

Citizens Trade Campaign

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CAFTA Proponents Recycle Pro-NAFTA Spin

Ten Years Later, NAFTA's Disastrous Record on Labor Rights is Clear

Statement of Larry Weiss, Executive Director, Citizens Trade Campaign:

Trade and labor ministers from Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua will hold a press conference today, July 13th, at the Inter-American Development Bank in Washington, D.C. to urge passage of the "Central America Free Trade Agreement" (CAFTA). Along with the U.S. Trade Representative, they are promoting the idea that CAFTA would improve the protection of labor rights protections. This is the same claim – proven false by a ten-year track record – that was made for NAFTA before it was passed by Congress in 1993.

Twelve years ago, when NAFTA was debated, it was a new experiment – a trade agreement between two industrialized nations (the U.S. and Canada) and a developing country, Mexico. Since labor standards were noticeably lower in Mexico, NAFTA-proponents countered arguments that the trade deal would hurt workers by claiming that a labor side agreement would improve them. This side agreement called for countries to ensure that their labor laws and regulations provided for "high labor standards," to strive to improve those standards, and to ensure access to mechanisms to enforce the law and address labor violations.

Ten and a half years later, none of the 28 complaints filed under NAFTA's side agreement have gone beyond the initial consultation stage. As a result of those complaints, not a single worker who has been fired has been able to get his/her job back, nor has a single independent union been permitted, nor have the persistent patterns of failure of Mexico to enforce its occupational health and safety laws been rectified.

The disastrous effect that NAFTA has had on labor rights in the U.S. and Mexico is clear. Companies have undermined workers' rights in the U.S. by threatening "offshoring" to Mexico during union organizing drives – often effectively, contributing to a decline in union density in the U.S. workforce. Over 3 million U.S. manufacturing workers have lost their jobs. Those laid-off workers who then took service-sector jobs have ended up earning 23-77% less than their previous wages.

In Mexico, workers in maquiladoras are required to belong to unions that do not advocate for raising the notoriously low wages or for substantially improving poor working conditions. Attempts to organize independent unions have been met with firings, plant closures, and even physical violence.

NAFTA has effectively taken U.S. manufacturing jobs, with decent wages and independent unions, and turned them into sweatshop jobs in Mexico where workers often earn poverty wages and where independent unions are scarce. The overall effect has been a "race to the bottom" – driving down wages and working conditions – that would be expanded by CAFTA.

Just as NAFTA's labor provisions were a fig-leaf to cover up the agreement's assault on workers, CAFTA includes rhetoric on workers' rights that would not translate into reality. Trade agreements will continue to be a bad deal for workers whenever enforceable, meaningful workers' rights protections are not included in the core text. Since CAFTA fails to do so, the agreement as negotiated and signed will only hasten the "race to the bottom" for Central American – and U.S. – workers.

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The Citizens Trade Campaign (CTC) is a national coalition of environmental, labor, consumer, family farm, religious, and other civil society groups including the National Family Farm Coalition; United Methodist Church General Board of Church and Society; Public Citizen; International Brotherhood of Teamsters; UNITE!; Friends of the Earth; the United Steelworkers of America; United Students Against Sweatshops; Communications Workers of America; Western Organization of Resource Councils; Institute for Agriculture and Trade Policy; Alliance for Sustainable Jobs and the Environment; Defenders of Wildlife, and Americans for Democratic Action, as well as regional, state, and city-based coalitions, organizations, and individual activists throughout the United States.