

Suspend CAFTA; Stop Panama and Colombia Accords!

By Katherine Hoyt

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With the Congress considering trade agreements with Panama and Colombia that are equally as bad as NAFTA and CAFTA, it is a good time to review the story of CAFTA and to demand its suspension!

President George W. Bush announced that he would seek a free trade agreement with the countries of Central America during a visit to San Salvador on March 24, 2002, which was the 22nd anniversary of the assassination of Catholic Archbishop Oscar Romero, a defender of the poor, by U.S. supported death squad members. The announcement, coming as it did on the anniversary of Romero's death, angered and energized activists in Central America and in the United States. Coalitions formed in both regions to oppose the agreement as the ground was laid by the governments involved for the negotiations which would take place throughout 2003.



Meeting with Central American presidents in El Salvador, Bush formally announced he would seek a free trade agreement with Central America on the 22nd anniversary of the assassination of Archbishop Oscar Romero, a defender of the poor.

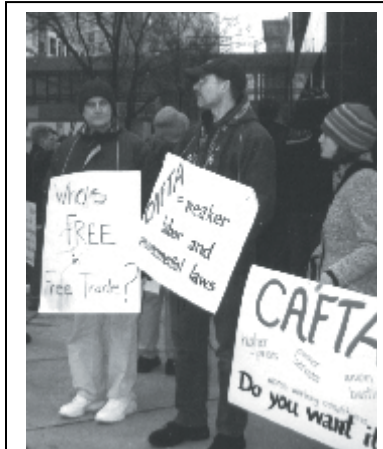
Within the opposition in both the North and the South, there were two tendencies: the “rechazo total” or total rejection folks, and the “seat at the table” folks. We in the total rejection group believed that the free trade model was flawed beyond any attempt to improve it. The members of what would become the Stop CAFTA Coalition included the Nicaragua Network, the Committee in Solidarity with the People of El Salvador (CISPES), the Network in Solidarity with Guatemala (NISGUA), Witness for Peace, Quest for Peace, and others, including local groups like the Marin Task Force. We worked with our partners in Central America to get the message out about just how damaging the agreement was likely to be.

The seat at the table folks felt that since the various governments had promised civil society involvement, they would take them up on it and make proposals for a better trade agreement. “Seat at the table” folks included the AFL-CIO, the Sierra Club, and others, and in Central America, the members of the CID Initiative. In the end we all ended up on the same page because the negotiators rejected all of the proposals of the “seat at the table” folks.

As you probably know the Dominican Republic was included in the negotiations in August 2003 but the acronym DR-CAFTA never caught on. Certainly its rhyming possibilities for slogans at opposition rallies were non-existent.

Even though we didn't “Stop CAFTA,” we came closer to defeating a trade agreement than had ever been done before. We were able to get the word out that the majority of Central Americans opposed the agreement just as the majority of people in the United States were turning against so-called “free trade.” While the sugar and textile industry representatives received the most press here in the U.S. for their opposition to the agreement, the Stop CAFTA Coalition was a leader in the struggle against CAFTA. Some organizations in the coalition sponsored visitors from Central America, including farmers, factory

union organizers, and even bishops, to tell the story of the real impact CAFTA would have on their economies and lives. Some put out news bulletins for members of Congress.



Cincinnati activists protest outside CAFTA trade talks.

The coalition helped organize demonstrations at every single city in the U.S. where negotiating sessions were held. We stayed in touch with our Central American partners and supported their activities with the placing of supportive paid ads in their local newspapers and other activities at the times when negotiating sessions were held in their countries. We publicized the demonstrations carried out by popular movements there. The Nicaragua Network sent to every member of the House of Representatives a petition signed by over 800 representatives of Central American organizations meeting at the Meso-American Forum in El Salvador explaining why they opposed CAFTA which Representative Hilda Solis sent to them again with a letter from her.

But in the end, legislatures in all of the countries whose governments had signed the agreement in December 2003 finally approved it. In the US, Republican leadership in the House violated rules and twisted arms to get the last two votes they needed. In at least one country, legislators met at night behind barricaded doors to approve the agreement because of mass protests outside. Costa Rica held out the longest and pushed the government to hold a referendum on CAFTA which was only won by the “yes” faction because the Bush Administration violated Costa Rican electoral law and threatened voters in the last 48 hours before the election.

So, what is so wrong with CAFTA? I don’t have space to tell you all that is wrong with CAFTA; that would take many pages. But here are a few points. On labor rights, CAFTA is worse than the Generalized System of Preferences (GSP) and Caribbean Basin Initiative that it replaced. These at least included a petition process when labor rights were violated but now this useful, if modest, enforcement mechanism has been lost. Countries are required only to follow their own labor laws, not ILO standards, and penalties are minimal and do not include remedying the rights violation, but rather fines.

In the case of agriculture, Central American countries are required to eliminate import tariffs on rice, beans, yellow corn and dairy products, on which the livelihoods of 5.5 million small and medium farmers depend. The U.S. refused to negotiate the subsidies it provides that enable U.S. agribusinesses to export goods at below the costs of production. Without the compensating protection of tariffs, Central America’s doors have been opened to the dumping of U.S. farm products, risking massive displacement of rural workers and increased food insecurity in Central America.

With regard to investments, under CAFTA, national development needs are secondary to the rights of foreign investors. The United States Trade Representative says that U.S. investors enjoy “in almost all circumstances the right to operate investments in Central American countries on an equal footing with local investors, and with investors of other countries.” So, governments are not able to use foreign investment for economic development strategies that promote domestically oriented growth or support new domestic industries. And CAFTA includes NAFTA-like investor-to-state lawsuits, which allow corporations to sue governments over regulations (such as those that give preferences to local companies) that they believe infringe on their business interests.

This is just a sampling of bad provisions. Others are those affecting public services, the environment, intellectual property and medicines, regulation of capital flow, etc. For more information, visit the Stop CAFTA web page at www.stopcafta.org where you can read the three monitoring reports that we have issued.

CAFTA was as bad or worse than NAFTA and the upcoming agreements with Panama and Colombia are just as bad. Not only should the U.S. put a moratorium on future CAFTA-style agreements, but Congress should evaluate the existing agreements and renegotiate or roll back the failed accords. In the case of CAFTA, the results of our third report led the Stop CAFTA Coalition to believe that the current agreement should be either completely overhauled or outright eliminated, and that a alternative trade relationship between the U.S. and Central America should be built based on the eight principles of the “Pledge for Trade Justice” [go to <http://www.nicanet.org/?p=334#more-334>] which we also included in our report. President Obama and Democrats in Congress are wavering from their campaign promises to revisit trade agreements and, in the case of CAFTA, we can expect no help from the governments of the region either, because the Central American countries, which include two members of ALBA (Nicaragua and Honduras), released a statement at the recent Summit of the Americas supporting the Panama-US agreement.

So, meet with your Senators and representative and ask them to take the Pledge for Trade Justice. If enough of our representatives take this pledge we will see all current agreements taken off the agenda and a completely new type of agreement to benefit the people negotiated.