Rights *and* Development

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Monitoring the impact of the policies of the United States and international financial institutions on economic and social rights in Latina America and the Caribbean.

IN THIS ISSUE

CAFTA's Missed Opportunities

In December and January, the office of the U.S. Trade Representative (USTR) and five Central American countries completed negotiations for the U.S.-Central America Free Trade Agreement (CAFTA). USTR head Robert Zoellick heralded the trade accord as one that "expands economic freedom and opportunity for all our peoples, and which supports regional stability, democracy and economic development."[1] But WOLA believes that, as negotiated, CAFTA will undermine the economic and social rights of Central Americans and will negatively affect development in the region.

On December 17, the U.S. concluded negotiations with the governments of El Salvador, Nicaragua, Honduras and Guatemala. A month later, after taking more time to discuss sensitive issues such as market access for agricultural goods, the Costa Rican government also finalized negotiations. An analysis of the agreement's text indicates that CAFTA will disproportionately benefit the United States vis-à-vis the poorer Central American countries.

According to the USTR, information technology, agricultural and construction machinery, paper products, chemicals, and medical and scientific equipment are among the sectors in the U.S. that will profit the most under CAFTA. The U.S. also negotiated a substantial increase in market access in lucrative Central American sectors such as telecommunications, insurance, finance, and tourism. In addition, CAFTA will require open competition for bids on government procurement in the region, allowing U.S. companies access to government contracts previously reserved for local suppliers.

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Women walking at Cooperativa Paso Carerra, Santa Ana, El Salvador. Small farmers and cooperatives stand to lose the most under CAFTA.

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WOLA's position on CAFTA during the negotiations

From the beginning of the negotiations, WOLA advocated for provisions in the trade agreement that would protect rural livelihoods and labor rights.[2] We saw CAFTA as a potential opportunity to promote rural development and raise labor standards in the region, while protecting vulnerable sectors.

On agriculture, we promoted the concept of food sovereignty, and urged an end to U.S. agro-export subsidies and to the practice of agricultural dumping on foreign markets. Food sovereignty is defined as respecting a government's right to determine its own, domestic agricultural policies, such as protecting staple food crops from unfair competition (for more, see the interview with Darci Frigo in this issue). Further, we emphasized the need to link development and trade policies by allowing governments the policy flexibility to protect vulnerable sectors, to generate employment, and to promote development in rural areas.

On workers' rights, we encouraged incorporation into the trade agreement of the core labor standards of the International Labor Organization (ILO), as well as the inclusion of labor rights enforcement mechanisms. We also argued for transitional assistance for rural and urban workers adversely affected by trade liberalization. As will be seen below, CAFTA did not include adequate provisions to protect vulnerable sectors or to promote socially just and sustainable economic development in the region.

Central American agriculture loses ground

Those who stand to lose the most under CAFTA are small farmers and rural workers whose products will be forced to compete with U.S. agricultural exports. Nearly half of U.S. farm exports to the region will become duty-free immediately, and tariffs on most U.S. farm products will be phased out within 15 years. Central America will become increasingly dependent on U.S. agricultural products, jeopardizing rural livelihoods and food sovereignty.

Under CAFTA, Central American countries will be required to eliminate import tariffs on rice, beans, yellow corn and dairy products, products on which the livelihoods of 5.5 million small and medium producers depend. Yet the U.S. refused to negotiate on the issue of its own, domestic subsidies that enable U.S. producers to export goods at low cost, undercutting Central American farmers. Without the compensating protection of tariffs, Central America's doors will be opened to the dumping of U.S. farm products. Agricultural liberalization contributed to the displacement of 1.5 million rural Mexicans under the North American Free Trade Agreement, as Mexican producers could not compete with subsidized U.S. corn.[3] Many in Central America fear the same fate.

According to Guatemala's lead negotiator, Guido Rodas, "[r]ice, pork, corn, beer, telecommunications and generic medicines are among the losers who will pick up the tab of the CAFTA negotiation,"[4] largely through job loss. For example, Guatemala currently trades 46 percent of its agricultural exports within Central America. Under CAFTA, due to increased competition from the U.S., Guatemala stands to lose 22,000 jobs immediately and another 80,000 over the next five years.[5]

Central America will become increasingly dependent on U.S. agricultural products, jeopardizing rural livelihoods and food sovereignty.

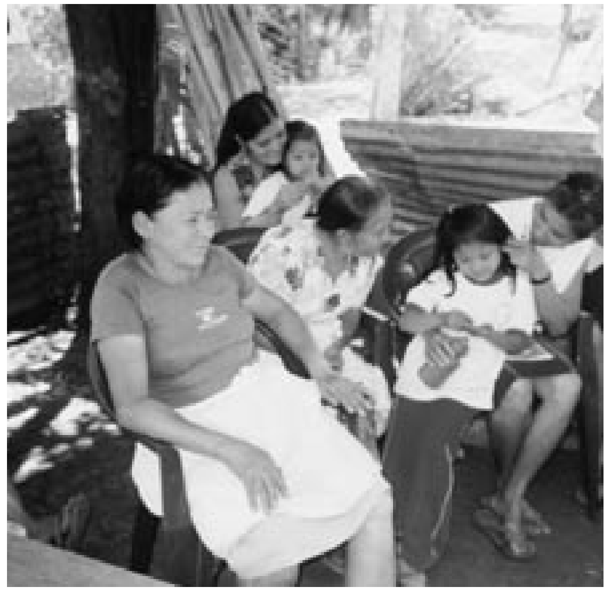
Lost opportunity on labor rights

The labor provision in CAFTA is modeled after the U.S.-Chilean Free Trade Agreement, which simply requires governments to enforce their own labor laws. WOLA, along with international human rights groups and development agencies, argued that the Chilean model was inadequate in Central America because of the widespread violations of workers' rights that characterize labor practices in the region. The U.S. Department of State (DOS) has documented the extent of the violations. In the *Country Reports on Human Rights Practices - 2003*, published in February 2004, the DOS strongly criticized the Central American governments for their failure to enforce internationally recognized labor rights. In Nicaragua, for example, DOS documented violations of the right to organize in the free trade zones. In El Salvador, the government did not adequately protect workers rights to organize or bargain collectively.[6] Last year's DOS reports were equally critical.

Unfortunately, the USTR paid little attention to the DOS reports while negotiating the labor provisions in CAFTA. The agreement merely states, "[a] Party shall not fail to effectively enforce its labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between the Parties."[7] For countries where labor violations are egregious and systemic, this clause is insufficient to guarantee that workers' rights are protected.

Further, the labor provisions in CAFTA are a step backwards from the existing mechanism under the Generalized System of Preferences (GSP, a preferential trade program that allows products from designated developing countries to enter the U.S. duty-free). Labor provisions under the GSP define workers' rights in accordance with internationally recognized labor standards, and include oversight and enforcement mechanisms that have been used effectively at times by unions in Central America. Of particular value is a transparent public petition process that provides for probation and/or exclusion from beneficiary status (duty-free treatment) should a country fail to uphold labor standards. This mechanism was included in the GSP precisely because governments repeatedly failed to respect or enforce labor laws. Since CAFTA will replace the GSP for Central American countries, the mechanism will be lost.

In addition, CAFTA does not contain provisions that would require governments to reform labor laws or even enforce existing laws. In a weak provision, Article 16.3 of the trade agreement states that countries could face fines for labor law violation, payable to a fund administered by the Free Trade Commission.[8] Under this system, the fines collected by the Commission would be returned to the government accused of violating labor rights in order to be used for "appropriate" labor initiatives. However, suitable "labor initiatives" are never defined under CAFTA or by the Commission. Further, nothing under CAFTA ***requires*** a government to remedy its labor laws. Trade benefits cannot be withheld to compel improvements in working conditions. Rather, a country is simply required to pay a fine. Trade benefits can be revoked only if the country fails to pay the fine, but not if the country fails to correct its poor labor



Women and their children at Cooperativa La Reforma, Chalchuapa, El Salvador.

practices. Conceivably, as a cost-saving measure, a government could decide to pay a fine indefinitely in order to receive the benefits of CAFTA, while continuing to violate workers rights.

Finally, CAFTA calls for the formation of an internationally funded program of "regional cooperation" to assist governments in improving compliance with ILO standards. The USTR claims that the formation of the program is a "groundbreaking cooperation mechanism" designed to improve labor rights and labor inspection systems. Yet since 1995, similar programs have been funded by the U.S., the Inter-American Development Bank and international donors, but have failed to produce improvements in labor law enforcement. On a related note, the Bush administration's 2005 budget proposal includes an 82 percent cut in funding for workers' rights programs overseas, belying the administration's stated commitment to worker rights.[9]

Trade is an important component in any economy. But unless the most vulnerable sectors are protected in trade agreements such as CAFTA, trade liberalization can devastate certain sectors or locales. The CAFTA negotiators missed an opportunity to include provisions in the trade agreement to protect national food sovereignty, and to promote the full participation of workers and rural producers in the region's economy. Unfortunately, it is too late to include such provisions in CAFTA. Under the rules of Fast Track, Congress can only vote the trade agreement up or down; the agreement cannot be amended.

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NAFTA at 10

When the North American Free Trade Agreement (NAFTA), signed by the governments of Mexico, Canada and the United States, entered into force on January 1, 1994, proponents augured win-win-win results for all three countries. Ten years later, the agreement has produced both winners and losers. A few statistics help to describe the contradictory results of NAFTA's ten-year experiment:

- Mexican **exports** have increased by almost 50 percent since 1994; nearly 90 percent of total exports were in manufacturing.[1]
- Foreign direct **investment** (FDI) in Mexico has also increased; the yearly average flow of FDI to Mexico between 1994 and 2002 was nearly three times that between 1988-1993.[2]
- The Mexican economy grew under NAFTA, but at a rate slower than previous eras. From 1948-1973, Mexico's **GDP** grew at an average rate of 3.2 percent; under NAFTA (1994 to the present) per capita growth has averaged a mere one percent.[3] From the early 1980s to 2000—a period marked by rapid economic liberalization—Mexico's GDP grew at an average rate of 0.48 percent annually. In 2001 this growth turned negative, falling by 0.3 percent.[4]
- Real **wages and purchasing power** have fallen for most Mexicans over the last decade.[5]
- **Inequality** has increased under NAFTA. Income inequality between Mexico and the U.S. grew by 10.6 percent in the last decade.[6] Inequality within Mexico has grown since the 1980s, with no improvement under NAFTA. Mexico's position on the Gini index rose from 42.5 in 1984, to 47.7 in 1994, to 48.1 in 2000. (100 on the Gini index reflects perfect inequality, while 1 reflects perfect equality).[7]
- The negative effects of NAFTA are felt most sharply in **rural Mexico**. The percentage of population living in poverty in rural Mexico grew from 59 percent in 1984, to 80 percent in 1996, two years after the implementation of NAFTA.[8] Today, 81.5 percent of the population lives in poverty, according to the Mexican Agricultural Ministry, SAGARPA.[9]

NAFTA is one of many variables at play in Mexico's economy. The signing of the agreement in 1994 was part of a process of economic adjustment and trade liberalization that began in the 1980s. NAFTA's implementation also coincided with the 1994 peso crash, which was in part responsible for declining wages and unemployment in the mid-1990s. It is difficult, then, to attribute macroeconomic indicators (positive or negative) solely to NAFTA. But it is clear that, for the majority of Mexicans, the last ten years under NAFTA have

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not produced the growth, prosperity or opportunities prophesized. Nor is the record encouraging from a human rights perspective.

The right to an adequate livelihood

Under NAFTA, more than 1.5 million Mexican farmers and farm workers have been forced off their land, unable to compete with the influx of cheap, subsidized agricultural products from the United States.[10] Displaced farm workers have flooded Mexico's cities, and increasing numbers are attempting to migrate to the United States. Proponents of NAFTA argued that those displaced in the rural sector would move to new industries. But job creation in manufacturing (primarily in low-skill, low-wage export production) was unable to compensate for job loss in agriculture. 500,000 manufacturing jobs were created from 1994-2002, while the agricultural sector lost 1.5 million jobs.[11] Moreover, manufacturing jobs are beginning to move to Asia, especially China, where labor costs are as much as four times lower than in Mexico.[12]

> Under NAFTA, more than 1.5 million Mexican farmers and farm workers have been forced off the land, unable to compete with the influx of cheap, subsidized grain from the United States.

The right to food

Under NAFTA, the price paid to Mexican farmers for corn fell by as much as 70 percent, as U.S. agribusiness products, supported by taxpayer subsidies, flooded the Mexican market.[13] Mexico, the birthplace of maize, became a net importer of corn under NAFTA. As the Mexican consumer became dependent on imported corn, levels of food insecurity increased. In 1996, for example, the Mexican government reported that one in five children were suffering from malnutrition, a situation attributed, in part, to a poor corn harvest in the U.S.[14] Not surprisingly, food dependency in Mexico grew fifty percent over the last ten years, with a food deficit of 10.4 million tons.[15]

The right to development

Trade agreements should promote equitable human development, enabling governments to capitalize on employment, efficiency, and technology gains from foreign investment while linking investment to development needs. But under NAFTA, the Mexican government's ability to harness foreign investment for national development goals has been limited. NAFTA's investment rules prohibit performance requirements that would oblige foreign companies to demonstrate positive forward and backward linkages in the local community (such as employment, training, and technology transfers). Further, NAFTA has not been accompanied by investments in human capital, health and education. Consequently, as noted in a December 2003 World Bank report, the benefits of NAFTA have been "unequal across regions and sectors."[16] Far from promoting equitable development, ten years of NAFTA have produced alarming rates of inequality, rural-urban migration, increased low-wage *maquila* production, and emigration to the U.S.

Endnotes

[1] Lyuba Zarsky and Kevin Gallagher, "NAFTA, Foreign Direct Investment, and Sustainable Industrial Development in Mexico," *Americas Policy Brief*, Interhemispheric Resource Center, January 2004.
[2] Ibid.
[3] Joseph Stiglitz, "The Broken Promise of NAFTA," *New York Times*, 6 January 2004, and note 1.
[4] Timothy A. Wise, et. al., *Confronting Globalization: Economic Integration and Popular Resistance in Mexico*, Kumarian Press, 2003.
[5] John Audley, et. al., *NAFTA's Promise and Reality: Lessons from Mexico for the Hemisphere*, Carnegie Endowment for International Peace, December 2003.
[6] Stiglitz, op. cit.
[7] Figures from the *Instituto Nacional de Estadística, Geografía e Informática de México*, cited in Gisele Henriques and Raj Patel, "NAFTA, Corn and Mexico's Agricultural Trade Liberalization," Interhemispheric Resource Center, Americas Program Special Report, 13 February 2004.
[8] Wise, op. cit.
[9] Henriques and Patel, op. cit.
[10] Audley, op. cit. Under NAFTA, Mexico eliminated tariffs and lowered production subsidies for corn, while the U.S. maintained high levels of farm subsidies for U.S. producers.
[11] Ibid.
[12] Zarsky and Gallagher, op. cit.
[13] Public Citizen, "The Ten Year Track Record of NAFTA: the Mexican Economy, Agriculture and Environment," January 2004.
[14] Ibid.
[15] Wise, op. cit.
[16] World Bank News Release No. 2003/188/LAC, 17 December 2003.

Hemispheric Free Trade Agreement Unraveling

In February 2004, negotiations for a Free Trade Area of the Americas (FTAA) once again stalled in Puebla, Mexico. Negotiators failed to reach consensus even on the minimum content for a basic agreement, casting further doubt on the viability of a hemispheric free trade agreement. Major sticking points included U.S. agricultural subsidies and U.S. market access for Latin American products. The issue of U.S. subsidies has contributed to the collapse of three major trade meetings in recent months, including the World Trade Organization (WTO) talks in Cancún in September 2003.

The failure to make progress on the agenda for a comprehensive FTAA is widely recognized as a setback for the Bush administration, which has referred to the FTAA as the "cornerstone" of its vision for trade in the Western Hemisphere.

Impasse in Puebla

The talks in Puebla were held in keeping with the negotiating schedule adopted at the FTAA Ministerial in Miami in November 2003. At the Ministerial the U.S. was forced to abandon its hopes for a comprehensive hemispheric trade agreement. Instead, trade negotiators agreed to a two-tiered FTAA. The first tier, dubbed "FTAA Lite," would include a basic set of rights and obligations in nine negotiating areas for all 34 countries.[1] The optional second tier would allow countries individually or as a block to negotiate a more "ambitious" agreement.

The objective of the Puebla meeting was to define the negotiating content for the proposed two-tiered FTAA. The meeting quickly divided into two camps, with the "G5," led by the U.S.,[2] on one side, and the Mercosur countries (Brazil, Argentina, Uruguay and Paraguay) on the other. There were substantial disagreements in all nine negotiating areas, particularly over the scope of special and differential treatment and the level of participation to be required for each tier of the agreement.

The future of the FTAA is uncertain. But it is clear that the U.S. will push ahead with its agenda for free trade in the Americas, with or without the FTAA.

The most contentious issue, however, was the U.S. position of "you get what you pay for," which would condition Latin American access to U.S. markets on greater commitments in other negotiating areas. Accordingly, countries that negotiate a more comprehensive agreement with the U.S. would receive greater market access for their products and be granted Most Favored Nation (MFN)[3] status. The U.S. also refused to discuss the issue of its agricultural subsidies and internal support policies, which give U.S. exporters an advantage over their Latin American counterparts. In Puebla the Mercosur countries countered with their own proposals to grant MFN status to all countries participating in a "tier one" FTAA agreement, end U.S. subsidies and dumping, and eliminate tariffs for all goods. Unable to reach an agreement on these issues, the meeting ended with negotiations at an impasse. The next negotiating session was scheduled for March 2004 but, at the time of this writing, it had been postponed.

People from across the Americas gathered in Miami in November 2003 to protest the proposed FTAA.

Competitive liberalization

The future of the proposed FTAA is uncertain. But it is clear that the U.S. will push ahead with its agenda for free trade in the Americas, with or without the FTAA. After the breakdown of talks in Miami, the U.S. reiterated its intention to pursue the six-nation CAFTA agreement and to seek bilateral trade agreements with Colombia, Ecuador, Bolivia, and Peru. It appears the U.S. is trying to build an FTAA country by country, using smaller, bilaterally negotiated agreements to undermine alliances that threaten its trade agenda. Under this strategy of "competitive liberalization," the Bush administration picks and chooses trade partners in the hopes of forcing greater concessions in larger trade forums, including the WTO and FTAA.[4]

The strategy of competitive liberalization extends to "mini-regional" agreements, such as CAFTA. Rather than trying to negotiate with Central America as a block, the U.S. chose one-on-one negotiations with the five countries involved. As a result, CAFTA looks different for Costa Rica (which effectively demanded greater concessions from the U.S.) than it does for Guatemala (which capitulated early to U.S. demands).

Similarly, following the collapse of FTAA talks in Puebla, the United States announced its intention to negotiate a single trade agreement with 13 countries in the hemisphere, many of which already have a previous trade agreement with the U.S. The Bush administration hopes that such an agreement will force greater concessions from other countries, such as Brazil, Venezuela, the Caribbean countries, Ecuador, Peru and Colombia, which to date have refused to sign on to a more ambitious "second tier" FTAA agreement. The prospects for success of this strategy remain doubtful, however, as long as Brazil and other countries maintain their refusal to sign a new agreement until the U.S. changes its position on agricultural market access and subsidies.

Endnotes

[1] The nine areas are agriculture, manufactured and consumer goods, services, investment, government procurement, intellectual property, labor, environment and copyright protections.
[2] The other countries in the G5 are Canada, Mexico, Chile and Costa Rica – countries with which the U.S. has already signed trade pacts or completed negotiations.
[3] Most Favored Nation treatment guarantees the lowest tariffs rates to the beneficiary country, which must be as low as the tariffs extended to any other country.
[4] The strategy of "competitive liberalization" was criticized by the U.S. General Accounting Office in a study commissioned by Senators Baucus (D-MO) and Dooley (D-CA). The study charged the administration with allowing foreign policy goals rather than market considerations determined which countries were granted trade agreements. See "U.S Congress' Watchdog Faults Bush Trade Strategy," Forbes, February 10, 2004.

Heavy police presence accompanied the protests against the FTAA in Miami. Allegations of police abuse are still pending.

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Under these conditions and given the weaknesses of CAFTA, WOLA will be unable to support legislation to implement the accord.

Endnotes

[1] United States Trade Representative, "U.S. & Central American Countries Conclude Historic Free Trade Agreement," press release, December 17, 2003.
[2] For more information, see WOLA's *Rights & Development Bulletin*, Vol. 1, No. 1, December 2003.
[3] See "NAFTA at Ten," in this issue.
[4] *La Prensa* and *Siglo XXI*, Guatemala, December 31, 2003.
[5] Stephanie Weinberg, Trade Policy Analyst, Oxfam America, Presentation at Congressional Briefing, January 22, 2004. Guatemala's newly elected president, Oscar Berger, who was inaugurated just after CAFTA negotiations were finalized, has recognized the asymmetry of the CAFTA agreement on agriculture, and has attempted to renegotiate the agreement. The USTR has refused to renegotiate.
[6] The 2003 Country Reports on Human Rights Practices are now available on-line: http://www.state.gov/g/drl/rls/hrrpt/2003/index.htm.
[7] See http://www.ustr.gov/new/fta/Cafta/text/index.htm.
[8] The Free Trade Commission is a body to be established under CAFTA (Article 19.1) with the mandate to oversee compliance and interpret provisions in the trade agreement.
[9] Human Rights Watch, "U.S. Budget Proposal Shortchanges Labor

Rural Development in Brazil?
An interview with Darci Frigo

Darci Frigo *is an attorney and activist who has dedicated his life to attaining equitable land reform for all Brazilians, and outlawing child labor and the practice of modern-day slavery. Currently, he is the Coordinator of* Terra de Direitos *(Land of Rights), a national non-governmental organization dedicated to the defense of social, environmental, economic, political and civil rights. In addition to his work with* Terra de Direitos*, Mr. Frigo is a founding member of the National Network of Public Interest Lawyers (RENAP), and was an active member of the Pastoral Land Commission for 16 years. Also, as a member of the Brazilian Worker's Party (PT), Mr. Frigo was a key architect of the proposal for equitable land reform that became a critical plank in President Lula's winning platform. This interview was conducted in September 2003, when Mr. Frigo was a panelist in a rural development conference co-sponsored by WOLA.*

What is the situation of the rural sector in Brazil?

We have to distinguish at least three sectors and then analyze the specifics of each. The first sector is large-scale farming and agribusiness. The second consists of farmers that have some land or have access to some land. Third are the rural workers that labor for the large-scale farmers, for the "*latifundiários*," that—in the Amazon region—is like slave labor. In the first sector, there are modern farmers who use agribusiness technology and are producing greater and greater amounts, expelling rural workers from the fields and taking over more land. There are also large-scale farmers who resist the modernization process and agrarian reform, and use violence against the [small] farmers who want to [carry out land reform on] their lands, contracting gunmen and such. The big-shots in agribusiness utilize the power of the state, lobby, and influence to make laws in their favor. The second group prefers to use private militias, which is not to say that the first group doesn't use them as well; they have a lot in common. The greatest concentration of land, 56.7 percent, is in the hands of this sector that represents only 12.8 percent of the population. On the other end, are 3,100,000 small-scale farmers (62 percent) that own only 7.8 percent of the land.

Within the second sector, there are also two groups. There is an integrated, relatively modern group that works with pork, poultry, tobacco, and dairy. Then there is another group that is poorer, with farmers living in poverty without any sort of technology, government support, or lines of credit. The first group, composed of the integrated farm workers, benefits from public policies and has access to credit and has bank accounts. They are like a rural middle class.

In the third sector, which I classify as the rural workers, there are laborers with work contracts that, in Brazil, we call "*carteira de trabalho*"—an identity card that determines the days people work, the terms of employment, and where people can work. There is small number of people who have permanent contracts and are the managers of the big ranches, the foremen, and technical support people dealing with the machinery. The majority have temporary contracts and are the ones that cut the sugar cane, and pick oranges and coffee. They are migrants and their situation is pretty serious. We frequently find these workers working and living in almost slave-like conditions. These are very unhealthy conditions, which we call super exploitation—long hourly shifts, from 12-14 hours a day, and a small salary. Also on the margins of this third group are the slave workers, who are the ones cutting the forests down in the north or cleaning up pasture for cattle ranching.

The production of basic food is mostly guaranteed by family farming. Family farming was the rural sector that grew the most between 1989 and 1999, with an increase in productivity of 3.79 percent per year. This sector is responsible for almost 40 percent of the gross domestic product of the farming production in the country and for most of the food that reaches the Brazilians' dining tables – 70 percent of the beans, 80 percent of cassava, 58 percent of pork, 54 percent of dairy, 49 percent of corn, 40 percent of poultry and eggs. It supplies mostly the internal market, but also participates in the export sector. This is an important fact because this is the sector where employment really exists compared with the employment numbers of large-scale farmers. The large-scale farmers provide a small amount of employment. This is why we promote agrarian reform to broaden family farming, because the outcome would generate more employment.

What is *Terra de Direitos* doing to change the situation?

Terra de Direitos is a human rights organization that was formed over a year ago by people who have a great deal of experience working with farmers, who have worked on housing issues in Curitiba and providing legal aid for social movements, in association with the municipal and state governments, along with public universities and social movements. So *Terra de Direitos* is an amalgamation of people who are working in public spaces, universities, and social movements. Currently, we are developing our work with the aim of strengthening the strategies of the social movements. We have some specific activities, such as following certain, paradigmatic cases and perhaps bringing some of those to the Inter-American Commission on Human Rights, but the bulk of our time is used to advise different social movements, especially the MST (*Movimento dos Trabalhadores Rurais Sem Terra*), the Rural Landless Movement. We are also dealing with the issues of water and privatization, promoting the right to access to water for all. In addition, we have a coalition that discusses ecological farming together with the farmers who have benefited from agrarian reform and small-scale farmers. This coalition is speaking out against the introduction of genetically modified organisms (GMOs) or *transgenicos*. We are lobbying the Brazilian government to adopt legislation that will protect biodiversity, protect the farmers against the monopoly of larger corporations and the multinationals, and ensure that production guarantees public health and takes into account environmental issues. Finally, we are involved in a coalition of forces from all of the urban and rural social movements in Brazil to demand the right to work and to oppose Brazil's signing of the FTAA. We work with big forums and coalitions of social movements because we understand that we have to join forces and work towards a common good.

Is *Terra* working with the Zero Hunger (*Fome Zero*) Program?

We do not have a direct involvement in the *Fome Zero* board because they already have the involvement of various official sectors, including the federal, state and city governments and businessmen, along with civil society representatives. We support *Fome Zero* on those issues where we are strongest – family agriculture, environmental issues, and agrarian reform. These are the big structural reforms proposed by *Fome Zero* that we find important, and are what we have been working on.

We are also promoting economic rights in *Fome Zero*. We want to focus on the right to access to food, starting with the quality and local production of the food. We want to guarantee that we will not see drastic measures to open the market that subjugate our products to unfair competition with products that are subsidized, like the ones from Europe and the U.S. This implies defending government agricultural policies for credit, for buying produce at a minimum price, and for better storage capacity for produce.

What is the difference between food security and food sovereignty?

The concept of food security is based on the market, so the laws of supply and demand apply. The government states, "we will open the borders to import food so we don't have to worry if Brazil produces." But if Brazil doesn't produce, this will create a problem of dependency on international goods and gradually decrease the employment opportunities for farm workers. The concept of food sovereignty, on the other hand, means that the state can define its own food policy. With Mercosur and the FTAA agreements, this prerogative cannot be ensured. Brazil has to support its farmers with concrete measures, even with subsidies, because subsidies mean job creation, an income and the circulation of goods in the local economy. What is happening at this moment, not only in Brazil but also in rural areas throughout the world, is that the population is getting poorer. Everybody is moving to the big cities where there is not enough work for everyone. We need goods to circulate at a local level. The scale of food production from these large international corporations inhibits the possibility of the circulation of local goods, it concentrates the riches in the hands of a few companies. As a result people become extremely dependent. The concept of food sovereignty means that every country should, minimally, have the means to produce and guarantee food for its people.

In Brazil, we have the challenge of deepening the debate about the right to food, and social, economic and cultural rights. There are people who still think that human rights can be violated, but there is a certain consensus that political and civil rights today are consolidated and recognized. On the other hand, economic and social rights do not receive the same recognition as fundamental human rights as do political and civil rights. They are recognized legally, in provisions of the Brazilian constitution, but from a conscious social and cultural point of view they are not yet practiced. The task is to deepen the debate about the rights to food, work, education, and a healthy environment.

U.S. Congress on CAFTA

While CAFTA enjoys full support from the United States and Central American presidents, the agreement faces significant opposition from U.S. and Central American legislators. In the U.S. Congress, members of the Democratic leadership have spoken out against CAFTA, citing concerns over weak labor rights provisions. Others, notably members of the Congressional Hispanic Caucus, have raised objections to the agreement because of its potential impact in Central America, particularly on small farmers and the poor. Still other members oppose CAFTA because they fear U.S. job loss in sectors such as sugar, textiles, or manufacturing. While the reasons for congressional criticism of CAFTA vary, staunch opposition to the agreement is emerging.

> *CAFTA needs to be turned around, or it will be turned down.*
> –Rep. Sander Levin (D-MI)

Representative Sander Levin:

Fighting for labor rights

In April 2003, Sander Levin (D-MI) wrote a letter to his colleagues in the Congress, describing a trip to Central America where he met with workers and leaders of the labor movement. Levin gave a detailed account of working conditions in the apparel industry, and the inadequacy and lack of enforcement of labor laws in the region. He called upon his fellow members of Congress to push for stronger labor standards in CAFTA, stating: **"…we must take into account…the persistent inability of workers in Central America to exercise any real ability to associate and bargain in order to achieve an effective role in their workplace."**[1] CAFTA only requires countries to enforce their own domestic labor laws, which, as Levin has noted, are grossly inadequate in Central America.

In October 2003, following Levin's lead, Democratic leaders in the House of Representatives, including Representatives Nancy Pelosi (CA), Charles Rangel (NY), Robert Matsui (CA), Steny Hoyer (MD), George Miller (CA), and Robert Menendez (NJ), wrote to U.S. Trade Representative Robert Zoellick, highlighting concerns over the weakness of labor protections in CAFTA. The letter stated: "Using a standard of 'enforce your own labor laws' is unacceptable for nations that do not incorporate internationally-recognized labor standards." Democrats have continued to voice concern over CAFTA's treatment of workers' rights, and many have indicated that they will vote against the agreement. At a December 2003 press conference, co-sponsored by the WOLA, Representative Levin stated: "CAFTA needs to be turned around, or it will be turned down."[2]

Representative Raúl Grijalva:

A voice from the border

Raúl Grijalva, freshman Democrat from Arizona, is concerned that CAFTA will repeat the errors of the North American Free Trade Agreement. NAFTA's implementation has accompanied an increase in poverty and inequality in Mexico. Mexico's cities swelled with those displaced from rural communities, as did the numbers attempting to cross the U.S.-Mexico border into Arizona and neighboring states. Grijalva, like other members of the Congressional Hispanic Caucus, is concerned that CAFTA will do little to reduce poverty in Central America. Instead he fears it will further undermine livelihoods and increase migratory pressures along the U.S. border.

In an October 2003 op-ed in the Houston Chronicle, Grijalva wrote: "NAFTA has not improved the quality of life of the majority of Mexicans. It has not improved the infrastructure so that small and medium producers can get their produce to markets. It has not provided better jobs at decent wages. And NAFTA has certainly not stemmed the flow of people [crossing the border] risking their lives to seek work."[3] Grijalva called for a **"new set of priorities"** to **"guide our future trade policies. Improving living standards and working conditions, protecting the environment, and building just and sustainable economies in developing nations should be the basic goals of our policy."**[4]

Representative Sherrod Brown:

Protecting U.S. jobs

In December 2003, Sherrod Brown (D-OH) issued a public statement denouncing CAFTA. Brown, who represents manufacturing hubs in northeastern Ohio, is concerned that CAFTA will "pursue the failed NAFTA model of trade for trade's sake at the expense of increasingly scarce American jobs."[5] Brown points to job losses in his state since NAFTA, and worries that CAFTA will only accelerate the loss. Representatives from other states – such as South Carolina, where textiles generate significant employment, and the sugar-producing state of Louisiana – have raised similar concerns. Brown also criticizes the weak labor and environmental provisions in the agreement. He wrote: **"To the Bush administration, two fundamentals of free trade are the ability to exploit cheap, foreign labor and take advantage of those nations' weaker environmental standards."** As a senior member of the International Relations Committee, Brown is at the forefront of congressional calls for "fair trade, not free trade," and for a model of "global fair trade that will protect U.S. jobs."[6]

Endnotes

1 Sander Levin, Dear Colleague letter to U.S. Congress, April 30, 2003.
2 Sander Levin, statement at National Press Club, December 9, 2003.
3 Raúl Grijalva, "Free Trade Delivers More Immigrants, Not Jobs," Houston Chronicle, October 20, 2003.
4 Ibid.
5 Sherrod Brown, press statement, December 18, 2003.
6 Ibid.

WOLA and the Rights and Development Program

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