

TRANSPARENCY AND SOVEREIGNTY

THE FTA WITH THE U.S. CAN AND SHOULD BE RENEGOTIATED

Important spokespeople of the new Democratic majority in the U.S. Congress are putting forward the need to revise the FTA - not only to renegotiate the labor and environmental sections, but because they affirm that in its current form it only benefits the elite! The exclusionary nature of the FTA negotiated is confirmed by Hernando de Soto: only 2% of Peruvian companies would be able to benefit from the FTA with the United States.

Economists who are well-known worldwide, such as Nobel laureate Joseph E. Stiglitz, are critical of these bilateral agreements because “in Free Trade Agreements, the United States does not negotiate, it imposes.” Columbia University professor Jagdish Bagwati and Princeton University professor Paul Krugman also criticize these agreements because they impede the development of a truly global market since they serve to create [trading] blocks, and because in the contractual relationship between economically powerful countries and economically weak ones, the former are the ones that reap the greatest advantage.

In this context, the undersigned civil society organizations affirm that conditions are favorable to renegotiate the FTA, not just in the terms that may be put forth from Washington, but taking into account those sensitive issues that seriously affect national interests and national sovereignty. The [Peruvian] government has the opportunity to comply with its electoral promise and review “line by line” what has been negotiated.

There is not unanimous support for the FTA in Peru. We are part of the citizenry that seeks to participate not only in this new chapter of relations with the United States, but also in relations with other economic blocks and fora. We urge and insist that these relations form part of a development strategy that is inclusive and not exclusive and that safeguards the welfare of citizens, guarantees their rights and strengthens our security and national sovereignty.

We therefore affirm the need to:

Promote a renegotiation of the FTA. Such renegotiation must take into account the special and differential treatment that should be granted to poor countries such as ours and allow Peru to adopt legitimate defense measures in order to address the damages that US agricultural subsidies cause to our agriculture and to safeguard public health and guarantee a fair price for medicines. It must also allow Peru to maintain the necessary authority that every sovereign state requires to determine public policies that promote and orient foreign investment and government procurement, guarantee that the precarious nature of labor rights not be used for commercial advantage, and protect the environment and biodiversity.

As long as a truly equitable trade agreement that safeguards the interests of the country is not achieved, we must joint with other Andean countries to seek a longer extension of the ATPDEA than that which has already been granted, in order to allow us to continue current duty-free exports to the US without the enormous costs of the FTA as it has been negotiated.

It is possible to correct the errors of the past, responding this time to the interests of the country and re-affirming national sovereignty.

Lima, 5 February 2007

National Association of Centers for Research, Development and Social Advancement –
ANC

General Confederation of Workers of Peru – CGTP

National Conference on Social Development – CONADES

National Convention of Peruvian Agriculture - CONVEAGRO

Civil Society Forum on Health – FORO SALUD