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Anti-US Sentiment and CAFTA Opposition

by LADB Staff

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As the third round of negotiations for the Central America Free Trade Agreement (CAFTA) opened in El Salvador on March 31, new fears of US dominance of the region, and of Latin America as a whole, have emerged.

Otton Solis, president of the center-left Partido Accion Nacional (PAC) in Costa Rica, spoke of a link between regional submissiveness in the trade talks (see NotiCen, 2003-01-23) and the advent of a new, US-compliant presidency for the Organization of American States (OAS). Solis' concern is that both Costa Rica and El Salvador have potential candidates for the hemispheric office, and both need the support of the US to realize their ambitions.

For Costa Rica, the favorite son is ex-president Miguel Angel Rodriguez (1998-2002). Rodriguez (see NotiCen, 2001-02-22) is currently teaching in the US. In Solis' view, the only countries with the standing to present coherent proposals in the negotiations are Costa Rica and El Salvador, and they will, because of their desire to honey up to the US, lead the isthmus to make concessions that might not otherwise be made.

The opposition leader, a former candidate for president of Costa Rica, sent a letter to the presidents of the five countries saying, "It is fundamental that Central America approach these negotiations strong and united and that the countries not try to take advantage of the weakness of others." Otherwise, he said in the letter to which he received no response, "we will end up competing in a war of concessions to the United States." Nonetheless, he said, "I'm with Miguel Angel Rodriguez, I hope he becomes Secretary-General of the OAS." S

olis said that he based his assessment of the relative strengths of the negotiating teams not only on his observations but also on input from US officials. He said he had spoken recently with a member of the US Senate Foreign Relations Committee about the matter and was told by the Senator, whom he did not name, that without offending the other countries, the situation of Guatemala, Honduras, and Nicaragua is "complicated with respect to the teams." The imbalance among the teams is hidden by the secrecy and lack of transparency in the talks to date, another troublesome feature for Solis.

Negotiators have tried to cover this often-criticized aspect of the talks with the assertion that they cannot speak while the work is in progress. "Many people have swallowed this argument," said Solis. "In the end, they're going to present the draft, and to the Central American to whom it occurs to oppose it, they will say, 'Then you want our country to be left out?'" "Its a trap; there are two alternatives here. Either the Central American negotiators don't know what they want which is serious or they do know and they are hiding it which is even more serious. The first is a problem of competence, and the second is a problem of ethics."

Costa Rican President Abel Pacheco, speaking to the same reporter later, did not link kowtowing at CAFTA with OAS aspirations, but did acknowledge a strong interest in seeing a Central American at the head of the hemispheric body and a disposition to bring that to pass. "I believe it is Central America's turn. It is fair that a Central American be picked for secretary-general of the OAS; we have to present a united front to have the chance to win it, whether it be one or the other." The "other" would be El Salvador's President Francisco Flores. The secretary-generalship is a seamless next-step for Flores, whose presidency will end in a year, just in time for him to grab the next rung on his career ladder with a yawn and a stretch.

Making it clear that his heart lay with one of his own, Pacheco said, "There is the possibility that a Costa Rican, an illustrious ex-president of the republic, don Miguel Angel Rodriguez will contend for this post." Pacheco indicated he would also back Flores enthusiastically. "Let's come to an agreement, and whoever gets the most votes will be the candidate; I don't see that as so difficult," he said. Without casting aspersions on his other partners in the CAFTA talks, Pacheco also made clear whom he regards as the main players. Speaking of a scheduled meeting with

Flores in El Salvador prior to the round, he said, "We are going to see how we can put in synchrony the Cuscatleco [Salvadoran] and Tico motors, which are the motors for excellence in Central American industrial production." While observing decorum within the confines of the talks, the CAFTA governments reached a new plateau in distancing themselves from the ordinary citizens in whose name they negotiate. Riot police in full battle dress and soldiers surrounded the luxury hotel hosting the negotiations. In all, there were more than 1,000 troopers. Also on hand were anti-bomb squads. There had been no protest activity leading up to the March 31 start of the proceedings.

On April 2, a demonstration combining protests against CAFTA and the war in Iraq went off without violent incident. CAFTA and the war are now linked on both sides of the argument, as governments use the terrorism issue to justify the massing of troops against the demonstrators. The troops were successful in preventing marchers from reaching the hotel. The demonstration, several thousand strong and composed of a panoply of organizations melding students, professionals, and campesinos, both national and international, also raised banners protesting "imperialismo yanqui" and neoliberalism. This is a turning point in popular response. Previous demonstrations focused on CAFTA-related issues. Now CAFTA is being seen as just one element of an integrated and malignant US foreign policy. News sources agreed that this was the largest march yet mounted against the CAFTA trade talks.

One organizer of the event, Lorena Martinez, speaking to the crowd, also called for a boycott of US products as part of a campaign already underway in other parts of the world. This, too, is a departure from previous demonstrations in that it is a call for coordinated global action. Inside the hotel, an estimated 525 people massed for the start of the talks. This number included the negotiators, consultants from various sectors trying to protect their interests and grouped in "quartos al lado," and a media presence of some 185 national and international reporters accredited to the event. Not included in the count of participants was an ample number of security personnel.

On day one, the US presented its proposals on textiles and telecommunications. Eduardo Ayala, vice minister of economy and chief negotiator for El Salvador, told reporters that the text covered access

to public services, obligations of providers of public telecommunications services, and regulatory agencies. No details were given as to the content of the proposals, but the format, said Ayala, called for representatives of the sector to study them and then consult with the negotiators. Costa Rica is the only country with a state monopoly in telecommunications, and it has signaled previously that its Instituto Costarricense de Electricidad (ICE) will reject privatization (see NotiCen, 2003-02-06). Sources within the sector from the other countries have made it known that they fear losing out to US companies through concessions granted by their own governments.

The other early issue on the agenda was textiles, also a locus of fear for the Central American producers. The problem there is US imposition of conditions that would prevent them from using less costly materials. The US demanded in the last round that only US-made fabric and thread could be used in articles eligible for entry into its market.

Guatemalan negotiator Salomon Cohen warned that, according to World Trade Organization (WTO) treaties, Asian countries would soon be flooding the markets with textiles and that both Central America and the US would suffer losses in their industries. He also said that the isthmus is still not ready to counter the US demands in the sector because they have not yet concluded the process of consultation with local producers.

Looking at CAFTA from a world away

It is just this kind of failure to keep up the pace of the process that prompted Costa Rican professor Jaime Ordonez to characterize CAFTA negotiations as a "malinchismo cultural," using the Mexican term for a preference for foreign goods. Ordonez, director of the Centro de Estudios para el Futuro in Costa Rica, was speaking at a conference on Central American development and integration in Madrid, organized by the Fundacion para el Desarrollo y la Cooperacion at the Jesuit Universidad ETEA. Ordonez said leaving the decisions to the "political classes" was bringing about a condition of "unnecessary defenselessness" for the region. "It appears impossible to turn the agenda back, now that it is well advanced," he said. "CAFTA arrived before consolidating the process of integration; we're suffering a kind of integration lag."

Ordonez had advocated regional consolidation followed by participation in the Free Trade Area of the Americas (FTAA) discussions, rather than the present course. He said that CAFTA has distorted integration, causing an "exogenous and asymmetrical regionalism," leaving no cure but to "rethink integration and throw into the sea everything that has been written [on the subject] in the last 30 years."

For Hugo Beteta, vice rector of the Universidad Landivar de Guatemala, another contributor at the Madrid conference, a major downside of CAFTA is that it "generates great social imbalances and tensions." The challenge for the Central American republics in the process is to "generate scenarios of efficient governability" and to "construct a citizenry" aimed at "equity and the creation of middle classes." But, he said, "priority number one" is to "maintain social cohesion by methods that guarantee juridical security and universal social security."

Both Beteta and Ordonez suggested that the whole point of a trade agreement was to create an economic engine for the alleviation of poverty within a framework of institutionality and democracy. They don't see that happening in CAFTA.

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