

# International Gender and Trade Network



Santiago, Chile –Washington, D.C., February 2002

Dear Members of the Chilean Parliament and the U.S. Congress:

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**We women as part of the U.S./Chile Chapters of the International Gender and Trade Network** are writing to you to express our concern with the U.S./Chile bilateral free trade agreement that is being negotiated for completion in 2002. We are part of an international network of gender advocates that are actively working to promote equitable, social and sustainable trade. We women are concerned with the negative differential impacts that trade policies are having on women, families and communities are being ignored and believe that alternatives are possible.

## **Lessons Learned from NAFTA**

We are concerned that the U.S./Chile bilateral agreement will largely mirror the North American Free Trade Agreement (NAFTA), repeating the negative impacts that have resulted from NAFTA in the U.S., Canada and Mexico. Significant social costs have also resulted from the Chilean experience with privatization, deregulation and liberalization. Although Chile is not part of NAFTA, it has been consistently deregulating its economy and liberalizing its trade and investment policies for the last two decades. These policies have not generated new employment for Chile, but have, in many cases, increased unemployment and worsened women's social and economic status, particularly in the areas of work and access to their basic needs such as healthcare and education. The 1998 study *Encuesta Casen del '98'* highlights the growing numbers of women in Chile who have increasingly found themselves in precarious work conditions as well as in the informal sector without social protection.

In the U.S., all fifty states have experienced job loss under NAFTA. The industrial states have experienced noticeable decreases in employment as industry has moved to Mexico. Employment trends have become unstable and tenuous, with women workers' fundamental rights undermined. Many women who have lost jobs in the manufacturing sector and have found new jobs in the service industry are experiencing a decrease in wages by approximately 25%. NAFTA's investment language has allowed corporations to sue governments over public-interest laws, which has undermined national sovereignty and weakened local and state environmental standards, particularly in the border areas where the Export Processing Zones are located. The gap between the wealthy and the impoverished has been steadily growing, and women are bearing the brunt of deepening poverty and physical and sexual abuse in their communities.

## **Recommendation:**

**Before finalizing any agreement, complete an equity and social development impact assessment of NAFTA so that the same negative outcomes are not repeated in the U.S./Chile bilateral trade agreement text.<sup>1</sup>**

## **The Process of the Negotiations**

The current process for negotiating the U.S./Chile bilateral is undemocratic in nature. Civil society groups have not had access to the language that is being negotiated. Moreover, there is no mechanism in place for civil society to design, review or propose alternative language.

We are deeply concerned that the U.S./Chile bilateral is being negotiated as a leverage point to quicken the pace of the other bilateral, regional and international trade agreements such as the Free Trade Area of the Americas (FTAA) and the negotiations currently underway at the World Trade Organization (WTO).

In light of this, we are also concerned that President Bush is currently pushing Trade Promotion Authority (TPA-formerly known as Fast Track) as a means to promote free trade in the Western Hemisphere and at the WTO without a democratic process. The fact that Congress could determine the nature of trade with a simple up or down vote and little to no debate or accountability to civil society, including women's organizations, is unacceptable. Because it is undemocratic and will potentially harm women, families and communities in the Western Hemisphere, the Chilean and U.S. Chapters of the IGTN jointly oppose Trade Promotion Authority.

## **Recommendations:**

**Publish the U.S./Chile negotiating texts as well as all relevant official documentation so that an informed, transparent public debate on the nature of the accord can take place.**

**Develop and implement formal structures and processes to ensure that civil society, including women's organizations, are included and engaged in the trade debate.**

**Remove Trade Promotion Authority from the U.S. political agenda until it incorporates mechanisms, including binding language and public debate, that ensure that trade and investment agreements are bound to a democratic process.**

## **Gender, Development and Trade**

Members of the U.S./Chile chapters of the IGTN take this opportunity to remind both the U.S. and Chile that trade and investment policies are not gender neutral. It is now well established that all macroeconomic policies impact women differently than men due to their different cultural, political, economic and legal status in society. Yet, macroeconomic policymaking continues without taking into account the differential impacts on women. Trends in trade and investment liberalization of services, agriculture and investment have had major impacts on women as workers, producers and consumers.

**Recommendations:**

**Undertake an equity and social impact assessment U.S./Chile bilateral trade and investment agreement before going forward with negotiations or any future trade and investment policymaking. Such an assessment will be accessible to civil society and will be key in deciphering whether policies should be abandoned or renegotiated.**

**Protect each government's ability to ensure that their citizens can afford and have access to public services such as healthcare, education, and water. Such access will have the strongest impact on women as providers of these services.**

**Integrate food security language into trade policy as a means to protect local producers, including women agriculturalists and to allow them flourish.**

**Respect each government's ability to regulate foreign investment as a means to protect local industry, communities and the environment.**

**Develop and enforce policies and laws to ensure that women enjoy the full protection of their civil, labor, reproductive, sexual and human rights.**

These are conditions for legitimate trade and investment policymaking between these two nations.

Sincerely,

RENAGECO - National Chilean Gender, Trade and Human Rights Network

Signatory organizations from the North America Gender and Trade Network – U.S.

Center of Concern

The Coalition for Women's Economic Development and Global Equality -Women's EDGE  
Development GAP

Public Services International

Alt-WID, NY

International Labor Rights Fund

Democratizing the Global Economy Project, American Friends Service Committee

<sup>1</sup> Equity in this sense refers to equity between women and men, among peoples and nation states.