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El Salvador First To Implement CAFTA, And First To Feel The Heavy Hand Of Its New Partner

by Mike Leffert

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First to ratify the Central America Free Trade Agreement (CAFTA), El Salvador became on March 1 the first and only country in which the agreement is actually in force. US Trade Representative (USTR) Rob Portman announced the event after El Salvador acceded to last-minute, post-negotiation changes in the texts of the agreement that were assumed to have been closed.

Opposition to the changes has been widespread, both internally and among onlookers in the other CAFTA countries. The Farabundo Marti para la Liberacion Nacional (FMLN) has taken the matter to court to overturn the treaty. In neighboring Guatemala, Enrique Lacs, vice minister of foreign trade, said, "The US negotiation practices have been wretched." Grassley presses Portman Among the changes to which El Salvador bowed was one on meat inspections demanded by Sen. Charles Grassley (R-IA), chair of the Senate Finance Committee and a powerful farm-state advocate (see NotiCen, 2003-10-02).

In January, Grassley leaned on Portman to delay CAFTA implementation for any country that does not accept primacy of the US meat-inspection system over its own. The effect of this rule would be that meat certified in the US could enter the countries without having to pass local inspection. This requirement has been hard to swallow, not only for the CAFTA countries but also for Panama, which is negotiating a separate bilateral deal with the US and where the requirement led to a breakdown in the process (see NotiCen, 2006-02-23). Grassley was ebullient in accepting victory. "I'm glad El Salvador has made this decision. The US meat-inspection system ensures the safety of US meat, and it's good El Salvador recognizes that. This will help lead to the implementation of CAFTA for the United States and El Salvador. I encourage other CAFTA countries to follow El Salvador in making this type of determination. The sooner they do, the sooner that they like the United States will enjoy the benefits of expanded trade," said the senator.

The onset of CAFTA in El Salvador is part of a set piece that, according to some analysts, is designed to shore up support for the ruling Alianza Republicana Nacionalista (ARENA) in the March 12 elections, where polls show the FMLN leading in the crucial race for mayor of San Salvador and where the party is likely to pick up at least some seats in the Asamblea Nacional (AN). For the US, it is a balm for the embarrassment suffered when Jan. 1 came and went without a single one of the CAFTA countries prepared to implement the agreement.

El Salvador has become Battleship America in a sea of leftist electoral victories in the hemisphere, and the Bush administration is interested in seeing that trend not repeated on its flagship. The CAFTA announcement figured prominently in a high-profile (in El Salvador) visit of President Antonio Saca to the White House in late February. One highlight of the visit was Bush support for Temporary Protected Status (TPS) for Salvadoran workers in the US, something Saca desperately needs. Remittances from these workers are El Salvador's largest source of foreign exchange,

dwarfing CAFTA. TPS alone would be sufficient inducement, in dollar terms, to renegotiate a trade pact.

More than 200,000 Salvadorans live and work in the US under the provisions of TPS. Icing the cake, Bush said he would get El Salvador classified as a strategic ally in NATO. CAFTA and ARENA opponents have been energized by these events. A coalition of national organizations, among them the Bloc Popular Social (BPS), Movimiento Popular Revolucionario (MPR), the Frente Sindicalista Salvadoreño, campesino organizations and others, began in February to plan protests culminating on March 1 with a national highway blockade. The government promised to suppress any protests, but protesters turned out anyway.

Taking it to court

The March 1 demonstrations were timed to the presentation of a brief before the Corte Suprema de Justicia (CSJ). An FMLN spokesman said that the party's congressional chief Salvador Sanchez Ceren took the complaint to the court, along with some other deputies. The complaint alleges, said Deputy Sigfrido Reyes, that CAFTA "violates the national sovereignty." One specific violation of sovereignty, said Reyes, is that the treaty, "as it was negotiated and ratified modifies the national territorial limits, in that it only recognizes [limits of] 12 nautical miles, when the Constitution establishes 200."

"Another point that we raise is that the framework of the treaty submits prerogatives of the Salvadoran state to extra-national decisions, renouncing national sovereignty." The effect of this, he said, would be that where there is a disagreement between the state and a US company, it would not be litigated in the Salvadoran judicial system, "but in extra-national venues."

The legal filing also denounces aspects of the treaty that, said Reyes, "explicitly says that the accords of economic integration in Central America be subordinated to the free-trade agreement with the United States." He said that Central American integration is one of the most important constitutional postulates of Salvadoran international policy.

Protest actions flared the week prior to the CAFTA start date, gathering momentum the day before, when thousands took to the streets around the Hospital Nacional Rosales. Riot police were already in place at the hospital, deployed to prevent a possible takeover of the facility. At least seven persons were injured when the two sides came to blows. Rocks were thrown, rubber bullets fired.

Human rights officials at the scene blamed the cops. "The confrontations have been going on all morning. Just the fact that that a great number of riot police are inside the hospital generates a lot of instability and complicates everything," said assistant human rights director Antonio Aguilar. His boss, Procuradora de los Derechos Humanos Beatrice de Carrillo, said the authorities should not have tried to interfere with the legal right to protest, "because it is a negative way that in no way encourages democracy."

Union officials from the health sector and from the Instituto Salvadoreño del Seguro Social (ISSS) had tried to stave off violence by trying to get the police to leave the premises. Police and soldiers

have occupied many of the major hospitals in recent days. It appeared a standoff was in the offing as the unionists promised to occupy the facilities for as long as the police and soldiers remained. An ARENA official, meanwhile, blamed the commotion on the FMLN. The government had announced prior to the protests that they would not be permitted.

The attempted curtailment of their rights further agitated the crowd, composed of several popular sectors and protesting from several different points of view. Some were inflamed by the privatization of water, some by the crackdown on intellectual property-rights violations that have come with the treaty.

Cut-rate bootleg audio and video materials have become a regular part of the urban landscape, and people are not about to let cheap access to these materials go without a fight. CAFTA calls for the criminalization of this activity. An estimated 60,000 families have earned their living in this business for years, during which the government had done nothing to stop it. For these people, this is not a matter of supporting the dominant paradigm with respect to intellectual property; it is a matter of survival.

In defending the treaty and the deal they made, the government completely ignores the plight of those most negatively affected. Miguel Lacayo, former economy minister, seemed to recommend that the losers should adopt a longer view. "CAFTA is among other things an instrument of hope, of optimism, an instrument that promotes opportunities. But how rapidly the benefits are felt, well, that will be a function of how quickly they take advantage of it." He said that people who oppose it don't understand it and have a natural fear of the unknown. He admitted that the country's institutions are unprepared for the treaty, but counted that as a good thing, in that it would stimulate a more rapid maturation. "From political language, CAFTA is sugar-coated medicine, because it brings with it legislation that we never would have otherwise achieved, but it comes sweetened with the benefits the country needs." Lacayo went on with this characterization that a reporter called "rosy," but in the end had to admit that some sectors, rice, pork, and other producers among them, in addition to the people in the street, will be hurt badly.

He also admitted that when it came to reopening negotiations on a deal already done, El Salvador had no choice, "because Charles Grassley would not have supported the accord, the most powerful man in the Finance Committee and the most powerful Republican in the Senate."

Governing style recalls darker days

There was nothing in these remarks, or in those of other government officials published in the local press, that would give protesters reason to reconsider, and so the manifestations continued into March 1. One former official, Antonio Morales Ehrlich, sees nothing but bad omens in what is happening now. He predicted that popular protest would scale up dangerously, mostly because of the presidential style that is at the heart of the CAFTA push.

Morales was twice mayor of San Salvador, minister of agriculture in 1987, and a Parlacen deputy until 2001. Once a member of the Partido Democratica Cristiano (PDC), he is now in Cambio

Democratico (CD). Morales compared the Saca government with that of the military regime of Col. Arturo Armando Molina (1972-1977).

He said he thinks the growing institutional deterioration under this government is driving the country toward a social explosion. He also sees similarities in the concept of a unitary presidency with US President George W. Bush. Outside the country, the neighbors are also watching to see how current events play out, much like Antarctic penguins huddling along sea cliffs to see if the first one in the water is eaten by a sea lion.

The other CAFTA countries are being, and have been, similarly pressured to renegotiate their agreements with the US, and on many of the same issues (see other story, this edition of NotiCen). Guatemala is being asked to modify telecommunications legislation, as well as to change laws on the protection of test data and patents. Honduras faces upcoming negotiations with the US on import quotas, and, like El Salvador, must accede to the primacy of the US sanitary regime. Nicaragua, thought to be next in line to put CAFTA into effect, must first bow to the sanitary demand and change intellectual property law.

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