

# CAFTA Opponents March On

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Opponents of the Central America Free-Trade Agreement (CAFTA) with the United States joined voices this week.

Thousands filled the streets on May 1, shouting the usual "No al TLC!" (No to the free-trade agreement), in the country's largest anti-CAFTA rally since last November (TT, Nov. 28, 2003).

The march - held on International Workers' Day - was the most visible protest against the trade agreement since Costa Rica concluded negotiations with the United States earlier this year (TT, Jan. 30).

Along with burning effigies of Costa Rican President Abel Pacheco and street theater of the United States stomping the Costa Rican Electricity Institute (ICE), protesters were armed with something new - analysis of the final negotiated document that is CAFTA.

In addition to Saturday's protest, the past week saw the release of several opposition reports and forums on CAFTA's alleged negative effects, particularly on Costa Rican workers.

The National Association of Public and Private Employees (ANEP) and the National Association of Educators (ANDE) released two separate documents analyzing the trade agreement late last week.

Economists from the Universidad Nacional (UNA) in Heredia held a forum yesterday critically analyzing CAFTA's impact on Costa Rica's labor, agriculture and investment.

Economist Henry Mora said CAFTA would not improve labor standards, would hurt small and medium farmers and gives excessive rights to U.S. companies investing in Costa Rica.

Haiku graffiti or hundreds of pages of percentages and quantities - until now CAFTA opponents have been limited in printed material regarding the treaty.

CAFTA supporters, on the other hand, have had pages of texts available - mostly via the Web sites of Costa Rica's Ministry of Foreign Commerce (COMEX) and the office of U.S. Trade Representative.

"These are real conclusions from the text, not just some illusions of what we think could happen," said Gerardo Cerdas, of the anti-CAFTA group Encuentro Popular, which helped ANDE produce a highly critical booklet explaining the negative effects of CAFTA.

Titled, "Cómo Quedó el TLC," the booklet is meant to explain opponents' positions in simple terms, backed by real numbers, in a way the public can understand. Some said it is a response to the Foreign Trade Ministry's, "El ABC del TLC," widely distributed to the public, including as an insert in daily newspapers, in January.

The 19-page ANDE booklet focuses on the job loss it says could occur because of CAFTA. It says the country could see a dramatic decline of small and medium businesses, which will be unable to compete with larger firms and U.S. imports.

The booklet was distributed to 25,000 educators around the country, as well as 15,000 other Costa Ricans.

"Educators are the source of information for the children and young people of this country, and of the communities of this country. We did a poll and realized that educators did not know the repercussions of this treaty," said ANDE president Eduardo Rojas.

Many of the booklets were passed out at Saturday's march, which was matched by other large protests throughout Central America (see separate story).

The public information campaign and protests come at a time when the treaty is gaining approval among the Costa Rican public, according to the latest poll by CID-Gallup, whose top executive publicly supports CAFTA.

In April, 66% of Costa Ricans said CAFTA will benefit the country, compared with 52% in December 2003, according to the poll, published Monday in La República.

In December, 41% of those polled said CAFTA could harm Costa Rica. Last month, according to the new poll, that number dropped to 29%.

Opponents say part of the reason for the change in public opinion is the fact that since negotiations ended in January, the government has been running an intensive radio and television campaign touting the benefits of CAFTA.

In "El ABC del TLC," the Foreign Trade Ministry states that 53% of total Costa Rican exports go to the United States, and estimates 500,000 jobs are tied to this business.

It also concludes that by eliminating import taxes, Costa Rica's export business will be stimulated to grow through new businesses and expansion of current ones.

However, the ANDE booklet notes the majority of these jobs will be in large factories.

Furthermore, according to the ANEP study, entitled "The Free-Trade Agreement and Jobs in Costa Rica," the number of jobs affected if CAFTA is not signed will be closer to 90,000, not 500,000.

Most export companies export to multiple destinations, not just the United States. Many companies export to the United States through the Caribbean Basin Initiative, which the study argues does not expire, and therefore will not be harmed if CAFTA is not signed.

The Caribbean Basin Initiative is a unilateral trade concession that allows Central America and Caribbean nations free trade of certain products with the United States.

However, there is a risk of serious job loss if CAFTA is signed, concludes the ANEP study, done in collaboration with former presidential candidates Rolando Araya and Ottón Solís, new leftist party founder José Merino (TT, April 30) and former Justice Minister José Miguel Villalobos, who is launching another new political party (see separate article).

The study alleges that 80,000 Costa Rican cow, pig, poultry, grain and vegetable farmers will be affected by CAFTA, which would allow competition subsidized by the United States.

Industries such as beans, rice, beef and chicken - several of which are already struggling in Costa Rica - will find it hard to compete with U.S. imports, the study says.

Small and medium-size businesses will find it particularly hard to compete with U.S. companies (TT, Feb. 13). Although most of the changes in tariffs and quotas are gradual, many products are allowed free access to Costa Rican markets, to some degree, as soon as the treaty goes into effect. These products are subsidized by the United States, some up to more than 100% of their real value, under the 2002 Farm Bill.

Although the dairy industry within Costa Rica is more protected, the export of Costa Rican dairy products to other Central American countries will be seriously threatened, according to the ANDE booklet.

Big business will benefit the most from CAFTA, the booklet concludes. Three percent of export businesses are responsible for 75% of all export, according to the booklet. Many of these businesses are international firms, based in the United States, including Intel, Baxter HealthCare, Pfizer Zona Franca, Sara Lee and Dole.

"El ABC del TLC" states CAFTA will also help stimulate production within the country by allowing the import of raw materials at a lower cost. Opponents counter that only big businesses will benefit from such imports.

The booklet also includes arguments against the opening of telecommunications and insurance to the private market. CAFTA opens up Costa Rica to private cell phone and Internet companies, which takes away the most lucrative aspect of telecommunications from the government-run monopoly Costa Rican Electricity Institute (ICE), the booklet states.

Legal revision of CAFTA was to be completed this week, according to the Foreign Trade Ministry. Leaders spent last weekend in Washington D.C. reviewing the document and ensuring the English and Spanish versions of the document are identical.

Although head Costa Rican negotiator Anabel González said the process was going smoothly, business leaders in Guatemala, Honduras and Nicaragua last week charged that the United States was changing the text and modifying agreements made in the treaty.

CAFTA must be approved by the U.S. Congress and at least one other country for it to go into effect. After that, it would go into effect in each participating country where it is approved by lawmakers.