

TRADE: COSTA RICA SIGNS TREATY, ANTI-CAFTA UNIONS PLAN PROTESTS

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SAN JOSE, Jan. 26 (IPS/GIN) -- Trade unions and civil society groups say they will continue to fight the free trade agreement between Costa Rica and the United States, which calls for liberalization of Costa Rica's state-run telecommunications and insurance monopolies.

Fabio Chaves, leader of a union of employees of the Costa Rican Electricity Institute (ICE), the state telecommunications enterprise, said the agreement signed Sunday by the two countries was "pure theatre", because "it was being cooked up since December."

Costa Rica initially pulled out of negotiations on **CAFTA** (Central American Free Trade Agreement), a deal involving the United States and four other countries from the region, but after negotiations with the U.S. on several "unresolved" issues, came on board with the pact.

Albino Vargas, secretary-general of the National Association of Public Employees (ANEP), said it was predictable that the bilateral negotiations would produce a treaty that benefits the United States more than Costa Rica.

"The signing of the treaty is no surprise. We knew the politicians were going to hand over the ICE and the National Insurance Institute, but we are declaring a frontal offensive to prevent the agreement from being ratified by Congress," Chaves told IPS.

Costa Rica's trade minister, Alberto Trejos, said in Washington, where the treaty was signed, that his country had achieved "an excellent agreement."

The official said that the treaty is an answer to the hopes of the Costa Rican people for increased trade with the United States, which he said will promote "economic growth, investment and new sources of employment."

Roberto Zoellick, U.S. trade representative, told a Washington press conference he was pleased that Costa Rica had joined other Central American countries by signing an agreement designed to "expand free trade between neighbors and friends."

El Salvador, Guatemala, Honduras and Nicaragua finalized negotiations with the United States on Dec. 17, a day after Costa Rica backed out, citing differences related to farm trade, textiles, telecoms and insurance liberalization demands.

According to the new treaty, Costa Rica commits to opening its markets in private network services and Internet services by January 2006, and its cellular phone market by 2007, as well as passing a law this year for "modernizing" the ICE.

For the insurance market, liberalization is to be complete by 2011, but in January 2005, when the treaty is slated to take effect, the purchase of insurance abroad will be legalized.

In 2008, Costa Rica is to allow in companies that offer voluntary insurance, and in 2010 competition will be open for obligatory types of insurance.

Representatives of the ICE employees' union, ANEP and other groups have already sat down to define immediate actions of protest at the treaty.

The activists say that, under the circumstances, "the next scenario of confrontation will be the streets," as occurred in April 1999 when thousands of Costa Ricans came out in protest against nearly the same thing: the liberalization of the telecoms market in ICE's hands, promoted by then-president Miguel Angel Rodríguez (1998-2002).

The Rodríguez administration withdrew the bill from Congress, where it had already been approved in the first instance.

"The opening of telecommunications is immediate, which is an offence against national interests. In Europe, for example, liberalization was agreed, but with a timeline of 12 years. The market is being opened due to pressures from the Costa Rican political right," said Chaves.

Liberalizing the telecoms market would only benefit the big transnational companies in Latin America, to the detriment of consumers, he said.

"Big interests bring big risks, which is why those of us opposed to the free trade treaty are ready to convene a nationwide sit-down strike to prevent the agreement from being ratified," said the unionist.

Protest is inevitable, given the negative impacts that the treaty with Washington will bring, said ANEP leader Vargas.

He said that the purchase of generic medications by the Costa Rican social security agency will be banned in five to 10 years as a result of the agreement and will put the government institution in jeopardy.

"The intellectual property issue worries us, because in limiting access to medications, it will have a very strong social impact," said the public employees' union leader.

Says Rodrigo Carazo, former president of Costa Rica (1978-1982) and current head of the Comit' de Defensa de la Institucionalidad, the treaty is a "mystery and a threat", because as yet the terms of the negotiations have not been made public.

Minister Trejos said Monday that the text of the treaty would be available for the review of the Costa Rican people beginning next week.

The free trade negotiating process between the Central American countries and Washington began in January 2003, and throughout the process activists and even lawmakers demanded -- with no luck -- that the text under discussion be made public.

Costa Rica's onion and potato growers were able to keep their products out of the negotiations, however, the talks did include chickens, pigs, dairy products, vegetable oils and rice. The country's rice growers are worried about competition from massive imports from the United States.

The Costa Rican Chamber of Exporters is pleased with the treaty. Its vice-president, Sergio Navas, called on members to take advantage of the opportunities of greater access to the giant U.S. market.

Among the disappointed in Costa Rica, however, were the textile manufacturers, who did not obtain the U.S. market access they sought. Their counterparts in the United States fiercely opposed the inclusion of textiles in the treaty, fearing the competition of cheap labor in Costa Rica.

Opposition to treaty ratification on the U.S. side is coming from the AFL-CIO, the country's largest union, and from lawmakers of the Democratic Party.

Also speaking out are religious organizations, human rights groups such as the U.S. affiliate of Oxfam, and liberal advocacy groups like the Washington Office on Latin America.