

Witness for Peace

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Transforming people,
Transforming policy

An Interfaith Statement on International Trade and Investment

In an age of increasing economic integration and interdependence between the nations and peoples of the world, mounting global inequities have come into sharp focus. While technological and other advances have made it possible for segments of humanity to achieve unprecedented material prosperity, large numbers of people have become mired in poverty, hunger, and disease. In the midst of growing disparities and injustices between and within countries, governments and international economic institutions have increasingly sought market-driven policies, particularly the expansion of international trade and investment. This limited approach has too often served to aggravate the problem. We see the need for a broader, more holistic understanding of human economic activity.

It is our belief, as members of diverse faith communities, that moral and spiritual principles can provide guidance in the search for practical measures to address the profound ethical issues raised by international trade and investment. In this spirit, we offer the following five principles. These principles apply to all actors, public and private, engaged in international trade and investment. We believe that adoption of these principles will assist people everywhere to shape international trade and investment so that they advance the goal of a more just, more sustainable, and more prosperous human society

Trade can work! Ask your members of Congress to base Trade Agreements on moral and ethical principals we can support!

Moral and Ethical Principals on Trade

1. International trade and investment systems should respect and support the dignity of the human person, the integrity of creation, and our common humanity.

We envision:

Trade and investment relationships that protect and promote the dignity of the human person, ensure the development and well-being of people in all nations, and secure the earth's natural environment in all its bounty and diversity for present and future generations.

2. International trade and investment activities should advance the common good and be evaluated in the light of their impact on those who are most vulnerable.

We envision:

Trade and investment relationships that uphold principles of social and economic justice, enhance the material and spiritual well-being of all (through means such as equitable distribution, fair working conditions, and meaningful employment), and promote the advancement of women in social and economic development.

3. International trade and investment policies and decisions should be transparent and should involve the meaningful participation of the most vulnerable stakeholders.

We envision:

International institutions and policy processes that incorporate equitable participation and empowerment of all stakeholders, especially the countries of the global South and their peoples and communities; effective regional institutions that enhance local and regional trade and investment options; transparent and accountable national and local structures in which citizens and organizations of civil society meaningfully participate in policy decisions that affect their lives and livelihoods; and economies that value sustainability, human dignity, equity and community.

4. International trade and investment systems should respect the legitimate role of government, in collaboration with civil society, to set policies regarding the development and welfare of its people.

We envision:

International institutions that respect the right of governments to establish policies that ensure the social and economic well-being of their people; effective collaboration between civil society, governments, and international institutions in shaping international trade and investment to advance the goal of a just and prosperous human society; and mechanisms that ensure that transnational corporate activities serve the common good.

5. International trade and investment systems should safeguard the global commons and respect the right of local communities to protect and sustainably develop their natural resources.

We envision:

Trade and investment systems that safeguard the global commons, natural resources and biodiversity, place a high premium on sustainability, account for environmental and social costs in the pricing of goods and services, and acknowledge that every form of life has intrinsic value and belongs to our global heritage.

Adapted from the Interfaith Working Group on Trade and Investment. For the full text visit: www.tradejusticeusa.org

Witness for Peace

Economic Justice Campaign

Trade Justice Primer:

Witness for Peace supports peace, justice and sustainable economies in the Americas by striving to change U.S. policies and corporate practices that contribute to poverty and oppression in Latin American and the Caribbean. Through our grassroots work in the United States and Latin America we are seeing that the Free Trade model is flawed.

Since 1994 nearly 900,000 workers in the U.S. have lost their jobs as a direct result of NAFTA. Two hundred and thirteen thousand manufacturing jobs were lost in the state of North Carolina alone. The people of Mexico have not fared well under NAFTA either; over 1.5 million agricultural jobs have been lost in the country, resulting in skyrocketing numbers of migration and increased poverty.



Nicaraguan Farmer

We must speak out now, educating our friends, neighbors, and members of Congress on the devastating impacts of Free Trade before this concept is expanded into Central America through CAFTA or to the Andean Region through AFTA. Fair and sustainable alternatives to the Free Trade model do exist. Page four covers five moral and ethical principals on trade which we should be demanding that the United States meet when entering into any trade agreement. Additionally, there is information on economic alternatives coming from our partners in the Global South in the Cuba section on page 3. Please contact the WFP National Office or Regional Organizers with questions on how you can become more involved.



The Realities of Commerce under Free Trade

What is Free Trade? What are Free Trade Agreements (FTA's)?

"Free Trade" is the elimination of trade barriers (tariffs, quotas and certain domestic laws) between countries with the purpose of increasing exports, and in theory, creating equal market access for all signing countries. Proponents claim that open markets help developing countries attract needed foreign investment, provide jobs and earn hard cash through increased exports. Free Trade Agreements (FTA's) are trade accords between participating countries based on the concepts of "Free Trade".

Free Trade Agreements to Watch

NAFTA: North American Free Trade Agreement. Includes: United States, Mexico and Canada. Went into effect January 1st, 1994.

DR-CAFTA: Dominican Republic-Central American Free Trade Agreement. Includes: United States, Honduras, Guatemala, Costa Rica, El Salvador, Nicaragua, and the Dominican Republic. Signed by trade negotiators on May 28th, 2004. Awaiting ratification by the U.S., Nicaraguan, Costa Rican and Dominican legislatures.

AFTA: Andean Free Trade Agreement. Includes: United States, Peru, Ecuador, & Colombia (Bolivia maybe a potential addition at a later time). Negotiations began in May 2004 but are struggling to reach completion.

FTAA: Free Trade Area of the Americas. Includes: all 34 countries in the Western Hemisphere, except Cuba. Negotiations began in 1994 but have been faltering in recent year.

CAFTA: Central American Free Trade Agreement

The Central American Free Trade Agreement (CAFTA) is the Free Trade Agreement between Guatemala, El Salvador, Honduras, Nicaragua and the United States (The Dominican Republic was later added to the negotiations). The trade agreement allows for the unbridled growth of international corporations while providing little assurance on national sovereignty, workers' rights, indigenous medicines or environmental practices. This trade agreement, modeled after the failed North American Free Trade Agreement (NAFTA), is considered central to the current administration's trade policy. It is vital to stop the Free Trade model in its tracks and defeat CAFTA when it comes to a vote on the floor of the U.S. House of Representatives this summer. Defeating CAFTA this year will set back the already struggling Andean Free Trade Agreement (AFTA) and the once lauded Free Trade Area of the Americas (FTAA).



"Today in Nicaragua we are not living with a war of bullets or bombs, but we are living with an economic war, a war of poverty, of hunger, of violations of our human and labor rights. Economic policies like CAFTA are killing us little by little, and this is almost worse for us as Nicaraguans."

• Ligia Ivonne Jirón Gaitan
Open Letter to the United States Congress May 5, 2005

Timing on CAFTA reaching the U.S. Congress for ratification changes daily. The longer CAFTA is kept off the floor the better!

Contact the Witness for Peace office for up-to-the-minute information or visit the Stop CAFTA coalition websites at: www.stopcafta.org or the Alliance for Responsible Trade website at: www.art-us.org.

Recommended Actions!

- Call and remind your members of Congress to VOTE NO on CAFTA! For your members' phone numbers, call the U.S. Capital Switchboard is 202-224-3121.
- Schedule meetings with your members of Congress or their staff. Hearing from concerned citizens is vital right now.
- Schedule a meeting with your Representative and Senators in their congressional district or Washington DC office.
- Write a letter to the editor discussing the ill effects of CAFTA in your own community and in Latin America.
- Use the Moral and Ethical Principals on page 4 as a template for your faith community, union, or community group to take a position on economic justice.
- Participate in nonviolent direct action which calls attention to the benefit of corporations over people in Free Trade Agreements.

The Human Face of CAFTA

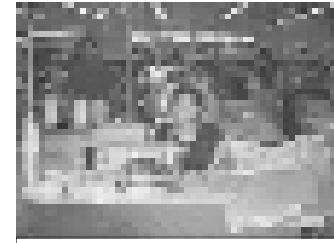
Porfirio's Story:

Porfirio is a Nicaraguan farmer who supports his family by growing beans to eat and sell; these beans are a key ingredient in the Nicaraguan staple, Gallo Pinto. Under CAFTA it will be impossible for Porfirio's beans to compete against corporate agribusiness in the U.S., where the average farmer receives \$21,000 a year in subsidies from the U.S. government. Inexpensive beans from the United States will flood the Nicaraguan market in much the same way cheap corn has devastated Mexican corn prices under NAFTA. After producing beans his entire life, Porfirio will be told that the best way for him to compete under CAFTA is to produce sesame, an export crop. Commercial banks will loan him money to plant sesame, but not beans. His success will be dependent on the whims of the international market. When international sesame prices fall, Porfirio will not be able to sell his sesame. He will have no money to buy food for his family, and his family can not survive eating sesame. Like many other farmers, he may have to sell his land and become one more unemployed person desperately looking for work in the cities or migrating to a wealthy country. Under CAFTA eating Gallo Pinto from Nicaraguan rice and beans will become a distant memory for Porfirio and thousands of others like him.

Economic Justice: What We've Seen and Heard

Nicaragua

"Maquilas in Nicaragua are synonymous with makeup - a false solution to our social and economic problems. The maquilas are abusing people with the false promise of offering them jobs, but these are jobs that are not dignified, that pay miserable salaries. These factories come to Nicaragua to give jobs to



Maquila Worker in Nicaragua

Nicaraguans, but the products that we make in Nicaragua are then sold in other countries, especially in the United States. This doesn't leave any profits in Nicaragua or with the workers. The labor to produce clothing is very cheap - a basic monthly salary is about 1137 cordobas, or US\$70, which is equal to US\$2.30 a day. In the factories they obligate us to work until very late at night because the production has to continue, and we earn a miserable salary that doesn't even cover a third of the basic cost of living. In Nicaragua the basic cost of living is about US\$300 per month for a family, without including education, health care, taxes, and many other things that a home needs. The whole family must work to be able to survive."

-Ligia Ivonne Jirón Gaitan, Nicaraguan maquila worker and recent speaker in WFP Northwest

Mexico

Genetically engineered seeds can be legally imported into Mexico and planted by farmers for the first time this year, since the February passing of the Biosecurity Law, popularly called the "Monsanto Law" in Mexico. Mexico had already been importing genetically modified food since 1996, even before the passage of the Biosecurity Law. At least a fifth of the corn consumed in Mexico comes from the U.S. since the lowering of trade barriers under NAFTA. And about 40% of the corn grown in the U.S., including corn exported to Mexico, is genetically modified.

Farmer, environmental, consumer, and civil society groups throughout Mexico opposed the law, expressing concerns about potential health risks of increased consumption of genetically engineered foods. Farmers also are worried about contamination of their non-altered crops by pollen from modified plants growing in neighboring fields. Mexican farmers express concern that the U.S.-based companies that manufacture genetically modified seeds are expanding their influence in Mexican agriculture.



Photo: Allison Sharkey, WFP Mexico

Organic Coffee Beans

Colombia

Considering the multitude of resources found in Colombia - biodiversity, emeralds, oil, and flowing water supplies - it is a very wealthy country. However, Colombia's riches have historically remained in the hands of a few while the general population suffers. The Andean Free Trade Agreement (AFTA) will only cause further disparities, leading to more desperate Colombians growing illicit crops and joining armed groups. AFTA, modeled after NAFTA and CAFTA, would create a trading block between the U.S., Colombia, Ecuador, and Peru (Bolivia is participating as an observer and may join in the future). Negotiations began in May, 2004 and are continuing throughout 2005; however, the current negotiations are not going as smoothly as the Bush Administration would like.

Cuba

As the United States continues to push Free Trade agreements through Latin America, Venezuela and Cuba have proposed an alternative trade agreement called ALBA--or the Bolivarian Alternative for the Americas. This trade pact, in contrast to the Free Trade model, prioritizes the availability of social services like education and health care for all Latin Americans. For example, one of the goals of ALBA is to "eradicate illiteracy in the 3rd world." The Bush administration sees this alliance as a threat to its regional goals and continues to isolate both countries.



Cuban School Children