Document: A Just And Sustainable Development Initiative For North America

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Recommended Citation
[Following is a summary of an alternative to the North American Free Trade Agreement (NAFTA). The alternative was prepared by the US-based groups Alliance for Responsible Trade and Citizens Trade Campaign, and the Mexican Action Network on Free Trade (Red Mexicana de Accion Frente al Libre Comercio, RMALC). Action Canada Network has endorsed the document]. On March 25-27, representatives of citizens' organizations from Mexico, the United States, and Canada met in Washington, DC, to discuss proposals for a new social and economic agenda for the continent. The meeting included representatives from environmental, labor, religious, consumer, and farm groups. It was the fifth trinational gathering during the past two years in which we have developed common understandings about the impact of accelerated integration on our respective peoples. The following is a draft of work in progress on just and sustainable trade and development initiatives for North America that have emerged from our ongoing discussions. They are offered as ideas to help stimulate a more democratic debate on alternatives to NAFTA. The signatory networks have closely studied and discussed the hastily negotiated NAFTA and the side agreements on labor and the environment. We have concluded that this NAFTA package promotes a brand of economic integration that benefits a small sector in each of our countries at the cost of rising inequalities and continued degradation of the ecosystems on which we and future generations depend. We advocate the rejection of the NAFTA package and the initiation of new negotiations to craft rules that encourage mutually beneficial trade, investment, and development activities. We emphasize that, in contrast to the NAFTA process, new negotiations must be based on a democratic process and dialogue that includes all segments of civil society. Our countries can reduce trade barriers and remove some obstacles to investment, as long as we embrace a new framework of initiatives for our continent and for the world that steer trade and investment to promote fair paying jobs, democratic and self-reliant communities, and a healthy environment. The initiatives outlined below are either absent or inadequately addressed in NAFTA and the side agreements on labor and the environment. Hence the slogan of some of our members: "Not this NAFTA." The initiatives outlined below are offered as a starting point of a more democratic dialogue, and are based on sound principles. Respect for basic human rights, the promotion of democracy, citizen participation in decision-making, environmental sustainability, and the reduction of economic inequalities among and within our countries should be the foundations on which North American development is built. The question of fairness: addressing inequalities. Central to the problems of integration are the enormous disparities among the nations of North America which threaten to drag us all down toward the lowest wages and standards. The experience of the European Community (EC) reinforces the need to address such inequalities in a proactive manner. Through "structural" and "regional" development funds, the EC has stimulated economic activity in relatively less developed sectors and countries. 1) Funding Mechanisms: We support the development of new North American financing mechanisms, including a new regional bank, as long as such mechanisms address the needs of poor areas and poor people in all three countries. Such mechanisms, however, should not be used to justify the continuation of national economic policies that perpetuate poverty.
These new institutions should be managed transparently and democratically with broad social, governmental and private participation. There are examples of small-scale community foundations that have improved living conditions of poor Mexicans by supporting high-impact social service projects and involving those affected in decision-making. We need to share the lessons of the more successful of such ventures in Mexico and in other countries, and encourage governments and the private sector to assist these foundations.

2) Reform Multilateral Institutions: Our nations should take the lead in thoroughly reviewing the lending operations of the World Bank and other multilateral institutions, with the goal of ending their traditional trickle-down policies. We should then jointly call for the United Nations to convene a meeting that would focus on democratizing the institutions that govern the world economy and would explore the need for new institutions to promote equitable, sustainable and participatory development.

3) Reduce Debt: Mexico remains the second largest debtor nation in the developing world. Payments to service this debt are a major drain on the country’s resources. Realistic debt reduction schemes that are not tied to International Monetary Fund and World Bank conditionalities would free resources to fund development initiatives. Debt reduction schemes should steer the payment of debt service in local currency into development funds that are administered in a democratic manner.

4) Trade Adjustment: None of our three countries has a plan for assisting the millions of small farmers displaced by farm concentration and economic integration. New funds should be appropriated in each country to supplement the inadequate trade adjustment assistance funds for job retraining and agriculture and infrastructure development in communities and industries affected by growing integration.

International rules

1) Enforceable International Worker Rights and Labor Standards: A new trinational agreement should incorporate comprehensive and enforceable protection of worker rights and workplace health and safety standards. The form this takes must address the uneven levels of development among our nations, and the disparity in power among our three governments. The three countries would negotiate the precise composition of "internationally recognized" worker rights but they would include several rights that fail to be linked to enforcement mechanisms in the proposed labor side agreement to NAFTA, namely the rights to free association, to organize, to collective bargaining, to strike, as well as protections against all forms of discrimination as outlined by the International Labor Organization (ILO). A central feature of any new agreement is making internationally recognized worker rights enforceable through a fair, swift, transparent and democratic process. We should also develop mechanisms that would make the growth of workers incomes commensurate with growth in productivity. Minimum wages in each country should allow for a decent quality of life.

2) Environmental Rights and Standards: There is no international equivalent to the ILO in the field of the environment. As a result, there is no set of agreed upon internationally recognized environmental standards. As a first step in this direction, we advocate the trinational negotiation of a set of basic continental environmental rights, such as the right to know (about public environmental threats) and the right to a toxic-free workplace and living environment. Neither the NAFTA, nor its environmental side agreement (the North American Agreement on Environmental Cooperation), do anything to address or redress the continental environmental problems and concerns that have arisen and will continue to develop, as a result of free trade.

Any new agreement must hold as fundamental the need to define and set minimum regional (or international) environmental standards as "floors," not ceilings, which would enable the upward harmonization of environmental standards in the interests of North America as a whole.

3) Codes of Conduct: Historically, most trade agreements have enhanced the mobility of corporations to
shift investment and goods across borders without imposing responsibilities on firms to address the harmful social or environmental effects of these activities. As corporations become more global, we need new codes to increase the public accountability of private firms. Among the codes that deserve serious consideration are the United Nations Code of Conduct on Transnational Corporations; the Maquiladora Standards of Conduct; individual corporate codes such as those adopted by Levi Strauss and Sears; fair and green marketing programs; and a proposed Foreign Environmental Practices Act. Sustainable alternatives In addition to addressing inequalities and setting new international rules, each country can take several proactive steps to promote more sustainable development of the continent. Such steps left out of the NAFTA package are outlined below. 1) Abiding by International Human Rights Law: All three nations should adopt the norms and procedures used by the United Nations and the Organization of American States and establish effective mechanisms to defend human rights. 2) High Wage, High Skill Development: Unless each country encourages high-wage, high-skill development that expands North American markets, workers in all three countries will continue to suffer the consequences of corporate strategies to reduce costs by lowering wages. 3) Alternative Energy and Natural Resource Policies: Each country should adopt policies to speed the transition from fossil fuels and nuclear power to energy efficiency and clean renewables, a shift that will create jobs and improve the economy as it protects public health and the climate. 4) Sustainable Agriculture: In order for trade and agriculture policy to contribute to regenerating rural communities, all three nations should be encouraged to expand successful supply management systems and to negotiate international commodity agreements where possible, and any new agreement should help enforce the ban on exporting goods at prices below the cost of production. In addition, each nation, as well as sub-federal jurisdictions, should have the power to determine the level of health risk each is willing to tolerate in its food system. 5) The UN Commission on Sustainable Development: Trade and development agreement negotiators should seek counsel and advice from the UN Commission on Sustainable Development to ensure that future agreements respect and encourage sustainable and equitable development. The US-Mexico border The US-Mexico border, with some 2,000 foreign factories employing half a million workers on the Mexican side, harbors some of the worst environmental and labor conditions on the continent. As a result, there is an urgent need for action along the border. Dozens of citizens' groups on both sides of the border are taking the lead in developing innovative proposals for improvement. The following are some salient parts of proposed alternatives: 1) Immigration: Perhaps the most glaring yet deliberate omission in NAFTA is the lack of attention to immigration issues. The human rights of immigrants, which are constitutionally guaranteed in each of the three nations, must be safeguarded, and new rules to protect migrant rights and economic well-being should be instituted. As a first step, we call for the creation of a bilateral commission on violence at the US-Mexican border. With the participation of nongovernmental organizations, the commission would investigate the excessive use of force by border patrol agents from both countries. 2) Polluter Repairs Principle: Corporations should pay for and clean up the environmental damage for which they are directly responsible, and they should pay their fair share of taxes. 3) North American Commission on Health and the Environment: The Border Ecology Project and the Proyecto Fronterizo de Educacion Ambiental suggest the expansion of the proposed North American Commission on the Environment to address public and occupational health issues. 4) The Right to Know: The Texas Center for Policy Studies, working with other groups, has proposed legislation that would require US companies on the border to file with the Environmental Protection Agency toxic emission data comparable to that required under federal "Right-to-Know" legislation. The initiatives outlined above are offered both to clarify the deficiencies and problems of NAFTA, and to contribute to the framework for new
trinational negotiations that can replace the proposed NAFTA package with a just and sustainable development initiative for North America.

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