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CAFTA Opposition Peaks

by LADB Staff

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With the opening of the final scheduled round of Central America Free Trade Agreement (CAFTA) negotiations in Washington (see NotiCen, 2003-10-23), critics stepped up efforts to be heard and to scuttle what they see as a bad deal all the way around.

In Honduras, the Catholic Church marked the opening of the talks with a recommendation that signing the finished accord be postponed. The recommendation was contained in a position statement by Honduran Cardinal Oscar Andres Rodriguez. The statement was read by Fr. German Caliz, director of Pastoral Caritas. The text argued that most Hondurans know little or nothing about the negotiations and are now faced with a situation "plagued with uncertainties, that manifest a clear tendency to deepen the unjust inequalities of our society."

Speaking directly to the US-imposed secrecy under which the negotiations have taken place, the church demanded that the state put in practice "mechanisms to inform the population in general, and in particular the sectors directly affected, the contents of the negotiations." The church also wants the government to engage those affected sectors on the best strategies for Honduras to enter liberalized markets. Until that is done, and until conditions are in place for the country to "comply with all the responsibilities and implications" of joining the free market, the government must, said the statement, postpone signing on.

Along with the statement, Pastoral Caritas presented to the media an analysis of the social, economic, labor, tax, and other impacts ignored in the CAFTA negotiations. The analysis was part of a study that the church organization funded and which was done by a group of contracted professionals. The study emphasized that "the sectors that defend the free-trade agreement between Central America and the United States contend that liberalization of trade will bring progress and well-being to the Honduran society. Nevertheless, statistics of the last twenty years 1982-2002 do not point in that direction." That statement rests in part on Honduran experience with the Caribbean Basin Initiative (CBI), during which, despite the unilateral opening to US markets for Honduran goods, "poverty, instead of reducing, has increased (see NotiCen, 1997-05-22)."

According to the study, in 1982, 59% of Hondurans were poor. By 2002, that figure rose to 71.6%. The report goes on to say that the main reason the US is pressing the region to complete a treaty in so rapid a fashion is that the US needs it as a lure for its expansionist policy in Latin America through the Free Trade Area of the Americas (FTAA). Honduran critics look at Nicaraguan legislation The Asamblea Nacional (AN) in neighboring Nicaragua, meanwhile, has passed legislation much like that which Honduran free-trade dissidents would like to see.

The legislation was in the form of a constitutional reform that eliminates the need to ratify this or any treaty within 60 days. Under the reform, there will be no time limit; the AN could delay forever. The change will not be applicable, however, until it is approved by a second vote in the next

legislature, to be elected in January. Some deputies have said that they want more time to analyze treaties. The sixty-day requirement allows treaties to come into law automatically if the AN does not act. This is what happened with the free-trade agreement between Nicaragua and Mexico.

Most pro-CAFTA officials are not particularly concerned by the legislative move. Chief CAFTA negotiator Carlos Sequeira said that, if the lawmakers didn't want the treaty, "they could easily have said so in the 60 days that they had." Alfredo Cuadra Garcia, president of the Consejo Superior de la Empresa Privada (COSEP), added that, even with all the time in the world, all the legislature can do is ratify or not ratify, but it cannot change anything within the treaty.

In Costa Rica, resistance to the treaty among the population stands at about 41%, while 52% think CAFTA will bring some benefits, according to a poll by the newspaper La Republica. The firm CID-Gallop interviewed 1,228 persons between Nov. 22 and Dec. 1. The poll also found that, somewhat paradoxically, 59% say they have no idea what the accord entails. Opponents protest CAFTA in US In Washington, some 200 groups greeted the opening of the talks with a series of protests, as part of a national campaign to prevent the signing of an agreement they say will result in "greater misery" for the region. The protests coincide with the tenth anniversary of the North American Free Trade Agreement (NAFTA), which went into effect Jan. 1, 1994.

Soren Ambrose, member of the coalition 50 Years is Enough, said that the protesters students, union workers, and farmers believe CAFTA will increase poverty and fill the pockets of the multinationals. The negative effects of NAFTA, the loss of jobs in the US and worsening of the rural crisis in Mexico, "offer an important lesson and serve as a warning for those who negotiate other trade pacts," said Ambrose, who added that the demands of civil society that the negotiations respect workers' rights, protect the democratic process and the environment, and allow for socioeconomic development with justice have fallen on deaf ears.

Also on the downside, in the US, the Congress is not certain, despite the wishes of the Bush administration, to pass CAFTA. Rep. Sander Levin (D-MI), a member of the House Committee on Ways and Means, which has jurisdiction in trade matters, said that CAFTA will not pass if it doesn't include labor protections that meet international standards. "I'm here to say to the administration, 'Turn it around or it will be turned down,'" the lawmaker told reporters.

Opponents of the agreement think that approval will be difficult, if for no other reason than that Democrats are more likely to vote en bloc in an election year and carry with them Republicans from states and districts whose economies depend on agriculture or textiles.

A recent report from Human Rights Watch (HRW), meanwhile, strengthens the hand of legislators like Levin and others militating for inclusion in the agreement of workers' rights like the right to organize and bargain collectively. The report, *Deliberate Indifference: El Salvador's Failure to Protect Workers' Rights*, said that worker rights went unrecognized and unenforced by the government of El Salvador. The Salvadoran government was found to aid and abet private-sector abuses against workers, especially union members. The report specifically called for a CAFTA that contained effective safeguards against these practices.

"Employers in El Salvador know that, if they violate workers' rights, there is little or no consequence and the government might even help them carry out these abuses," said Carol Pier, the report's main author. "CAFTA must include strong tools to prevent this, but the current proposal falls far short." The US position on this issue, according to US Trade Representative (USTR) Robert Zoellick, is that his side will not go further than it went in the free-trade agreement with Chile. That agreement calls for nominal fines if a country fails to enforce its own labor and environmental laws in a "sustained or recurring manner."

Thea Lee, a trade specialist for the AFL-CIO, said, "What we see in CAFTA is a very inadequate model of asking countries to simply enforce their own labor laws, whatever they might be." Lee called CAFTA a "corporate boondoggle disguised as free trade." She said, "It will accelerate US job losses to corporate outsourcing and worsen the abuse of workers in both countries and undermine national, environmental, and public health regulations while really doing nothing to lay a foundation for the kind of sustainable and equitable development that Central America needs and deserves."

Environmentalists, although some supported NAFTA, are also ganging up against CAFTA. "The agreement will seriously undermine the citizens of Central America," said Brent Blackwelder, president of Friends of the Earth. "Since multinational companies could challenge environmental and public-interest protections before international tribunals [under CAFTA], demanding tens of millions of dollars in compensation, how many Central American countries will still take action to safeguard their citizens and environment?"

Even AIDS activists are finding something to hate in CAFTA. Their concern is that, under the intellectual-property rules Washington wants in the accord, it will be more difficult for the region to obtain anti-aids drugs at the very time that the epidemic is spreading in the region. A spokesman for the USTR, Rich Mills, denied this. "We fully support countries having the ability to get access to life-saving medicines. Nothing in the agreement will detract from the Doha access to medicines," he said. He referred to the Doha Declaration, which established a procedure for countries to set aside drug patents in public-health emergencies.

Others warning that they will oppose the agreement unless provisions in these and other social areas are shored-up and enforced include Oxfam America, the Washington Office on Latin America (WOLA), World Vision, and the National Council of Churches in Christ.

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