



Statement by H.E. Archbishop Ivan Jurkovič, Permanent Observer of the Holy See to the United Nations and Other International Organizations in Geneva
UNCTAD Trade and Development Board
High-level dialogue: Is the world integrating or disintegrating?
Geneva, 12th September 2017

Mr. President,

The Delegation of the Holy See welcomes the opportunity of this High-level dialogue and the note prepared by the UNCTAD Secretariat which focuses on “the possibility of a new normal in global trade relations, provides an overview of regional trade agreements (RTAs) in developing countries and addresses the role of regionalism in economic development”.

The increasing economic inter-dependency among nations captured by the ‘globalization’ rubric has been driven by a combination of technology, policy, business behaviour, and public attitudes. While all of these factors help to explain economic growth generally, they have contributed especially to global integration through trade, finance and migration. The present degree of global and regional challenges requires strong cooperation and solidarity among States, regions and international organisations, as no actor alone can positively cope with issues such as economic crisis, inequalities, future of work, climate change, social exclusion and migration.

Regional integration has long been a tool in trade promotion; increased trade flows and evolving commercial links within Regional Trade Agreements (RTAs) have been forged between regions in the last two decades. In developing countries, trade agreements help determine national trade policy and potentially amplify the impact of trade on development. RTAs have the potential to promote higher standards in terms of labour, environment, transparency and other progressive reforms and non-economic policy objectives. RTAs have become the instrument of choice to increase trade.

Since 1995, 445 regional trade agreements covering goods and/or services have been reported to the World Trade Organization¹ and to date “all WTO members [...] have an RTA in force”². In the last decade, a new approach to RTAs has seen their evolution into mega-regionals and multiparty agreements. Furthermore, a growing number of bilateral, regional and interregional trade agreements incorporate provisions that address social and developmental concerns, such as labour policy considerations, sustainable development and environmental protection. All of these considerations must be based on the dignity of the human person. Following this premise both

¹ *World Trade Organization*, “Regional trade agreements – Facts and figures”. Available at https://www.wto.org/english/tratop_e/region_e/region_e.htm

² *Ibidem*

individual actors and multilateral institutions can work together with the goal of reaching the common good.

Mr. President,

The Nairobi Maafikiano highlights the importance of regional integration in promoting inclusive growth and sustainable development through, inter alia, strengthening regional economic cooperation among developing and developed countries. Regional integration can be an important catalyst to reducing trade barriers, implementing policy reforms, decreasing trade costs and increasing developing country participation in regional and global value chains”. Nonetheless, it should not be forgotten that modern business and free trade, “even if they have reduced poverty for a great number of people, often have led to a widespread social exclusion.”³

Trade is unbalanced and unjust when it complements the landscape of social exclusion and inequality – when it transgresses anyone’s dignity anywhere in the world; when it neglects the common good of the whole of humanity; when it worsens the distribution of income; when it fails to create sustainable employment; when, worse, it takes advantage of human trafficking and modern slavery; and when in effect it bars the poor, the weak, and the vulnerable from participating in economic life. Such a trading system cannot be justified when it protects or even enhances the ability of large corporations to cut corners, avoid paying taxes and discard workers rather than supporting the ability of the poor and marginalized to earn a decent living and live in dignity. It cannot be defended when it runs roughshod over basic human rights, refusing to hear the cries of the poor who toil long hours for scandalously low pay in unsafe working conditions. It cannot be defended when it treats the natural environment as yet another resource to be plundered, rather than a precious gift to be stewarded prudently and wisely, including with self-restraint.

Regional Trade Agreements can help developing countries to gradually adjust to the increased degree of free trade competition. However, we must recall, as Pope Paul VI affirmed, that “free trade can be called just only when it conforms to the demands of social justice.”⁴ In this sense, we have to identify the inequalities of the economic system and start fixing them. RTAs should be seen and used as powerful tools of solidarity and subsidiarity, but not as a substitute of the wider multilateral framework. Member States can enhance the facilitating role that cooperation within and among RTAs can have in areas where policy coordination and coherence is most needed to increase synergies between trade and the Sustainable Development Goals, such as “reducing trade policy uncertainty; avoiding the extremes of trade protectionism at regional and multilateral levels; promoting the structural transformation of low-income and/or commodity-dependent developing countries; devising regulatory measures and standards, for example in the areas of health, the environment and competition policy, that enhance and do not undermine the trade flows of developing countries; and formulating policy measures to achieve inclusive trade, for example for small and medium-sized enterprises, women and youth”⁵.

³ Pope Francis, *Message to the World Economic Forum, Annual Meeting at Davos-Klosters*, 17 Jan 2014.

⁴ Paul VI, *Populorum Progressio*, 1967, § 59.

⁵ UNCTAD TD/B/64/10

RTAs and multilateralism must be centred on the integral development of all human beings. Economic policies must respect the dignity of every person and negotiations must promote the common good. If not, the roots of the last, devastating crisis will not be cut. If the current problems are not addressed, the economic situation will ultimately worsen the global political landscape, fuelling fears and tensions worldwide.

In conclusion, Mr. President,

UNCTAD can play a fundamental role in shaping a new spirit in global trade relations. What the world needs now, more than ever, is a new culture of fair multilateral relations based on cooperation and international solidarity. This should be the permanent role of UNCTAD, to be an opportunity and a place for a renewed and effective dialogue on development. Multilateralism, if promoting a human-centred approach to the economy, and RTAs, if aimed at improving the common good, can promote a just trade and will strongly help the human family build a better world and fairer societies.

Thank you, Mr. President.