



Statement by H.E. Archbishop Ivan Jurkovič, Apostolic Nuncio, Permanent Observer
of the Holy See to the United Nations and Other International Organizations in Geneva
at the 11th Session of the Ministerial Conference of the World Trade Organization

Buenos Aires, 12 December 2017

Madam President,

At the outset, my Delegation would like to thank the Government of Argentina for the effective organization of this timely conference and for its generous hospitality.

Madam President,

The world has gained an impressive, long record of momentum towards open trade. But now that momentum is slowing and affecting growth. Trade, in particular over the recent decades, has helped to lift a billion people out of poverty in developing countries and has improved the livelihood in many developed countries. An increasing number of developing and transition economies have managed to integrate into the world economy. This has resulted in an unprecedented expansion in international trade. Over the years, the world has witnessed, among other positive developments, a decline in global extreme poverty. These, however, have not been equally shared. The benefits of globalization, combined with a general improvement in macroeconomic management, have helped the graduation of some Least Developed Countries (LDCs), and the integration of many developing countries, into the global economy.

The world is still facing, however, an unequal global distribution of resources and opportunities; today, we are better positioned to take concrete actions that can address inequality between and among countries and peoples. In 2015, world leaders agreed on how to situate better the international community to address some of the most pressing global challenges. Adhering to principles such as equity, inclusiveness, common but differentiated responsibility, special and differential treatment, less than full reciprocity and the right to development, is crucial to strengthening the role of developing countries in the global economy. Our action in a multilateral trade normative system should contribute toward the realization of common aspirations to achieve prosperity, dignity and a better planet for all. Balanced rules and trade liberalization are key, especially in securing the World Trade Organisation's (WTO) pre-eminent role in global trade and ensuring equitable benefits to all its members, especially the LDCs. The Nairobi Decision, the Hong Kong Ministerial Decision on Duty Free Quota Free market access for LDCs and

Decision on the LDC services waiver stand before us as examples of the developmental objectives achieved over the last years.

Looking at the current situation, the Holy See considers of particular importance the acknowledgment that trade can cause dislocation and uncertainty in some sectors and communities and that the benefits of trade have failed to reach as many people as they should. Our common action working here in Buenos Aires, as done in the previous two Ministerial Conferences, should not weaken the multilateral trade system, but making it work better. If we continue to look merely at the particular interest by shaping a closed economy, then, in the medium term, the economic growth could decline and the poorest would be hit the hardest. As already experienced, this would likely increase tensions between nations. A spirit of solidarity should guide our actions in these days to redouble our efforts to make trade truly inclusive and not to continue to defend privileged positions in international trade.

A new logic is progressively emerging.

The end of the bipolar dimension in world relations and the emergence of new actors in the economic and political arena has profoundly changed the scenario that we face. This more fragmented and unpredictable international landscape should favour dialogue and cooperation among countries, particularly within multilateral institutions. Meanwhile, a new logic has progressively emerged, a logic based on fragmented and partial agreements based more on an individualistic approach rather than an inclusive one.

The trade agenda greatly reflects this new approach with the stalemate in multilateral negotiations and the growing number of Regional and Preferential Trade Agreements.

The Holy See wishes to warn about the dangers associated with the marginalization of multilateralism. Despite its limitations and complexity, the multilateral framework gives pluralism a universal dimension and facilitates an inclusive dialogue. More importantly, the multilateral approach provides an enhanced and safer framework within which weaker and smaller countries may be better safeguarded than in a regional or bilateral setting, where an asymmetric situation inevitably tends to favour large and strong economies.

We should not forget that the main goal of multilateral institutions is to seek the common good by respecting the dignity of every single person. Starting from the original aspiration for truth, love, and justice, shared by every man and woman, every individual and country should be given the opportunity to give its contribution to the common goal; the multilateral institutions must provide the setting wherein such a constructive dialogue is facilitated.

Agriculture

Despite the generally fast growth of agricultural trade, most of the food consumed in many countries is produced domestically; net imports are within the range of 0-20 percent of the domestic food supply in many instances¹. With more than 800 million hungry and undernourished people in the world, the problem of ensuring food security remains an enduring challenge, especially for developing countries. Many of them face daunting challenges, including a stagnant farm sector, inadequate domestic food stocks, volatility in food prices in international markets and low food purchasing power among the poor and needy. Two years ago, the UN General Assembly, through the adoption of SDG 2, called for action on trade restrictions and distortions in agriculture as one means to achieving the goal of ending hunger and malnutrition by 2030. The 2030 Agenda acknowledges that progress towards many other SDGs will depend on the extent to which food insecurity and malnutrition are effectively reduced and sustainable agriculture is promoted. Conversely, progress towards SDG 2 will depend on advancement made toward several other goals.

The Holy See considers it critically important to address the problem of food insecurity with due regard to a long-term perspective, eliminating the structural causes that give rise to it and promoting the agricultural development of poorer countries. Small-scale agriculture, as the mainstay of the rural economy, must certainly play a key role in growth. Boosting the productivity of small-scale agriculture is necessary to allow increased staple food production for household consumption and for the market when addressing challenges to improving infrastructure. Rural areas play a crucial role in the economic growth of LDCs. Thus, transforming rural economies by boosting agricultural productivity and by developing viable non-farm activities, while maximizing synergies between the two through greater access to technology and finance, is crucial for poverty eradication, job creation and sustainable development. The rural setting in itself does not provide the necessary opportunities for a sensible improvement of their working and living situations. *“Their attempts to move to other, more diversified, means of production prove fruitless because of the difficulty of linkage with regional and global markets, or because the infrastructure for sales and transport is geared to larger businesses. Civil authorities have the right and duty to adopt clear and firm measures in support of small producers and differentiated production.”*²

Women

It is clear that trade plays a central role in economic development. The positive effect of trade, moreover, can be magnified by policies that favour the inclusion of all

¹ Cf. FAO, *The future of food and agriculture. Trends and challenges*, Rome 2017 available at (<http://www.fao.org/3/a-i6583e.pdf>)

² Pope Francis, Encyclical Letter, *Laudato si'*, n.129.

members of society in economic development. Policies aimed at women empowerment in the process of development may play a key role on this regard.

The Holy See has always stressed the importance of the contribution of women-to society. Women are central not only in the development of the family but also for the development of the entire economic system. As Pope Francis recently stated: “The covenant between man and woman is called to be a guiding force for society as a whole. We are invited to be responsible for the world, in the realms of culture and politics, in the world of work and economic life, as well as in the Church. This is not merely a matter of equal opportunities or mutual appreciation. It involves the way men and women understand the very meaning of life and human progress.”³ Plenty of studies confirm that a higher participation rate of women is associated with stronger economic growth and with more equitable societies.

Agriculture is at the centre of the 2030 Agenda, in this respect rural women play an essential role in ensuring household food security and nutrition, including through the preservation of biodiversity and plant genetic resources. Nevertheless, women are all too often discriminated and marginalized by societies in ways that offend their dignity. Women are overrepresented among working poor, in informal employment and also account for most of unpaid work.

Perhaps the worst type of discrimination occurs in education where, in several countries, girls are prevented from attending schools, which exacerbates the vicious circle of poverty, exclusion and marginalization. Ensuring to all girls and women equitable access to education is not only a great opportunity for putting to good use their full talent, but it is also a crucial factor affecting the choices of future generations. Better educated women understand the full benefit of education and are more likely to improve the schooling of their own children, thus greatly contributing to the advancement of society.

The Holy See strongly encourages the promotion of the female workforce through training and skills development and investing in time-saving, labour-saving technologies that respond to women’s needs.

E-commerce

The digital revolution has created development opportunities that were once impossible. The explosive growth of Information and Communication Technologies (ICTs) and the digital economy are transforming economies at an unprecedented pace. The mobile revolution, expanded internet access and new online platforms, force enterprises to adapt their business practices. Technology has reshaped global value chains and trade patterns. It democratizes opportunities by enabling consumers and producers to buy and sell what they want, to and from whomever they want, making trade more inclusive. It

³ Pope Francis, Address to the Participants of the Pontifical Academic for Life, 5 October 2017.

also gives greater freedom of choice to make transactions at lower costs, making trade much more competitive. The governance of e-commerce must, therefore, guarantee the protection of consumers and producers, through transparent rules and norms, so as to render trade more fair and equitable. Within this spectrum, our common interest is to shape together in the WTO a global, multilateral and sustainable regulation that governs e-commerce and facilitates the inclusion of the most vulnerable people into the digital market. In this regard, it will be fundamental to increase affordable ICT connectivity in the developing world and to bolster the human capital, the physical infrastructure and the policy framework, that underpins ICT use.

Fisheries

Within the adoption of the 2030 Agenda, SDG 14 is exclusively dedicated to the conservation and sustainable use of oceans, seas, and marine resources. Millions of people around the world rely on fisheries and aquaculture for income and livelihood. The most recent estimates indicate that 56.6 million people are engaged in the primary sector of capture fisheries and aquaculture.⁴ Around 350 million jobs are directly or indirectly created by the oceans economy. A large population of developing countries, LDCs, coastal economies and small island nations directly depend on fisheries. Therefore, the issue of subsidies is particularly sensitive for small and poor nations. This creates a new momentum at the multilateral level to address unsustainable practices in the fisheries sector, encompassing a specific target (SDG 14.6) to prohibit by 2020 those fisheries subsidies that lead to overcapacity and overfishing, to eliminate subsidies that contribute to illegal, unreported and unregulated (IUU) fishing and to refrain from adopting such subsidies.

Regulating fisheries subsidies cannot be seen as a stand-alone issue. As is known, fisheries subsidies are projected to be as high as \$35 billion worldwide, of which about \$20 billion are categorized as capacity-enhancing and they directly contribute to overfishing. It is vital to adopt a holistic approach for the sector's development that also addresses market access (tariffs and non-tariff measures) and capacity constraints in implementing sustainable fisheries-related measures. Failure to address these subsidies will jeopardize the livelihoods of coastal populations, particularly in countries and communities most dependent upon fish production.

Acknowledging the great obstacles that negotiations are facing, the Holy See supports the adoption of a pragmatic approach which allows the consolidation made so far. The longer we wait to conclude the current agreement, the fewer will be the benefits of the progress achieved, which, in some areas, are truly significant. Inaction would not only jeopardise all the efforts made so far but, most importantly, it would have a negative effect on the poorest countries which would be prevented from reaping the benefits of trade

⁴ Cf. FAO: The State of World Fisheries and Aquaculture - 2016, at p. 32-34.

liberalisation. The finalization of the current agreement would, moreover, allow countries and the WTO itself to deal more effectively on new important issues that have recently emerged.

In conclusion, trade is unbalanced and unjust when it complements the landscape of social exclusion and inequality; when it transgresses somebody's dignity anywhere in the world; when it neglects the common good of the whole of humanity. As Pope Francis has repeatedly stated that "it is becoming increasingly difficult to find local solutions for enormous global problems which overwhelm local politics with difficulties to resolve. If we really want to achieve a healthy world economy, what is needed at this juncture of history is a more efficient way of interacting which, with due regard for the sovereignty of each nation, ensures the economic well-being of all countries, not just of a few".⁵

All the world's eyes will be on our deliberations during these days. If we fail to reiterate our commitment to multilateralism, development and inclusiveness, our silence will send a message to the world which will be louder than words. The effects of a no-decision will have repercussions on the credibility of the organization for years to come. Let me close, Madam President, by assuring this Conference of the Holy See's commitment to strengthening multilateralism and constructively engaging in the discussions on all areas of the work of the WTO.

Thank you, Madam President.

⁵ Pope Francis, Apostolic Exhortation, *Evangelii Gaudium*, n. 206.