

POSITION OF THE SALVADORAN SOCIAL MOVEMENT BEFORE THE CENTRAL AMERICAN FREE TRADE AGREEMENT WITH THE UNITED STATES GOES INTO FORCE

The organizations: Popular Resistance Movement October 12th (MPR-12), Social Popular Block for Real Democracy (BPS), Salvadoran Unionist Front (FSS), The National Coordinator of Agriculture (CAN), Social Alliance for Change (ASC), Forum in Defense of the Constitution (FDC), and the National Movement of Vendors of CDs, DVDs, and other products, express to the Salvadoran people and to the country the following considerations and position before CAFTA's entrance into force on March 1st:

1. That CAFTA, imposed in the early dawn of December 17th, 2004 in the Legislative Assembly with votes only from rightist deputies, without any discussion or consultation with different sectors of the country, will accentuate profound economic differences between the United States and El Salvador, evidenced in that the economy of the United States is 950 times larger than this country, and with a level of competitiveness we will never reach. When CAFTA enters into force this March 1st, it will further deepen these differences, making ruin of the national economy and the following sectors in particular:
 - a. In the agricultural sector, CAFTA will harm 400,000 families producing basic grains (corn, beans, and rice) consumed by the majority of El Salvador's population, because the large producers of these grains in the United States are subsidized by the U.S. government and have access to superior quality technology.
 - b. Equally affected will be tens of thousands of pork, beef, poultry and milk producing families. They will be faced with large importations of these products and their locally produced products will not be competitive.
 - c. More than 65,000 families in the informal economy sector- selling CDs, DVDs, and other products- are suffering persecution and legal repression, a situation that will worsen when CAFTA enters into force. This will also harm tens to thousands of families dedicated to selling clothes, shoes, watches, cassettes, and other electronic devices.
 - d. CAFTA protects the foreign monopolies that produce medicines, which is why the general population will not be able to obtain medicines at cheaper prices than the imported patented ones. The national companies and laboratories will be left out of the competition and destroyed.
 - e. CAFTA opens doors to the privatization of public services- education, health, potable water, generation and transmission of electricity, ports, and airports, further affecting the poor of this country.
 - f. Furthermore, as we have reiterated, CAFTA is a violation of the Constitution of the Republic and national sovereignty, now that transnational corporations, in defense of their interests, can sue before international courts and the Salvadoran state.
2. On a general level, the application of CAFTA will generate:

- a. More unemployment and underemployment in distinct economic activities (livestock, agriculture, industrial activities, services, informal economy and others)
- b. Intensification of emigration of people outside of this country in search of opportunities to survive.
- c. Promotion of anti-labor legal reforms, disrespect for national and international labor norms, and the power to pay salaries below minimum wage.
- d. Increased deterioration of the environment due to changes in the agricultural structure, and the lack of controls over predatory big business and their exploitation of our natural resources.
- e. Damaging health consequences for a growing population of poor people.
- f. Increased poverty and misery in the country.
- g. Accentuated gender inequalities, placing women in the lowest position in the workplace, receiving the lowest salaries and most discrimination, increasing the risk of familiar disintegration and consequently, a number of women are heads of households due to emigration and unemployment.
- h. Increase in the unequal balance of commerce and the public finance deficit.

In conclusion, CAFTA is a “commercial” instrument that violates human, labor, economic, social and cultural rights of our country’s population.

3. CAFTA will benefit the neoliberal economic groups that control the state and economy of our country, such as the great financial speculators (bank owners, insurance companies, and credit card companies), those that benefit from the import and export of goods, control commerce, as well as sweatshops, agribusinesses, transnational corporations from the US, as well as producers of agricultural goods and livestock from the US. Also, all of the foreign private investment companies will receive all of the national benefits and advantages to obtain all of the possible gains that El Salvador has to offer.

That said:

1. The Organized Social Movement reaffirms its rejection of CAFTA’s implementation, given the negative impacts in the distinct economic and social sectors and to our national sovereignty.
2. We demand the abolition of the laws and measures recently approved only for the benefit of the interests of large transnational and national companies in the moment of CAFTA’s implementation.
3. We make a call to all of the social organizations of the country and all the affected sectors, as well as all of the country’s population to unite together to denounce and confront CAFTA’s implementation, to establish strategies resistance against these measures that will cause harm to the most poor, to the producers in the affected sectors, to the small and medium sized businesses, and others.

San Salvador, February 22nd, 2006

**BEFORE THE PERVERSE EFFECTS OF THE US-CENTRAL AMERICAN
FREE TRADE AGREEMENT'S IMPLEMENTATION**

UNITY AND STRUGGLE

**POPULAR RESISTANCE MOVEMENT OCTOBER 12TH (MPR-12)
SOCIAL POPULAR BLOCK FOR REAL DEMOCRACY (BPS)
SALVADORAN UNIONIST FRONT (FSS)
THE NATIONAL COORDINATOR OF AGRICULTURE (CAN)
SOCIAL ALLIANCE FOR CHANGE (ASC)
FORUM IN THE DEFENSE OF THE CONSTITUTION (FDC)
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PRODUCTS**