

Fair Trade or Free Trade? Understanding CAFTA

What People are Saying about CAFTA...

American Federation of Labor – Council of Industrial Organizations (AFL-CIO)

Thea Lee, Assistant Director for International Economics (202-637-5000): “We are working closely with trade unions in Central America to develop proposals for an integration model based on a foundation of strong domestic institutions, including independent, democratic trade unions and states with the capacity to regulate employers and protect workers’ rights.... Any trade agreement that falls short of these proposals will be a failure for Central America and a failure for American workers, and we will work with our allies across the region to oppose it.... Repeated and systematic violations of workers’ rights retards the development of Central American countries, and drags down standards for American workers who are thrown into a vicious race to the bottom.” More:

<http://www.aflcio.org/mediacenter/prsptm/tm11192002.cfm>

Bloque Popular, Central America

Bloque Popular is a broad-based coalition of Central American civil society organizations that oppose CAFTA. The *Bloque Popular's* statement, “The People’s Declaration Against Free Trade,” was translated into English and signed by many groups, both in Central America and the U.S.: “We emphatically reject CAFTA as it does not generate sustainable development or create jobs. On the contrary, they increase public debt; threaten our historic, cultural and natural wealth; and destroy national sovereignty and food security. These free trade agreements undermine our people’s struggle for a democratic culture that promotes justice and equality.” More:

<http://www.epica.org/Programs/alternatives/fairtrade.htm>

Carnegie Endowment for International Peace

John Audley, Senior Associate and Director of the Trade, Equity and Development project (jaudley@ceip.org or 202-939-2290): Author, *Opportunities and Challenges to Advance Environmental Protection in the U.S.-Central American Free Trade Negotiations*. Audley argues that environmental protections must be included in CAFTA, and offers guidelines for a trade regime that promotes environmental protections, strengthens rule of law, and encourages good governance in the region. Steps to achieve this agenda include building on environmental protection efforts already underway; creating trade-related incentives, such as promotion of green product exports; and including good governance provisions such as dispute settlement proceedings, environmental reviews, and participation and transparency measures. More: <http://www.ceip.org/files/publications/TED-2003-Feb-CAFTA-and-environment.asp>

Sandra Polaski, Senior Associate, Trade, Equity and Development Project (spolaski@ceip.org or 202-939-2252): Author, *How to Build a Better Trade Pact with Central America*. “A well constructed CAFTA could reinforce weak institutions and government capacities and thus allow positive market forces to take hold, creating jobs and gradually allowing the region to grow out of poverty. But the large size of the agricultural sector, the severe constraints on workers and households, the lack of public funds for adjustment, as well as the deficient laws and weak enforcement systems all demand that CAFTA be constructed with extraordinary care. Otherwise, the positive opportunity could instead produce a major development setback.” More: <http://www.ceip.org/files/publications/CAFTA-better-Polaski.asp?p+43&from=pubdate>

Center of Concern/U.S. Gender and Trade Network

Maria Riley, OP, Coordinator, Global Women’s Project, Coordinator, North America Gender and Trade Network-U.S. (mreily@coc.org or 202-635-2757): “Trade is not gender neutral.” “Economic liberalization, which has increased the gaps between the rich and the poor, both within and between nations, and increased inequalities between women and men, is pushed through trade and investment policies fostered globally by the World Trade Organization and its most powerful players.” More on the gender impact of CAFTA:

http://www.coc.org/pdfs/coc/CAFTA_Facts.pdf

Economic Policy Institute

Robert E. Scott, International Economist (rscott@epinet.org): Author, *Phony Accounting and U.S. Trade Policy*. “The U.S. has experienced steadily growing trade deficits for nearly three decades, and these deficits have accelerated rapidly since the North American Free Trade Agreement (NAFTA) took effect in 1994 and the World Trade Organization (WTO) was created in 1995. The toll on U.S. employment has been heavy: from 1994 to 2000, growing trade deficits eliminated a net total of 3.0 million actual and potential jobs from the U.S. economy.” More: http://www.epinet.org/content.cfm/Issuebriefs_ib184

Human Rights Watch

El Salvador’s Failure to Protect Workers’ Human Rights: Implications for CAFTA

Preliminary Findings of Human Rights Watch Research, May 2003: “The systematic failure of El Salvador to protect and promote workers’ human rights, documented in the preliminary [findings], highlights the importance of including in CAFTA meaningful labor rights provisions that address both labor laws and their enforcement and account for the serious workers’ rights abuses in El Salvador.” Instead, it is expected that labor provisions in CAFTA will mirror those in the US-Chile Free Trade Agreement, obliging signatory countries only to enforce their own labor laws and providing weak mechanisms for resolving issues of non-compliance. “Workers’ human rights protections enshrined in El Salvador’s Constitution and Labor Code have major loopholes that allow employers to circumvent them. The Ministry of Labor does not effectively enforce even these inadequate protections.” More: <http://www.hrw.org/backgrounder/americas/salvador050103-bck.htm>

Mesoamerican Initiative on Trade, Integration and Development (*Iniciativa CID*)

CID is a coalition of Central American civil society groups that has closely monitored the CAFTA negotiations. For a time, CID representatives participated in an “adjoining room” during the negotiations, where they were available for consultation by the trade negotiators. Finding this process non-transparent and un-responsive to their concerns, CID called for a moratorium on the negotiations, citing the need for a longer timeframe, increased participation from civil society, and the exclusion of sensitive agricultural products. CID explains: “The negotiations for the FTA have for a backdrop agricultural and agribusiness sectors that find themselves in a profound crisis. Agricultural producers are concerned that they will have to compete with commodities produced under the broad shelter of subsidies that are the foundation of U.S. agricultural policy. For this reason, CAFTA must include clauses that provide for asymmetrical treatment in favor of the Central American countries, so as to create conditions for fair and equitable competition.” More: <http://www.iniciativacid.org/filer/foodforthought.pdf>

Oxfam America

Stephanie Weinberg, Trade Policy Advisor (sweinberg@oxfamamerica.org or 202-496-1088): “The U.S.-Central America Free Trade Agreement will bring devastating changes upon Central America’s poor. The same rules being negotiated in the WTO and FTAA – requiring liberalized trade in agriculture, deregulated investment and decreased access to intellectual property – will reduced Central American government’s abilities to make trade work for development goals. Oxfam America says no to CAFTA and calls on governments to uphold the rights and interests of all their citizens to make trade fair for Central America.” More, see *Make Trade Fair for Central America*, <http://www.oxfamamerica.org>

Washington Office on Latin America

Vicki Gass, Senior Associate for Economic Issues (vgass@wola.org or 202-797-2171): “From a human rights perspective, CAFTA is troubling on a number of fronts. The negotiations are taking place on a fast-track, and civil society groups both in the U.S. and in Central America are being denied their right to participation in shaping the agreement. Civil society has some very legitimate concerns. CAFTA would require liberalization of the agricultural sector, and would devastate the small farm sector and undermine food sovereignty and the right to food in Central America. Further, CAFTA would significantly weaken the standard and enforcement of labor laws in Central America. For farmers and workers across the region, this agreement does not represent fair trade but a step backwards in terms of the protection of their economic, social and cultural rights. More: http://www.wola.org/economic/econ_trade.htm