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## Cracks Beginning to Show in CAFTA

by LADB Staff

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The Central America Free Trade Agreement (CAFTA) preparatory talks (see NotiCen, 2002-11-14) opened in Washington on Jan. 8 with a good deal of heady expectation on the part of negotiators, and enthusiasm on the part of private sector participants who see themselves as beneficiaries of the initiative. But by Jan. 20, doubts had begun to emerge.

With the actual negotiations set to begin in San Jose, Costa Rica, on Jan. 27, Enrique Mejia Ucles, principal negotiator for the Consejo Hondurena de la Empresa Privada (Cohep), approaches the talks with some sense of betrayal. The problem in his view is that only the government is negotiating; the private sector is left out of part of the process. Although the framework for negotiations allows the private sector to participate directly, in these proceedings the private sector will function only as advisors to the Secretaria de Industria y Comercio, which will do the official deal-making.

Mejia said that nongovernmental voices had been sidetracked to a lesser role by Costa Rican politics "...since in that country there has been a marked division between the government and private enterprise. But foreign, rather than national, interests influence that decision. Costa Rica has never taken private enterprise into account. We think that the private and public sectors have to get together to make one single effort, otherwise it is headed for failure."

The Costa Rican edifice that looks so monolithic to Mejia is also starting to crack, but not, as the Honduran might have expected, as a result of perturbations from the business community. In a news conference on Jan. 9, ex-President Rodrigo Carazo (1978-1982) demanded that President Abel Pacheco open public debate regarding CAFTA. It wasn't the interests of the private business community for whom Carazo was speaking. He was speaking for labor, indigenous, religious, and environmental leaders. Carazo, who has been a vocal critic of US economic policy in the hemisphere, said, "Reality demands that dialogue with civil sectors begin now. Costa Ricans do not know the implications of this trade agreement, nor do we know the government's position."

Tico civil society groups have been criticizing CAFTA at least since last December, when the leadership of 13 such groups sent Pacheco a 17-page letter detailing their concern that the free trade agreement would be a disaster for labor, agriculture, and the environment. The letter questioned the transparency and clarity of the process and claimed that they had been kept in the dark even as to "the position that will be taken by Costa Rica's team of negotiators."

Pacheco shot back a brief, generic letter telling them, "Any agreement that is damaging to the environment, social justice, labor rights, minority groups, etc. will not have the support of this government." The president's gesture did nothing to appease concerns that CAFTA has the potential to exacerbate poverty, and expand and accelerate the privatization of public utilities, education, and health services in the country.

The concerns are historically based. "Look at the consequences the North American Free Trade Agreement (NAFTA) has had on Mexico; we must not make the same mistakes," said Jose Merino of the Political Action Forum.

Aware of the severe threat to Mexican agriculture posed by NAFTA, Mesa Nacional de Campesinos president Pedro Pablo Aguirre said, "We are simply not ready to compete [with US producers]; we're asking for greater participation in this process." From the labor sector came a warning that any attempt to privatize state enterprises like the electricity company Instituto Costarricense de Electricidad (ICE), the social security system, or the national oil refinery would meet public opposition.

Here again, there is historical precedent; protesters brought the country to a standstill in 2000 (see NotiCen, 2000-03-30) over government attempts to modernize ICE. Said ICE worker's federation coordinator Fabio Chavez, "We are holding meetings with workers across the country. We will not accept any attempt to open the telecommunications sector to privatization (see NotiCen, 2002-10-17)."

Also promising public reprisals for governmental failure to pay attention to citizen concerns was Marino. "If democratic channels of negotiation are not opened, we will initiate massive public mobilization," he said. Pacheco responded to these declarations on his weekly radio show with a reiteration of benign intent. "I am ready to push forward a negotiation process that benefits our producers, protects the environment, and strengthens social justice," he said. But rather than signal that he might include civil society in the negotiations, he hinted at when in the process he might seek their input, saying, "At this point there is no reason for certain groups to threaten strikes and protests, with violence, when not even a first draft of the treaty exists."

By Jan. 21, Pacheco seemed to have taken a policy decision to oppose, rather than include, the growing opposition by the curious tactic of claiming ignorance of the content of his own government's negotiating position. "How can they oppose something that we don't even know what it is," he asked reporters at a news conference, continuing, "and without even knowing what the thing is, they're talking of taking to the streets, and they're threatening me."

The president, together with his Minister of Foreign Trade Alberto Trejos, told reporters that, with less than a week to go before the formal negotiations begin in San Jose, they still do not have even a rough draft of what they will negotiate. But, he promised, there would be no secrecy, they would negotiate with all their cards on the table, and all those who had expressed discontent "will be invited to have access to all the negotiations." Trejos reiterated the lack of an outline for the talks, but assured the press, "If the treaty is something that is not propitious, that doesn't correspond to the interests of Costa Ricans,...I will be the first one to tell Abel not to sign it."

These assurances were too vague for the opposition, which does have a rough draft of what it intends to do. On the same day that Pacheco and Trejos spoke, civil society organizers announced a series of actions. Coinciding with the start of the talks, there will be a rally at which a national proclamation will be read spelling out what civil society requires of a free trade agreement. On the

following day a Forum of Civil Society will be held led by the Frente Interno de Trabajadores del Instituto Costarricense de Electricidad (ICE). Eighteen other civil organizations plan to participate, among them the Consejo de Defensa de la Institucionalidad headed by ex-President Carazo.

The opposition, already bolstered by the presence of an ex-president, took on additional legitimacy with the news, on Jan. 22, that government Defensor de los Habitantes Jose Manuel Echandi was also involved in the organization of the opposition. Echandi told reporters that he has not taken a position on CAFTA. He said that his role so far has been to deliver to Trejos a petition asking that, within the next five days, the minister divulge details of all the contacts made thus far on the subject.

The ombudsman acted in response to a denunciation presented to the Defensoria by Carazo. The inclusion of Echandi changes the stakes by reframing it, institutionally, as a human rights issue, as well as a socioeconomic one. It becomes an issue that the president will have to take seriously as a matter of mandate. Pacheco appeared to reporters to be genuinely surprised by the announcement of Echandi's involvement. "His attitude seems a bit partisan to me, if it's true," he said.

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