

# Top Ten Reasons to Oppose the Central American Free Trade Agreement

*If the U.S.-Dominican Republic-Central American Free Trade Agreement (CAFTA) passes in the U.S. Congress, it would impose the failed policies of the North American Free Trade Agreement (NAFTA) throughout Central America and the Dominican Republic. The agreement would erode democracy, undermine workers' rights, drive countless family farmers off the land and ultimately lay the groundwork for the expansion of NAFTA throughout the hemisphere.*

## 1. CAFTA Would Expand a Proven Disaster

CAFTA would expand the failed NAFTA model of 'free trade' to five additional Central American countries as well as the Dominican Republic. But 10 years of NAFTA have shown just how devastating these agreements can be for democracy, working families and the environment. In the United States, almost a million jobs have been lost due to NAFTA. In the maquiladora zones along the U.S.-Mexico border, wages are low and union organizing is suppressed. Family farmers have been driven off the land, and hunger and poverty has increased. Deforestation is on the rise in Mexico. Citizens have less control over their communities as NAFTA's investor rights chip away at democratic laws. NAFTA should be repealed, not expanded.

## 2. CAFTA Would Promote Sweatshop Labor

CAFTA fails to require that member countries adopt internationally recognized core labor standards as established by the International Labor Organization (ILO). CAFTA actually encourages countries to lower their workplace health and safety laws in order to attract investment to their country. This comes in the context of a region where labor laws fall far below international standards and those that exist are rarely enforced. Our experience with NAFTA has shown how corporations use this arrangement to pit workers in each country against one another in a "race-to-the-bottom" in wages and workers rights. CAFTA's promoters have presented it as a vehicle for economic development, but when these agreements fail to include basic international labor standards, only corporate CEOs see the benefits. That's why 18 major labor federations in the region have participated in mass protests against CAFTA.

## 3. CAFTA Would Degrade the Environment

CAFTA fails to require that member countries improve environmental protection – in the context of the Central American region, where environmental laws are scarce and rarely enforced. CAFTA would increase deforestation – the annual rate of deforestation has practically doubled

since the implementation of NAFTA, giving Mexico one of the highest rates in the Hemisphere. Three out of every four migratory bird routes pass through the Central American countries – and even the U.S. trade negotiators admit that CAFTA could contribute to the loss of migratory bird habitat.

## 4. CAFTA Would Drive Family Farmers Off the Land

Thousands of small family farms in both the U.S. and Central America would be lost because of CAFTA—much like what has already happened to U.S, Mexican and Canadian farmers under NAFTA. Meanwhile, giant corporate agribusinesses like ADM and Cargill would be the ones benefiting most from CAFTA and the displacement of smaller independent farms. The threat of CAFTA is especially ominous for farmers in Guatemala, where nearly 60% of the population support themselves through agriculture. CAFTA would likely force a massive migration of former farmers to large urban areas to work in the maquila industry, or to risk the dangerous journey to the U.S.

## 5. CAFTA Would Privatize Public Services

Under CAFTA, the basic services essential for human life and development – including health care, education, water, electricity, and communication – would be under threat of corporate takeover. Under CAFTA, governments would be forced to allow multinational corporations to buy services that were public and sell them for profit. This privatization often results in price increases, reduced access, and diminished quality that most severely impacts the vulnerable communities such as children, the poor, and the elderly.

## 6. CAFTA Would Expand Corporate Power

CAFTA would expand NAFTA rules allowing corporations to sue governments over any law that might stand in the way of their ability to profit. These rules have already been used 42 times since 1994 to challenge some of our most cherished public health, workplace safety and

environmental laws. The threat of being sued forces governments to pass only pro-business legislation or face the possibility of having to pay enormous fines. This is a tremendous assault on basic democracy at the state and local level.

### **7. CAFTA Would Increase Deaths from HIV**

CAFTA provisions to protect and expand the patent monopolies of U.S. pharmaceutical companies in Central America would undermine access to affordable generic AIDS drugs and increase the price of many other crucial medicines. Meanwhile, hundreds of thousands of HIV-positive Central Americans are in immediate need of affordable lifesaving medicines. Of the six Latin American countries with the highest prevalence of HIV, four are Central American.

### **8. CAFTA is a Stepping Stone to the FTAA**

Passing CAFTA would be a strategic first step towards the larger Free Trade Area of the Americas (FTAA). The FTAA would include every country in Latin America and the Caribbean, except Cuba. Talks on the FTAA collapsed in recent months following sustained pressure from the governments of Brazil, Venezuela, and other South American and Caribbean nations. By bullying its smaller trading partners into accepting CAFTA, the Bush Administration hopes to divide the growing coalition of developing countries that oppose the FTAA and set a dangerous precedent for its passage.

### **9. Opposition is Building**

Thousands have been organizing to defeat CAFTA throughout Central America and the U.S. with mass mobilizations in Managua, San Salvador, Tegucigalpa, and San Jose, and pickets at the negotiations in Cincinnati, Houston, New Orleans, and Washington DC. Following on recent setbacks for the WTO in Cancun and the FTAA in Miami, fair trade forces are poised for yet another victory. The defeat of CAFTA could deliver the decisive blow to the already stalled FTAA negotiations.

### **10. We Can Win!**

Despite tremendous popular opposition to CAFTA in Central America, we must actually defeat the agreement in the U.S. Congress. Members of Congress have been hearing a lot from their constituents about the negative impacts of free trade. In fact, the Republican leadership did not send CAFTA to Congress for approval in 2004 – because they didn't have the votes. But they'll try again this year. Now more than ever it's important that you tell your congressperson to say no to CAFTA and yes to Fair Trade!

## **WHAT YOU CAN DO:**

### **Educate Yourself:**

Learn more about corporate globalization and what you can do to stop it at our new CAFTA resources page on our website. Sign up for weekly globaljustice listserve updates at [www.globalexchange.org](http://www.globalexchange.org).

### **Educate Others:**

Organize a presentation to your church group, local union, environmental club, or student group. Or gather your friends for a video discussion and letter writing evening. We have materials, books, and videos, and speakers available on our website to help!

### **Contact Your Congressperson:**

Send a letter or organize a delegation to meet with your representative when he or she is in your home district. Never lobbied before? No problem. Lobby materials and other CAFTA information are available in our action pack. You can also get connected to others in your area working to stop CAFTA at [www.citizenstrade.org](http://www.citizenstrade.org).

### **Get the Word Out:**

Send a letter to the Editor of your local newspaper about CAFTA. Encourage the media to cover your local efforts for fair trade. More action ideas are available at [www.stopcafta.org](http://www.stopcafta.org).

*For more information about Global Exchange's campaign to stop CAFTA and the FTAA please visit our website at [www.globalexchange.org](http://www.globalexchange.org) or contact us at 415.575.5537 or [trade@globalexchange.org](mailto:trade@globalexchange.org).*