. POPE PIUS XI, QUADRAGESIMO ANNO: THE FORTIETH YEAR [OF THE ANNIVERSARY OF RERUM NOVARUM] para. 89 (1931).

68. POPE PAUL VI, POPULORUM PROGRESSIO: ON THE DEVELOPMENT OF PEOPLES para. 22 (1967) [hereinafter POPULORUM PROGRESSIO].

69. CENTESIMUS ANNUS, *supra* note 19, at para. 34.

development, and to provide all individuals and nations with the basic conditions which will enable them to share in development."⁷⁰ Certain forms of protectionism practiced by rich countries can become the "barriers and monopolies" that prevent goods from freely flowing to the people who need them. Such protectionism violates the universal destination of goods.

3. The Preferential Option for the Poor

The preferential option for the poor provides a third aspect to John Paul's conception of solidarity. Sometimes misunderstood, the option for the poor means neither that rich and middle-class people are unimportant nor that one should provoke a class struggle on behalf of the poor; the preferential option for the poor is neither exclusive nor sectarian.⁷¹ Rather, the concept means that solidarity with all humanity requires one to always be aware of those in spiritual or material need and to take action to address those needs.⁷²

Reflected in the entire social tradition of the church, the preferential option takes special account of the marginalized, disenfranchised people.⁷³ Following the example of Jesus Christ who demonstrated a special concern for the poor, John Paul called on followers of Jesus and persons of good will to similarly take account of the world's most vulnerable and marginalized people:

In seeking to promote human dignity, the Church shows a preferential love of the poor and voiceless, because the Lord has identified himself with them in a special way. This love excludes no one, but simply embodies a priority of service to which the whole Christian tradition bears witness. This love of preference for the poor, and the decisions which it inspires in us, cannot but embrace the immense multitudes of the hungry, the needy, the homeless, those without medical care and, above all, those without hope of a better future.⁷⁴

Given the worldwide scope of extreme poverty, John Paul challenged people of faith and good will to stand in solidarity with the poor in developing countries who he likened to Lazarus lying

70. *Id.* at para. 35.

71. POPE JOHN PAUL II, *ECCLESIA IN ASIA: THE CHURCH IN ASIA* para. 34 (1999) [hereinafter *ECCLESIA IN ASIA*].

72. *Id.*

73. *SOLLICITUDO REI SOCIALIS*, *supra* note 7, at para. 42.

74. *ECCLESIA IN ASIA*, *supra* note 71, at para. 34.

at the gate of the rich man.⁷⁵ The pope contended, "The globalized economy must be analyzed in the light of the principles of social justice, respecting the preferential option for the poor who must be allowed to take their place in such an economy."⁷⁶

This concern for the poor obliges state leaders and heads of international organizations to "keep in mind the true human dimension as a priority in their development plans" and to "give precedence to the phenomenon of growing poverty."⁷⁷ Rich countries like the United States and those in the European Union or intergovernmental organizations like the WTO cannot discount the effect of their international policies on the poor, even if the poor lack economic bargaining power, political clout, or media attention. The preferential option for the poor obliges those who set the patterns of international trade to find ways to integrate developing countries into the global economy, develop the entrepreneurial potential of the poor, and to spread the benefits of a liberalized global marketplace to all people groups.

4. Solidarity Through Fair Trade

John Paul recognized the potential of global trade to support solidarity in a way that respects the interconnectedness of humanity, the universal destination of goods, and the preferential option for the poor. Indeed, the pope rejected the view that it would be better for developing states to avoid economic contact with the rich countries of the world. Observing the global economic integration of his time, John Paul understood that new networks of exchange were being created that no nation could afford to live outside of. During his 1999 visit to Cuba, the pope underscored the importance of integrating poor nations into the global marketplace: "We live in an era of continual global exchanges in which no nation can survive in isolation."⁷⁸ John Paul further explained, "In today's interdependent world, a whole network of exchanges is forcing nations to live together, whether they like it or not. But there is a need to pass from simply living together to partnership. Isolation is no longer appro-

75. SOLLICITUDO REI SOCIALIS, *supra* note 7, at para. 42. See also ECCLESIA IN ASIA, *supra* note 71, para. 34.

76. ECCLESIA IN AMERICA, *supra* note 14, at para. 55.

77. SOLLICITUDO REI SOCIALIS, *supra* note 7, at para. 42.

78. Pope John Paul II, Address to the Ambassador of Cuba Accredited to the Holy See on the Occasion of the Presentation of the Credentials, para. 3 (Dec. 2, 1999), available at http://www.vatican.va/holy_father/john_paul_ii/speeches/1999/december/documents/hf_jp_ii_spe_02121999_cuba-ambass_en.html.

priate.”⁷⁹ Because isolated states cannot truly pursue their self-interest, there is a need for a globalization of solidarity that integrates the world’s economies in an equitable way that meets human need.⁸⁰

In the area of international trade, John Paul rejected the view that developing nations should avoid global exchange. He also rejected dependency theory—the belief that global trade was inherently exploitative. Rather, the pope observed that developing countries that chose an export-oriented strategy achieved greater economic progress than those that adopted a strategy of economic isolation. *Centesimus Annus* explains:

Even in recent years it was thought that the poorest countries would develop by isolating themselves from the world market and by depending only on their own resources. Recent experience has shown that countries which did this have suffered stagnation and recession, while the countries which experience development were those which succeeded in taking part in the general interrelated economic activities at the international level.⁸¹

Because of trade’s role in promoting development, *Centesimus Annus* further declares that barriers to imported goods from developing countries are unjust: “It seems, therefore, that the chief problem is that of gaining fair access to the international market.”⁸²

While market access is a key to development and solidarity, the global market has yet to truly integrate developing countries. As the Pontifical Council for Justice and Peace pointed out:

It is especially striking that the Least Developed Countries’ share of international trade is still only about half of one percent, having declined since 1990. Further efforts are needed therefore to ensure that all partners have the opportunity to benefit from open markets and the free flow of goods, service, and capital.⁸³

79. Pope John Paul II, Address to the Diplomatic Corps, para. 7 (Jan. 9, 1995), available at <http://ewtn.com/library/PAPALDOC/JP2DIPCP.htm>.

80. POPE JOHN XXIII, PACEM IN TERRIS: ON PEACE ON EARTH para. 131 (1963) [hereinafter PACEM IN TERRIS].

81. CENTESIMUS ANNUS, *supra* note 19, at para. 33.

82. *Id.*

83. Bishop Diarmuid Martin, Trade, Development, and the Fight Against Poverty: Some Reflections on the Occasion of the World Trade Organization Millennium Round (Nov. 18, 1999), available at http://www.vatican.va/roman_curia/pontifical_councils/justpeace/documents/rc_pc_justpeace_doc_19991118_trade-devel_en.html.

While trade can potentially unify the family of nations, it is not a tool that is currently being used for solidarity. Solidarity requires rich countries to ensure that international trade patterns work for all, especially developing states. In particular, rich countries need to reexamine the ethics of protectionist barriers that exclude poor countries from the international trade system.

C. *Subsidiarity in Support of Economic Freedom*

Combined with human dignity and solidarity, the principle of subsidiarity completes the “cornerstone” of John Paul’s teaching on development and the global economy. Primarily developed by the Catholic Church, subsidiarity may provide a structural principle for a just economic order. This principle is explained in the *Catechism of the Catholic Church*:

The teaching of the Church has elaborated the principle of *subsidiarity*, according to which “a community of higher order should not interfere in the internal life of a community of a lower order, depriving the latter of its functions, but rather should support it in case of need and help to coordinate its activity with the activities of the rest of society, always with a view to the common good.” . . . The principle of subsidiarity is opposed to all forms of collectivism. It sets limits for state intervention. It aims at harmonizing the relationship between individuals and societies. It tends toward the establishment of true international order.⁸⁴

In other words, there is a close connection between subsidiarity and freedom. Subsidiarity seeks to maximize freedom by granting autonomy to the individual while at the same time ensuring that that freedom is directed toward the common good and circumscribed within a strong juridical framework.

In the context of economics, subsidiarity gives priority to the economic initiative of the individuals. As *Mater et Magistra* declares, “It should be stated at the outset that in the economic order first place must be given to the personal initiative of private citizens working either as individuals or in association with each other in various ways for the furtherance of common interests.”⁸⁵ However, the economic freedom of the individual is not absolute and should be oriented toward the common good. As John Paul explains:

84. CATECHISM OF THE CATHOLIC CHURCH, *supra* note 47, at paras. 1883, 1885.

85. POPE JOHN XXIII, *MATER ET MAGISTRA: ON CHRISTIANITY AND SOCIAL PROGRESS* at para. 51 (1961).

Economic activity, especially the activity of a market economy, cannot be conducted in an institutional, juridical or political vacuum. On the contrary, it presupposes sure guarantees of individual freedom and private property, as well as a stable currency and efficient public services. Hence the principal task of the State is to guarantee this security.⁸⁶

In this light, subsidiarity mediates the tension between private economic initiative and the common good. To better understand how subsidiarity does this, it is necessary to consider John Paul's views of the right of economic initiative, the role of business, and the need to place the global market within a juridical framework.

1. Right of Economic Initiative

Freedom provides an important part of what it means to be a human created in the image of God. As John Paul declared in his 1981 World Day of Peace Message:

The freedom of the individual finds its basis in man's transcendent dignity: a dignity given to him by God, his Creator, and which directs him towards God. Because he has been created in God's image, man is inseparable from freedom, that freedom which no external force or constraint can ever take away, and which constitutes his fundamental right, both as an individual and as a member of society.⁸⁷

Because freedom is a fundamental aspect of humanity, it ought to be protected to a great extent. However, true freedom respects the rights of others.⁸⁸ This respect is necessary to maximize freedom for all people because "we are by nature social beings."⁸⁹

Freedom is especially important in the economic sphere. Indeed, economic freedom—or what John Paul called the "right of economic initiative"⁹⁰—is a basic freedom in Catholic social teaching. The *Catechism of the Catholic Church* recognizes that "Everyone has the *right of economic initiative*, everyone should make legitimate use of his talents to contribute to the abundance that will benefit all and to harvest the just fruits of his labor."⁹¹

86. CENTESIMUS ANNUS, *supra* note 19, at para. 48.

87. Pope John Paul II, World Day of Peace Message, para. 5 (Jan. 1, 1981).

88. *Id.* at para. 7.

89. *Id.*

90. SOLLICITUDO REI SOCIALIS, *supra* note 7, at para. 15.

91. CATECHISM OF THE CATHOLIC CHURCH, *supra* note 47, at para. 2429.

Sollicitudo Rei Socialis further explains that economic initiative is “important not only for the individual but also for the common good.”⁹² According to John Paul, the denial of economic initiative inhibits the creative subjectivity of the citizen.⁹³ This, in turn, leads to “passivity, dependence and submission to the bureaucratic apparatus” and “provokes a sense of frustration or desperation and predisposes people to opt out of national life, impelling many to emigrate and also favoring a form of ‘psychological’ emigration.”⁹⁴

Because economic initiative is a fundamental right, respect for the human dignity of the poor necessitates efforts to build their economic capacity. While John Paul generally supported the free market, he expressed concern about poor people and developing states that lack the capacity to meaningfully participate in the market:

The fact is that many people, perhaps the majority today, do not have the means which would enable them to take their place in an effective and humanly dignified way within a productive system in which work is truly central. They have no possibility of acquiring the basic knowledge which would enable them to express their creativity and develop their potential. They have no way of entering the network of knowledge and intercommunication which would enable them to see their qualities appreciated and utilized.⁹⁵

To John Paul, the diminished economic capacity of the poor necessitates efforts “to help these needy people to acquire expertise, to enter the circle of exchange, and to develop their skills in order to make the best use of their capacities and resources.”⁹⁶ Only by developing the capacity to meaningfully participate in a fair exchange of goods is a person free to express her inherent dignity. This entails providing poor people with opportunities to exercise their right of economic initiative. Much poverty results when marginalized people face barriers to the world of productivity, trade, and human development.⁹⁷ One ought to think of the poor, therefore, in terms of their potential, and social justice requires that human potential be given the opportunity to fulfill itself.⁹⁸ A society that values freedom should promote “trust in

92. *SOLLICITUDO REI SOCIALIS*, *supra* note 7, at para. 15.

93. *Id.*

94. *Id.*

95. *CENTESIMUS ANNUS*, *supra* note 19, at para. 33.

96. *Id.* at para. 34.

97. *Id.* at para. 58.

98. *Id.* at para. 52.

the human potential of the poor, and consequently in their ability to improve their condition through work or to make a positive contribution to economic prosperity.⁹⁹ In order to do this, it is necessary both to develop the ability of poor people to be effective business people and to ensure that the poor do not face artificial obstructions to entering the global market.

2. The Role of Business and the Free Market

Coupled with respect for the economic initiative of the individual, Catholic social teaching also acknowledges the value of business and some types of the free market economy. *Centesimus Annus* acknowledges the positive value of “an economic system which recognizes the fundamental and positive role of business, the market, private property, and the resulting responsibility for the means of production, as well as free human creativity in the economic sector.”¹⁰⁰ Indeed, John Paul went so far to as to acknowledge “the legitimate *role of profit* as an indication that a business is functioning well. When a firm makes a profit, this means that productive factors have been properly employed and corresponding human needs have been duly satisfied.”¹⁰¹ At the international level, John Paul also recognized that “the *free market* is the most efficient instrument for utilizing resources and effectively responding to needs.”¹⁰² He thereby reaffirmed Pope John XXIII who urged that relations between states be based on freedom and that states encourage each other to develop an “enterprising spirit.”¹⁰³

However, economic initiative within a free market is not absolute and cannot be guaranteed to lead to the common good. While Catholic social teaching supports economic freedom, it also recognizes its limits. *Populorum Progressio* declares, “Individual initiative alone and the interplay of competition will not ensure satisfactory development. We cannot proceed to increase the wealth and power of the rich while we entrench the needy in their poverty and add to the woes of the oppressed.”¹⁰⁴ The overall picture that emerges is one of a social teaching that rejects an economic libertarianism that elevates the logic of the market above human need but still supports economic systems that foster creativity, promote work, and efficiently provide basic goods to those who need them.

99. *Id.*

100. *Id.* at para. 42.

101. *Id.* at para. 35.

102. *Id.* at para. 34.

103. *PACEM IN TERRIS*, *supra* note 80, at para. 120.

104. *POPULORUM PROGRESSIO*, *supra* note 68, at para. 33.

3. An Economic Juridical Framework for the Global Market

In order to promote the common good and meet human need, subsidiarity requires that the free market system and the right of economic initiative must be “circumscribed within a strong juridical framework which places it at the service of human freedom in its totality.”¹⁰⁵ As Paul VI argued, “competition should not be eliminated from trade transactions; but it must be kept within limits so that it operates justly and fairly, and thus becomes a truly human endeavor.”¹⁰⁶ Without these limits, free trade can create an “economic dictatorship” that is not subject to the demands of social justice.¹⁰⁷

In sum, John Paul’s principle concern for international trade was how to structure the rules of the global economy to allow the poor in developing states to exercise their right of economic initiative and meaningfully participate in international exchange. To this end, John Paul and several high-ranking Vatican officials offered specific policy proposals.

III. JOHN PAUL AND REFORM OF THE TRADE SYSTEM

John Paul’s tri-part emphasis on people, solidarity, and freedom creates a moral framework for analyzing the ethical implication of international trade. While this moral perspective cannot resolve some technical trade issues, it does point toward at least four significant reforms of the global trade system. These reforms—renewed emphasis on multilateral rules, reduction in tariffs on developing state exports, cuts in rich country subsidies of agriculture and textiles, and protection of policy space for human development—were consistently advocated by the Vatican during the pontificate of John Paul and remain essential to reorienting trade around people, solidarity, and freedom.

A. *Emphasize a Multilateral, Rules-based Approach*

The first element of trade reform is to emphasize a multilateral, rules-based approach to global exchange. John Paul believed that the free market must always be circumstanced within a strong juridical framework in order to protect the poor and to ensure that everyone could participate in the economic system. He declared, “In any economic sector, including the international trade system, a rules-based approach is in place pre-

105. CENTESIMUS ANNUS, *supra* note 19, at para. 42.

106. POPULORUM PROGRESSIO, *supra* note 68, at para. 61.

107. *Id.* at para. 59.

cisely to protect the weakest.”¹⁰⁸ Trade rules are necessary to ensure broad-based participation and equality of opportunity in the global market. While rich states sometimes protect their own interests outside a juridical framework, developing states depend on international trade rules. As the Vatican reasoned in *Ethical Guidelines for International Trade*, a document offering a moral analysis of trade issues before the WTO, “It is particularly poorer countries and their peoples who are in need of an equitable, rules-based system in which they can participate in global trade on the basis of the highest achievable equality of opportunity.”¹⁰⁹

Recognizing the necessity of a rules-based system, John Paul supported the creation of the WTO because it was designed to implement a legal framework in which there would be little room for unfair unilateral commercial action:

Let there be no mistaking: the world needs a World Trade Organization. The poorer countries in particular need an equitable, rules-based system, in which they can participate in global trade on the basis of the highest achievable equality of opportunity. Both justice as well as long-term economic efficiency require such an aim of inclusion.¹¹⁰

For this reason, John Paul directed the Vatican to participate in the work of the WTO as a permanent observer. In a spirit of solidarity, the Holy See consistently advocated the developing of rules equitable to developing states and urged WTO members to understand the ethical implications of global trade rules.

But while John Paul supported the creation of the WTO, he expressed concern about a lack of equity during actual WTO bargaining, negotiation, and treaty making. He declared, “[I]f globalization is ruled merely by the laws of the market applied to suit the powerful, the consequences cannot but be negative.”¹¹¹ At the WTO itself, Vatican diplomats argued—perhaps idealistically—that politics based on economic power should have no place at the WTO as it violated the principle of solidarity and concern for developing states:

The prevailing of national interests in current trade negotiations, despite all of the declarations of respect for the development targets of the poor countries, does not serve the idea of a “family of nations,” which is by nature a community based on mutual trust, mutual support, and sincere

108. *Ethical Guidelines for International Trade*, *supra* note 46.

109. *Id.*

110. Intervention at the Fourth Ministerial Conference in Doha, *supra* note 57.

111. *ECCLESIA IN AMERICA*, *supra* note 14, at para. 20.

respect. In an authentic family the strong do not dominate; instead the weaker members because of their very weakness, are all the more welcomed and served.¹¹²

The Vatican also declared, "For a free trade system to be fair, it must not only guarantee legal equality among countries, it must also redress, as much as possible, the disadvantages, in terms of economic and negotiating power, of less industrialized economies and of commodity producer economies."¹¹³ Instead of rich countries or blocs of countries each pursuing their own interests at the expense of the poor, John Paul urged "a greater degree of international solidarity among all the nations of the world and an abandonment of those group interests that can promote their own selfish objectives while disregarding the common good."¹¹⁴

B. *Reduce Tariffs on Developing Country Exports*

The second key to trade reform is reducing or eliminating tariffs, quotas, and other restrictions on exports from developing states. Generally used to protect large farms in rich countries, these tariffs undercut the ability of poor farmers in the developing world to export their way out of poverty in areas where they have a competitive advantage. As the 2005 United Nations Human Development Report states, "[t]he world's highest trade barriers are erected against some of its poorest countries: on average the trade barriers faced by developing countries exporting to rich countries are three to four times higher than those faced by rich countries when they trade with each other."¹¹⁵ However, the reality can be worse than this statistic implies. As the report further explains:

The average conceals very large differences between countries and the very high tariffs on labor-intensive products of great importance for employment in developing countries. For example, while the average tariffs on imports from developing countries to high-income countries is 3.4%, Japan imposes a tariff of 26% on Kenyan footwear. The

112. Ethical Guidelines for International Trade, *supra* note 46.

113. Development Dimensions of the World Trade Organization, *supra* note 46.

114. Archbishop Celestino Migliore, Intervention at the Second Committee of the 58th General Assembly of the United Nations (Nov. 5, 2003), available at http://www.vatican.va/roman_curia/secretariat_state/2003/documents/rc_seg-st_20031105_migliore-economic-relations_en.html.

115. United Nations Development Programme, *United Nations Human Development Report 10* (2005), [hereinafter U.N. Human Development Report], available at http://hdr.undp.org/reports/global/2005/pdf/HDR05_overview.pdf.

European Union taxes Indian garment imports at 10%.
Canada levies at 17% tariff on garments from Malaysia.¹¹⁶

This means that rich countries target their highest tariffs at the labor-intensive industries that drive developing countries and represent the best chance to lift poor people out of poverty. As the Vatican declared:

Even where quota-free and duty-free market access has been widely opened to the least developed countries, many developed countries continue to prolong high levels of protection especially in agriculture and textiles, claiming that they need additional time to adjust. They thus constrain poorer countries to share the burden of their own domestic protection through unfavorable trade conditions and dumping measures.¹¹⁷

During John Paul's pontificate, nearly every Vatican document that addressed international trade expressed concern about rich country protectionism against agricultural products from the developing world. From the perspective of Catholic social teaching, such tariffs violate human dignity, solidarity, and the right of economic initiative of developing states:

Prolonged protectionism and other trade practices which bring disproportionate benefit to wealthier sectors of the world's economies cannot be the basis for an equitable rules-based system. Reform in the area of market access for the products of the poorer countries, especially agriculture and textiles, cannot be put aside indefinitely, without causing irreparable damage [to] the multilateral trade system itself.¹¹⁸

Sollicitudo Rei Socialis further expressed concern that "[t]he international trade system today frequently discriminates against the products of the young industries of the developing countries and discourages the producers of raw materials."¹¹⁹ Because the closing of rich country markets to the products of developing countries means fewer economic opportunities for the poor, John Paul urged increased market access for developing countries as a sign of solidarity and support for the freedom and development of poor people in developing states.¹²⁰

116. *Id.* at 127.

117. Development Dimensions of the World Trade Organization, *supra* note 46.

118. Intervention at the Fourth Ministerial Conference in Doha, *supra* note 57.

119. SOLLICITUDO REI SOCIALIS, *supra* note 7, at para. 43.

120. *Id.*

While John Paul and Vatican diplomats at the WTO expressed their greatest concern about rich country tariffs on developing nation exports, they also criticized the tariffs that developing nations enacted on each other. Indeed, John Paul saw little value in protectionist policies of developing countries, although he did not consider protectionism by developing states as bad as that practiced by rich countries:

The developing countries should . . . avoid the temptation of taking a crude protectionist path. There have been occasions in the past in which protection of certain sectors, at times of vital national importance, has been advantageous in specific circumstances and for a determinate period of time. This can still be true today. However, a correct balance must be attained, keeping in mind that in today's circumstances, generally, protectionism can be of only limited value to developing economies.¹²¹

John Paul recognized that developing states, even the very poorest, could gain from trade that encouraged tariff-reduction *among* themselves and not just by rich states. This is because developing states trade a lot with each other and yet their own tariffs are sometimes higher than those in rich states. However, this does not justify the intransigence of rich states in closing their large markets to competition from poor states.

C. *Cut Rich Country Export Subsidies*

The third aspect of trade reform is for rich states to cut export subsidies, especially in agricultural products. Tariff reduction is not truly "free trade" when rich states subsidize large farms and thereby artificially create low prices *below* the cost of production. The present combination of high agricultural tariffs and major subsidies in rich countries artificially distorts the world market and inhibits the ability of poor farmers to cultivate markets for their goods. As the 2005 United Nations Human Development Report explains:

The basic problem to be addressed in the WTO negotiations on agriculture can be summarized in three words: rich country subsidies. In the last round of world trade negotiations rich countries promised to cut agricultural subsidies. Since then, they have increased them. They now spend just over \$1 billion a year on aid for agriculture in poor countries and just under \$1 billion a day subsi-

121. Development Dimensions of the World Trade Organization, *supra* note 46, at para. 4.

dizing agricultural overproduction at home—a less appropriate ordering of priorities is difficult to imagine.¹²²

The Center for Global Development and International Economics similarly reports that when all forms of protections are consolidated into a single tariff equivalent, agricultural protection against developing countries amounts to 34 percent in the United States, 100 percent in the European Union, 230 percent in Japan, and 65 percent in Canada.¹²³ This type of protectionism appears inconsistent with solidarity for the poor.

To remedy this situation, the Vatican urged the elimination of agricultural subsidies and the liberalization of markets in basic goods as an important way of reducing global poverty:

Both justice and long-term efficiency require that the international trade system restore to all its participants the highest achievable equality of opportunity by eliminating, within the shortest possible period, trade and production distorting export subsidies, and providing ample market access on a sure and predictable basis to products in which the poorest countries have comparative advantage. It is important to be attentive to the possibility of new protectionist measures being introduced, disguised under various titles.¹²⁴

Most economists agree that opening the market of rich countries to the developing world would dramatically reduce extreme poverty. One estimate even suggests that free trade in agriculture would reduce global poverty by an estimated 200 million people, or about 7 percent.¹²⁵

D. *Protect Policy Space for Human Development*

The final aspect of trade reform advocate by John Paul and Vatican diplomats during his pontificate is the protection of policy space for human development. Trade rules should not prevent the government of developing states from addressing urgent public needs. To John Paul, the goal of the multilateral trade system was to integrate poor countries fully into the international global market.¹²⁶ This necessitates respect for local government

122. U.N. Human Development Report, *supra* note 115, at 10.

123. William R. Cline, Center for Global Development and Institute for International Economics, *Trading Up: Trade Policy and Global Policy 2* (Sept. 2003), <http://www.cgdev.org/content/publications/detail/2856>.

124. Development Dimensions of the World Trade Organization, *supra* note 46.

125. Cline, *supra* note 123.

126. Ethical Guidelines for International Trade, *supra* note 46.

policies that foster human development, assistance to poor states in economic capacity building, and caution in how the global trade rules are implemented.

Under the core principle of subsidiarity, John Paul recognized that government plays a proper role in promoting the authentic development of their people. The Vatican expressed concern about trade rules that could restrict the ability of government to fulfill their fundamental role:

Governments have a primary responsibility to protect the lives and security of their citizens. The [WTO] should give a clear message that there is nothing in the rules of the international trading system that should prevent government from addressing urgent public health needs. Where flexibility exists within such rules, then there should [be] a concerted attempt to make that flexibility work fully, rapidly, and in an unobstructed way.¹²⁷

While the Vatican certainly urged the adoption of multilateral trade rules on an equitable basis, it reaffirmed the principle of subsidiarity by pointing out that the WTO should serve the needs of developing nations and not the other way around.¹²⁸ The Vatican further encouraged the WTO to avoid rules that diminished the ability of local governments to pursue a development program consistent with their own particular geography and culture.¹²⁹ In this light, the Vatican reaffirmed that trade rules should always promote authentic human development and solidarity and not just economic development or the promotion of rich state interests.

The Vatican also urged flexibility in the removal of barriers to trade to minimize the disruption to developing states and to allow local industries and businesses time to adjust to a more free system:

The removal of artificial restraints on the flow of goods and to some extent, also of services, can have a stimulating effect on the economy and lead towards greater efficiency and economic growth. Nevertheless, change can be disruptive and social distortions may occur that can have negative effects, especially in the economies of the less developed countries; distortions that may require government measures to ease the hardships and sufferings primarily of the poor and forestall a possible recession.

127. Intervention at the Fourth Ministerial Conference in Doha, *supra* note 57.

128. Ethical Guidelines for International Trade, *supra* note 46.

129. *Id.*

International trade rules should not hinder the ability of governments to adopt such measures.¹³⁰

Hence, John Paul and the Vatican recognized that while the removal of many artificial restraints on trade benefits poor countries, disruption during the transition should be minimized.

CONCLUSION

In sum, the social teaching of John Paul and the Catholic Church may provide a framework for reorienting the global trade system around human dignity, solidarity, and economic initiative. When it comports with the demands of social justice, trade provides a means for poor people in developing states to become global entrepreneurs, participate in the international circle of exchange, and receive a fair profit that can lift them out of poverty. International trade revitalized by the contributions of John Paul's social teaching could therefore be an effective tool for human development.

130. Migliore, *supra* note 114.