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for Responsible Trade
A National Coalition for Just and Sustainable Trade Policies

NEWS RELEASE

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Coalition Denounces Flawed US-Central America Free Trade Agreement

A national coalition of civil-society organizations has harshly criticized the U.S.-Central America Free Trade Agreement (CAFTA), which will be signed tomorrow by trade ministers from the United States and Central America.

The Alliance for Responsible Trade (ART), a U.S. coalition of labor, environmental, family-farm, women's and other citizens' organizations, expressed strong concerns that CAFTA, if implemented, would hurt workers, economies and environments in all of the countries involved.

ART's Coordinator, Karen Hansen-Kuhn of The Development GAP, said, "For years now we have seized every opportunity to present concrete proposals developed with our colleagues in the hemisphere for a more democratic and equitable form of economic integration. Yet CAFTA, like the FTAA and a number of recently completed trade agreements, simply duplicates the failed NAFTA model, giving foreign investors new rights without requiring any responsibilities on their part to the communities in which they operate."

"CAFTA is a flawed trade agreement, added Mark Levinson, Chief Economist for UNITE, a member of ART. "The labor provisions in CAFTA require Central American countries only to enforce the inadequate laws they already have. Workers' rights will not be fully protected and wages and working conditions will thus continue to decline both in Central America and the United States until their labor laws are revised to comply with international standards."

Provisions in CAFTA would dramatically liberalize trade in goods and services between the United States and Central American countries. Similar provisions in NAFTA, ART points out, have resulted in some 1.3 million Mexican farmers losing their sources of employment, as they were unable to compete with often subsidized U.S. agricultural producers. The agreement would also prohibit governments from placing conditions on foreign investment to ensure that it promotes local development. CAFTA includes strong protections for foreign investment and intellectual-property rights (patents), but contains only weak provisions to support labor rights and the environment.

Religious organizations also expressed serious concerns about the proposed accord. Donna Graham (OSF) of the Franciscan (OFM) Justice, Peace and Integrity of Creation Council commented that "Franciscans in Central and South America have asked us to work against CAFTA, the FTAA and other proposed trade agreements. They clearly see that the trade agreements are written to benefit corporations, not the people of Latin America or the United

States. Until trade agreements include advocacy for human rights, fair labor laws and environmental protection and address the concerns of the people who will be affected, we cannot support them.”

ART has worked with colleagues in the Americas since the inception of the NAFTA debate, analyzing the text of free-trade agreements, tracking the impact of NAFTA, and offering alternative proposals that would serve to promote just and sustainable trade and development. Most recently, it has engaged in this multinational collaboration as the U.S. chapter of the Hemispheric Social Alliance.

Mike Prokosch, Global Economy Coordinator at United For a Fair Economy, was concise in his objections to CAFTA. “We need a trade agreement that will improve life for the majority in Central America and the United States. We need higher wages, not lower; more farms, not fewer; more services, not more privatization. CAFTA is not the kind of globalization we need.”

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