

**NAFTA, CAFTA, WHAT COMES AFTA? Three main reasons to vote NO to CAFTA. (article formerly published in the AFSC Newsletter, May 2004).**

Last November, during the FTAA (Free Trade Area of the Americas) Ministerial held in Miami I met Gerardo Vargas, "diputado representante del pueblo" (House representative of the people) as he called himself in the Costa Rica House of Representatives. He was a down to earth, simple man who used to work as a "campesino" in the countryside in Costa Rica before he was elected House Rep. During one of our daily conversations in Spanish he asked me "How will the countryside be affected if CAFTA (Central America Free Trade Agreement) gets passed? We have little information about it". His question offered food for thought so I started to revise the documents that have lately been published around the possible consequences of CAFTA, if it gets passed.

I have found at least 10 reasons to oppose the signing of the CAFTA agreement but for lack of space I will concentrate on three of them that seemed most relevant. One is the lack of transparency, the second is the disparity in development conditions between negotiators, and the last one is the effect it will have in poor people.

#### Lack of Transparency

Because CAFTA negotiations occur in secret and the text is classified "for foreign policy and national security reasons," it is impossible for anyone outside the directly involved in the negotiations to analyze what is actually on the table. Statements made by the US Trade Representative, whose office negotiates these agreements, indicate the free trade agreement with Chile is being used as a model for much of the CAFTA text, as well as the previous NAFTA agreement between Mexico, the US and Canada.

This lack of transparency in the negotiations process means that those who stand to be most affected by CAFTA, particularly working people, small farmers, and small- and medium-scale businesses, cannot participate in shaping the agreement in any meaningful way. The lack of public information about what exactly is being negotiated and the rushed timeline for negotiations does not allow for civil society organizations to provide informed, substantive input to the process. A limited public hearing process has proved insufficient for this purpose, and there is no evidence that alternative proposals to the free trade agenda are being taken into account. Thus, I understood the reasons why my partner from Costa Rica did not know about this.

#### Disparity among negotiators

The U.S.-Central American Free Trade Agreement (CAFTA) is the first sub-regional trade agreement of its kind. Trade between the U.S. and Central America is about \$13.4 billion per year. The U.S. is the region's most important trading partner, about 40-50% of Central American exports go to the United States. CAFTA is the first agreement between such highly asymmetric trading partners. The agreement will not take effect until the U.S. Congress signals its approval-- which is by no means certain.

It seems that in June CAFTA will be introduced to Congress, putting it on track for a congressional vote prior to the August recess and in advance of the 2004 party conventions.

Congress needs to understand the implications of trade agreements for our trading partners in the developing world. CAFTA is the first such agreement the United States has negotiated with less-developed countries, including some of the poorest in the hemisphere. These countries depend heavily on agriculture for the livelihood of significant portions of their populations, are ravaged by curable diseases due to poverty and inadequate health-care coverage, are sorely lacking in public infrastructure and in several cases are highly indebted. Yet CAFTA does not take as a starting point the disparities in development and resources between the US and the region; instead, it is modeled on the US bilateral free trade agreements with Chile and Singapore and the North American Free Trade Agreement (NAFTA).

Increased poverty levels.

After ten years of the enactment of NAFTA, today the International Monetary Fund (IMF) and the World Bank agree that the economic benefits projected by NAFTA did not reach its expectations in Mexico. Based on our knowledge through personal testimonies gathered during our ongoing trips to the border as well as news reports, we can confirm the failure of NAFTA as far as poverty reduction is concerned.

Moreover, the US agreements with Chile and Singapore, the US Trade Representative's briefings, and information from our partners in the region, indicate that the double standards and rigged rules of US trade policy set forth in CAFTA will be a setback for development and poverty reduction in Central America.

We believe that if CAFTA gets passed, the gap between the rich and the poor will increase, destruction of environment will continue, and poor incorporation of technical skills will raise sub and unemployment levels. People have learned by personal experience the social exclusion these treaties have created but governments don't seem to listen, the rules of the market economy seem to have more value than the ethical laws of humanity. As people of faith and belief in non-violence, we have the moral urge to denounce and oppose the threats that trade agreements will cause on our brothers and sisters.

Links to know more about CAFTA:

AFL-CIO: <http://www.aflcio.org/issuespolitics/globaleconomy/caftamain.cfm>

Alianza Social Continental (Hemispheric Social Alliance): <http://www.asc-hsa.org>

Citizens Trade Campaign: <http://www.citizenstrade.org>

Global Exchange: <http://www.globalexchange.org>

InterAction: <http://www.interaction.org/trade/cafta.html>

Public Citizen: <http://www.citizen.org/trade/cafta>

Stop CAFTA Coalition [www.stopcafta.org](http://www.stopcafta.org)

Quixote Center [www.quixote.org/cafta](http://www.quixote.org/cafta)

Washington Office on Latin America: <http://www.wola.org/economic/cafta.htm>