

INTERFAITH WORKING GROUP ON TRADE AND INVESTMENT

✠ A WASHINGTON-BASED WORKING GROUP WITH REPRESENTATIVES FROM A RANGE OF FAITH-BASED ORGANIZATIONS COMMITTED TO ASSERTING A STRONGER PRESENCE OF COMMUNITIES OF FAITH IN PUBLIC POLICY DISCUSSIONS ON INTERNATIONAL TRADE AND INVESTMENT ✠
1225 Otis Street, NE, Washington, DC 20017 • Tel: 202.635.2757 x 134 • Fax: 202.832.9494 • Email: iwg@coc.org

A Statement of Opposition to the U.S.-Peru Free Trade Agreement

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The U.S.-Peru Free Trade Agreement (U.S.-Peru FTA), like CAFTA before it, is a manifestation of the failed “one-size-fits-all” model that does not live up to the principles of trade justice. Therefore the trade pact must be rejected. As people of faith, we believe that international trade and investment systems should respect and promote the dignity of the human person, ensure the development and well-being of people in all nations, foster gender and racial equity and lead to environmental sustainability. However, the U.S.-Peru FTA will not bring us closer to these goals. We oppose the U.S.-Peru FTA, and urge you to vote no when it comes before Congress.

Peru is engaged in a delicate reconciliation process after decades of armed conflict and the country remains burdened by high levels of poverty and a growing gap between rich and poor. In a desperate attempt to gain support for the U.S.-Peru FTA, the U.S. Trade Representative is claiming the trade pact will lead to increased democratic stability in the region and curb cultivation of coca and trafficking of cocaine. Based on our experience with NAFTA and CAFTA we think the opposite is true. The U.S.-Peru FTA will cause lost livelihoods in rural communities, reduce access to life-saving medicines and perpetuate the global “race to the bottom” for workers and environmental protection. **The US-Peru FTA, as currently negotiated, will not bring stability or development to the region!**

We are especially concerned that a U.S. vote for the trade pact is likely to take place outside public scrutiny during a lame-duck session of Congress *after* the November elections. The Peruvian legislature approved the FTA during its own lame-duck session between elections and taking office.

If passed the U.S.-Peru FTA will:

- **THREATEN SMALL FARMERS** by lowering Peru’s tariffs on agricultural products, making the country vulnerable to cheap subsidized imports from the U.S, which would effectively wipe out local farmers—as happened to the 1.3 million who have been displaced in Mexico since NAFTA passed 12 years ago. This is of particular concern in a country working to curb coca production.
- **THREATEN INDIGENOUS PEOPLES** by opening the way for large pharmaceutical and agribusiness corporations to patent traditional knowledge, seeds, and life forms. This opens the door to bio-piracy of the biogenetic wealth of the Andean-Amazon region and threatens the ecological, medicinal and cultural heritage of indigenous peoples.
- **EXACERBATE THE ROOT ECONOMIC, POLITICAL, AND SOCIAL INEQUALITIES** which could lead to increased drug production while doing nothing to address consumption issues in the North.

- **THREATEN PUBLIC HEALTH** through the FTA's intellectual property provisions, which restrict access to life-saving medicines through unnecessarily long patents and data-protection provisions that impede the production of generic and more affordable alternatives. According to Doctors Without Borders, after the first 5 years of the trade deal, between 700,000 to 900,000 people are expected to be excluded from receiving medicines.
- **THREATEN WOMEN, CHILDREN, AND THE POOR** through provisions promoting the privatization and deregulation of essential services such as water, healthcare and education. As these services become less accessible, women and the poor would have to make up for increases in prices of these services in order to ensure adequate health, education and nutrition conditions for themselves and their families, increasing their workday within and outside the home.
- **THREATEN U.S. AND PERUVIAN SOVEREIGNTY** through undermining the ability of governments at all levels to enforce vitally important domestic procurement policies in order to create space for foreign competition. Moreover, the establishment of additional secret trade tribunals whose rulings over-ride local laws and policies effectively making trade rules more powerful than democratic institutions and domestic laws.
- **THREATEN WORKING PEOPLE** as corporations gain increased ability to relocate in search of lower labor costs—perpetuating a "race to the bottom". This trend is disproportionately felt by low-skilled workers who are forced to compete for jobs. Communities are also forced to compete for investment by requiring less of employers. The global race to the bottom has been a significant factor in the stagnation of job quality in the U.S. and the spread of sweatshop labor in Latin America. Without resources for enforcement of Peruvian labor laws, the U.S.-Peru FTA is likely to perpetuate rather than alleviate this problem.
- **THREATEN THE ENVIRONMENT** because under the trade agreement, investors have the right to sue governments in closed tribunals for measures which 'cause' the loss of profits, even if these measures are to protect people or the environment. This is of grave concern in a country that hosts part of the upper Amazon basin—one of the most bio-diverse areas on earth with many rural communities dependent on natural resources for their livelihoods. Improved cooperation and positive measures should be pursued through efforts to meet the standards set out in multilateral environmental agreements. These include building institutional capacity, transferring 'clean' and appropriate technology, and providing technical and financial assistance.

We believe that trade and investment should not be seen as ends in themselves, but rather as means towards sustainable broad-based development. Trade based on principles of justice must have mechanisms which provide protections for the most vulnerable sectors of society and ensure poverty reduction. Experience has proven that side agreements, funding for trade capacity building for developing countries, and Trade Adjustment Assistance funding in the U.S. have been insufficient to address the failures of this flawed model.

As members of diverse faith communities, we are convinced that international trade and investment agreements must be shaped according to recognized standards of human rights, morality and justice. Because the U.S.-Peru FTA fails these standards—and will harm ordinary people in both countries—we urge you to oppose it.

**The Following Members of the Interfaith Working Group on Trade and Investment
Endorse this Statement**

American Friends Service Committee

Center of Concern

Church World Service

Columban Justice, Peace and Integrity of Creation Office (USA)

Evangelical Lutheran Church in America (ELCA)

Justice and Peace Office, Conference of Major Superiors of Men (CMSM)

Lutheran World Relief

Maryknoll Office of Global Concerns

Medical Mission Sisters Alliance for Justice

Medical Mission Sisters - Sector North America

Medical Mission Sisters – Sector Latin America

Mennonite Central Committee Washington Office

Missionary Oblates of Mary Immaculate, Office of Justice, Peace and Integrity of Creation

NETWORK: A National Catholic Social Justice Lobby

PLANT (Partnership for the Land and Agricultural Needs of Traditional peoples)

Presbyterian Church (USA), Washington Office

Quixote Center/Quest for Peace

SHARE Foundation: Building a New El Salvador Today

Sister of the Holy Cross, Congregation Justice Committee

Sisters of Notre Dame International Justice and Peace Office

United Church of Christ, Justice and Witness Ministries

United Methodist Church, General Board of Church and Society

Washington Office on Africa