

# **Nicaraguan Civil Society Statement Against CAFTA**

## **Civil Society's declared position with regard to the signing of the Free Trade Agreement between Central America and the United States**

Members of Nicaraguan Civil Society were invited on the 28 th of May by the Minister of Finance to demonstrate our position on the Central American Free Trade Agreement (known by its initials in English as CAFTA), which was signed by the governments of Central America on the 29 th of May 2004.

Considering the immense problems Nicaragua will suffer if the Free Trade Agreement is enacted, let it be know that:

**First:** Regarding National Sovereignty and Dignity: It is a humiliating insult to our national sovereignty and dignity that Nicaragua is entering into an agreement with completely unequal conditions, taking into account that the United States subsidizes many of its products and refuses to let Nicaragua subsidize its products. Another blow to our national sovereignty and dignity was our government's blind and submissive attitude in negotiations, lacking in self-respect, and giving way to the interests of the U.S., without taking into consideration the national interests, by accepting mechanisms that open private and public services to the whims of transnational companies.

**Second:** In its Legal, Judicial and Constitutional Aspects: The United States, celebrating its political and economic power, has included in the Free Trade Agreement clauses, docilely accepted by the negotiators, which violate the political Constitution of the Republic of Nicaragua, which states, Article 182: "The Political Constitution is the fundamental document of the Republic; all other laws will be subordinate to it. No law, order, treaty or other arrangement that opposes or alters the constitution will be valid."

**Third:** Regarding the Environment: The Free Trade Agreement allows investors, particularly transnational investors, the right to enter with impunity into environmentally vulnerable areas, based on protection granted them by different clauses of the Agreement which prohibit possible governmental regulations.

**Fourth:** Regarding the Economy: Due to the fact that the generation of services and the production of goods in the United States has been heavily protected by subsidies, both before the implementation of the Free Trade Agreement and continuing under it in order to protect U.S. investment in Nicaragua, and without the possibility of penalties for breaking Nicaraguan law, it is to be expected that the production of goods and services in Nicaragua will be completely supplanted by products coming from the U.S., causing Nicaragua's independent economy to collapse and disappear. Additionally, as mechanisms in the Agreement impose the privatization of fundamental services – such as water, health, education and transportation – the provision of these services will be subject to the laws of the market, wherein only those with high incomes will receive such services.

**Fifth:** Regarding Civil Society: the Free Trade Agreement, instead of decreasing poverty, will augment it, as the Agreement will eliminate 585 thousand jobs in all economic sectors, destroying the capacity for self-sufficiency and food sustainability, as a consequence of the collapse of the local production market, and it will force thousands of farmers to migrate to the cities and to other countries. Additionally, the Agreement will substitute the actual production system for one of the maquila assembly plant, where the workers will be subjected to insensitive exploitation, thus eliminating whatever hope there is for social development in Nicaragua.

Because of this, we, part of Nicaragua's Civil Society,

Insist:

1. that the National Assembly does not ratify the Free Trade Agreement between Central America and the United States (CAFTA)
2. and, that the version signed on May 29 th be published and publicized widely.

We also urge all of Nicaraguan civil society to band together to demand and achieve a rejection of this agreement by the National Assembly.

Managua, Nicaragua, the Second of June, 2004, before the National Forum convened by the Administration regarding the Free Trade Agreement between Central America and the United States, recently signed by the Government of Nicaragua.

Translated by Katherine Stecher, Campaign for Labor Rights