

Why I Oppose CAFTA

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As the congressional debate over the Central American Free Trade Agreement (CAFTA) moves front and center, we should not lose sight of what the argument is about -- and what it is not about.

The opposition to CAFTA cannot be dismissed as a battle between big business and big labor. It is not about free-trade Democrats going AWOL, nor is it about Democratic leaders wanting to deliver a defeat to the president. It involves issues broader than those relating to sugar or textiles.

It is about globalization.

As is becoming apparent in Latin America, including Central America, the benefits of globalization are not flowing broadly to its citizens. Within Latin America, which has the worst income inequality in the world, four of the Central American nations rank among the top 10. Poverty is rampant. Middle classes are weak or practically nonexistent.

Citizens in the region have increasingly responded with votes at the ballot box or in the streets. In doing so, they have raised the issue underlying CAFTA: Do the terms of expanded trade need to be shaped to spread the benefits, or do we simply assume that trade expansion itself will lift all boats?

The opposition to CAFTA is being led by those of us who have favored expanded trade and have helped to shape and pass trade agreements involving the Caribbean, Africa, Jordan and Cambodia in the past decade. For us, CAFTA is a line in the sand regarding the future of globalization. If the United States does not seize the opportunity to shape the rules of trade and competition in CAFTA, then we have chosen to simply be on the receiving end of the consequences -- both negative and positive -- of globalization.

The goal of globalization must be to expand markets and raise living standards, not promote a race to the bottom. An essential part of this leveling up is for workers in developing countries to have the freedom to join together to have a real voice at work so they can move up the economic ladder. This is not true in Central America, where State Department and International Labor Organization (ILO) reports confirm that the basic legal framework is not in place to protect the rights of workers. Regrettably, CAFTA sanctions the status quo or worse by saying to these countries: "Enforce your own laws" when it comes to internationally recognized labor standards.

By condoning the infringement of workers' rights and freedoms, the Bush administration's trade agreement would provide cover for maintaining an oppressive status quo in the workplace and in society at large. The president urges a vote for CAFTA on the grounds that it will bring "stability and security" to the region. Administration

officials have said that Latin American dictators will "celebrate in the streets" if CAFTA is defeated. The opposite is true. Oppressive regimes are undercut when workers join together and demand a piece of the economic action. If they do so in the workplace, they will do so in the larger society.

The Bush administration misses the mark with its latest attempt to paper over these issues by offering more financial resources for CAFTA countries to improve their labor law enforcement. Better enforcement of inadequate laws is not the solution.

Consider the case of the port workers in El Salvador. Last December 34 workers were fired when they tried to form a union. Not only did the law not require their reinstatement (only severance pay), a month later the labor ministry denied the workers' registration petition because there were only seven workers left, not the 35 required by current law. (Both provisions have been criticized by State Department and ILO reports.) A CAFTA that does not seek to address these issues is bad for these individual workers, wrong for Central American nations desperately in need of a growing middle class, and unfair to both U.S. workers who should not compete with workers who are suppressed and to U.S. businesses in need of markets.

CAFTA can be quickly renegotiated to achieve the bipartisan support it deserves and the bipartisan foundation needed to address difficult trade negotiations. Security -- economic and political -- in the region is best achieved by closing the gap between rich and poor, by the development of a real middle class and by the expansion of freedom, beginning in the workplace and spreading throughout society. Prosperity in our country is best achieved by ensuring that the rules of international competition do not facilitate a race to the bottom and by reassuring U.S. workers and businesses that we are shaping the terms of trade to maximize its benefits and minimize its disadvantages.

The writer is a Democratic representative from Michigan.