

TOP TEN REASONS TO OPPOSE THE FREE TRADE AREA OF THE AMERICAS

In recent years, representatives from 34 countries have been working to expand the North American Free Trade Agreement (NAFTA) to Central America, South America and the Caribbean. The Free Trade Area of the Americas (FTAA) is another example of the free-market fundamentalism that has created a global race-to-the-bottom that threatens the environment, families' livelihoods, human rights, and democracy. Once again, a sweeping "free trade" agreement is in the works that puts commercial interests above all other values.

1) The FTAA Expands a Proven Disaster

The FTAA is essentially an expansion of NAFTA. But NAFTA has proven to be a nightmare for working families and the environment. A look at NAFTA's legacy shows why these kinds of "free trade" agreements should be opposed. Working families suffer: In the US, more than 765,000 jobs have disappeared as a result of NAFTA. When these laid off workers find new jobs, they earn 23 percent less on average than at their previous employment. In Mexico, manufacturing wages fell 21 percent from 1995 to 1999, and have only started to recover. The percentage of Mexicans living in poverty has also grown since NAFTA went into effect. The environment suffers: In the maquiladora zones along the US-Mexico border, the increased pollution and the improper disposal of chemical wastes have dramatically raised rates of hepatitis and birth defects. NAFTA should be repealed, not expanded.

2) The Agreement Is Being Written Without Citizen Input

Despite repeated calls for the open and democratic development of trade policy, the FTAA negotiations have been conducted without citizen input. A process has been set up to solicit citizens' views, but there is no real mechanism to incorporate the public's concerns into the actual negotiations. The public has been given nothing more than a suggestion box. At the same time, however, hundreds of corporate representatives are advising the US negotiators and have advance access to the negotiating texts. While citizens are left in the dark, corporations are helping to write the rules for the FTAA.

3) The Agreement Will Undermine Labor Rights and Cause Further Job Loss

The NAFTA experience demonstrates how basic labor rights and the interests of working families are eroded by "free trade" agreements that lack enforceable labor protections. Corporations move high-paying jobs to countries with lower wages and bust unionization drives with threats to transfer production abroad. According to a Cornell University study, since NAFTA two-thirds of manufacturing and communications companies faced with union organizing campaigns threatened workers with moving their jobs abroad. This "race-to-the-bottom" will accelerate under the FTAA as corporations pit exploited workers in Mexico against even more desperate workers in countries such as Haiti and Guatemala. Already, Mexico is losing maquiladora jobs to countries with cheaper wages. In the last two years, some 280,000 jobs have vanished with the closure of more than 350 maquiladoras.

4) The Agreement Will Exacerbate Environmental Destruction

The export-driven growth model promoted by "free trade" agreements and the policies of the World Bank and the IMF have destroyed ecosystems around the world. Under this unsustainable model, many countries in the Global South cut down their forests, overfish their waters and exploit other natural resources to pay off foreign debts. Since NAFTA, 15 US wood product companies have set up operations in Mexico, and logging there has increased dramatically. In the Mexican state of

Guerrero, 40 percent of the forests have been lost in the last eight years, and massive clear cutting has led to soil erosion and habitat destruction.

5) The Agreements Will Hurt Family Farmers

NAFTA has been a disaster for small farmers in the US and Mexico. By favoring the interests of agribusiness corporations over the needs of family farmers, NAFTA's model of export-oriented agriculture has slashed farmers' income. Between 1995 and 2000, the prices US farmers receive for corn declined 33 percent, 42 percent for wheat, and 34 percent for soybeans. No wonder that since NAFTA went into effect 33,000 small farmers in the US have gone out of business—more than six times the pre-NAFTA rate. In Mexico, the price farmers receive for corn has plummeted 45 percent in three years as agribusiness giants dump their subsidized corn there. At least half a million farmers have left their land. The FTAA threatens to make this crisis worse by encouraging even more overproduction.

6) The Agreement Will Lead to Privatization of Essential Services

The FTAA is expected to force countries to privatize services such as education, health care, energy and water. Such privatization would especially harm working class communities and communities of color. In some countries, these privatizations are already occurring, and those least able to pay for vital services are the ones who suffer the most. When the Bolivian city of Cochabamba privatized its water utility, water rates increased 200 percent. In the ensuing protests, police shot and killed a 17-year-old student.

7) The Agreement Will Jeopardize Consumer and Environmental Protections

NAFTA includes unprecedented ways for corporations to attack our laws through so-called "investor-to-state" lawsuits. Such suits, established by NAFTA's Chapter 11, allow corporations to sue governments for compensation if they feel that any government action, including the enforcement of public health and safety laws, cuts into their profits. Already, Chapter 11 lawsuits have been used to repeal a Canadian law banning a chemical linked to nervous system damage, and to challenge

California's phase-out of a gas additive, MTBE, that is poisoning the state's ground water. Negotiators want to include these anti-democratic lawsuits in the FTAA.

8) The Agreement Will Spread the Use of GMOs

US trade negotiators are trying to use the FTAA to force other countries to accept the use of genetically modified organisms (GMOs). But environmental groups warn that these technologies haven't been adequately tested, and food security experts say GMOs could increase hunger in poor nations. Farmers have traditionally saved their seeds from year to year, but as multinational corporations patent GM seeds these farmers will be forced to pay for seeds, pushing them further into dependency.

9) The Agreement Will Increase Poverty and Inequality

"Free trade" is not working for the majority of the world. During the most recent period of rapid growth in global trade and investment—1960 to 1998—inequality worsened internationally and within countries. Without debt cancellation and rules to curtail rampant capital speculation, countries in the Global South will remain dominated by the Global North, inequality will increase, and the hope of achieving sustainable development will be farther off.

10) There Are Proven Alternatives

Policy makers and pundits often try to convince us that corporate globalization is inevitable. In fact, the current economic processes known as "globalization" have been defined and driven by a very small number of corporations. Now people around the world are creating an alternative grassroots globalization. Citizens' groups from across the Western Hemisphere have written an "Alternative Agreement for the Americas" that offers a picture of what socially responsible and environmentally sustainable trade would look like. You can find the document on the Global Exchange website.

To learn more about the FTAA and what you can do to stop it, visit www.globalexchange.org, or contact us at 415-255-7296 or ftaa@globalexchange.org