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A Bad Deal for Free Trade
By John J. Sweeney*

LAST WEEK in Guatemala, workers, teachers, and farmers were fired upon while demonstrating for human rights. The assassination of unionist Juan Lopez and injury of 25 others by Guatemalan law enforcement came on the day the president signed the Central American Free Trade Agreement -- an agreement that affords many protections for business interests but thumbs its nose at workers' rights, human rights, and environmental protections.

The murder of a protester highlights why so many people throughout the Americas oppose the trade deal. Negotiated with the United States last year, CAFTA is seen as a corporate giveaway that sells out workers' rights and environmental standards. Under CAFTA rules, multinational corporations will speed up their race to the bottom on wages and workplace protections. The deal will do nothing to pull people out of poverty in Central America, and it has the potential to plunge workers further into exploitation.

The US State Department, the International Labor Organization, and human rights groups have criticized labor laws in Central America for violating basic international standards. Employers routinely exploit these legal weaknesses to harass, intimidate, fire, and blacklist workers who try to organize unions.

But CAFTA requires only that governments enforce their current labor laws -- the same laws the US criticizes for allowing the rampant abuse of workers' rights. Central American governments could even weaken those laws with no consequences under CAFTA.

Already, in the region's free trade zones, young women labor long hours in hazardous conditions for poverty wages, producing goods that earn a handsome profit when sold in the United States. Forty percent of Central America's workers earn less than \$2 a day, and CAFTA will not make those wages better.

CAFTA's big brother, NAFTA, offers evidence of how unbalanced trade deals fail workers in both rich and poor countries. NAFTA has cost US workers close to 900,000 jobs and job opportunities. NAFTA was supposed to open markets for American goods and services, creating high-paying jobs at home and prosperity abroad. But the opposite has occurred. In 11 years under NAFTA, the US trade deficit with Canada and Mexico ballooned to 12 times its pre-NAFTA size, reaching \$111 billion in 2004.

Nor has NAFTA delivered the promised reductions in poverty in Mexico. Mexico's workers still struggle for basic human rights, decent wages, and safe workplaces. NAFTA's failure to protect workers' rights has allowed employers to continue thwarting independent union organizing in Mexico's export industries.

While exports and investment boomed, real wages fell and poverty rose in Mexico in the past 11 years, according to the Carnegie Endowment. More than a million Mexican farmers lost their land to low-priced agriculture imports and were forced to search for work in factories or as migrant laborers in the United States. Now investors in Mexico's export assembly plants are moving to China, where labor costs are even lower.

Americans are increasingly dissatisfied with the failed trade model CAFTA replicates. Polls show that most Americans believe NAFTA has been bad for the United States, and they want worker and environmental protections included in trade deals. The relief group Doctors Without Borders opposes CAFTA because it will make it more difficult for impoverished Central Americans to have access to life-saving medicines.

In our fight for fair trade, America's working families have already come far. Many members of Congress oppose CAFTA, and, thankfully, its prospects for passage this year have dimmed.

Now we need to push hard for new trade rules to ensure that no government and no corporation can gain a competitive advantage and thus fuel a race to the bottom by trashing the environment or violating core workers' rights.

Our vision of trade makes moral and economic sense for all workers, and it is a vision shared by workers, farmers, and faith leaders in Central America. It is this vision for the future of our region that protesters in Guatemala were defending in their demonstrations against CAFTA this past week and that Juan Lopez paid for with his life.

We can and must build an international economy that respects and rewards workers' rights, job creation, a healthy environment, and decent wages in Central America as well as in the United States. The first step toward building such an economy must be the rejection of CAFTA.

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