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Guatemalan bishop joins voices opposing trade treaty

By ARTHUR JONES

With far less of the uproar that surrounded the passage of the North American Free Trade Association (NAFTA) treaty in 1994, the next stage, the Central American Free Trade Association (CAFTA) is being ratified without the Central American people's consent.

This was the contention during a March 10 teleconference with two Central Americans opposing CAFTA. They described the treaty as one in which "transnational corporations will have all the rights, and will destroy the Central American common market."

CAFTA will create a free trade zone that includes the United States, Nicaragua, Honduras, Guatemala, El Salvador, Costa Rica and the Dominican Republic.

In a damning comparison with the European Union's approach to absorbing poorer nations into its common market, Costa Rican parliamentarian Ottón Solis said, "Larger European countries opened up their labor markets for the poorer regions of Europe. CAFTA does not. And CAFTA doesn't have a cent in aid to assist with the economic consequences of the treaty. Compare that to Europe, where Ireland, since its incorporation into the EU, has annually received an average of 3.5 percent of its Gross Domestic Product (GDP) in EU grants."

Bishop Alvaro Ramazzini, president of the Secretariat of Central American and Panama Bishops, replying to a question from *NCR* said the Guatemalan government has "excluded the protesting voices and, though it hurts me and angers me to say it, will actually ratify the treaty.

"We have two political parties in Guatemala that share the same neoliberal vision," said Ramazzini, bishop of San Marcos, "and they don't realize the extent of the poverty and marginalization in Guatemala."

To see how bad things will be for Central America, he said, one only has to look at the plight of Mexico today, where industrial wages have declined by 25 percent since NAFTA's ratification and undocumented migration from the country has doubled.

"This treaty introduces a race to the bottom. CAFTA was negotiated behind the people's backs," said Solis, founder of the country's Citizens Action Party. "It was negotiated at the margins; only the top hierarchy of the entrepreneurial sectors were consulted."

Further, said Solis, "it was negotiated under a threat that the United States will take away

Caribbean Basis Initiative trade benefits if CAFTA is not ratified. Contrary to what is being said in the United States, it will weaken environmental legislation, and labor legislation.

“There is nothing in CAFTA about technology transfer, nothing on technology cooperation. We want CAFTA renegotiated,” he said.

Dozens of U.S. church groups are among 48 national and international organizations that have lobbied for more than two years against CAFTA’s present form. Those pressing for a change to what the Washington Office on Latin America calls “a CAFTA that fails the standards of justice” include Oxfam, the American Friends Service Committee, Church World Service, the Presbyterian Church USA and the National Catholic Rural Life Conference.

U.S. and Central American Catholic bishops, in a joint communiqué last July, said there had not been “sufficient information and debate about CAFTA and its impact. This troubles us deeply given the obvious imbalance in power and influence that exists between the United States and the Central American countries.”

Further, said the statement, “insufficient attention has been given to the impact of U.S. agricultural products on Central American farmers.” Health care costs will increase because the treaty -- enforcing intellectual property rights -- works against the provision of generic drugs, the basis of health services in countries such as Costa Rica.

The treaty is structurally unsound for small countries, Solis continued. U.S. pharmaceutical corporations’ ability to impose their intellectual property rights and ban generic drugs will mean that Costa Rica’s health service -- like those of the other regional countries -- “will be destroyed,” he said.

And that will come, he said, following a seven-year period in which Costa Rica has managed to raise significantly the living and health standards of its poor.

Both Ramazzini and Solis predicted the deepening of poverty in Central America as trade between the countries disappears under the waves of U.S. imports, as U.S. brand name goods drive local products out of business, and as the modest tariffs currently paid on U.S. imports is abolished -- tariffs which, said Solis, represent some 1.5 percent of Costa Rica’s gross domestic product.

As a consequence simply of the ending of the tariffs on U.S. produced imports, he said, Costa Rica already has to cut back on its health services and social programs, and institute higher taxes.

Said Ramazzini, “Our analysis of the official CAFTA texts confirms the enormous dangers its implementation will pose, potentially affecting our rights, our environment, our well-being. CAFTA is based on a logic that favors profit over human rights and sustainability. More than 60 percent of Guatemalans are rural, agricultural. There is no agricultural development plan [in CAFTA], nothing to benefit rural people. Yet there is 79 percent malnutrition among the indigenous rural population’s children.

“Guatemala is a country,” the bishop said, “with the most unequal distribution of wealth in the region. The gap between rich and poor is very great -- land and capital is concentrated in the hands of a few. Those defending CAFTA, which will further concentrate the wealth, want to retain that status quo.

“The alternative,” Ramazzini said, speaking for the regional bishops whose secretariat opposed CAFTA, “is a real economic development plan.” He lamented that such planning, which takes the people’s needs into account, will now not come about.

The teleconference was organized by Public Citizen’s Global Trade Watch, an advocacy group that argues that the United States will reap unanticipated consequences, not least in more undocumented immigration, from CAFTA.

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