

# AN INTERFAITH STATEMENT ON INTERNATIONAL TRADE AND INVESTMENT

*Approved by the Interfaith Working Group on Trade and Investment 05/16/01*

## INTRODUCTION:

In an age of increasing economic integration and interdependence between the nations and peoples of the world, mounting global inequities have come into sharp focus. While technological and other advances have made it possible for segments of humanity to achieve unprecedented material prosperity, large numbers of people have become mired in poverty, hunger, and disease. In the midst of growing disparities and injustices between and within countries, governments and international economic institutions have increasingly sought market-driven policies, particularly the expansion of international trade and investment. This limited approach has too often served to aggravate the problem. We see the need for a broader, more holistic understanding of human economic activity.

It is our belief, as members of diverse faith communities, that moral and spiritual principles can provide guidance in the search for practical measures to address the profound ethical issues raised by international trade and investment. In this spirit, we offer the following five principles, each accompanied by our observations and visions for the future. These principles apply to all actors, public and private, engaged in international trade and investment. We believe that adoption of these principles will assist people everywhere to shape international trade and investment so that they advance the goal of a more just, more sustainable, and more prosperous human society.

## PRINCIPLES:

### **1. International trade and investment systems should respect and support the dignity of the human person, the integrity of creation, and our common humanity.**

All human beings, regardless of any distinction, have been endowed by God with the intrinsic and inalienable quality of dignity. This principle of human dignity, so fundamental to our faith traditions, demands that international trade and investment respect the rights and needs of people above market principles. It is our common conviction that if we are to respect the integrity of God's creation, then the natural world, with all its richness and diversity, must not be sacrificed to shortsighted profit motivations. It is our firm belief that all human beings constitute a single people responsible for mutual care and respect. If one segment of human society is suffering, all of humanity suffers. Recognition and acceptance of our common humanity will enable us to shape international trade and investment to advance the goal of a more just, equitable, and prosperous human society.

*We observe:*

- A global economy that too often emphasizes the priority of markets and profits over human considerations such as the welfare of workers, communities and the natural environment;

- An unwarranted belief that markets in and of themselves can effectively address the needs of impoverished people and those who are vulnerable;
- International trade and investment activity undertaken on the false assumption that natural resources are inexhaustible and can be exploited without limit;
- Activities of international economic actors that violate international human rights, labor, and environmental conventions.

*We envision:*

Trade and investment relationships that protect and promote the dignity of the human person, ensure the development and well-being of people in all nations, and secure the earth's natural environment in all its bounty and diversity for present and future generations.

## **2. International trade and investment activities should advance the common good and be evaluated in the light of their impact on those who are most vulnerable.**

In order for trade and investment practices to enhance the well being of people, private enterprise should advance distributive justice, sustainable human development, environmental protection, and poverty alleviation. Trade and investment should assist societies to meet social needs, such as secure livelihoods, health and education, and to realize the benefits of scientific discovery, cultures and spiritual heritages. Among the world's impoverished populations, women and children are often those who are most vulnerable.

*We observe:*

- Increasing inequalities between wealthy and impoverished people;
- Increasing deterioration in the health and well being of the world's impoverished people;
- Growing concentrations of impoverished people in selected regions of the world;
- A tendency toward exploitation and commodification of nature, people, and their cultures;
- An arms trade that constitutes an integral part of the global economy;
- Trade and investment that have sometimes resulted in the forced displacement of populations;
- Certain instances where trade and investment have improved the well being of impoverished people, helping to provide meaningful employment and improved standards of living.

*We envision:*

Trade and investment relationships that uphold principles of social and economic justice, enhance the material and spiritual well-being of all (through means such as equitable distribution, fair working conditions, and meaningful employment), and promote the advancement of women in social and economic development.

## **3. International trade and investment policies and decisions should be transparent and should involve the meaningful participation of the most vulnerable stakeholders.**

In order for trade and investment practices to advance the common good, then transparency of process, meaningful participation in decision-making by those affected, and empowerment of vulnerable people are essential. Transparency requires that all participants have sufficient knowledge of the issues, rules and procedures and other vital elements of the decision making process. All stakeholders should be able to offer their opinions and perceptions in helping to determine, implement and evaluate policies. Those who are vulnerable include communities of ordinary people who often bear the burden of the negative consequences of trade and investment. Meaningful participation implies strengthening local actors and economies; it requires the transformation of power relations to create opportunities for those who are vulnerable to fully participate as stakeholders.

*We observe:*

- Industrial states and global institutions that often make decisions and debate policies without the full participation of those affected;
- Women being denied participation in trade and investment decisions, even though they make significant contributions to the local economy and often suffer the most from the adverse effects of such decisions;
- The evolving participation of civil society and peoples of faith in meaningful dialogue with governments and intergovernmental organizations about ethical trade and investment issues.

*We envision:*

International institutions and policy processes that incorporate equitable participation and empowerment of all stakeholders, especially the countries of the global South and their peoples and communities; effective regional institutions that enhance local and regional trade and investment options; transparent and accountable national and local structures in which citizens and organizations of civil society meaningfully participate in policy decisions that affect their lives and livelihoods; and economies that value sustainability, human dignity, equity and community.

**4. International trade and investment systems should respect the legitimate role of government, in collaboration with civil society, to set policies regarding the development and welfare of its people.**

Government exists to serve the needs of society. It has an essential role in setting priorities and making decisions about trade and investment in order to advance the common good. Civil society, in its turn, has the right to freely express its views about society's needs, address them in public policy, and to otherwise participate in decisions affecting social, economic and environmental justice.

*We observe:*

- International trade and investment regimes that undermine the decision-making prerogatives of national governments to the detriment of local economies and cultures;
- Multi-lateral institutions and national governments that often marginalize civil society's right to participate in trade and investment decisions;

- Multi-lateral institutions that frequently pressure governments to prioritize market needs over those of people and the environment;
- International trade and investment rules that prevent governments and civil society from holding transnational corporations accountable for their actions.

*We envision:*

International institutions that respect the right of governments to establish policies that ensure the social and economic well-being of their people; effective collaboration between civil society, governments, and international institutions in shaping international trade and investment to advance the goal of a just and prosperous human society; and mechanisms that ensure that transnational corporate activities serve the common good.

**5. International trade and investment systems should safeguard the global commons and respect the right of local communities to protect and sustainably develop their natural resources.**

The global commons include the shared natural systems and cycles that underpin the functioning of ecosystems everywhere. They are an essential component of the collective heritage of humankind. All nations and peoples, including economic actors, have a joint responsibility for protecting and conserving this heritage. Trade and investment should be carried out with vigilance and precaution, especially when scientific knowledge regarding the potential harm of such activity to the global commons is incomplete. Trade and investment should strictly respect the right and responsibility of peoples and communities to maintain the global commons through the sustainable use of their local and traditional resources.

*We observe:*

- Dominant patterns of production and consumption that often cause environmental devastation, depletion of resources and extinction of species;
- Human activities that often overburden ecological and social systems;
- Local communities that risk being unable to realize the full benefits of their natural resources, including health and sustenance, due to international patent regimes.

*We envision:*

Trade and investment systems that safeguard the global commons, natural resources and biodiversity, place a high premium on sustainability, account for environmental and social costs in the pricing of goods and services, and acknowledge that every form of life has intrinsic value and belongs to our global heritage.