

## **OPEN LETTER TO THE UNITED STATES CONGRESS – OPPOSE U.S.-PERU FTA**

September 25, 2007

Dear Members of the U.S. Congress:

We are concerned Peruvian-Americans, immigrant organizations and human rights advocates in the United States. We are writing to express our strong opposition to the Free Trade Agreement with Peru (FTA) and to request its further renegotiation for the following reasons:

### **LABOR RIGHTS**

In August, Peru's President Alan Garcia agreed to issue presidential decrees to clarify specific labor laws during a congressional visit from U.S. Representatives Rangel and Levin. Yet Peruvian labor leaders argue that this is insufficient because it does not change the labor laws through legislation and will not guarantee effective enforcement. Like many workers in Latin American countries, Peruvians face constant threats to their labor rights. Violations include discrimination against union organizers, illegal firings and forced overtime without pay. Further, the new system of fixed-labor contracts and subcontracting radically undermines workers' rights because it does not guarantee a 44 hour work week or labor standard. Nor will the presidential decrees protect the rights of the majority of people, seventy-five percent, who work in the informal sector. And many of the remaining twenty-five percent work for private employment contracting agencies that are not obligated to enforce labor rights.

A free trade agreement with Peru should not be approved by the U.S. Congress until legislation is passed by Peruvian Congress, which guarantees compliance with ILO standards and guarantees enforcement.

### **AGRICULTURE, POVERTY & IMMIGRATION**

Agriculture is an integral part of Peru's economy with nearly a third of the population depending on this sector for their livelihood. In the FTA, the U.S. demands that Peru renounce its rights under the WTO agreements to apply Special Agricultural Safeguards, designed to protect sensitive sectors. After a thorough analysis of the trade text on agriculture, the Peruvian National Convention on Agriculture (CONVEAGRO) estimated that hundreds of thousands of Peruvian farmers would be negatively affected by the agreement. The U.S. agricultural subsidies constitutes unfair competition for Peruvian agricultural goods and will impoverish the 700,000 producers of cotton, corn, barley, wheat, oilseeds and dairy products in that country. Considering that only 3% of Peruvian farmers export their products, it's very likely that as hundreds of thousands of Peruvian small farmers lose their markets, they will be pushed into drug production, and to migrate with their families to already impoverished Peruvian cities, or as undocumented immigrants to countries like the U.S.

Even though Peru's economy has been growing continuously in the last 7 years, almost 50% of the population is still living under \$2 per day as a result of neo liberal economic policies that are very similar to those promoted by this FTA. According to the International Fund for Agricultural Development (IFAD), close to one fourth of Peruvians live in extreme poverty. People in rural areas are the worst affected; nearly 70 percent of them are extremely poor.

After NAFTA, over 1.3 million small farmers lost their livelihoods in Mexico due to agricultural rules that are nearly identical to those included in the U.S.-Peru FTA. As a result, undocumented immigration from Mexico to the U.S. increased by 61 percent in the years following the implementation of NAFTA, according to Pew Hispanic Center. U.S. policies like NAFTA-style "free trade agreements" influence the economy of Latin America directly. Therefore, solving the problem of undocumented immigration is a shared responsibility, and it must be addressed by a comprehensive immigration reform that includes fair trade legislation and that prevents interest groups from promoting human trafficking, exploitation of workers, broken communities and cheap labor.

### **CORRUPTION vs. DEMOCRACY**

We must remind you that there are pending cases of human rights abuses and corruption involving Garcia's first government. Garcia was reelected in 2006 on a platform against Toledo's free trade policies and with a promise to renegotiate the FTA – the agricultural rules in particular. But, once elected, he instead visited Bush to request its approval.

This FTA was passed by Peruvian Congress in 2006 in a lame-duck session with very little public support and ignoring a request for a national referendum. Eighty percent of Peruvian Congress members who voted for this FTA had already lost their seats in the elections that predated the vote.

Meanwhile foreign mining and natural gas corporations are making huge profits in Peru but leave behind underpaid workers, pollution and environmental destruction. The Garcia administration has ignored popular protests and strongly supports extractive industries. The Garcia government has abandoned dozens of towns destroyed by the recent earthquake, even though it has the biggest budget surplus in history. Public protests regarding this matter have been silenced or ignored by the government, including closing down a radio-TV station in the city of Pisco that had been critical of the relief efforts.

We believe that if this FTA is ratified now by the U.S. Congress, it will send a signal to the Garcia government that its current heavy-handed and anti-public interest policies are supported by the U.S. Congress. It will further perpetuate the perception that the U.S. favors the interests of multinationals over protecting human rights and reducing corruption.

### **INDIGENOUS RIGHTS & THE ENVIRONMENT**

Most Peruvians are of Indigenous and Afro descendant heritage. According to the International Fund for Agricultural Development (IFAD), the poorest of the poor in Peru are the Indigenous/Native peoples. About 73 percent in Indigenous communities live below the poverty line. This FTA is a threat to indigenous peoples' heritage and way of life, as it allows agribusiness and pharmaceutical corporations to take over their traditional medicine and nutrition knowledge for profit.

Mining, oil and natural gas exploration and extraction projects would increase dramatically with this FTA, leading to extensive damage to the Peruvian environment, especially the Andes mountains region and the Amazon basin, which is the largest virgin forest on the planet. With this FTA, multinational corporations would have the right to sue governments if any attempt to protect the environment would cause the companies to see their profits reduced. In addition, this agreement establishes secret trade tribunals, making trade rules more powerful than democratic institutions and domestic laws.

As a result, entire Indigenous communities could be displaced from their lands and pushed into extermination. These FTA regulations directly contradict the Declaration on the Rights of Indigenous Peoples recently adopted by the United Nations, which includes the rights to protect their land and natural resources.

## **PUBLIC HEALTH & INTELLECTUAL PROPERTY**

Hundreds of thousands of Peruvians will not be able to afford generic medicines because of new patents and data-protection regulations included in this FTA are intended to protect and boost the already outrageous profits of pharmaceutical corporations. This FTA promotes the privatization and deregulation of services such as water, health care and education. At the same time, it protects the interests of multinational corporations benefiting from Peru's bungled privatization of its social security system at the expense of workers, women, children, senior citizens and the chronically ill.

## **CONCLUSION**

We strongly encourage you to reject the Free Trade Agreement with Peru – and ask instead for it's further renegotiation – because it is not fair for most Americans nor most Peruvians, and because it was negotiated ignoring the voice of the people of both the United States and Peru.

We believe that a free trade agreement with Peru must provide safeguards that will protect vulnerable sectors of Peruvian society, instead of worsening its economic, social and political inequality.

Trade should be used to promote social justice and progress for all, and not just for the benefit of the few rich and powerful. The United States can truly spread democracy and freedom by example, not by imposing economic policies that will increase corruption, poverty and abuse among impoverished nations.

We believe that fair trade is necessary to address poverty and hunger, and to promote economic progress and decent living standards, while respecting the UN Declaration of Human Rights and guaranteeing the protection of our planet.

Respectfully,

**Peruvian-Americans for Fair Trade**

**National Network for Immigrants and Refugee Rights**

**League of United Latin American Citizens**

**Group of Andean Immigrants in DC**

**Casa de Maryland, Inc.**

**Manuel Zapata Olivella Center for Immigrant Education and Human Development**

**Alianza Indígena Sin Fronteras**

**Intercontinental Congress of First Nation People of North and South America**

**NETWORK – National Catholic Social Justice Lobby**

**United Methodist Church - General Board of Church and Society**

**Sisters of Charity of Leavenworth**

**Maryknoll Office for Global Concerns**

**Washington Office on Latin America**

**Global Exchange**

**Global Rights**

**KAFT - Korean Americans for Fair Trade**

**AFRODES USA - Association of Displaced Afro Colombians**

**Mexico & U.S. Solidarity Network - Red Solidaria México & EEUU**

**NICANET – The Nicaragua Network**

**Movement for Peace in Colombia - Movimiento por la Paz en Colombia**

**NYC People's Referendum on Free Trade**