

Published on Wednesday, January 11, 2006 by CommonDreams.org

Bush Administration Using Implementation of CAFTA Agreement to Further Expand Corporate Rights in Central America

by Tom Ricker and Burke Stansbury

What does tightening intellectual property laws have to do with “free” trade? That’s the question many people in Central America and the Dominican Republic are asking as the United States Trade Representative continues to insist on dramatic changes to constitutional laws in the six countries involved in the US-Central America-Dominican Republic Free Trade Agreement (otherwise known as CAFTA). As if the agreement itself weren’t bad enough for the region—CAFTA will hurt small farmers, worsen workers’ rights, and lead to environmental degradation, among other negative effects – the US is manipulating the implementation process to demand even further concessions by the six countries involved.

January 1, 2006 marked the date that the Bush Administration set to implement CAFTA. However, progress has been frustrated due to the US’s insistence on significant constitutional reforms in the CAFTA countries. Such steps prove that the implementation process – like the negotiations and the ratification of CAFTA – is undemocratic, lacks transparency, and demonstrates the manner by which CAFTA serves only multinational corporate interests. CAFTA approval in the US Congress is cited by the Bush Administration as one of its few legislative successes of 2005, despite the fact that the 2 vote margin was the closest ever for such an agreement. In fact, the flawed implementation process lumps CAFTA in a series of Administration failures on trade which include stalled negotiations towards the Free Trade Area of the Americas (FTAA) and the Doha round of the WTO.

One country has achieved the necessary reforms necessary for implementation: El Salvador. But much like the turbulent ratification of the agreement – which occurred at 3:00 in the morning in an assembly surrounded by riot police – the process has been fraught with problems. In December the National Assembly rammed through 14 constitutional changes without any substantial debate, leading to the eruption of massive protests by informal sector market vendors a few weeks later. The reforms will impose fines and even jail time for those who sell and purchase pirated goods, thereby destroying the livelihood of many poor Salvadorans who depend on the informal economy. The Salvadoran executive introduced the CAFTA reforms just two days prior to the vote, prompting legislators from the largest opposition party (FMLN) to abstain from the vote and walk out of the Assembly session. Said Salvador Arias, a leading economist and deputy for the FMLN party, "The Right is giving our national legislation a coup de grace by putting it completely at the service of transnational corporations' commercial interests, to the detriment of the common good."

The Bush administration continues to demand that intellectual property rights protections be tightened in the other CAFTA countries before they can be certified to join the agreement. The U.S. government is criticizing Guatemala’s pending intellectual property law for not being strict enough, thereby using CAFTA implementation to tighten restrictions on drug patents - benefiting pharmaceutical corporations but certainly not poor people in need of affordable drugs. It’s no wonder that in Guatemala 20,000 protestors demonstrated against the Assembly’s vote in favor of CAFTA last March.

Despite such popular opposition, the Central American governments continue to promote CAFTA as the great savior of the Central American people, bringing jobs, investment and opportunities

for all. But resistance to CAFTA in the region continues to grow, and polls show that Central Americans believe that CAFTA will not improve their economic situation.

Perhaps more embarrassing for the Bush Administration is that Costa Rica, the country representing the largest economy in the region, has yet to vote on CAFTA. Opposition has been fierce and is growing stronger, and the parliament there will likely not debate the agreement until after the presidential elections in February of 2006. In another example of the US's role in thrusting "free" trade on poor countries, the new US ambassador in Costa Rica recently criticized that country for not having moved forward on CAFTA, and threatened that it could lose its textile export benefits under the Caribbean Basin Initiative (CBI) if it fails to approve the trade deal. Similarly, in September 2005 Deputy Secretary of State Robert Zoellick was sent to Nicaragua to threaten cuts in development aid should that country not pass the accord. CAFTA was introduced, "debated," and voted on in one afternoon the week following Zoellick's visit. Indeed, such threats have been the norm throughout the CAFTA negotiation, ratification, and implementation process.

Meanwhile, legal challenges have accompanied popular mobilization in the region. In Nicaragua, the National Workers' Front (FNT) challenged CAFTA implementation before the Supreme Court, identifying 15 specific requirements of CAFTA that contravene the country's constitution, including the provision granting transnational corporations special legal rights to seek monetary damages in response to regulatory efforts. Court battles are also pending in El Salvador.

Organizations from throughout Central America recently met in Costa Rica for the 6th Mesoamerican Forum where they pledged to continue fighting CAFTA's worst aspects by monitoring the effects of the agreement and mobilizing in the streets. In the US, the Stop CAFTA Coalition has organized coordinated, local anti-CAFTA actions in January to denounce the likely effects of the agreement in Central America and to hold accountable Representatives and Senators who voted in favor of CAFTA last July. The actions will also highlight the injustice inherent in the CAFTA implementation process, and celebrate the continued resistance in Central America to "free" trade, privatization, and US economic domination.

Tom Ricker is co-director of the [Quixote Center's](#) Quest for Peace Program. Burke Stansbury is Executive Director for the Committee in Solidarity with the People of El Salvador ([CISPES](#)). Both organizations are founding members of the [Stop CAFTA Coalition](#).