

INTRODUCTION

For the last eight years, government negotiators from every country in the North America, Central America, and South America (except Cuba) have been working to create a sweeping new “free trade” agreement that would dramatically impact the 800 million residents of the Western Hemisphere. Negotiated behind closed doors—with hardly any citizen input but plenty of suggestions from corporate interests—the Free Trade Area of the Americas (FTAA) is yet another example of the kind of free-market fundamentalism that has created a global race to the bottom that erodes environmental protection, workers’ livelihoods, and human rights. If you think NAFTA has been a disaster for working families and the environment in the US, Canada, and Mexico, this will be far worse.

The agreement combines some of the worst provisions of the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO). The agreement, just like its predecessors, puts the interests of investors above the need to protect the environment, human rights and working communities. And its implementation threatens to exacerbate the slashing of labor and environmental standards already occurring throughout the hemisphere.

The FTAA will have a huge impact on people’s everyday lives—on the food that we eat, the water that we drink, our children’s access to education, our medical care, and our electricity. The FTAA will likely increase economic inequality both within and between countries by further concentrating wealth, promoting privatization of essential services, and removing protections for small farmers and businesses.

Perhaps worse of all, the FTAA, like NAFTA, will jeopardize the ability of elected governments to pass laws designed to protect consumers, workers, and the environment.

The FTAA will prevent governments—national, state, or local—from passing regulations that are “more burdensome than necessary.” That frighteningly vague definition will discourage governments from passing and enforcing meaningful environmental, health, and labor laws. Under the FTAA, elected officials throughout the hemisphere will face new obstacles to protecting the citizens they are supposed to serve. This is a direct assault on democracy.

Essentially, the FTAA threatens to launch an unprecedented corporate expansion into the lives of the 800 million people of the Americas. The agreement represents a massive increase in corporate power at the expense of the ability of ordinary people and governments to determine their future

An energetic and broad-based citizens movement is mobilizing throughout the Americas to educate their communities about this coming “free trade” regime and to halt it. Please join us.

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WHAT YOU CAN DO

Organize for the Global Day of Action Against Militarism and War, September 13, 2003

Join this global uprising for peace and justice by organizing events in your community throughout the week leading up to the WTO Ministerial and on September 13. Resist the WTO and the failed model of corporate globalization, militarism and “free trade.” These September actions to derail the WTO will kick off a powerful campaign of action for peace and justice, involving major mobilizations for immigrant rights, against the Free Trade Area of the Americas, and against militarism and occupation. We hope the materials in this guide will help you to organize!

Publicize Your Actions

Write a Letter to the Editor or an article in your local newspaper, or pitch them on a local story related to the global economy. Make sure that others in your community—who might be interested in participating—know about your local organizing efforts! Check out the Media guide at the end of this How-To Guide.

Lobby Your Elected Officials

Make sure they know you want them to promote trade policies with Africa, Asia, and Latin America based on Fair Trade not “free trade.” Build up support for local democracy through local elected officials. Check out the sections on Lobbying your Congresspeople and Passing an FTAA Resolution in the How-To section of this guide.

Support Global Exchange

by becoming a member of Global Exchange or by making a donation. Our campaign wouldn't be possible without the generous support of concerned people like you!

Connect With The Movement

for global justice! Sign on to our moderated listserv—with approximately weekly postings—by clicking on <http://www.globalexchange.org/getInvolved/lists.html>

Mobilize Your Community To Participate In The FTAA Protests In Miami, November 19–21

Get a caravan together of local residents, charter a bus, and head on down! Demonstrations, teach-ins and alternative conferences, as trade ministers from 34 nations in the Western Hemisphere continue negotiations on the FTAA. Afterwards don't miss the opportunities to fight against the School of the Americas at the annual massive gathering in Georgia, November 22–23. Home of the notorious School of the Americas (renamed Western Hemisphere Institute for Security Cooperation), where the US trains the military muscle that enforces the corporate agenda throughout Latin America.

Educate Your Community

GX hosts a Speaker's Bureau of local and global speakers who regularly tour the US. We bring speakers from Latin American countries who have faced globalization and will help educate your community. In addition, we have books and videos available on a wide variety of topics. Check out these resources and more at www.globalexchange.org or contact speakers@globalexchange.org.

Consult Your People

As part of coordinated events with the Alliance for Responsible Trade, Global Exchange is promoting the People's Consultation. The People's Consultation is grassroots democracy in action, organized by people throughout the hemisphere who believe that “Another World is Possible.” The Hemispheric Social Alliance has called on grassroots organizations throughout the continent to get out the vote and let our voices be heard. Check out www.peoplesconsultation.org for more information

Express Yourself

Have you marked your ballot against the Free Trade Area of the Americas? Go to www.afl-cio.org/stopftaa, www.jwj.org or www.citizenstrade.org for ballots—fill them out and send them in!

Thank you for contributing to this important work.

TOP TEN REASONS TO OPPOSE THE FREE TRADE AREA OF THE AMERICAS

In recent years, representatives from 34 countries have been working to expand the North American Free Trade Agreement (NAFTA) to Central America, South America and the Caribbean. The Free Trade Area of the Americas (FTAA) is another example of the free-market fundamentalism that has created a global race-to-the-bottom that threatens the environment, families' livelihoods, human rights, and democracy. Once again, a sweeping "free trade" agreement is in the works that puts commercial interests above all other values.

1. The FTAA Expands a Proven Disaster

The FTAA is essentially an expansion of NAFTA. But NAFTA has proven to be a nightmare for working families and the environment. A look at NAFTA's legacy shows why these kinds of "free trade" agreements should be opposed. Working families suffer: In the US, more than 765,000 jobs have disappeared as a result of NAFTA. When these laid off workers find new jobs, they earn 23 percent less on average than at their previous employment. In Mexico, manufacturing wages fell 21 percent from 1995 to 1999, and have only started to recover. The percentage of Mexicans living in poverty has also grown since NAFTA went into effect. The environment suffers: In the maquiladora zones along the US-Mexico border, the increased pollution and the improper disposal of chemical wastes have dramatically raised rates of hepatitis and birth defects. NAFTA should be repealed, not expanded.

2. The Agreement Is Being Written Without Citizen Input

Despite repeated calls for the open and democratic development of trade policy, the FTAA negotiations have been conducted without citizen input. A process has been set up to solicit citizens' views, but there is no real mechanism to incorporate the public's concerns into the actual negotiations. The public has been given nothing more than a suggestion box. At the same time, however, hundreds of corporate representatives are advising the US negotiators and have advance access to the negotiating texts. While citizens are left in the dark, corporations-like Monsanto, Pfizer Pharmaceuticals, Citigroup, WorldCom, Raytheon, and Shell, are writing the rules for the FTAA.

3. The Agreement Will Undermine Labor Rights and Cause Further Job Loss

The NAFTA experience demonstrates how basic labor rights and the interests of working families are eroded by "free trade" agreements that lack enforceable labor protections. Corporations move high-paying jobs to countries with lower wages and bust unionization drives with threats to transfer production abroad. According to a Cornell University study, since NAFTA two-thirds of manufacturing and communications companies faced with union organizing campaigns threatened workers with moving their jobs abroad. This "race-to-the-bottom" will accelerate under the FTAA as corporations pit exploited workers in Mexico against even more desperate workers in countries such as Haiti and Guatemala. Already, Mexico is losing maquiladora jobs to countries with cheaper wages. In the last two years, some 280,000 jobs have vanished with the closure of more than 350 maquiladoras.

4. The Agreement Will Exacerbate Environmental Destruction

The export-driven growth model promoted by "free trade" agreements and the policies of the World Bank and the IMF have destroyed ecosystems around the world. Under this unsustainable model, many countries in the Global South cut down their forests, overfish their waters and exploit other natural resources to pay off foreign debts. Since NAFTA, 15 US wood product companies have set up operations in Mexico, and logging there has increased dramatically. In the Mexican state of Guerrero, 40 percent of the forests have been lost in the last eight years, and massive clear cutting has led to soil erosion and habitat destruction.

5. The Agreements Will Hurt Family Farmers

NAFTA has been a disaster for small farmers in the US and Mexico. By favoring the interests of agribusiness corporations over the needs of family farmers, NAFTA's model of export-oriented agriculture has slashed farmers' income. Between 1995 and 2000, the prices US farmers receive for corn declined 33 percent, 42 percent for wheat, and 34 percent for soybeans. No wonder that since NAFTA went into effect 33,000 small farmers in the US have gone out of business—more than six times the pre-NAFTA rate. In Mexico, the price farmers receive for corn has plummeted 45 percent in three years as agribusiness giants dump their subsidized corn there. At least half a million farmers have left their land. The FTAA threatens to make this crisis worse by encouraging even more overproduction.

6. The Agreement Will Lead to Privatization of Essential Services

The FTAA is expected to force countries to privatize services such as education, health care, energy and water. Such privatization would especially harm working class communities and communities of color. In some countries, these privatizations are already occurring, and those least able to pay for vital services are the ones who suffer the most. When the Bolivian city of Cochabamba privatized its water utility, water rates increased 200 percent. In the ensuing protests, police shot and killed a 17-year-old student.

7. The Agreement Will Jeopardize Consumer and Environmental Protections

NAFTA includes unprecedented ways for corporations to attack our laws through so-called “investor-to-state” lawsuits. Such suits, established by NAFTA's Chapter 11, allow corporations to sue governments for compensation if they feel that any government action, including the enforcement of public health and safety laws, cuts into their profits. Already, Chapter 11 lawsuits have been used to repeal a Canadian law banning a chemical linked to nervous system damage, and to challenge California's phaseout of a gas additive, MTBE, that is poisoning the state's ground water. Negotiators want to include these antidemocratic lawsuits in the FTAA.

8. The Agreement Will Spread the Use of GMOs

US trade negotiators are trying use the FTAA to force other countries to accept the use of genetically modified organisms (GMOs). But environmental groups warn that these technologies haven't been adequately tested, and food security experts say GMOs could increase hunger in poor nations. Farmers have traditionally saved their seeds from year to year, but as multinational corporations patent GM seeds these farmers will be forced to pay for seeds, pushing them further into dependency.

9. The Agreement Will Increase Poverty and Inequality

“Free trade” is not working for the majority of the world. During the most recent period of rapid growth in global trade and investment—1960 to 1998—inequality worsened internationally and within countries. Without debt cancellation and rules to curtail rampant capital speculation, countries in the Global South will remain dominated by the Global North, inequality will increase, and the hope of achieving sustainable development will be farther off.

10. There Are Proven Alternatives

Policy makers and pundits often try to convince us that corporate globalization is inevitable. In fact, the current economic processes known as “globalization” have been defined and driven by a very small number of corporations. Now people around the world are creating an alternative grassroots globalization. Citizens' groups from across the Western Hemisphere have written an “Alternative Agreement for the Americas” that offers a picture of what socially responsible and environmentally sustainable trade would look like. You can find the document on the Global Exchange website.

To learn more about the FTAA and what you can do to stop it, visit www.globalexchange.org, or contact us at 415-255-7296 or ftaa@globalexchange.org

TWELVE REASONS TO OPPOSE THE WORLD TRADE ORGANIZATION

The World Trade Organization is writing a constitution for the entire globe. The trade ministers and corporate CEOs who control the WTO would like you to believe that its purpose is to inspire growth and prosperity for all. In reality, the WTO has been the greatest tool for taking democratic control of resources out of our communities and putting it into the hands of corporations. An international movement is growing to oppose the corporate rule of the WTO and replace it with a democratic global economy that benefits people and sustains the communities in which we live.

1. The WTO Is Fundamentally Undemocratic

The policies of the WTO impact all aspects of society and the planet, but it is not a democratic, transparent institution. The WTO rules are written by and for corporations with inside access to the negotiations. For example, the US Trade Representative gets heavy input for negotiations from 17 “Industry Sector Advisory Committees.” Citizen input by consumer, environmental, human rights and labor organizations is consistently ignored. Even simple requests for information are denied, and the proceedings are held in secret. Who elected this secret global government?

2. The WTO Will Not Make Us Safer

The WTO would like you to believe that creating a world of “free trade” will promote global understanding and peace. On the contrary, the domination of international trade by rich countries for the benefit of their individual interests fuels anger and resentment that make us less safe. To build real global security, we need international agreements that respect people’s rights to democracy and trade systems that promote global justice.

3. The WTO Tramples Labor and Human Rights

WTO rules put the “rights” of corporations to profit over human and labor rights. The WTO encourages a ‘race to the bottom’ in wages by pitting workers against each other rather than promoting internationally recognized labor standards. The WTO has ruled that it is illegal for a government to ban a product based on the way it is produced, such as with child labor. It has also ruled that governments cannot take into account “non commercial values” such as human rights, or the behavior of companies that do business with vicious dictatorships such as Burma when making purchasing decisions.

4. The WTO Would Privatize Essential Services

The WTO is seeking to privatize essential public services such as education, health care, energy and water. Privatization means the selling off of public assets—such as radio airwaves or schools—to private (usually foreign) corporations, to run for profit rather

than the public good. The WTO’s General Agreement on Trade in Services, or GATS, includes a list of about 160 threatened services including elder and child care, sewage, garbage, park maintenance, telecommunications, construction, banking, insurance, transportation, shipping, postal services, and tourism. In some countries, privatization is already occurring. Those least able to pay for vital services—working class communities and communities of color—are the ones who suffer the most.

5. The WTO Is Destroying the Environment

The WTO is being used by corporations to dismantle hard-won local and national environmental protections, which are attacked as “barriers to trade.” The very first WTO panel ruled that a provision of the US Clean Air Act, requiring both domestic and foreign producers alike to produce cleaner gasoline, was illegal. The WTO declared illegal a provision of the Endangered Species Act that requires shrimp sold in the US to be caught with an inexpensive device allowing endangered sea turtles to escape. The WTO is attempting to deregulate industries including logging, fishing, water utilities, and energy distribution, which will lead to further exploitation of these natural resources.

6. The WTO is Killing People

The WTO’s fierce defense of ‘Trade Related Intellectual Property’ rights (TRIPs)—patents, copyrights and trademarks—comes at the expense of health and human lives. The organization’s support for pharmaceutical companies against governments seeking to protect their people’s health has had serious implications for places like sub-Saharan Africa, where 80 percent of the world’s new AIDS cases are found. Developing countries won an important victory in 2001 in Doha, Qatar, when the important lifesaving mechanisms of parallel importing and compulsory licensing were agreed to, so that countries could provide essential lifesaving medicines to their populations less expensively. Unfortunately, these are some of the very provisions the US hopes to renegotiate in the current round of talks.

7. The WTO is Increasing Inequality

Free trade is not working for the majority of the world. During the most recent period of rapid growth in global trade and investment (1960 to 1998) inequality worsened both internationally and within countries. The UN Development Program reports that the richest 20 percent of the world's population consume 86 percent of the world's resources while the poorest 80 percent consume just 14 percent. WTO rules have hastened these trends by opening up countries to foreign investment and thereby making it easier for production to go where the labor is cheapest and most easily exploited and environmental costs are low.

8. The WTO is Increasing Hunger

Farmers produce enough food in the world to feed everyone – yet because of corporate control of food distribution, as many as 800 million people worldwide suffer from chronic malnutrition. According to the Universal Declaration of Human Rights, food is a human right. In developing countries, as many as four out of every five people make their living from the land. But the leading principle in the WTO's Agreement on Agriculture is that market forces should control agricultural policies—rather than a national commitment to guarantee food security and maintain decent family farmer incomes. WTO policies have allowed dumping of heavily subsidized industrially produced food into poor countries, undermining local production and increasing hunger.

9. The WTO Hurts Poor, Small Countries in Favor of Rich Powerful Nations

The WTO supposedly operates on a consensus basis, with equal decision-making power for all. In reality, many important decisions get made in a process whereby poor countries' negotiators are not even invited to closed door meetings – and then 'agreements' are announced that poor countries didn't even know were being discussed. Many countries do not even have enough trade personnel to participate in all the negotiations or to even have a permanent representative at the WTO. This severely disadvantages poor countries from representing their interests. Likewise, many countries are too poor to defend themselves from WTO challenges from the rich countries, and change their laws rather than pay for their own defense.

10. The WTO Undermines Local Level Decision-Making and National Sovereignty

The WTO's "most favored nation" provision requires all WTO member countries to treat each other equally and to treat all corporations from these countries equally regardless of their track

record. Local policies aimed at rewarding companies who hire local residents, use domestic materials, or adopt environmentally sound practices are essentially illegal under the WTO. Developing countries are prohibited from creating local laws that developed countries once pursued, such as protecting new, domestic industries until they can be internationally competitive. California Governor Gray Davis vetoed a "Buy California" bill that would have granted a small preference to local businesses because it was WTO-illegal. Conforming with the WTO required entire sections of US laws to be rewritten. Many countries are even changing their laws and constitutions in anticipation of potential future WTO rulings and negotiations.

11. There are Alternatives to the WTO

Citizen organizations have developed alternatives to the corporate-dominated system of international economic governance. Together we can build the political space that nurtures a democratic global economy that promotes jobs, ensures that every person is guaranteed their human rights to food, water, education, and health care, promotes freedom and security, and preserves our shared environment for future generations.

12. The Tide is Turning Against Free Trade and the WTO!

There is a growing international backlash against the WTO. The massive protests in Seattle of 1999 brought over 50,000 people together to oppose the WTO—and succeeded in shutting the meeting down. When the WTO met in 2001 Qatar, the Trade negotiators were unable meet their goals of dramatically expanding the WTO's reach. The WTO plans to meet in Cancún, Mexico this September 10–14, so now's the time to mobilize to express our opposition.

GET INVOLVED!!

***EDUCATE** your community and connect with local corporate issues through bringing speakers, videos, and books like GX's *Globalize This! The Battle Against the World Trade Organization and Corporate Rule*, available on our website.

***ORGANIZE** an event in your community in solidarity with the WTO meetings in Cancún on September 13, 2003.

***TRAVEL** to Cancún to learn about local issues faced by Mexicans on GX's Reality Tour, September 3–8, and stay for the global protests against the WTO, September 9–14.

***CONTACT** Global Exchange at 415-255-7296 or deborah@globalexchange.org to order an Action Pack and check out www.globalexchange.org for more information.

FREQUENTLY ASKED QUESTIONS ABOUT THE FREE TRADE AREA OF THE AMERICAS (FTAA)

What Is “FTAA”?

The Free Trade Area of the Americas (FTAA) is the expansion of the North American Free Trade Agreement (NAFTA) to every country in Central America, South America and the Caribbean, except Cuba. Negotiations began right after the launch of NAFTA in 1994 and are set to be completed in 2005.

What Are the Similarities Between FTAA and NAFTA?

The FTAA relies on NAFTA rules for guidance in the negotiations. The proposed agreement is essentially NAFTA on steroids. But NAFTA has proven a nightmare for working families and the environment.

The FTAA will impose the failed NAFTA model of increased privatization and deregulation hemisphere-wide. The nine working groups set up to negotiate the FTAA correspond closely to the chapters of NAFTA and cover the following topics: agriculture, competition policy, dispute settlement, government procurement, intellectual property rights, investment, market access, services, subsidies and antidumping. FTAA would deepen the negative effects of NAFTA we’ve seen in Canada, Mexico and the U.S. over the past eight years and expand NAFTA’s damage to an additional 31 countries.

The FTAA will empower corporations to constrain governments from setting standards for public health and safety, to safeguard their workers, and to ensure corporations do not pollute the communities in which they operate. Effectively, FTAA rules will handcuff governments’ ability to pass public

interest laws. The agreement will enhance corporate power at the expense of citizens throughout the Americas.

How Has NAFTA Affected Working People in the US and Mexico?

When NAFTA was under consideration by the US Congress, the agreement’s backers promised big job gains along both sides of the border. This hasn’t occurred.

In the US, an estimated 766,000 jobs have disappeared since NAFTA as companies relocate to Mexico to take advantage of weaker labor standards and lower wages. When workers look for new jobs, they often end up in the service sector, where wages are 23 percent lower than in manufacturing. Also, unionization efforts are often undermined by threats to transfer production unless employees end their organizing attempts. According to a Cornell University study, two-thirds of manufacturing and communication companies faced with union organizing campaigns since NAFTA threatened workers with moving their jobs abroad.

Workers in Mexico have also suffered from NAFTA. In December 1994 Mexico was forced to devalue the peso to attract the foreign investment needed for a free trade, export-oriented economy. This devastated the Mexican economy, pushing 8 million families out of the middle class and into poverty. Over one million more Mexicans work for less than the minimum wage of \$3.40 per day now than before NAFTA. Approximately 28,000 small businesses in Mexico have shut down due to the entrance of foreign companies. Manufacturing wages

dropped 21 percent from 1995 to 1999, and have only started to recover.

The FTAA would intensify NAFTA’s “race to the bottom.” Under FTAA, corporations will pit workers in Mexico against even more desperate workers in Guatemala or Haiti. Already, Mexico is losing maquiladora jobs to countries with cheaper wages. In the last two years, 280,000 jobs have vanished with the closure of some 350 maquiladoras.

How Has NAFTA Affected the Public Health and the Environment in the US and Mexico?

Mexico, along with most of Latin America, lacks strong environmental laws. And those regulations that do exist often go unenforced.

The increase in manufacturing along the US-Mexico border region has exacerbated environmental and public health threats in the area. Most maquiladora waste goes unaccounted for; according to EPA officials, only a fraction of all waste is properly disposed of. No wonder that in some border areas birth defects are twice the US national average. In some border counties, the rate of hepatitis is two or three times the national average due to lack of proper sewage treatment.

Also, the export-driven growth model perpetuated by NAFTA is destroying ecosystems around Mexico as the country cuts down its forests to earn hard currency. Since NAFTA, 15 US wood product companies have set up operations in Mexico, and logging there has increased dramatically. In the state of Guerrero, massive clear cutting has led to soil erosion and habitat destruction.

Who Is Involved in the FTAA Negotiations, and How Did They Get Started?

High on their NAFTA victory, U.S. officials organized a Summit of the Americas in Miami in December 1994 to launch discussions on a hemisphere-wide “free trade” zone. After the “Miami Summit,” however, little more was done on FTAA until the “Santiago Summit” in Chile in April 1998. At this second summit, the 34 nations set up a Trade Negotiations Committee (TNC), consisting of vice ministers of trade from every country. Since then, negotiators have been meeting every few months.

Despite repeated calls for the open and democratic development of trade policy, the FTAA negotiations have been conducted without citizen input. A system has been set up to solicit comments from nongovernmental organizations (NGOs), but there is no mechanism to incorporate the public’s concerns into the actual negotiations. The general public has been given nothing more than a suggestion box.

At the same time, however, hundreds of corporate representatives are advising the US negotiators. Under the so-called “trade advisory committee system,” more than 500 corporate representatives have the security clearance to get advance access to FTAA negotiating texts. While citizens are left in the dark, corporations are helping to write the rules for the FTAA.

How Will the FTAA Impact Public Services and Government Safeguards?

FTAA negotiators have included services as one of the many items covered by the treaty’s rules. Under the FTAA, trade in services would be “liberalized” to create “certainty and transparency” for investors. In practice, this means that government health, labor, and environmental regulations would be eroded, all under the guise of reducing “barriers to trade.” The proposed FTAA rules would also speed up the process of deregulation and

privatization already underway throughout the hemisphere, a process that is eliminating public oversight of essential services.

Essential Social Services Endangered:

The FTAA will contain a series of commitments to “liberalize” services, which is much like the General Agreement on Trade in Services (GATS) within the WTO. “Services” is a broad category that includes education, health care, environmental services, energy and water utilities, postal services and anything else that you can’t drop on your foot. Possible effects of the FTAA services agreement include:

- Removal of national licensing standards for medical, legal and other key professionals, allowing doctors licensed in one country to practice in any country, even if their level of training or technological sophistication is different.
- Privatization of public schools and prisons in the US, opening the door to greater corporate control, corruption and the temptation to cut critical corners (such as medical care for inmates or upkeep of safe school facilities) in the interests of improving profit margins.
- Privatization of postal services. Already, the Canadian Postal Service is under attack by US multinational UPS, which claims that the Canadian government’s subsidies to the postal carrier constitute unfair competition and a barrier to trade. If the tribunal upholds the UPS claim, government participation in any service that competes with the private sector will be threatened.

Public Interest Laws Threatened:

The UPS challenge to the very existence of the Canadian Postal Service is taking place under the so-called “investor-to-state” lawsuits established by NAFTA’s Chapter 11. These lawsuits give corporations the right to sue governments

for any action that may decrease the corporation’s future profits. For example, if a multinational health care company feels its operations are being curtailed by local labor laws, it can sue the government for compensation.

FTAA negotiators want to include investor-to-state lawsuits in the upcoming treaty. A look at some past lawsuits illustrates how these suits are being used to elevate corporate profits above all other interests.

- *Ethyl Corporation vs. Canada*. In 1998, the Virginia-based Ethyl Corporation forced the Canadian government to drop its existing ban on the chemical MMT, a fuel additive that had been linked to nervous system damage. Although the US Environmental Protection Agency already bans MMT in the US, the NAFTA tribunal ruled that the Canadian government’s prohibition was impacting Ethyl’s current and future profits. The Canadian government reversed its ban and was also forced to apologize and pay \$13 million to the corporation in damages.
- *Methanex Corporation vs. US*. In 1999, in a strikingly similar case, a Canadian corporation, Methanex, used NAFTA’s Chapter 11 to sue the US government for \$970 million because of a California phaseout of the gasoline additive MTBE. California Governor Gray Davis ordered the phaseout because it had been shown that MTBE, a known toxin, was leaking into the state’s ground water. Methanex, which makes the M in MTBE, claims that the state’s move caused a decline in its stock prices. Methanex is basing its \$970 million claim on the profits the company says it will lose over a 20-year period. The case is still under consideration. If Methanex wins, the US government will essentially be paying a polluter not to pollute.



How Will The FTAA Spread GMOs?

The US is trying to use the FTAA as a way to force all countries in the hemisphere to accept biotechnology and genetically modified (GM) foods in which unregulated US corporations have taken a lead. Yet food security organizations all over the world agree that these technologies will increase hunger in poor nations. Being forced to buy expensive patented seeds every season, rather than saving and planting their own, will force traditional subsistence farmers in the developing world into dependency on transnational corporations and closer to the brink of starvation. If the U.S. position wins out, FTAA will promote the interests of biotech and agribusiness giants like Archer Daniels Midland (ADM), Cargill and Monsanto over the interests of hungry people in developing nations.

The US is also trying to expand NAFTA's corporate protectionism rules on patents to the whole hemisphere. These rules give a company with a patent in one country the monopoly marketing rights to the item throughout the region. These rules are enforced with cash fines and criminal penalties, making these rules even harsher than the WTO regulations, which have been used as justification for pharmaceutical companies to quash compulsory licensing mechanisms to allow competitor companies to manufacture a drug in exchange for a fee for "renting" the patent. Monopoly patent control allows pharmaceutical corporations to keep drug prices high and block production of generic versions of lifesaving drugs, which spells disaster for the ill and impoverished, especially in developing nations. These rules also allow companies to "bioprospect" and lock down patents for Indigenous medicines that are considered "traditional knowledge," effectively robbing Indigenous people of their cultural heritage to fatten corporate wallets.

- Loewen Group vs. US. A Canadian-based funeral corporation, Loewen Group, used the NAFTA investor protections to sue the US government after a Mississippi court found Loewen guilty of malicious and fraudulent business practices that unfairly targeted a local company. The jury in Mississippi levied \$500 million in damages against Loewen, and now the corporation is seeking \$725 in compensation from the US government. Loewen argues that the very existence of the state court system violates its NAFTA rights.

The FTAA rules on services will open the door to a wholesale assault on government

health, safety, labor, and environmental regulations. The FTAA rules on investment will apply to "all measures affecting trade in services taken by governmental authorities at all levels."

In plainer English: To meet the FTAA requirements, countries will have to change their laws governing the obligations placed on business. The FTAA will prevent governments—national, state, or local—from passing regulations that are "more burdensome than necessary." That frighteningly vague definition will discourage governments from passing and enforcing meaningful environmental, health, and labor laws.

How Will the FTAA Undermine Real Development that Benefits Everyone?

Our hemisphere is characterized by enormous inequalities among countries. The United States has a GDP equal to 75 percent of the total goods and services produced in the hemisphere. Its capacity to mobilize technological and capital resources is far greater than that of most of the Americas. But the FTAA would establish a system under which poor countries and wealthy countries alike are held to the same standards. This is shortsighted: You can't ask countries to compete on a level playing field when the terrain is already so badly skewed. Asking Bolivia—a landlocked, impoverished country with an economy just 2 percent the size of the US's—to meet the same requirements as the US doesn't make sense.

Foreign debt handicaps the hopes of many of the FTAA countries by greatly reducing governments' capacity to invest in key areas of development such as housing, health, education, and the environment. The debt burden forces governments to divert scarce financial resources to pay off the combined costs of the debt and the interest payments from the debt. Structural adjustment policies mandated by the IMF and the World Bank throughout Latin America during the past two decades have further weakened the ability of governments to chart equitable development strategies. The FTAA will lock in place—and create legal structures to enforce—the negative impacts of structural adjustment programs.

If NAFTA and Mercosur (an existing “free trade” zone including Brazil, Argentina, Uruguay, and Paraguay) are any indication of what FTAA countries have in store for them, the FTAA will hamper real, sustainable and equitable development. Both NAFTA and Mercosur include measures to deregulate foreign investment, making it difficult to tailor foreign investment according to local needs. Rules that promote foreign investment are often in direct conflict with local economic

development policies. A common provision of international investment agreements—“national treatment”—requires foreign investors to be treated no differently than local investors. Policies that limit grazing land or fisheries to local citizens or forbid foreign investors from owning domestic utilities, for example, violate national treatment. If countries cannot regulate foreign investment, then they will be unable to implement a coordinated development strategy. They will thus be forced to continue to lower wages, working conditions, and environmental regulations in increasingly desperate moves to attract mobile international capital.

If the FTAA is detrimental socially, economically and environmentally, why did every country in the Western Hemisphere negotiating on it?

Not everyone loses in “free trade” agreements. Corporations and wealthy business owners from all participating countries—who are helping to write the rules of these agreements—stand to gain financially from a system that puts their interests above all others. Politicians often own or have large sums of money invested in corporations and therefore have personal interests at stake.

What is the current status of the FTAA negotiations?

All the negotiating groups have held meetings at two to three month intervals during the last two years. Negotiators have laid out the positions of their governments on the nine core issues. During the last three meetings—in Quebec City in April 2000, Buenos Aires in April 2001, and In Quito, Ecuador in October 2002—negotiators tried to work out differences in the draft texts. The next FTAA summit will take place in Miami, Florida in November 2003. Major citizen protests are expected to take place.

Despite growing public opposition throughout the hemisphere, FTAA backers still want to finish negotiating the

treaty by the end of 2004, to go into effect by 2005.

What are the alternatives?

Policy makers and pundits often try to make it seem that top-down, corporate globalization is a naturally occurring phenomenon. Nothing could be farther from the truth. In fact, the current economic processes known as “globalization” have been defined and driven by a very small number of people. United, citizens around the world can create a kind of grassroots globalization—a people's globalization—that puts economic, social and political justice at the center of trade and investment. Citizens groups from across the Western Hemisphere have written an “Alternative Agreement for the Americas” that offers a picture of what socially responsible and environmentally sustainable commerce would look like. You can find the document on the Global Exchange website: www.globalexchange.org/campaigns/ftaa/background.html

As detailed in this proposal, governments should retain the right to impose performance requirements on investors, as well as maintain protections for small and medium-scale producers and key sectors in their respective national development plans. Countries have the right, and the responsibility, to maintain food and nutritional security (such as excluding basic grains from liberalization measures). Any hemisphere wide economic pact should reinforce, not undermine, internationally recognized accords such as International Labor Organization Conventions, the United Nations Convention to Eliminate All Forms of Discrimination Against Women, and the Inter-American Convention on Human Rights. The process for developing economic policy must be democratized by opening up the negotiations to all the hemisphere's peoples, not just a relatively small, elite and well-connected group of investors. The future stability of the region depends on it.

10 WAYS TO DEMOCRATIZE THE GLOBAL ECONOMY

Citizens can and should play an active role in shaping the future of our global economy. Here are some of the ways in which we can work together to reform global trade rules, demand that corporations are accountable to people's needs, build strong and free labor and promote fair and environmentally sustainable alternatives.

1. No Globalization without Representation

Multilateral institutions such as the World Trade Organization, the World Bank, and the International Monetary Fund create global policy with input mainly from multinational corporations and very little input from grassroots citizens groups. We need to ensure that all global citizens are democratically represented in the formulation, implementation, and evaluation of all global social and economic policies. The WTO must immediately halt all meetings and negotiations in order for a full, fair, and public assessment to be conducted of the impacts of the WTO's policies to date. The WTO must be replaced by a body that is fully democratic, transparent, and accountable to citizens of the entire world instead of to corporations. We must build support for trade policies that protect workers, human rights, and the environment.

Our World Is Not For Sale www.ourworldisnotforsale.org
Public Citizen's Global Trade Watch www.tradewatch.org
Third World Network www.twinside.org.sg
Focus on the Global South www.focusweb.org
International Forum on Globalization www.ifg.org

2. Mandate Corporate Accountability

Corporations have so heavily influenced global trade negotiations that they now have rights and representation greater than individual citizens and even governments. Under the guise of 'free trade' they advocate weakening of labor and environmental laws – a global economy of sweatshops and environmental devastation. Corporations must serve the needs of the communities they work in or be subject to having their corporate charters revoked. Corporations must be accountable to public needs, be open to public scrutiny, provide living wage jobs, abide by all environmental and labor regulations. Shareholder activism is an excellent tool for challenging corporate behavior.

Polaris Institute www.polarisinstitute.org
CorpWatch www.corpwatch.org
Citizen Works www.citizenworks.org
Interfaith Center for Corporate Responsibility www.iccr.org
United Students Against Sweatshops www.usasnet.org
Program on Corporations, Law, and Democracy www.pocladd.org

3. Restructure the Global Financial Architecture

Currency speculation and the derivatives market move over \$1.5 trillion daily (compared to world trade of \$6 trillion annually), earning short-term profits for wealthy investors at the expense of long-term development. Many countries are implementing 'capital controls' to regulate the influence foreign capital, and grassroots groups are advocating the restructuring and regulation of the global financial architecture including the dismantling of the failed IMF. Citizens can pass local city resolutions for the Tobin Tax—a tax of .1% to .25% on currency transactions which would provide a disincentive for speculation, and create a huge fund for building schools & clinics throughout the world.

Tobin Tax Initiative www.tobintax.org
ATTAC www.france.attac.org
Institute for Policy Studies www.ips-dc.org

4. Cancel all Debt, End Structural Adjustment and Defend Economic Sovereignty

Debt is crushing most poor countries' ability to develop as they spend huge amounts of their resources servicing odious debt rather than meeting the needs of their populations. Structural adjustment is a set of policies mandated by the IMF and World Bank to keep countries on schedule with debt payments, promoting export-led development at the expense of social needs. There is an international movement demanding that all debt be cancelled in order for countries to prioritize health care, education, and real development. Countries must have the autonomy to pursue their own economic plans, including prioritizing social needs over the needs of multinational corporations.

Jubilee USA Network www.jubileeusa.org
50 Years is Enough! www.50years.org
World Bank Bonds Boycott www.worldbankboycott.org

5. Prioritize Human Rights—Including Economic, Social, and Cultural Rights—in Trade Agreements

The United Nations must be the strongest multilateral body—not the WTO. The US must ratify all international conventions on social and political rights. Trade rules must

comply with higher laws on human rights as well as economic and labor rights included in the United Nations Declaration of Human Rights. We should promote alternative trade agreements that include fair trade, debt cancellation, micro-credit, and local control over development policies.

Citizen's Trade Campaign www.citizenstrade.org
Alliance for Responsible Trade www.art-us.org/
Alternative Agreement for the Americas www.globalexchange.org/campaigns/ftaa/background.html

6. Promote Sustainable Development—Not Consumption—as the Key to Progress

Global trade and investment should not be ends in themselves, but rather the instruments for achieving equitable and sustainable development, including protection for workers, farmers, and the environment. Global trade agreements should not undermine the ability of each nation, state or local community to meet its citizens' social, environmental, cultural or economic needs. International development should not be export-driven, but rather should prioritize food security and sovereignty, ecological sustainability, and democratic participation.

Friends of the Earth www.foe.org
Institute for Agriculture and Trade Policy www.iatp.org
Sierra Club www.sierraclub.org
Via Campesina www.viacampesina.org
Food First www.foodfirst.org

7. Integrate Women's Needs in All Economic Restructuring

Women make up half the world but hold less than 5% of positions of power in determining global economic policy, and own an estimated 1% of global property. Family survival around the world depends on the economic independence of women. Economic policies need to take into account women's important role in nutrition, education, and development. This includes access to family planning as well as education, credit, job training, policy decision-making, and other needs.

Int'l Gender and Trade Network www.genderandtrade.net
Women's EDGE www.womensedge.org
Women's Environment and Development Org www.wedo.org

8. Build Free and Strong Labor Unions Internationally and Domestically

As trade becomes more 'free,' labor unions are still restricted from organizing in most countries. The International Labor Organization should have enforcement power as strong as the WTO. The US should ratify ILO conventions and set

an example in terms of enforcing workers' rights to organize and bargain collectively. As corporations increase their multinational strength, unions are working to build bridges across borders and organize globally. Activists can support their efforts and ensure that independent labor rights are an essential component of any 'free trade' agreements.

American Federation of Labor/Congress of Industrial Organizations www.aflcio.org
Int'l Confederation of Free Trade Unions www.icftu.org
International Labor Organization www.ilo.org
Jobs With Justice www.jwj.org

9. Develop Community Control Over Capital; Promote Socially Responsible Investment

Local communities should not be beholden to the IMF, international capital, multinational corporations, or any other non-local body for policy. Communities should be able to develop investment and development programs that suit local needs including passing anti-sweatshop purchasing restrictions, promoting local credit unions and local barter currency. Cities, churches, and unions should implement investment policies that reflect social responsibility criteria.

ACORN www.acorn.org
United for a Fair Economy www.ufenet.org
Alliance for Democracy www.thealliancefordemocracy.org
Social Investment Forum www.socialinvest.org

10. Promote Fair Trade

While we work to reform 'free trade' institutions and keep corporate chain stores out of our neighborhoods, we should also promote our own vision of Fair Trade. We need to build networks of support and education for grassroots trade and trade in environmentally sustainable goods. We can promote labeling of goods such as Fair Trade Certified, organic, and sustainably harvested. We can purchase locally made goods and locally grown foods that support local economies and cooperative forms of production and trade. Fair Trade Certified coffee is the first product with an independent monitoring and certification system for a product produced in developing countries.

Fair Trade Federation www.fairtradefederation.org
TransFairUSA www.transfairusa.org
Coop America www.coopamerica.org
Oxfam America www.oxfamamerica.org
Green Festivals www.greenfestivals.org

NAFTA LITE?

HEMISPHERE-WIDE TRADE PACT FACES OPPOSITION FROM BRAZIL TO CAPITOL HILL

The Washington Post

By Paul Blustein
Washington Post Staff Writer
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Oh, what a giddy moment it was in the history of globalization when the leaders of the United States and 33 other Western Hemisphere countries gathered in Miami 6 1/2 years ago for the first "Summit of the Americas."

The Clinton White House, fresh from winning congressional approval for the North American Free Trade Agreement, trumpeted the leaders' pact to set a goal of 2005 for creating an even bigger free-trade zone extending from the Canadian Arctic to Tierra del Fuego. To celebrate, the summiteers basked at a multicultural extravaganza for an audience of 4,000 VIPs that featured salsa star Tito Puente, reggae singers from Jamaica and saxophonist Kenny G.

Later this week, President Bush travels to Quebec City for another summit with leaders of those 33 countries, where he hopes to rekindle a similar spirit of Pan-American bonhomie despite plans by anti-globalization protesters to stage disruptive demonstrations. Bush is eager for the United States to lead its Latin American and Caribbean neighbors into a free-trade arrangement—indeed, he has proclaimed the proposed Free Trade Area of the Americas (FTAA) to be one of his administration's highest priorities.

But the prospects for establishing the hemisphere-wide trade zone seem much less certain now than they did in Miami.

One major obstacle to the completion of an FTAA is the reluctance of Brazil, Latin America's biggest country, to enter a free-

trade deal with Washington. But even if Bush and his trade representative, Robert B. Zoellick, succeed in bringing the Brazilians around, they still face a huge challenge in convincing Congress and the American public of the benefits an FTAA would bestow on the United States.

The FTAA's critics call it "NAFTA on steroids," but from the proponents' point of view, the problem is that it might also be deemed "NAFTA lite."

South America, the main target of the FTAA, is not a particularly large market for U.S. exporters, at least relative to markets such as Asia or Europe or either one of the two NAFTA partners, Canada and Mexico. And the other principal argument for the FTAA—the improved prospects for stability and democracy among member countries—is much less compelling from the American standpoint for nations such as Brazil and Argentina than it was for nearby Mexico when NAFTA was being debated.

"It's going to be a hard sell," said Riordan Roett, director of the Western Hemisphere Program at Johns Hopkins University's School of Advanced International Studies, who is an FTAA advocate. "The argument you have to make is that freer trade brings a greater circulation of goods, people and ideas, and hopefully the market reform and democratization processes would go hand-in-hand. And the more stable these economies and societies are, the less possibility that the United States is going to have to become involved in an interventionist sort of way. It's a very subtle argument, and someone's going to have to come to grips with the importance of selling this."

The debate will be joined in Quebec, where students, union members,

environmentalists and other activists will be decrying the FTAA as a sellout to greedy corporations.

"It will mean more and more factories closing down and moving to places where workers aren't free to organize or defend their basic rights," said Juliette Beck of the San Francisco human rights group Global Exchange. While mainstream economists lament such attacks on free trade for ignoring the benefits, there is no disputing that trade agreements produce both winners and losers, and that the losers in the United States tend to be workers with low skills and incomes who are more likely to suffer when competition intensifies with low-wage countries.

For now, the fight is mostly shadowboxing, since an actual agreement is years away. Negotiators have been haggling over a confidential draft text—which they've promised to release after the Quebec summit—that is loaded with bracketed sections indicating areas where the 34 governments remain far from consensus.

But the White House must make a convincing pitch about the prospective value of an FTAA just to get negotiations started in earnest. The administration needs to drum up enthusiasm in Congress for the idea so it can win legislation providing Bush with trade promotion authority (also known as fast-track authority). That authority is essential to reaching a final FTAA agreement because it would protect the accord from being amended when it ultimately comes up for a congressional vote. Congress is deeply divided over trade and has balked at granting negotiating authority to the executive branch since allowing it to lapse in 1994.

In many ways, the debate over the FTAA is a reprise of the fight over NAFTA, which produced neither the dreadful nor spectacular outcomes that had been predicted by the most fervent partisans on both sides.

Ross Perot's warnings of a "giant sucking sound" as millions of American jobs headed to Mexico proved far off base when U.S. payrolls expanded by more than 20 million during the boom of the 1990s. At the same time, the results never lived up to the rosy forecasts by NAFTA champions, including President Bill Clinton and Vice President Al Gore, of an export bonanza to a vibrant Mexican market. The reality of Mexico's modest promise as a booster of U.S. growth became clear in the aftermath of the 1994 peso crisis, which came just weeks after the Miami Summit of the Americas and plunged the country into a deep recession, turning the U.S. trade balance with its southern neighbor from a surplus to a sizable deficit.

NAFTA's defenders contend that the accord was still well worthwhile, because Mexico stuck to the open-market path throughout its slump and rebounded fairly quickly, in contrast with its longer crisis during the 1980s. But it remains to be seen how persuasive such arguments will be when they are applied to countries that are less important both economically and geographically to the United States.

Take the question of U.S. exports, which provide a good proxy for the prospective advantages to the American economy of a trade pact. The FTAA, Commerce Secretary Donald L. Evans recently noted, would "open access to a \$13 trillion market with 800 million consumers." But those figures include the United States, Canada and Mexico, which already participate in NAFTA.

Not counting the NAFTA countries, U.S. exports to its prospective partners in the FTAA were \$59 billion last year—7.7 percent of total shipments of American

goods abroad. By comparison, U.S. companies exported \$203 billion to Asia, \$187 billion to Europe, \$178 billion to Canada and \$112 billion to Mexico.

U.S. corporations and Bush administration officials acknowledge that in an ideal world, they'd prefer a broad-ranging agreement to lower trade barriers globally. The trouble is, chances appear cloudy for launching a new round of global trade negotiations later this year under the auspices of the World Trade Organization, thanks in part to resistance from the European Union to scrapping its protections and subsidies for farmers.

So for now at least, the administration is focusing its attention on advancing the FTAA, a move heartily endorsed by corporate America, which sees a Pan-American trade deal as more likely to materialize. The National Association of Manufacturers recently identified the FTAA as its "top trade priority" while downgrading the idea of global talks because "the ingredients are not yet there for a New Round."

Even if the South American market isn't the biggest prize around, in other words, the U.S. business community will take what it can get, and it would dearly love to see the rest of Latin America merged with NAFTA. The purpose of free-trade agreements, after all, is to knock down barriers and expand trade, and South America has barriers in spades—especially Brazil, where a car made in Detroit, for instance, is subject to a 35 percent tariff. (The average Brazilian tariff is 13.7 percent, compared with under 3 percent for the United States.) Under the FTAA, trade between United States and Brazil—where U.S. firms exported \$15 billion last year—might double or even triple within a few years of enactment, according to Jeffrey Schott, a trade specialist at the Institute for International Economics.

U.S. business groups cite a host of reasons for craving the FTAA. The Grocery Manufacturers of America wants a

harmonization of standards for imported food among the participating countries so that, say, cereal sold in the United States could be sold anywhere in the hemisphere. The American Forest and Paper Association wants to see tariffs come down in Latin America, not only to gain access for U.S. wood and paper products but also to reduce protection for Latin mills that are competing globally with American ones.

Perhaps most important, business leaders complain that some countries and groups of countries in the region are striking free-trade deals that put U.S. firms at a disadvantage, a classic example being a 1997 pact between Chile and Canada. Thanks to that arrangement, Canadian exporters of products such as potatoes are gaining market share in Chile at the expense of American exporters, whose goods are subject to an 8 percent tariff. (The Bush administration is stepping up negotiations for a bilateral accord with Chile that has been on hold for some years.)

But how much would the FTAA really mean for U.S. exports? Although reliable numbers are hard to come by, Caterpillar Inc., the Peoria, Ill., maker of construction and mining equipment, has an eye-catching forecast to bolster its avid support for the FTAA—an additional 25,000 units sold over 10 years if a hemispheric trade deal is enacted.

That figure, though, is not quite as impressive as it seems at first blush. It translates into about \$450 million a year in sales, which is about 2 percent of Caterpillar's annual revenue. Furthermore, the estimate is based on the assumption—not necessarily valid—that the FTAA would spur robust growth in Latin America; in addition, some of the increased production would presumably come from Caterpillar's Brazilian operations. (The company makes about 70 percent of its equipment in the United States.)

Small wonder, given the difficulty of sustaining grand economic claims for the FTAA, that its backers are using broader rationales to make their case.

Bernard Aronson, who served as assistant secretary of state for inter-American affairs during the administration of Bush's father, noted that Latin America has great potential as a market because its population is younger than most regions, but added: "The value of the FTAA goes way beyond exports." "When the U.S. was moving ahead after NAFTA to bring in other countries, it set off a competition throughout the hemisphere for countries to be first in line," Aronson said. "All of them knew that the price of joining this club was, they had to be democracies, they had to be friends of the United States at some level, they had to be cooperating with the United States on counter-narcotics at some level. So the prospect of joining this huge free-trade zone has been like a magnet drawing countries to American interests and values." Mexico became a much more steadfast and more democratic ally of the United States after NAFTA, Aronson observed.

Still, even experts who agree with that analysis are unsure whether it will translate into much political support for the FTAA. "Frankly, South America is so distant for most Americans," said Roett. "Of course, that could be, if played right, an advantage for the administration. If Congress detects that there's not a great deal of opposition [to the FTAA], it will probably be willing to go along with the president."

At the moment, the opposition appears far from quiescent. On Thursday, for example, the U.S. Trade Representative's Office near the White House was the scene of a noisy demonstration by about 350 activists chanting "No way, FTAA" and carrying signs proclaiming "Warning: FTAA Kills People With AIDS." A giant puppet with bloodstained hands, labeled "Zoellick," loomed above the crowd.

The demonstration's organizers, led by the militant group ACT UP, fear that because Washington is seeking strict protection for patent holders as part of the FTAA, countries such as Brazil would lose their ability to make or obtain generic versions of expensive anti-AIDS drugs. U.S. trade officials deny that Brazil's acclaimed program for AIDS victims would be affected, but the demonstration could be just a taste of what is to come in Quebec and beyond.

The AFL-CIO has concluded that "if the negotiations [for the FTAA] continue in their current direction, we will join our brothers and sisters in the hemisphere in vigorously opposing this agreement," said Thea Lee, the labor organization's chief international economist.

Brazilian trade negotiators' tough positions won't make matters any easier for the Bush administration. They are insisting that if they are going to increase outsiders' access to their market, Washington must lower barriers that protect all manner of powerful interests, such as Florida citrus growers, from Brazilian competition. Brazil is also demanding that the United States ease its antidumping rules—an explosive political issue for any U.S. politician—to reduce impediments to imports of steel, clothing and textiles.

"In Brazil, people are asking 'What's in it for us?'" said Celso Lafer, the country's foreign minister. And Brazil—along with other Latin nations—has warned that it can't accept provisions that would impose sanctions against the exports of countries that fail to observe standards on labor rights and the environment. But Democrats in the U.S. Congress have declared that their support for the FTAA will depend on the inclusion of stringent labor and environmental rules.

Maybe all these problems will prove insurmountable for FTAA supporters, and if so, that won't be a tragedy, said

David Rothkopf, a former top Commerce Department official who has long favored the pact.

"The success of past trade agreements, and the reality of globalization, has made trade discussions like this somewhat less important," Rothkopf said. "Trade in between these countries is fairly robust, it's growing, it's expected."

"The work of integrating the Americas is going to be done by businesses quite apart from government-to-government agreements—in spite of them, or taking advantage of them if possible, but never because of them," he continued. "Government agreements are the ultimate lagging indicator of regional integration. The reason we'll have an FTAA is because our economies will be so integrated, and so cross-pollinated, that it will be impossible for governments to resist it anymore."

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THE STORY OF PABLO PEREGRINO: A "FREE TRADE" PARABLE

Pablo Peregrino was born in the lush mountains of southern Mexico, in a little town called Xalapa in the state of Veracruz. His parents were coffee farmers, and his grandparents had been coffee farmers, and since he was a little boy Pablo hoped he would be a coffee farmer, too. It was hard work, and tiring, but he liked tending the dark green leaves and the deep red coffee berries. It earned a solid income, and his family had never gone hungry.

When Pablo was in his teens, just starting to think about his future, coffee sold for about one US dollar per pound on the docks of the port of Veracruz. Pablo's family only got half that—around 50

cents per pound—because they to sell their harvest to a *coyote*, or middleman, who took it to port. Still, Pablo's family earned a decent living.

But then, without warning, coffee prices started to plummet. The *coyotes* said that the exporters in Veracruz were only paying 80 cents per pound, which meant that Pablo's family would get just 40 cents for each pound of their harvest. A year later, the price had dropped to 70 cents per pound. And it kept getting worse—65 cents per pound, 60 cents, 55 cents—until Pablo's family was earning just 25 cents for every pound of coffee beans they grew. It didn't make sense. Pablo's family and their neighbors were growing coffee just as they always had, and yet for some reason they

were earning half as much. The *coyotes* said the price was dropping because peasants in Vietnam, a country far away in Asia, were flooding the market with their coffee beans. And now that flood threatened to drown his family in Xalapa.



Although they had never been rich, suddenly Pablo's family was poor. They were facing choices they had never had to make. Would they buy medicines for Pablo's grandmother, or would they buy some chicken to eat? And how would they pay for the school supplies and school uniforms for Pablo's sister, Teresa? It just wasn't right. Why should his little sister not get to go to school because of what happened on the other side of the planet? But there was nothing Pablo's family could do, and so one day Pablo decided to "go north."

Already many young people, realizing there was no future for them in Xalapa, had left town. Some had gone to Mexico City. Others went to the border cities of

Tijuana and Ciudad Juarez to find work in the *maquiladoras* there. A few, like Pablo's cousin Jesus, had made it all the way to Los Angeles, where you could earn as much as \$60 in a day. And many, many others were planning on leaving. Pablo

knew at least a dozen friends who were fleeing Xalapa, and he made up his mind to join them.

Leaving was so hard. His mother cried for days, and his father, usually a happy man, was quiet and sour. Pablo's sister Teresa drew a picture of him living in Los Angeles; the buildings were made of gold.

Pablo was scared. He had never been more than 50 miles

away from Xalapa in his life. And even though his father had given him the family's entire life savings, he feared it wouldn't be enough for the long journey north. Pablo left town with ten other men from Xalapa, and that made the departure a little less frightening. But no one really knew what was going to happen to them.

The buses were to Mexico City were cramped and smelly. The capital was so gigantic and confusing, and one of Pablo's friends was robbed and had to return to Xalapa. They were all homesick; one boy cried every night.

Finally, after days and days on buses and trains, the group made it to Tijuana. Now all they had to do was cross the border and they would be in the US,

where things would be better. But it wouldn't be so easy. Pablo had heard the crossing was dangerous. Every night the dusty, barren space around the wall was lit with giant lights and patrolled with big jeeps. The local people said the Americans had goggles that let them see in the dark, and fast horses, and dogs that could smell you wherever you went. If you tried to run, their helicopters would find you. When Pablo walked down to the beach he saw that the tall wall separating Mexico from the US even stretched into the Pacific Ocean.

It seemed to Pablo that it would be easier to cross the border if he were a sack of coffee instead of a human being.

There were also *coyotes* in Tijuana, but not like the ones in Xalapa—instead of buying coffee beans, they sold people a trip into the US and guided them across the border. Pablo and his friends had found two *coyotes* who said they could help them. One wanted to drive hours away from Tijuana, where there were supposed to be fewer border patrol guards, the *migra*. The other *coyote* wanted to cross a little closer. Both demanded thousands of dollars.

Pablo gave the *coyote* his family's entire life savings, but it still wasn't enough. While his friends went the long way, Pablo was stuck with the shorter route—closer to the *migra*.

Early one day, hours before dawn, Pablo, the *coyote*, and a group of eight others headed out of Tijuana for the desert. After a driving for a while, they stopped in the middle of nowhere, and the coyote pointed north and told them to start walking until they found a road.

By mid-morning it was already scorching hot, and Pablo was almost out of water. The sun was unbearable. The heat was hotter than an oven, as terrible as a nightmare. Now the water was gone, but somehow the group kept stumbling north. Visions of lush Xalapa flashed before Pablo's eyes. He wanted to be home. He didn't want to die in this terrible desert.

Finally they reached the road, and, like a miracle, a car was waiting for them. The driver gave them water and told them they were going to Los Angeles.

The drive to LA took only a few short hours. They had just reached the edge of the city when the news came over the radio: The *migra* had found a group of immigrants dead in the desert. Ten people had died trying to cross the border, the victims of heat stroke, exhaustion, and dehydration. The radio said the migrants were from Veracruz. Pablo knew they were his friends, the ones who had decided to go the long way through the desert to avoid the *migra*. They had only wanted to find a job, and now they were dead.

The bright lights of the amazing city whirled past the car, blurred by tears.

But there was no time for mourning. Pablo's cousin, Jesus, had to pay the *coyotes* a few thousand dollars for the rest of his passage, and now Pablo had to pay Jesus back. The next day, Jesus said, Pablo would have to wake up early to go to look for work.

Finding a job was easy enough. Jesus had a friend who worked in a garment shop downtown, and the shop manager was always looking for strong young men to operate the pressers and irons. The job paid \$5 an hour—much more than Pablo ever could have earned on a coffee farm, and the work looked much easier.

Pablo quickly learned the work wasn't easy at all. The job was simple enough—grabbing a piece of cloth from a pile, pushing down the presser to iron it out, passing it along to the next station. The repetition, however, was exhausting, far more tiring than hauling a sack of coffee. At the end of every day Pablo was sore in the middle of his bones.

Pablo knew, though, that it wasn't wise to complain. Fellow workers told him that complaints could land him in trouble. A few years ago, they said, the factory didn't pay the workers their wages for a whole month, and when a group of workers got

together to demand their wages the manager threatened to call the *migra*. After that some workers tried to organize a union—but they were quickly fired. If you wanted to keep your job, the older workers told Pablo, you had to expect to give up your rights.

Pablo kept working. He lived in a one-bedroom apartment with five other men, and he pinched every penny, and he was able to pay off the debt to his cousin and save up a little money to send home. He wasn't happy, but at least he was helping out his family back in Xalapa.

Then one day Pablo went to work and received some shocking news. His garment shop was closing down in a week. The manager said the factory owner could make much more money by moving the entire operation to China, where workers were willing to make clothing for even less money. The manager tried to console Pablo and the workers—they would soon find work some other place, he said.

But Pablo wasn't so sure. He worried about how he was going to keep supporting his family in Mexico, and thought about all the other families in Mexico who were also going to lose. Pablo was scared. He wondered: If all the jobs went to China, would he have to take another dangerous journey and travel all the way across the ocean just to find work?

Pablo Peregrino is a fictional character. Yet his story is all too real. The injustices detailed here represent a composite of experiences that have happened to real people. The parable is based on fact.

**To learn more about
how “free trade” is hurting
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THE FTAA, THE WTO, AND THE ASSAULT ON PUBLIC INTEREST, SERVICES, AND OUR WATER

Today, services constitute a bigger share of the economy than ever before. A service is anything you can't drop on your foot: the work of lawyers, accountants, doctors, nurses, teachers, child care and elder care employees, librarians, and other professionals are services. Services also include water collection and distribution, electricity generation and distribution, trucking, shipping and other sorts of transportation, oil drilling, waste incineration, and sewage treatment. Services constitute between 70 percent and 80 percent of the United States' economy, and make up more than 60 percent of the global economy.

The Free Trade Area of the Americas negotiators have included services as one of the many items covered by the treaty's rules. Under the FTAA, trade in services would be "liberalized" to create "certainty and transparency" for investors. In practice, this means that our health, labor, and environmental laws would be eroded, all under the guise of reducing "barriers to trade." The proposed FTAA rules would also speed up the process of deregulation and privatization already underway throughout the hemisphere, a process that is eliminating public oversight of essential services.

Essentially, the FTAA rules for services threaten to launch an unprecedented corporate expansion into the lives of the 800 million people of the Americas. The FTAA would give multinational corporations vast new abilities to control our children's education, our elder's health care, our mail service, and even the water we drink. The FTAA's services agenda represents a massive increase in corporate power at the expense of the ability of ordinary people and governments to determine their future.

Services and the WTO

The World Trade Organization also wants to expand its reach into the service sector, and since 1994 WTO negotiators have been working on what is called the General Agreement on Trade in Services (GATS). According to author Maude Barlow, GATS is designed to "restrict government actions in regard to services" and to "constrain all levels of government in their delivery of services" while facilitating corporations' access to government service contracts in a multitude of areas, from hospitals to libraries.

The FTAA services rules are designed to be compatible with GATS. But the FTAA will go even farther than the WTO provisions. The FTAA rules will cover many more service sectors, and will directly impact a wider range of government regulations. The FTAA's services rules will severely restrict the ability of national and local governments to guard the interests of their citizens. The FTAA's rules on services will throw out of equilibrium the already-delicate balance between public goods and private privileges. This is a dangerous experiment that, if undertaken, will be incredibly difficult to reverse.

The FTAA's Top-Down Approach: Everything Under the Sun

Under the WTO's GATS system, the only services affected will be those that countries choose to "liberalize." If a country decides not to place a service on its "schedule of commitments," that sector will not be affected by the agreement.

The FTAA takes a more aggressive approach. The FTAA negotiators are asking for the "universal coverage of all service sectors." If a country wants to exempt a certain service sector from the

FTAA regulations, it will have to negotiate with other nations to do so.

The Assault on Public Oversight

The FTAA rules on services will open the door to a wholesale assault on our health, safety, labor, and environmental laws. The FTAA rules on investment will apply to "all measures affecting trade in services taken by governmental authorities at all levels." A remark by an official with the Organization of American States helps explain what that means:

"Since services do not face trade barriers in the form of border tariffs or taxes, market access is restricted through national regulations. Thus the liberalization of the trade in services implies modifications of national laws and regulations."

In other words: To meet the FTAA requirements, countries will have to change their laws governing the obligations placed on business. The FTAA will prevent governments—national, state, or local—from passing regulations that are "more burdensome than necessary." That frighteningly vague definition will discourage governments from passing and enforcing meaningful environmental, health, and labor laws.

The FTAA service rules on transparency will also discourage national, state and local governments from approving new regulations in the public interest. FTAA negotiators want to require governments to provide advance notification of proposed regulations and to solicit comments from "interested parties." This would give corporations, which can afford the resources to track all such regulations, an easy way to put pressure on local lawmakers not to pass regulations that conflict with the companies' interests.

Even existing consumer, labor and environmental protections will be put at risk. The FTAA will likely include so-called “investor-to-state” lawsuits. These lawsuits—which already exist under NAFTA’s Chapter 11—give corporations the right to sue governments for any action that may decrease the corporation’s future profits. For example, if a multinational health care company feels its operations are being curtailed by local labor laws, it can sue the government for compensation. Likewise, if an oil exploration corporation believes local environmental protection laws are compromising its ability to drill for oil, the company will be able to sue the local government for lost profits.

Investor-to-state lawsuits are already being used to devastating effect:

- **Metalclad Corporation vs. Mexico.** In 1996, Metalclad Corporation, a US waste disposal company, accused the Mexican government of violating Chapter 11 when the state of San Luis Potosí refused the company permission to reopen a waste disposal facility there. The state governor closed the site after a geological audit showed the facility would contaminate the local water supply. The governor then declared the site part of a 600,000-acre ecological zone. Metalclad claimed that this constituted an act of expropriation and sought damages. In August 2000, a NAFTA tribunal ruled in favor of the company and ordered the Mexican government to pay \$16.7 million in compensation.
- **S.D. Myers Corporation vs. Canada.** S.D. Myers Corporation, an Ohio PCB waste disposal company, successfully used a Chapter 11 threat to force Canada to reverse its ban on PCB exports—a ban Canada undertook in compliance with the Basel Convention limiting the trans-border movement of hazardous waste. The corporation successfully sued the Canadian government for \$50 million in damages for business it lost when the short-lived ban was in place.

The Corporate Takeover of Public Services

The FTAA doesn’t just threaten government regulations. It also raises the specter of a sweeping privatization of the public services that ordinary people—especially poor and working class people—depend on. Under the FTAA, multinational corporations will target local postal services, health care services, educational services, and utility services as they seek to expand their businesses. While the corporations win, the people will lose. The fear is that when important public goods such as health and education are managed by for-profit companies, the bottom line comes first while health standards and education suffer. Local control will be lost as crucial services come under the management of giant, unaccountable corporations headquartered thousands of miles away. And as money for public services are diverted to private companies, the poor are left to rely on an underfunded public sector or else to fend for themselves.

FTAA negotiators say that the agreement will not promote privatization of essential services. But the agreement offers no guarantee that the privatization of basic services like health care and education will not occur. FTAA negotiators’ assurances rest on a clause that is nothing more than a loophole. The draft FTAA rules on services say that a government can exclude a service only when that service “is supplied neither on a commercial basis nor in competition with one or more service supplies.” Those are difficult conditions to meet. Government fees for, say, prescription drugs could fall under the “commercial basis” prohibition. Also, almost no government service is a perfect monopoly—public schools compete against private schools, government clinics compete with private hospitals. This means that the door will be thrown wide open for massive multinational health care companies and for-profit educational providers to enter local economies.

And once the door is opened for multinational corporations to enter a

certain market, there is no way of closing it if elected officials feel that the presence of the multinationals is eroding basic standards. According to the FTAA’s “market access” rules for services, once a country agrees to let a foreign company into a certain service sector, multinational corporations must be granted virtually unrestricted entry into that country. If government officials later determine that the presence of multinational corporations is harming the environment or eroding social protections, there is nothing they can do. Once there is a private school or private hospital in a community, the floodgates are open.

Major multinational service corporations are eager to expand into Latin America, and in fact companies such as American Express, Citicorp and Enron have aggressively lobbied trade negotiators to speed up the “liberalization” of services. Financial corporations are eager to take over local banks in the region, while energy companies see a bonanza in the privatization of public utilities. For-profit education and health care companies, meanwhile, see a chance to increase their profits by marketing their services to the more affluent segments of the population that already use private hospitals and send their children to private schools. According to the *New England Journal of Medicine*, for-profit health care companies are starting to make inroads into the Latin American market.

Many people in the hemisphere’s poorer countries fear that the quick introduction of giant foreign firms could lead to corporations swallowing up essential public services. The FTAA’s services rules contain a clause called “national treatment” that declares that foreign companies must be treated the same as local ones. National treatment will prevent governments at any level from giving preference to local companies. For example, a municipality will not be able to attempt to bolster the local economy by promoting local businesses because that would be “unfair” to the multinational corporations.

The national treatment requirements will grease the privatization agenda by making it harder for governments to subsidize services. If a government tries to support a public hospital or a public school with local tax monies, multinational corporations will be able to challenge those subsidies by arguing that they violate the rules mandating that all services providers be treated the same.

This is already happening. UPS has filed a NAFTA Chapter 11 lawsuit against the Canadian government saying that Canada's support of its postal service, Canada Post, represents a barrier to trade. UPS is seeking \$160 million in damages from Canada, claiming that the government subsidy has prevented UPS from effectively competing for the express mail market. According to *The New York Times*, the "complaint contend[s] that the very existence of the publicly financed Canadian postal system represents unfair competition that conflicts with Canada's obligations under NAFTA. Critics worry that if the tribunal upholds the U.P.S. claim, government participation in any service that competes with the private sector will be threatened."

But it's not just postal systems that are at risk. The FTAA threatens to greatly accelerate the planned privatization of the world's dwindling water supply.

The FTAA's Threat to Our Most Precious Resource—Water

Even without the FTAA, the privatization of public services is already well underway in Latin America, thanks to the International Monetary Fund and the World Bank. As part of the structural adjustment conditions attached to the loans they give, the IMF and the World Bank have directed poor countries to sell off many of their publicly controlled services. In Mexico, the phone system has been privatized. Under pressure from the IMF, Guatemala, the second poorest country in the hemisphere, has sold off its telephone and electric companies, its rail service, and its postal system. Nicaragua has privatized its health and education systems.

As discussed above, under the FTAA this privatization process will likely accelerate. And the FTAA will further open the door to the privatization of one of the world's most important resources—water.

The world is facing an acute water shortage. Already, more than 1 billion people lack access to clean drinking water, and 30 countries are struggling with water scarcity. As the world's population grows, the problem will likely get worse. It is estimated that by 2025 as much as two-thirds of the world's population will be suffering from water shortages or absolute water scarcity. Once considered a human right, water is increasingly being viewed as a valued commodity. As *Fortune* magazine has noted, "water will be to the 21st Century what oil was to the 20th." The website of a Canadian water company, Global Water Corporation, makes the same point more bluntly: "Water has moved from being an endless commodity that may be taken for granted to a rationed necessity that may be taken by force."

Major multinational corporations are eager to turn scarcity into profit and to make water, like oil, a commodity you will have to pay dearly for. Water privatization is already a \$400 billion dollar global business, and multinational corporations are hoping to use international trade and investment agreements such as the FTAA to increase their control over the supply of water.

Under the FTAA, if a locality is charging residents for water—and therefore, according to the FTAA's definition, offering the service on a "commercial basis"—any multinational corporation will be able to enter that market and compete for the water services. Because of the FTAA's "national treatment" requirements, the local government will not be able to give preference to local service providers who may have a greater commitment to the area and who it may be easier for the community to oversee. And, as with other services, once the door is opened there is no way of closing it. For example, if a Chilean company were

granted the right to export water from the country's glaciers, US multinationals would then have the right to help themselves to as much of the Chilean water as they wished.

The experience of Cochabamba, Bolivia provides a glimpse into what can happen when this essential resource is privatized. In 1999, Cochabamba, Bolivia's third largest city, sold its municipal water utility to a multinational consortium as part of a World Bank-sponsored privatization program. When the multinational corporation took control of the water system, rate hikes were quickly instituted. Some bills doubled, and many ordinary workers were facing water bills that amounted to a quarter of their monthly income. The rate increases soon led to a public backlash, and the city was convulsed by street protests and demonstrations. During the protests, security forces opened fire on the crowd. A 17-year-old student was shot in the face and killed. The multinational water consortium soon withdrew from Cochabamba.

While the Cochabamba episode reveals the popular opposition to water privatization, other experiences have shown that resistance to water privatization will not be tolerated. In 1991 the Canadian province of British Columbia passed a law banning the export of water. A California corporation, Sun Belt Water Inc., has challenged the law using NAFTA's Chapter 11 lawsuit, claiming that the law represents trade barrier. Sun Belt is seeking \$220 million in compensation in lost profits from the Canadian government.

Indeed, as Global Water Corporation has noted, water is now something that may be taken by force.

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TOXIC TRADE?

A CANADIAN CHEMICAL FIRM SAYS CALIFORNIA'S POLLUTION CONTROLS VIOLATE NAFTA RULES

Time Magazine

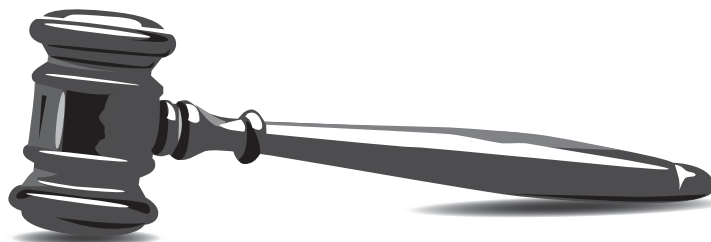
By Margot Roosevelt/Santa Monica
March 25, 2002 Vol. 159 No. 12

In Santa Monica, a beach town known for its movie stars, the sun shines almost every day, palm trees sway on the boulevards—and the groundwater is poisoned. All over town, ugly drilling rigs mounted on trucks are boring 300-foot holes to trace the plumes of a pollutant that has leaked from the underground tanks of gasoline stations. The culprit: methyl tertiary butyl ether (MTBE), an additive that makes gasoline burn cleaner but one the U.S. Environmental Protection Agency has classified as a potential carcinogen. Half of Santa Monica's water supply is undrinkable—MTBE makes water taste like turpentine—and the city (pop. 85,000) faces a \$300 million cleanup that could take as long as 30 years. As lawsuits against 18 oil companies drag on, California has ordered a phaseout of the chemical, and a dozen other states have followed suit.

If this were an ordinary tale of one more controversial pollutant, it could be resolved in U.S. courts. But the MTBE conflict has exploded into an international fistfight, a test case for globalization and a key issue in President Bush's effort to win new trade-negotiating powers from Congress next month. That's because METHANEX, the Canadian company that makes a key ingredient of MTBE, is challenging California's ban under the 1993 North American Free Trade Agreement. The case has raised doubts about whether a

state can protect its drinking water as it sees fit. Do such health regulations amount to a trade barrier?

Methanex wants U.S. taxpayers to compensate it for \$970 million in profits it would lose as a result of a California MTBE phaseout. CEO Pierre Choquette asserts, "We believe the ban of MTBE was politically motivated" to favor the U.S.-made gasoline additive



ethanol "and has no scientific merit." The company's director of investor relations, Brad Boyd, says, "California should make sure its underground gas tanks don't leak. That's what would protect the public."

The issue will be decided, under terms of international treaties, by a panel of arbitrators, chosen in this case by the U.S. State Department and Methanex, meeting behind closed doors. A U.S. loss could be challenged in federal court—but only on narrow procedural grounds. Critics fear that a Methanex win would upend the principle that "the polluter pays." Instead, the polluter would be paid. A California senate committee questioned whether hundreds of state and local laws—from fishing-fleet fees to truck-inspection rules to a preference for recycled paper—could be challenged by foreign investors. Says state senator Sheila Kuehl: "A secret tribunal is going to

decide whether a private company can trump laws passed by a democratically elected government."

The Methanex case is complicating Bush's efforts to win "trade promotion authority," which would require Congress to vote yes or no, without amendment, on any treaty the President offered. The idea is to protect hard-bargained agreements from pork-barrel politicking. The bill passed the House by only one vote last December, as even longtime free traders worried about the potential threat to the U.S. of the Methanex case and other investor challenges. Waving 5,000 pages of trade

agreements, Representative Robert Matsui, a California Democrat, argued that new treaties could affect federal laws on matters from food safety to monopolies. "Trade is no longer primarily about tariffs and quotas," he said. "It's about changing domestic laws." In the Senate, Massachusetts Democrat John Kerry wants to amend the bill to make it harder for companies to file claims. "NAFTA was never intended to infringe on U.S. sovereignty in such a way," he said.

The stakes are high. The Administration wants to extend NAFTA to 31 more countries in Latin America. If investor protections are also offered through the World Trade Organization, Methanex-style suits could spread through the global trading system. That would open the U.S. to corporate claims from scores of countries, but the effect on Third World nations might be even more dramatic. Could a developing country

stand up to a timber giant wanting to clear-cut the rain forest? A multinational retailer flouting labor laws? Says Mary Bottari, of Public Citizen's Global Trade Watch, a liberal activist group: "The mere threat of a vast damage award could make poorer nations concede before the fight."

American businesses want trade treaties to protect their property from seizure abroad. Says Stephen Canner, vice president of the U.S. Council on International Business (USCIB): "If there's a taking of property, a government has to pay." NAFTA's investor clauses were strengthened partly because American investors did not trust Mexico. "The idea was to protect factories from being taken over in some banana republic," says Segundo Mercado-Llorens, a labor lobbyist. "No one contemplated these provisions would be used to invalidate our environmental laws."

Methanex further disputes California's reasons for banning MTBE, saying benzene and other gasoline components

are "more hazardous." It accuses California Governor Gray Davis of ordering the ban because he received campaign contributions from a U.S. manufacturer of ethanol. Davis denies the charge. State officials cite studies showing that MTBE causes cancer in lab animals and symptoms such as headache and nausea in humans. The federal EPA is also considering a ban. Unlike other gasoline components that stick to the soil when they leak, MTBE is unusually solvent, escaping from even reinforced tanks and moving rapidly into nearby water wells. Water experts say ethanol, a corn derivative, would be less harmful, but California is lobbying Congress to let gasoline be sold in the state without either MTBE or ethanol.

The U.S. State Department says the Methanex claim "does not remotely resemble the type of grievance" envisioned under NAFTA. But the Canadian firm is only one of more than a dozen multinationals that have taken advantage of the treaty's broad provisions. The LOEWEN GROUP, a Canadian funeral conglomerate, wants

the U.S. government to pay \$725 million in damages because a Mississippi jury harbored what Loewen claims were "anti-Canadian, racial and class biases" when it found the company guilty of contract fraud. METALCLAD, a California firm that was prevented from opening a toxic-waste plant in Mexico, won \$15.6 million from that country. UPS is seeking \$160 million from Canada because its public postal service competes "unfairly" against the Atlanta-based firm.

The USCIB's Canner calls investor rights "leveling the playing field." But if the global field is leveled, can Mississippi punish fraud? Can Canada subsidize its postal service? Can Mexican towns ban toxic waste? These questions go to the heart of the debate over globalization. And they're being decided right now, behind closed doors.

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THE FTAA AND THE SCOURGE OF SWEATSHOPS

A decade ago, most people only knew about sweatshops through what they had read in history books. Today, people read about sweatshops in their daily newspapers. The sweatshop, once thought to be a relic of another time, has returned with a vengeance.

The resurgence of the sweatshop can be directly linked to the expansion of corporate globalization. The sweatshop is both metaphor for and proof of the lawlessness and inequities of the new global economy.

Every new sweatshop exposé raises new doubts about who corporate globalization is really benefiting.

The Free Trade Area of the Americas (FTAA) will drastically accelerate corporate globalization in the Americas, giving more power to multinational corporations at the expense of ordinary citizens. This will likely spread sweatshop-style production to more countries. As dog-eat-dog competition among countries increases, workers will likely see their already-low wages drop even further and their already-assaulted rights face even more threats.

What Is a Sweatshop?

There are several different ways to define a sweatshop. According to the US Department of Labor, a sweatshop is any factory that violates more than one of the fundamental US labor laws, which include paying a minimum wage and keeping a time card, paying overtime, and paying on time. The Union of Needletrades Industrial and Textile Employees (UNITE), the US garment workers union, says any factory that does not respect workers' right to

organize an independent union is a sweatshop. Global Exchange and other corporate accountability groups in the anti-sweatshop movement would add to this



definition any factory that does not pay its workers a living wage—that is, a wage that can support the basic needs of a small family.

In the popular mind, a sweatshop is identified with hard work. And, in fact, garment manufacturing's reliance on human labor helps explain why apparel factories are so often sweatshops.

The softness of the garments used to make our clothes, along with the complicated patterns involved, means that apparel production doesn't easily lend itself to mechanization. For more than 150 years, the sewing machine has been, and today

remains, the best way of making clothes. The basic method of garment production continues to be a worker, usually a woman, sitting or standing at a sewing machine and piecing together portions of cloth. Every blouse, every pair of jeans, every t-shirt, and every pair of shoes has to be tailored by a person doing the work. Everything we wear is made by someone.

To keep labor costs low, apparel shop owners usually pay workers a "piece rate." That means workers don't get paid by the hour. Rather, their wage is based on the number of items—shirts, shoes, socks—they complete in a shift. If workers hope to earn a decent income, they have to work hard, and they have to work long. Basically, they have to sweat.

What Kinds of Abuses Do Workers Face?

Around the world, garment workers spend dozens upon dozens of hours a week at their sewing machines to make the clothes and shoes that eventually end up on retailers' shelves. Verbal, physical and sexual abuse are common. Workplace injuries occur regularly. The wages are low. And when workers try to organize to defend their interests and assert their dignity, their efforts are invariably repressed. In country after country, the stories are hauntingly the same.

Workers at a plant in El Salvador, for example, say they are frequently required to work mandatory overtime as they sew jerseys for the National Basketball Association, according to the National Labor Committee, an anti-sweatshop group. That means they often put in 11-hour shifts, six days a week. If the workers at that factory refuse to work overtime,

they lose a day's pay. Workers making jeans in Mexico say that sometimes they are forced to work all night shifts, and are prevented from leaving the factory by armed security guards.

"I spend all day on my feet, working with hot vapor that usually burns my skin, and by the end of the day my arms and shoulders are in pain," a Mexican worker, Alvaro Saavedra Anzures, has told labor rights investigators. "We have to meet the quota of 1,000 pieces per day. That translates to more than a piece every minute. The quota is so high that we cannot even go to the bathroom or drink water or anything for the whole day."

In the grueling atmosphere of desperate cost-cutting by corporations, work is accorded little value and, by extension, workers are afforded little dignity. Viewed more as production units than as people, sweatshop workers regularly suffer abuse and intimidation from factory supervisors. "They don't respect us as human beings," a Nicaraguan worker has told anti-sweatshop groups.

Verbal abuse is particularly common, and workers regularly report being harassed and bullied by shop managers. Workers who managers think are not working fast enough are usually the target of shouting and yelling. Physical abuse is also not unusual. Workers in a factory in Mexico making collegiate apparel for Reebok and Nike have said managers there regularly hit them and slap them, according to the Workers' Rights Consortium.

Sexual abuse is endemic. Most garment workers are women, the vast majority of them young women in their teens or twenties who have left their homes for the first time so that they can earn money to send back to their families.

According to Human Rights Watch, in the *maquiladoras* along the US-Mexico border, factory managers who want to weed out pregnant workers so they can avoid having to pay maternity benefits force women workers to prove they are menstruating, a

demeaning procedure that is against Mexican laws. Mandatory pregnancy tests are also common in El Salvador, and women who test positive are fired, also in violation of that country's laws.

Workplace injuries and exposure to toxic chemicals also pose a daily risk to apparel workers. To prevent workers from stealing the items they are producing, factories sometimes lock the plant's doors and windows, creating a fire hazard. In many factories, workers are not given masks to put over their noses and mouths, exposing them to tiny cloth fibers that get stuck in the lungs or dangerous glues.

But What *Kind* of Jobs?

Whenever a debate about corporate globalization and sweatshops arise, defenders of the status quo will almost always say: Sure a sweatshop is bad, but at least it gives people jobs they wouldn't have otherwise. The response to this short sighted argument is: But what *kind* of jobs? Yes, poor people want jobs. But they also want to be treated with dignity and respect. It's always worthwhile to give people new opportunities. The problem is that sweatshops don't provide real opportunities because the corporations are so determined to keep wages low.

The shantytowns of the free trade zones and the squalid dormitories connected to garment plants reveal that a sweatshop is defined as much by the factory itself as by what surrounds the factory. That is, the corporations may have invested in their factories, but they have not invested in the workers.

In their drive to keep consumer prices low, sales numbers growing, and post profits that will please investors on Wall Street, the US retail industry has become more ruthlessly competitive year after year. As the retailers put pressure on their subcontractor manufacturers to keep prices down, the manufacturers in turn squeeze the costs out of the workers, forcing them to work harder for less. The big losers are the workers—the people actually making the products.

According to the National Labor Committee, a worker in El Salvador earns about 24 cents for each NBA jersey she makes, which then sells for \$140 in the US. A Global Exchange investigation revealed that workers in Mexico producing jeans for the Gap earn as little as 28 cents an hour. In poorer countries such as Haiti and Nicaragua, the wages are even lower.

In their efforts to attract investment, developing countries deliberately keep their wages low. While multinational corporations often say that workers are paid the local minimum wage, the minimum wages are set at a poverty level, rarely high enough to support a family or allow a person to save for the future.

The 60 cents an hour the Salvadoran NBA seamstresses earn is only about a third of the cost of living, and even the Salvadoran government says this wage leaves a worker in "abject poverty." Likewise, the women making Gap jeans say they would have to earn about three times what they do to support their families. When Nike workers at seven of the company's subcontractor plants in Central and South America were asked about their earnings, two thirds said they didn't make enough to save or support others, according to a study funded by Nike itself.

But if the conditions and wages in sweatshop are so terrible, why do workers tolerate it? Often they don't. In countries around the world, garment workers have sought to improve their situation by trying to organize unions. Those efforts are almost always crushed. Union organizers have been beaten, thrown in jail, blacklisted, and even killed. In some countries, such as Mexico, the government often cooperates with factory owners as they try to bust organizing drives. In a few countries with strong labor histories, such as Nicaragua and the Philippines, unions are tolerated, but not in the "free trade" zones where most sweatshops are located. In these manufacturing zones, workers are

expected to leave their liberty at the factory gates.

“We’re not against foreign investment in Nicaragua,” a worker there has told rights groups. “But we are against exploitation.”

Sweatshops, the New Global Economy, and the Race-to-the-Bottom

The signature characteristic of the new global economy is the increased mobility and flexibility given to finance capital. Corporations now have more freedom than ever before to locate to whatever countries will provide the lowest wages and the loosest regulations, thereby keeping the company’s costs in check. The retail industry has taken advantage of this new dynamic like few other business sectors.

If sweatshops have become a metaphor for globalization’s excesses, that’s because garment factories are, in fact, the shock troops of the global economy. Visit a country that has just recently opened itself up to foreign investment, and you will likely find a host of garment factories, even if there are very few other multinational enterprises located there. Nicaragua and Cambodia are a typical examples—poor, war-torn countries that have attracted scores of garment manufacturers but very little else in the way of foreign investment. Low tech, intensely dependent on cheap labor, clothing manufacturing is the crest of the corporate globalization wave.

Separate forces meet in a shameful mix: A footloose industry scours the world for the cheapest wages; countries eager for any kind of investment auction off their workers to the lowest bidder; government regulators deliberately look the other way when abuses occur in order to keep foreign investors happy. It’s that combination of desperate profit-seeking and equally desperate investment pursuit which has created the race to the bottom that is at the root of the sweatshop resurgence.

For workers, the current system is a trap. The apparel manufacturers fear that if they raise their workers’ wages, and therefore

their prices to the US retailers, the US retailers will simply go someplace with even cheaper workers. The threat is real. Because the garment industry is so mobile, and because the purchasing ability off the retailers is so flexible—they can shift sourcing from one country to another in a matter of a fashion season—any country that raises its wages or enforces its workers’ rights risks is, as mainstream economists say, “pricing itself out of the market.” That risk is what keeps wages low as long as the retail corporations demand the cheapest price possible.

The race to the to the bottom is happening. Regardless of which country they live in, garment workers endure the same long hours, the same hard work in demeaning environments, and same small wages.

NAFTA, the FTAA and Sweatshops

So-called “free trade” agreements such as NAFTA have exacerbated this race-to-the-bottom.

NAFTA is, in a sense, an “investors rights” treaty. That is, it gives investors new abilities to move production facilities and finished goods and services across international borders while providing investors with guarantees that governments won’t get in the way of their business.

Lower tariff rates and the elimination of import quotas make it easier for goods and services to move across borders. At the same time, NAFTA’s rules have given corporations assurances that government regulations won’t interfere with their operations. NAFTA gave corporations new legal rights to sue national governments for the enactment of policies that can undermine their profits.

The changes wrought by NAFTA gave US and Canadian corporations new incentives to relocate factories to Mexico, where wages are lower and labor unions weaker. This contributed to an increase in the number of sweatshops in Mexico.

Corporations have been happy to use the new advantages given them by “free trade”

agreements, especially when facing organized work forces in the wealthier countries. According to a study conducted under the auspices of NAFTA’s labor side agreement, 90% of 400 plant closings or threatened plant closings in the US in a five-year period occurred illegally in the face of a union organizing drive.

If the FTAA becomes reality, the race-to-the-bottom will accelerate as corporations gain even more ability to move throughout the Western Hemisphere. This will spread sweatshop style production to new places, while making current sweatshops even more miserable as workers are asked to toil for less and less. Under the FTAA, corporations will be able to pit exploited workers in Mexico against even more desperate workers in countries such as Haiti.

In fact, this dismal prospect is already becoming reality. China’s entry into the World Trade Organization has led to some companies moving their factories from Mexico to China, where wages are cheaper. Since 2000, about 350 *maquilas* have left Mexico in search of cheaper labor and looser environmental regulations. Approximately 300 of these have moved to China.

Under the FTAA, the corporations will gain more powers to act without being accountable to their workers, the communities in which they operate, or the public in general. The corporations’ gain will come at workers’ expense, as more and more people can find only jobs that offer no dignity and provide no opportunity. The FTAA will be a boon for the sweatshop economy.

To find alternatives to sweatshop clothing, visit:
www.globalexchange.org/sweatshops

To fight the FTAA, go to
www.globalexchange.org/ftaa

MEXICAN WORKERS PAY FOR SUCCESS WITH LABOR COSTS RISING, FACTORIES DEPART FOR ASIA

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By Mary Jordan
Washington Post Foreign Service
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TIJUANA, Mexico—Cesiah Ruiz Brena came to Tijuana in 1989, deliriously happy to get a job at a new Japanese factory. Her work space was grand, the lights were bright and the pay was unimaginably good: \$100 a week to start.

But after 13 years during which her wages rose to \$200 a week, Ruiz Brena lost her job on June 1. Her Canon inkjet printer factory shut down. She and her coworkers shared a cake, snapped photos of one another and said good-bye. The factory, they were told, was moving to Thailand and Vietnam, where wages are as low as \$15 a week—less than what she earns in a day.

All along the Mexican border with the United States, once-busy factories are closing. Since the end of 2000, tearful farewell parties have been held for 250,000 factory workers in Mexico. Some of the same jobs that left North Carolina textile plants and Ohio auto-parts assembly lines for Mexico in the 1980s are now moving to Asia. The reason is the same: cheaper labor.

The loss of jobs here in part reflects the slowdown in the U.S. economy. But many of the plant closings are just the globalized economy at work. Factories came to take advantage of low wages; now that success has driven wages up, they are moving on. Mexico is left with a bittersweet legacy: higher wages, but fewer jobs.

More than 500 foreign-owned assembly-line factories in Mexico, called maquiladoras, have closed in the past two

years, in part because wages have doubled in the past 10 years and are no longer considered low in the world economy. An entry-level factory worker in Tijuana earns \$1.50 to \$2 an hour, compared with 25 cents an hour in parts of China.

International companies once wary of China are increasingly inclined to invest there. Those include a golf-club manufacturer that laid off 1,500 employees in Tijuana and an electronics factory in Guadalajara that left 4,000 workers jobless when it moved. Suddenly Mexican workers feel that China is their fiercest competitor, sucking their jobs east.

“It’s a reality of globalization,” said a Mexican economist, Rogelio Ramirez de la O. As he surveys companies in Mexico, he said, they increasingly talk of moving to China. “This is not going to turn around automatically. It’s a structural adjustment in the world economy.”

The factory closures are a jolt to an industry that until 2001 had never known a year in which it did not grow. Started in the mid-1960s, the maquiladora industry had been expanding steadily, with double-digit annual growth after passage of the North American Free Trade Agreement (NAFTA) in 1994. The pact meant that designer jeans could be sewn and television sets assembled here cheaply, then shipped tax-free to the United States, the world’s largest consumer of goods.

From 120 export factories in 1970, the industry swelled to more than 3,700 in 2000. In Tijuana, a border city of 1.5 million residents just south of San Diego, one new industrial park after another opened over the last 15 years. Today, sprawling factories making electronics, auto parts and medical supplies ring the city. The maquiladora industry produces half of Mexico’s \$143 billion annual

exports of manufactured goods.

But in responding to the new reality of overseas competition, the industry is trying to shift from labor-intensive assembly, in which China and other Asian countries now have the edge, toward higher-skilled, higher-tech manufacturing. As a result, the number of factories has receded to about 3,200.

“It’s similar to the reinventing that had to be done in the United States” in the 1980s, said Ramirez de la O.

But, he said, Mexico is ill-prepared for the transition. The government has been lax about monitoring wage increases and supporting worker education and training programs, preferring to believe that the factory problems will disappear with the U.S. recession. “That has clouded their eyes to the problems,” he said.

Wages in Mexico have risen faster than inflation, and at a faster rate than those in the United States and Asia. Rolando Gonzalez, president of the National Maquiladora Association, said that is not all bad. Fatter salaries mean better housing and better living conditions for workers, he said, and Asian competition is forcing an improvement in workers’ skills.

In what many see as a harbinger, Pratt & Whitney just opened an aircraft parts repair factory here, locating its high-tech operation in what was once a low-tech Styrofoam packing plant.

“Times are changing,” said Tijuana’s mayor, Jose de Jesus Gonzalez Reyes. “Companies used to come here for our low-cost labor. That is not our best selling point anymore.”

The mayor said a natural evolution is taking place: Over time workers do better, more difficult work and, therefore, earn more money. Now, rather than promoting Tijuana as a hub of cheap labor, Gonzalez

said, the city is focusing on its location in the back yard of the United States.

“This is our new strategy, selling the Tijuana-San Diego region,” he said.

It is cheaper to truck most goods from Mexico to the United States than to ship them from Asia. But the wage differential between China and Mexico is so great that the bottom line usually tips to production in China.

Still, for some large items that are the most costly to transport, such as automobiles, Mexico has an advantage. Toyota recently announced plans to open a new pickup truckbed factory here.



Tijuana has a long history of reinventing itself to respond to economic changes. In the 1980s, the city took advantage of a pre-NAFTA free trade zone to create what many called the “perfume capital of the world.” Companies imported perfumes from Europe, then took advantage of free trade benefits to sell them duty-free to large U.S. retailers.

When NAFTA provided tax-free incentives for maquiladoras, Tijuana substituted crates of electronics components for perfume bottles and became one of the world’s leading television set assembly sites. So many Sony, JVC, Panasonic and Hitachi sets are assembled here—more than 15 million a year—that some call the city “TVjuana.”

But Asian manufacturers have made steady inroads into Tijuana’s television territory. “If we don’t want to lose the title of TV capital, we need to get into plasma and high-definition TV,” said Humberto Inzunza Fonseca, Tijuana’s director of economic development. “We are in the process of changing again.”

Narrowing the salary gap between Mexico

and the United States is a goal of the Mexican government. Most U.S. factory jobs pay six to 10 times more than similar jobs in Mexico. The Mexican government hopes that rising wages at home will eventually slow illegal immigration to the United States and keep more of the country’s most ambitious and entrepreneurial workers at home.

Wages are not the only reason 35,000 Tijuana factory workers have lost their jobs since January 2001, according to Daniel Romero, head of the Tijuana maquiladora association. A new tax on imported raw materials is hurting competitiveness, as is an unusually strong peso. Changing government regulations and uncertainty over what legislation the Mexican Congress will pass have further soured investors.

In Canon’s case, global competition has dropped the price of each printer Ruiz Brena and other Tijuana workers assembled from \$300 to \$100 in recent years. That put enormous pressure on the company to lower costs, making Asia more attractive.

A silence now hangs over the 250,000-

square-foot plant that once hummed with 1,400 workers. It is an empty cavern in which a handful of employees are closing up shop.

“It is a big loss,” Ruiz Brena said. “I felt like it was home to me.”

Some of the newly jobless workers are returning to their dead-end villages. Some are thinking about crossing into the United States. But many more are waiting for Tijuana to remake itself again.

“I’m staying in Tijuana because there’s nothing in the south of Mexico,” Ruiz Brena said. “Here it’s difficult, but there it’s worse.”

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FREE TRADE, THE ENVIRONMENT AND BIOTECH

Some of the biggest winners from North American Free Trade Agreement (NAFTA) have been the agribusiness and biotech industries. These corporations' unhealthy grip on consumers and farmers will only advance with the implementation of the Free Trade Agreement of the Americas (FTAA). The widespread implementation of Genetically Engineered (GE) crops throughout the Americas will likely accelerate corporate consolidation of the agriculture sector, provoke pervasive impacts on human health, and further destroy the environment, already on the brink of collapse.

A Bill of Rights for Agribusiness?

One of the most hotly contested sections to NAFTA has been Chapter 11, a virtual Bill of Rights for corporations. Chapter 11 allows corporations to sue governments for "damages" if a government law affects their profits. This undermined the sovereignty of democratically elected governments.

A Quebec law banning specific pesticides reveals how Chapter 11 clauses—which are set to be included in the FTAA—undermine environmental protection. Quebec laws ban a popular weed killer called 2,4-D that is considered a possible human carcinogen, and shown to adversely affect the immune system and reproductive functions in humans, among other impacts. But now a corporate lobbying group representing some of the makers of the pesticide are now threatening to challenge the law by suing the Canadian government under NAFTA's Chapter 11. The provincial government of Quebec and Canadian taxpayers has been given a harsh choice: face paying the corporations millions of dollars, or repeal the law.

Similar cases could speed the introduction of GE crops. Several states and municipalities in the Americas—from

Oregon to Mato Grosso, Brazil—have passed anti-GE legislation. These statutes will no doubt come under heavy fire from corporations under the FTAA. Any expansion of Chapter 11 through the FTAA will further threaten local, state and national governments' ability to enact legislation to protect their citizens and environment.

Biopirates: on your mark, get set, go!

In the last decade, the Americas and its biodiversity have been targeted by "life science" corporations ((the growing consolidation of pharmaceutical, agrichemical and seed corporations) in search of "green gold." These corporations have pillaged humankind's patrimony of traditional knowledge and biodiversity to create and patent drugs and agriculture products. The quest to develop and patent biodiversity, especially medicinal plants and crops, is threatening our food security, access to health care and the biological and cultural diversity of the Americas. The FTAA Intellectual Property Rights chapter will require that member countries allow the patenting of life forms and the extension of US Life Science patents across the continent. Member countries will be unable to restrict or deny corporations' access to biological riches.

ADM/Cargill: Control from seed to supermarket

Archer Daniels Midland (ADM) and Cargill together control roughly two thirds of US corn and soy exports. These two super powers have benefited from the lion's share of US government agriculture subsidies, allowing them to consolidate and expand their market share throughout the continent. ADM, for example, owns 22 percent of Maseca, Mexico's largest corn meal producer, which is now invading South and Central America. In addition, both ADM and Cargill are involved in joint ventures with

life science corporations, Novartis and Monsanto, respectively, further extending their monopolistic control. ADM and Cargill have generally refused to segregate GE from non-GE crops, eliminating consumer choice and imposing GE foods on consumers.

GE food labeling

Despite the fact that independent polls in virtually every country on the planet demonstrate that people want GE foods labeled, corporations and national governments have refused to do so. With the FTAA, labeling laws will be "harmonized" to the low standards of the US—i.e., no labels for GE foods.

GE contamination

GE crops are being proposed as not only the silver bullet solution to global hunger, but also the only option for agri-economic development for the hemisphere. However, GE crops have not been adequately tested by the US Department for Agriculture or the Food and Drug Administration. Impacts on the human health include, but are not limited to, allergic reactions, increased food toxicity and antibiotic resistance. As demonstrated by the genetic contamination of native corn varieties in Mexico discovered in September 2001, GE crops represent a virtual "Pandora's Box" that has already blown open. The genetic contamination of native Mexican corn varieties by genetically engineered versions was largely a result of the introduction of nonsegregated, subsidized GE corn from the United States and NAFTA.

The expansion of GE crops will accelerate environmental destruction. Aside from the environmental catastrophe of genetic contamination, GE crops are provoking more obvious environmental impacts. Greenpeace has documented the accelerated deforestation in Argentina as a result of widespread GE soy cultivation.



Centers of Origin, Mega-diverse countries

Latin America is one of the most biologically and culturally diverse regions on the planet. Dozens of crops have been developed and domesticated by Indigenous peoples over the last 10,000 years, including corn and potatoes, two of the world's most important crops. Mexico alone is the center of origin and diversity for some 112 crops, including tomatoes, beans and peppers. The introduction of Genetically Engineered crops into these regions threatens the long-term viability of not only the crop itself, but the ecosystem as whole. Additionally, 7 of the world's 12 mega-diverse countries, (Mexico, Brazil, Venezuela, Peru, Ecuador, Costa Rica and Colombia) are found in the Americas. "Mega-diversity" countries represent the majority of the world's biodiversity and surviving Indigenous peoples, the true guardians and developers of biodiversity.

Un-kept promises, peeks at the future:

"Free trade" agreements to date have been little more than code words for US business expansion across the globe. In

theory, these agreements assume a level playing field between partners. However the United States has yet to follow the rules. Just recently, the US Congress approved a \$70 billion agricultural subsidy for the next 10 years. This largely benefits corporate agribusiness while undermining small farmers both in the US and across the globe.

One of the most glaring attacks on food security and agribiodiversity has been US corn exports to Mexico under NAFTA. Import quotas were established under NAFTA to protect Mexico's corn producers for up to 15 years, applying high tariffs on imports exceeding those tariffs. However the quotas were lifted within three years, paving the way for millions of tons of corn to be dumped on Mexico. The corn imports in Mexico have displaced at least 500,000 farmers and is steadily eroding the genetic diversity of thousands varieties of native corn varieties. The FTAA will open up national and local markets, already vulnerable as a result of the World Bank's Structural Adjustment programs and volatile international market.

Legislative vacuum

The FTAA, while expanding the concept of "trade" to include services, excludes any mention of consumer rights, environmental protection or indigenous right

In fact, the FTAA directly contradicts important international legislation designed to protect the rights of Indigenous peoples and biodiversity, like International Labor Organization Convention 169 and the Convention on Biological Diversity. Unlike NAFTA, which included token environmental and labor side agreements, the FTAA completely disregards international law, while undercutting national and local legislation. Of particular importance is the Cartagena Protocol on Biosafety, designed to regulate the cultivation and trade of Genetically Modified Organisms.

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FOOD SECURITY, FARMING, AND THE WTO/FTAA

The global food supply is increasingly falling into the hands of a few large corporations. More and more, traditional farming methods are being replaced by large agribusinesses that rely on mechanized production, harmful chemicals, and patented seeds, to the detriment of family farmer income, biodiversity, environmental sustainability, and food security. The proliferation of “free trade” agreements and policies of privatization have had disastrous effects on farmers, food security, and the environment.

Implemented in 1994, the North American Free Trade Agreement (NAFTA), liberalized trade between Canada, the U.S. and Mexico. Under NAFTA, farmers’ income in all three countries has declined, and millions of small farmers have lost their land, while corporations have reaped huge profits. In spite of the obvious failures, negotiations are currently proceeding to model new agreements after NAFTA. One of the new agreements, the Free Trade Area of the Americas (FTAA) will extend the scope of NAFTA to include all countries in the western hemisphere with the exception of Cuba—thus multiplying the harrowing effects of NAFTA on small farmers and threatening food security for generations to come.

The FTAA is being written to be compatible with the Agreement on Agriculture (AOA) of the World Trade Organization (WTO). Underpinning the AOA is the idea that market forces—prices determined at the Chicago Board of Trade—rather than national policies set by democratically elected officials, should control agricultural food systems. As a result, national, state, and local policies addressing food security are being undermined by transnational corporations looking to flood markets with imports from abroad.

The World Trade Organization: Reducing “Barriers” to Trade

The WTO’s alleged goal in agriculture is to eliminate *tariffs*, or taxes on agricultural imports, to promote “free trade” in agriculture. Many countries maintain high tariffs on agricultural products to protect their local industries. If an imported product has an additional tax that a locally-produced product doesn’t, the local production is protected from some competition. This is an important strategy used by many governments around the world to assist farmers in times of crises in global market prices, or to help guarantee food security through local food production. Many rich countries, however, maintain tariffs that are too high for products from poor countries to compete. So many poor countries with strong agribusiness sectors are demanding that rich countries lower their tariffs on certain products, so that poor countries can gain *market access*.

For example, one of the most important issues for Brazil in the FTAA negotiations is access to U.S. markets in orange juice, soy, and beef. But the U.S. has high tariffs on all three of these products. These industries are well-represented in the trade negotiating committees of the FTAA, and are based in states that are key to the electoral college (like Florida). Therefore, the Bush administration is unlikely to concede to developing countries on an issue that would hurt key sectors in the U.S. economy that are important for the presidential elections!

The larger issue for developing countries at the WTO, however, is the issue of dumping. Dumping refers to the selling of products in another country below the cost of production. Companies are able to sell below the cost of production because of the government sets prices at record low levels, and then gives the

farmers subsidies to make up for lost income. In many countries, subsidies also work to assist not just corporate but struggling farmers. The WTO works to eliminate most subsidies on the grounds that they are trade-distorting or protectionist. But rich countries have largely won exemptions for the types of subsidies they use, while prohibiting the types of subsidies used by developing countries.

In 2002, the U.S. Congress passed a farm bill which sets prices lower than the cost of production for many agricultural commodities, drastically reducing the income of farmers without significantly hurting agribusiness. To somewhat offset this, the bill also allocates an additional \$190 billion in subsidies over the next ten years, two-thirds of which will go to farmers growing export crops such as wheat, soybeans, corn, cotton, and rice. Developing countries usually do not have enough money to subsidize their farmers to this extent. Even a New York Times Editorial recently acknowledged that “no matter how small a wage Filipino workers are willing to accept, they cannot compete with agribusinesses afloat on billions of dollars in government welfare.”

But there is no guarantee that farmers will see the majority of these allocated subsidies, and even abolishing them would not solve the problem of artificially low prices, the real culprit. Artificially low prices create a broken system in which transnational trading corporations reap windfall profits because they can buy at artificially low prices but sell at market rate, and taxpayers are set up to bail out the farmers.

In the FTAA negotiations, the U.S. is attempting to coerce developing countries into accepting a wide range of painful new concessions, such as privatization of health care and education, in exchange

for U.S. concession to eliminate some trade-distorting subsidies to large American agribusiness. However, the U.S. claims it can only do this if Europe and Japan also eliminate their subsidies, a negotiation which will take place in the WTO. *Therefore, the WTO negotiations on agriculture have the potential to bring the entire FTAA process to a standstill.*

Effects of "Free Trade" Agricultural Policies on Small Farmers and Food Security

As the FTAA and WTO would consolidate and expand the free market policies, the crisis gripping rural communities in the U.S. and around the globe grows.

Increased Poverty/Loss of Food Security

Although it is against trade law, in practice, dumping is common, as rich countries disguise such policies as subsidies. Family farmers have watched their incomes fall, as heavily subsidized agribusinesses have flooded the international market with artificially low priced agricultural goods. In India, a massive increase in farmer suicide rates has been documented as farmers are no longer able to feed their own families.

Developing countries are unable to utilize traditional methods of encouraging self-sufficiency in food production, because the WTO prohibits internal support programs and import controls. The result has been an increased dependence on imported staples such as wheat and corn that have to be bought on the global market instead of grown locally. Since many countries can't afford to buy imported food, they have to increase their foreign debt or suffer increased rates of malnutrition

Unfair Tariff Escalation

The practice of increasing the tax rate on imported goods as their value increases is known as *tariff escalation*. Such economic policies favor countries with developed manufacturing sectors by increasing

their access to cheap raw materials. Unfortunately, it also discourages industrialization in developing countries because it is cheaper to export raw materials to the richer countries for processing, rather than to develop their own manufacturing capacity. This leaves developing countries with only the smallest piece of the pie of production. Since many poor countries rely on only one or two raw commodities for a large share of their national earnings, the unfair practice of tariff escalation can dramatically limit the potential for economic growth.

Corporate Control of Seeds

The TRIPs agreement establishes global and uniform protection for trademarks, copyrights and patents. Perhaps most controversial and worrisome is the fact that it also applies to *life forms*. For example, traditional, plant-derived medicines used by Indigenous populations in countries such as Brazil could be patented by a transnational corporation for profit, as long as the Indigenous peoples had not already done so. It is highly unlikely, however, that Indigenous communities would seek a patent, because plants are considered to be a shared resource, not a commodity to be exploited for profit.

The TRIPs agreement undermines global access to and distribution of seeds and, therefore, the food supply. As corporations begin to patent seeds, local farmers must pay annual fees and/or sign technology use agreements that limit their use of the seeds that have been used by generations. Subsistence farmers cannot afford the cost of purchasing new seeds each year. Furthermore, the TRIPs agreement does not prevent corporations from collecting and patenting seed varieties held by Indigenous peoples. Some corporations are even researching and planning to use genetically engineered seeds that produce sterile plants that can neither be saved nor replanted. Currently, the U.S. plans to strengthen corporate protections under the FTAA, imposing even stronger

requirements for intellectual property rights on biological resources than those required by the WTO in TRIPs. Because it is almost exclusively multinational corporations that patent seeds, there is no potential for poor countries or farmers to benefit from the patenting of life.

Loss of Land and Increase in Migration

Millions of Mexican farmers have lost their sources of income, forcing them to abandon their farms as a result of NAFTA and the WTO. Cheap corn imports from the U.S. into Mexico have increased from 156,000 tons to 6 million tons per year. This has destroyed the livelihood of millions of Mexican peasants, and created a massive farmers' migration to big cities and other countries in search of jobs. Annually now 500,000 Mexicans per year attempt to cross the US border to find a way to feed their families. In April of 2001, 14 farmers from Veracruz perished in the Arizona desert while trying to cross the U.S.-Mexico border in an attempt to feed their families. Not an isolated incident, families are being torn apart because of the results of unfair global trade policies that favor corporate profit over communities.

Family farmers in the US and Canada have also felt the devastating consequences of NAFTA, losing land to the more concentrated agribusinesses. A mere 2% of farms in the U.S. constitute 50% of American agricultural sales. Only 4 companies control 89% of the cereal market, with similar figures in the livestock industry.

The Spread of Genetically Modified Organisms

Currently, agreements under the WTO grant unprecedented rights to multinational corporations producing genetically modified organisms (GMOs). The WTO has ruled that GMOs must be treated no differently than their conventional counterparts. Thus, consumers are unknowingly being used as guinea pigs for the powerful biotech industry. Scientists have argued that the

spread of GMOS drastically reduces biodiversity as a result of the contamination of conventional crops by pollen from those containing GMOs. Currently, no satisfactory protections exist to safeguard our food supply from known or unknown dangers of this new technology.

Environmental Degradation

Industrial agriculture practices take an extra toll on the environment that is not reflected in consumer prices. The overuse of fertilizers and chemicals, overgrazing, and the dumping of agricultural by-products such as excrement and pesticides into rivers and streams all damage the quality of air, water, and soil, which are our shared resources. Corporate “free-trade” agreements continue to stick communities and taxpayers with the costs of cleanup and loss of environmental quality, while corporations reap the profits embodied in industrial agriculture.

Increased Food Prices

Consumer prices were supposed to decline under NAFTA—yet hunger and malnutrition have increased during the last 10 years. Meanwhile, agribusiness has seen record profits during this period. ConAgra, one of the largest food processors in the U.S., saw profits jump from \$143 million to \$413 million from 1993 to 2000. At the same time, without domestic support for family farmers, poor countries have become increasingly dependent on food imports. When exchange rates fluctuate, this can lead to a dramatic rise—sometimes a doubling or tripling—in food prices for poor consumers in developing countries.

Erosion of Democracy

In order to be in compliance with NAFTA, the Mexican government actually had to change the Mexican Constitution statutes regarding land ownership. This led to the uprising of the Indigenous people of Chiapas in the

Zapatista rebellion on January 1, 1994—the very day NAFTA took effect. The Zapatistas view NAFTA as a death knell for Indigenous people. Farmers across Mexico protested the implementation of the final phase-in of NAFTA agricultural policies on January 1, 2003. A new movement called “The Countryside Can’t Take Anymore!” is working to educate the world about the failed promises of “free trade” in Mexico.

This situation is not unique to Mexico. Under Chapter 11 of NAFTA, corporations are empowered to directly sue national governments (called investor-to-state rights) in the event that legislation interferes with their profit maximization. The FTAA and WTO negotiations intend to expand such investor-to-state rights.



Food is a Human Right: Towards a Policy of Food Sovereignty

Farmers worldwide are demanding an entirely different approach to agriculture and trade, one that prioritizes food sovereignty, security, and the preservation of rural livelihoods. Via Campesina, the global movement of peasant and family farmers’ organizations, has led the way in advocating Food as a Human Right and is demanding that governments uphold their right to food sovereignty.

A twelve-step program for global human rights and food security would include:

1. Agriculture out of the WTO. Food is a human right and should not be treated the same as any other commodity. Food as a human right demands that governments set national policies that encourage food security—local and diverse production of food to guarantee adequate and accessible nutrition for all citizens. Governments must maintain the ability to pass laws for the national security of their populations—food sovereignty.

2. Stop Dumping. Developed countries should completely eliminate their domestic subsidies for export crops. The prosecution of dumping cases in the WTO and antitrust cases against transnational agribusiness must be pursued.

3. Improve Market Access. Developed countries should address the problem of tariff escalation, the practice of increasing tariffs with the level of processing. Developed countries should reduce their tariffs, eliminating higher tariffs faster than lower ones. Without the requisite reduction of high import tariffs on processed and semi-processed commodities, commodity-dependent countries will be unable to diversify into higher stages of the commodity values chain.

4. Reinstate Qualitative Restrictions. Developing countries should be able to put in place qualitative restrictions on imports and domestic subsidies for the protection of and support to household-subsistence farming. Developing countries should be encouraged to produce food for their domestic market.

5. Promote Fair Trade. Cash crops like coffee, cocoa, sugar, and bananas represent the largest source of income for developing countries. The Fair Trade system is the best model for an agricultural trading system that guarantees fair prices and community empowerment. It is a model based on

cooperative economics, farmer empowerment, direct relationships, increased transparency in global trade, and decreased power of purchasing monopolies. Fair Trade now holds 1% of the U.S. trade in coffee, and is growing steadily. However, we need to ensure that all commodity crops are produced under this system.

6. Reinstate Global Commodity Agreements. These agreements, which regulate supply and demand to keep prices within a steady range, promote stability and sustainability within rural communities. Action to reverse the trend in falling commodity prices is essential to any initiative undertaken at the international level to facilitate sustainable development, poverty reduction and debt relief.

7. No Patents on Life. Seeds, plants, animals, and their components—the fabric of life—should be exempt from patenting. Agricultural policy must preserve the rights of Indigenous farmers to utilize their cultural knowledge and collective use of resources. Indigenous knowledge (as related to agriculture methods, use of seeds and plants) should be protected from biopiracy. The TRIPs provisions that permit multinational corporations to patent seeds originally developed by farmers, requiring farmers to pay for the right to replant those seeds, must be abolished.

8. No GMOs. Laws and regulations on sanitary and phytosanitary standards should guarantee high quality and safe food for consumers and the environment. GMOs have yet to be proven safe. Utilizing the pre-cautionary principle, any trade agreement should ban the trade of genetically-modified substances.

9. Promote Real Land Reform. There can be no real discussion of sustainable development without considering the needs of millions of landless peasants around the world with no access to land of their own. Any global agreement that is truly based on the needs of the poor must prioritize the fair and adequate

redistribution of lands that have been concentrated from colonial times in the hands of an elite few. Additionally, the necessary resources must be redistributed to enable them to productively work the lands. Already, the Brazilian Movimento Rurais dos Sem Terra (MST) has a model land redistribution campaign that has achieved land security for tens of thousands of landless peasants.

10. Enforce Labor Laws for Farm Workers. Globally, farm workers are among the most exploited laborers, suffering the lowest wages. Even in the U.S., farm workers are not covered under many domestic labor laws. Any global agreement relating to agriculture should include provisions for the enforcement of a living wage for agricultural producers, and include all of the basic International Labor Organization's labor rights. These include the right to organize freely and form a union; the right to strike; the right to adequate health and safety protections; freedom from discrimination in the workplace; and the elimination of forced overtime.

11. Create Policies Supportive of Small Farmers and Sustainable Agriculture. International financial institutions and governments should finance sustainable agricultural practices and the improvement of rural infrastructures. They should acknowledge that small farmers and cooperatives need policies that protect land ownership, provide access to credit, offer technical assistance, provide appropriate technology transfers, and guarantee pricing mechanisms that reflect the true costs of production. Investments in agriculture should promote local knowledge and organic and sustainable production systems rather than artificial fertilizers, pesticides, and herbicides that harm the planet and place communities at risk.

12. Promote Real Democracy. All countries should guarantee that rural populations are represented in decision-

making, nationally and globally. Small producers, farm workers, consumers, and their organizations, previously excluded, should be involved—and invested with real decision-making power—in trade negotiations that affect their futures. Governments must have the right to enact legislation that protects the environment, health and livelihood of its citizens.

Corporate globalization is responsible for the loss of land, the loss of income, and the exposure to unsafe food and unhealthy working conditions for millions of people worldwide. Furthermore, it has severely exacerbated the risk of hunger and starvation, and caused the general erosion of rural communities and biodiversity across the globe. Fortunately, agricultural policies that promote food sovereignty have been developed. We have the power to change the global food system if we work together with farmers, environmentalists, consumers, and human rights advocates to say NO to the global corporatization of the food system and YES to people and earth-centered global agricultural policy.

For more information on agriculture, the FTAA and the WTO:

International:

Via Campesina www.viacampesina.org

Third World Network
www.twinside.org.sg

Our World Is Not For Sale Network
www.ourworldisnotforsale.org

U.S.:

National Family Farm Coalition
www.nffc.net

Institute for Agriculture and Trade Policy www.iatp.org

Food First/Institute for Food and Development Policy www.foodfirst.org

Public Citizen's Global Trade Watch
www.tradewatch.org

IN CORN'S CRADLE, U.S. IMPORTS BURY FAMILY FARMS

The New York Times

By Tim Weiner
The New York Times
February 26, 2002

MANZANILLO, Mexico—For many generations, corn has been the sacred center of civilization in Mexico, the place where the grain was first cultivated some 5,000 years ago.

Gods and goddesses of corn filled the dreams and visions of the great civilizations that rose and fell here before the Spaniards came five centuries ago. Today the corn tortilla is consumed at almost every meal. Among the poor, sometimes it is the entire meal.

But the modern world is closing in on the little patch of maize, known as the milpa, that has sustained millions of Mexicans through the centuries. The powerful force of American agribusiness, unleashed in Mexico by the North American Free Trade Agreement, may doom the growing of corn as a way of life for family farmers here, agronomists and economists say.

Lorenzo Rebollo, a 53-year-old dirt farmer, works two and a half acres of corn and beans here on the slopes of the eastern state of Michoacán, in Mexico's central highlands, where corn was first grown as a food crop, archaeologists say. Mr. Rebollo is one of about 3 million Mexicans who farm corn and support roughly 15 million family members.

His grown sons have left for the United States to make a living, and Mr. Rebollo says he may be the last man to farm this patch of earth. It is the same story all over Mexico: thousands of farmers pulling up stakes every year, heading for Mexico City or the United States. Some grew coffee or cut sugar cane. But most grew corn.

Roughly a quarter of the corn in Mexico is now imported from the United States. Men like Mr. Rebollo cannot compete against the mechanized, subsidized giants of American agriculture.

"Corn growing has basically collapsed in Mexico," Carlos Heredia Zubieta, an economist and a member of Mexico's Congress,

said in a recent speech to an American audience. "The flood of imports of basic grains has ravaged the countryside, so the corn growers are here instead of working in the fields."

The facts are stark. Since NAFTA took effect eight years ago, imports of corn to Mexico from the United States have increased nearly eighteen-fold, according to the United States Department of Agriculture. The imports will probably keep growing for the next six years as the final phases of Nafta take effect.

In the United States, corn growers receive billions of dollars a year in subsidies from Congress, much of it going to huge agribusiness operations. That policy fuels huge surpluses and pushes corn prices down.

Free trade and Mexico's own farm policies "threaten the ability of Mexican farmers to continue to grow corn," said Alejandro Nadal, a professor at the Colegio de México and the author of a study on the issue.

In Mexico, Nafta did away with many traditional subsidies and generous price supports. Some contend it is doing away with small farmers. About 90 percent of Mexico's corn farmers work fields of five acres or less, and their survival instincts are driving them farther and farther up Mexico's mountainsides as they strive to grow enough to get by.

"We work the land all our lives," Mr. Rebollo said. "But the farmers are growing more and getting less."

Under a slowly lifting ceiling, the United States will be able to export all the corn it wants to Mexico, duty free, by 2008. Nafta's drafters told Mexico's farmers that as the ceiling lifted, the price of corn in Mexico would slowly fall toward United States and international prices over the 15-year period.

But instead, prices plunged quickly, converging with the free-market price by 1997. This was good news for big companies in Mexico importing corn for animal feed and processed food. But it was hard on the farmers, who have little political clout under the government of President Vicente Fox, an ardent free-trader.

The effect of American imports on Mexican agriculture was not unforeseen. "Integration into the global economy will also accelerate the social dislocation that rapid modernization inevitably brings to a developing economy," Bernard Aronson, a former assistant secretary of state for Latin American affairs, wrote eight years ago as the trade pact took effect.

But some things were not predicted. One unforeseen result of the collapse of corn farming, Mr. Nadal warns, will be the loss of genetically unique kinds of corn. As imports grow and farmers give up their fields, he said, ancient varieties like the succulent blue corn used for tortillas may be endangered. Some may already be lost, he said.

"If traditional growers abandon corn production—as the Nafta strategy foresees—then even more significant genetic erosion will occur," he said.

The importation of bioengineered corn from the United States is a separate but heated issue. Mexico's government does not permit the planting of genetically modified corn. But the new modified breeds can be imported as food or feed. The science journal *Nature* and Mexico's government published findings last year showing that bioengineered genes from American imports have invaded ancient varieties of corn in the state of Oaxaca.

Nafta has had demonstrable benefits for many sectors of the Mexican economy that have become competitive, and Mr. Fox says it is no longer possible for the government to step in and assist farmers.

State legislators who want Mexico to protect its corn the way Japan protects its rice have had no luck swaying him. Mr. Fox's agriculture minister, Javier Usabiaga—a highly successful exporter known as the Garlic King in Guanajuato, his home state as well as Mr. Fox's—says that a farmer who cannot survive in the 21st century is simply "going to have to find another job."

Farmers like Mr. Rebollo are regarded as artifacts of an earlier, simpler age. "I have this little bit of land, and I work it, and it's good hard work," he said as he walked his fallow field. "But I think when I go it will go too."

THE WTO, INVESTMENT, AND THE "NEW ISSUES"

Many people would be surprised to learn that their government has, in many ways, given up its sovereign right to enact laws protecting citizens' health, the environment, and labor rights. They would likely be more surprised to find out that the wheels are in motion to enact trade agreements that further threaten democracy by granting additional rights to giant multinational corporations (MNCs). This, however, is the frightening reality underlying trade agreements that are currently being negotiated. If multinational corporations succeed, new investment agreements under the World Trade Organization (WTO) and the proposed Free Trade Area of the Americas (FTAA) will ensure that democracy is further eroded in exchange for corporate profit maximization.

It is not surprising, however, that the average citizen is not aware that the current situation is unfolding. This is no accident. The negotiations are undemocratic, they lack transparency, and they are being conducted without input from the very citizens whose lives will be affected. It is ultimately in the interest of (MNCs) to hasten the progress of such negotiations without interference from civil society, as such propositions would likely be met with strong resistance in the face of a public dialogue.

The Growth of Foreign Investments

Foreign direct investment (FDI) can be defined as the investment of foreign assets into a country's structures, equipment, and organizations. Unlike ordinary trade issues, foreign investment is much more politically sensitive, as it includes exercising control over national assets and resources. The expansion of this type of investment in the global economy has reached an unprecedented level. According to the United Nations Conference on Trade and Development

(UNCTAD), in 2001 more than 65,000 transnational corporations had expanded FDI through the creation of more than 850,000 foreign affiliates. Not unexpectedly, multinational corporations have been actively lobbying governments and trade negotiators to ensure that agreements are included under both the FTAA and the WTO to strengthen the rights of investors.

Investment agreements currently proposed under the WTO and FTAA will greatly restrict the ability of governments to implement national policy targeting crucial goals of development and poverty reduction. Furthermore, such agreements conflict with the 1962 UN Resolution on Permanent Sovereignty over National Resources, whose mandate is to regulate foreign investment by recognizing the state's permanent sovereignty over natural wealth and resources as a key component to the right of self-determination.

Investment Agreements: Following in the Footsteps of NAFTA

Investment agreements under the FTAA have been drafted to model those enacted under North American Free Trade Agreement (NAFTA)'s Chapter 11. WTO negotiators from rich countries, including the U.S. and the European Union, are pursuing investment protections under the WTO according to the same model, the implications of which will be enormous. These rich countries are pushing to include a package of "New Issues" that are not currently in the WTO, that include investment, trade facilitation, competition policy, and government procurement. If successful, these New Issues will spell the end of the role of government in setting any policies to regulate foreign capital within the national boundaries. If this becomes a reality, the scope of protected capital will be expanded to include portfolio

investments, short-term capital flows, and real estate.

Proponents of establishing investor protections under the WTO are pushing for binding rules that would allow foreign investors to enter countries without conditions or regulations, and to be granted "national treatment". If granted national treatment, foreign investors must be treated no differently than domestic investors. Much like NAFTA, an agreement of this type will be designed to maximize the rights of foreign investors while minimizing the authority and rights of governments to pursue policies crucial to their national interest. Additionally, if such agreements become a reality, developing countries will be prevented from taking the very same actions that developed countries took in their early stages of industrialization. More specifically, they will be prohibited from providing tax incentives, targeted subsidies, and procurement to developing industries so that they can compete against foreign firms. The predictable result of such disastrous policies will be the crowding out of local industry by foreign investors.

Performance requirements, crucial for meeting development goals, will also be prohibited if such agreements are established. Under such agreements, traditional methods of enacting local content requirements and limiting the repatriation of profits will be prohibited. Thus, developing countries will lose the ability to demand local content, local labor, and stimulate growth in the local economy. Additionally, the improvement of environmental and labor standards will be nearly impossible as countries will be pressured to compete in a "race to the bottom". This will particularly prove true if, as under NAFTA, governments are prohibited from screening investors on

the basis of such criteria as worker compensation or environmental standards.

Perhaps most alarming are the provisions that would model those in NAFTA's Chapter 11, related to the expropriation of foreign investment. Under Chapter 11, member governments are prohibited from enacting legislation which adversely affects the business of foreign investors, regardless of the role that such legislation would have in meeting national social and development goals. In the event that such legislation negatively affects the profits of a multinational corporation, a NAFTA tribunal can rule that the laws in question are "tantamount to expropriation". The accused government must then compensate the corporation in the amount of profits they claim to have lost. Worse yet, there is no clear definition under NAFTA as to what constitutes this type of indirect expropriation, the ambiguity of which is left to foreign investors to interpret in the way that best serves their interests.

Finally, NAFTA was the first agreement to include a system that allows individual investors to bypass their own government, taking other sovereign states directly to court. This is a major departure from existing investment agreements, and is likely to be duplicated under both the FTAA and the WTO.

Multinational Corporations in Action

In 1999, Methanex, a Canadian corporation that produces the gasoline additive, methanol, sued the U.S. government for \$970 million. The lawsuit arose following actions taken by the governor of California to ban the substance after studies confirmed that it was leaking into the ground water, causing cancer in the civilian population. Under NAFTA's Chapter 11, Methanex Corporation claimed that California's ban constituted a "confiscation" of its property and was "tantamount to expropriation". The case was brought in front of a NAFTA tribunal whose proceedings are

closed to the public. As of July 2003, the case was still pending. If Methanex prevails, American taxpayers will be forced to pay the corporation \$970 million for the right of California lawmakers to protect the very health of its citizens. Additionally, such a ruling will have a chilling effect of deterring lawmakers from enacting future laws to protect the public if they conflict with the interests of large corporations.

Wheels in Motion: Moving Towards Multilateral Investment Agreements

In spite of promises made by developed countries to focus the agenda at the WTO Cancun ministerial on development issues, efforts are instead being taken to launch negotiations on investment agreements that will benefit multinational corporations. European officials claim that the investment agreement currently being pushed by the EU is much more limited in scope than Chapter 11 of NAFTA. While this may be true, the proposal still undermines the objectives of a pro-development agenda as promised during the Doha round of WTO negotiations. Additionally, under U.S. pressure, European trade ministers are likely to agree to expand the agreement in exchange for agricultural concessions. The effects of developing such an investment agreement that mirrors that under NAFTA will be disastrous on the welfare of civil society in both developed and developing countries, as legislators will lose the sovereign right to pursue policies that puts the public interest above corporate interests.

Resisting Corporate Domination

Many developing countries have expressed their opposition to bringing new investment issues to the Cancun round of multilateral trade negotiations. As a result, there is likely to be quite a fight at the upcoming ministerial. However, many fear that developing countries will once again be manipulated into accepting an agreement that directly conflicts with their national goals, as developed countries employ strategies to

force consensus on investment issues. It is, therefore, imperative that developing countries oppose the launching of investment negotiations in Cancun. Instead, the fundamental debate in both the WTO and FTAA negotiations must focus on promoting the type of investment that leads to sustainable development.

Developing countries must retain the autonomy to pursue a strategy which ensures that foreign investment contributes in a positive manner to the realization of national goals. Additionally, developed countries must pursue trade provisions that will benefit the public welfare rather than the bottom line of a few large multinational corporations. To this end, binding obligations on investors should be instituted to ensure that they behave in a manner that is consistent with international human rights and development objectives. A fair and equitable trade agreement would include measures to counter corporate predatory business practices, manipulative transfer pricing, anti-labor policies, and environmental degradation. Finally, in order to make corporations more accountable, enforceable international standards should be established for the reporting or disclosure of information.

Instead of pushing for a one-sided investment agreement, it is crucial that rich countries fulfill their promise of a trade round in Cancun that focuses on sustainable, rather than unregulated, development. The current trade regime under the WTO must be amended to reflect the needs of ordinary citizens whose lives it impacts. Furthermore, an alternative to the FTAA draft currently being negotiated must be developed so that issues of social justice are not subordinated to corporate interests. Strengthening the rights of investors will do little to benefit working people in either developing or rich countries. On the contrary, an agreement of this nature will benefit corporate interests at the expense of ordinary citizens.

BRAZIL: A WOBBLY KEYSTONE FOR THE FTAA

No country has the potential power to derail the United States' efforts to create the Free Trade Area of the Americas than Brazil. When US negotiators pushed to complete the trade deal by 2003, the Brazilian representatives stood firm and said that negotiators shouldn't try to finish the agreement before 2005. A rapid negotiating process, the Brazilians argued, would force nations to make concessions to the United States that would not be in the poorer countries' interests.

Concerns that the FTAA will ultimately benefit the US more than it helps the other nations of the hemisphere are at the heart of the Brazilian ambivalence toward the FTAA. Those worries also reveal the contradictions at the center of the FTAA scheme: Brazilian critics of the FTAA, including many free traders, say the agreement is more about trade managed in the interests of US-based multinational corporations than it is about genuinely free trade. Brazilians charge that the US is not playing by the very "free trade" rules it says it believes in.

The Brazilians have good reason to be worried. Under the current FTAA proposals, Brazil would have to lower tariffs that protect its vibrant manufacturing sector while receiving no guarantees that Brazilian farmers will gain new access to markets in the US. For Brazil, the risks are clear while the benefits are not.

Brazilian concerns about the FTAA could derail the entire project. After the United States and Canada, Brazil, a nation of 170 million people, has the largest economy in the hemisphere. Brazil's participation is essential if the FTAA is to meet the vision of its backers. The country is literally a keystone for the agreement. But it's a shaky keystone. The concerns of the Brazilian government—particularly since the election of Lula da Silva of the Workers' Party—and business sectors, combined with outright resistance from Brazilian workers and farmers, threaten to scuttle the agreement.

Manufacturing

For decades, Brazil has been a center of manufacturing in South America. Many Brazilians are worried that could change under the FTAA. The fear is that Brazil's manufacturing sector—which accounts for one-third of Brazil's \$1.13 trillion economy—will simply be swallowed up by the United States, whose economy is 10 times larger than Brazil's.

Another concern is that under the FTAA there will be fewer incentives for investors to put their money into Brazil. Brazil is currently the industrial heavyweight of South America, its economy accounting for 40 percent of South America's GDP. This is partially due to Brazil's role in Mercosur, a free trade bloc among Brazil, Uruguay, Paraguay, and Argentina. Mercosur's tariff system has made Brazil an attractive place for foreign companies to locate production so they can then sell to other countries within Mercosur.

Brazilian manufacturers expect that if Mercosur is eclipsed by the FTAA, transnational companies will move their factories to the US-Mexico border and then export to Brazil. Such a shift could cost hundreds of thousands of jobs,

driving working class Brazilian families into poverty.

"[The FTAA] would be a massacre for the majority of Brazilian firms," a Brazilian economist, Nogueira Batista, has told the BBC.

Another fear is that the FTAA's investment rules will accelerate the privatization process already taking place in Brazil. The Brazilian government has traditionally played a significant role in the country's economy, but that has changed in recent years as the government sells off state enterprises in an effort to pay off its massive foreign debt. These sell-offs have led to layoffs and contributed to wage freezes in the public sector. Ordinary Brazilians already know all too well the impacts of corporate globalization and the pain of IMF and World Bank policies. Now many are worried the FTAA would only make things worse.

Such anxieties are compounded by suspicions about the US's willingness to make reciprocal concessions in modifying tariffs and subsidies in industrial goods. Steel has been a particularly contentious issue.

In March 2002, the Bush Administration, at the request of the US steel industry and



US steel workers, imposed “antidumping” duties on imported steel, including steel from Brazil. Brazilians saw this as a betrayal of the very “free trade” philosophy the US says it supports.

“It is very worrying that the United States is giving signs that it is not prepared to open up to competition sectors that interest other countries,” Brazilian President Fernando Henrique Cardoso, a staunch free trader, said after new steel tariffs were announced.

Agriculture

The contradictions between free trade principles and corporate-managed trade practice are even clearer when it comes to agriculture. US trade negotiators have tried to sell other countries on the FTAA scheme by saying that the agreement would create new opportunities for poor nations to export foodstuffs to the US. Brazilians complain that the US’s continued commitment to subsidizing major agribusiness corporations means that Brazilian producers won’t have a chance to enter the US market.

Brazil’s larger farmers would like to export beef, soy and orange juice to the US. But they say they will have no realistic chance of doing so until the US ends its massive farm subsidies.

The United States currently spends more than \$10 billion a year supporting American farmers. Most of the benefits of this government aid do not go small family farmers, however. About two-thirds of US government subsidies go to the largest 10 percent of farms and major corporations such as Archer Daniels Midland and Cargill. And this corporate welfare program is getting even larger. In May 2002, Congress passed legislation increasing farm subsidies by \$70 billion over 10 years, with \$40 billion going to the biggest grain and cotton farmers.

Brazil’s bigger farmers say US demands that Brazil open its agriculture market, combined with the US’ own increasing corporate subsidies, betrays an obvious hypocrisy. “I am in favor of free trade,” Luis Haffers, president of the Brazilian Rural Society, has said. “But I am not in favor of getting ripped off.”

Meanwhile, the Brazilian organizations that represent the small farmers (who have little hope of exporting to the US in any case) fear the FTAA will lead to a flood of US food imports into Brazil that will drive small farmers out of business. This would jeopardize Brazilian food security by making the country dependent on giant transnational corporations for their basic grains. A similar situation has already happened in Mexico since NAFTA. Corn prices have dropped 45 percent in the last three years due to dumping by American agribusiness, and tens of thousands of peasants have left their land.

Environment

Farmers, along with environmentalists, are also concerned that the FTAA will pave the way for the introduction of genetically modified organisms (GMOs) into Brazil. The Brazilian government currently prohibits the cultivation of GMO crops in Brazil. Under proposed FTAA rules, this prohibition would likely be considered a “barrier to trade,” and the Brazilians would have to allow the importation of GMO seeds. Many Brazilian farmers and environmentalists fear the introduction of GMO foods could end up “contaminating” Brazilian crops, making it harder for small farmers to save seed. This would also jeopardize farmers’ food security.

Brazilian environmentalists are also worried about what impact the FTAA would have on the Amazon rainforest, the most biodiverse region on earth and a source for potential new lifesaving medicines. The Amazon, the largest forest in the world at around 2.3 million square miles, has suffered from major logging for decades. Somewhere between 8,500 and 17,000 square miles of forest are cut down every year; nearly a fifth of the original forest has been destroyed. Environmentalists fear this process will accelerate under the FTAA. In the past, Brazil has limited foreign access to the Amazon. But the FTAA will require countries to treat foreign corporations the same as domestic ones, which means that the number of transnational logging firms in the Amazon will likely increase. This will almost inevitably lead to the loss of more irreplaceable forest.

Popular Opposition

As has been noted, Brazilian concerns about the FTAA reach even to traditional free trade supporters. These skeptics are largely worried that the FTAA would subordinate Brazil to the US; they want for Brazil to remain the top dog in South America.

At the grassroots, resistance to the free trade agenda comes from workers and peasants groups who see the FTAA as a vehicle for a corporate takeover. Like grassroots organizations in other parts of the hemisphere, these critics fear that the FTAA will greatly enhance the strength and influence of multinational corporations, at the expense of just about everyone else.

In September 2002, Brazilian social movements organized an unofficial national referendum on the FTAA. Nearly 10 million voters expressed their rejection of the FTAA. Approximately 98 percent of the 10.1 million people who responded to a survey conducted throughout Brazil gave a resounding “no” to the question: “Should the Brazilian government sign the FTAA treaty?”

Furthermore, 95 percent of the voters indicated that Brazil should not even “continue participating in the FTAA negotiations.” Over 60 organizations, including the Landless Peasants’ Movement (MST), the National Bishops Conference (CNOB), and the Central Union of Workers (CUT) mobilized over 150,000 volunteers to conduct the plebiscite.

In the fall of 2002 Brazilians elected Workers’ Party candidate Lula Inacio da Silva to the presidency, a foe of the FTAA. Before his election, Da Silva has called the FTAA “a policy of annexation of Latin America by the United States” and has pledged to “fight it every possible way.” But since taking office, Da Silva has made some conciliatory gestures towards the US’s positions.

If the social movements in Brazil succeed in keeping the pressure on their government to represent their own interests, Lula will have a difficult time signing on to the FTAA. And without the involvement of South America’s largest economy, it is difficult to imagine the FTAA ever becoming a reality.

MEXICO: FTAA TESTING GROUNDS

Compared with the other 33 countries slated to join the Free Trade Area of the Americas, Mexico is in a unique position. Its nearly ten years of integration with the massive United States economy under the North American Free Trade Agreement (NAFTA) serves as a trial-run for the expansion of “free trade” throughout the hemisphere.

Entrance to the FTAA would not be as jarring to the Mexican economy as it would be for other developing Latin American countries because the brunt of the blow has already been dealt by NAFTA. FTAA clauses on foreign investment, tariffs and import quotas, and intellectual property rights, for example, are modeled after NAFTA.

Mexico offers a view of what other Latin American countries can expect from entering into a sweeping “free trade” agreement with the United States. It’s not a pretty picture.

NAFTA has reaped social and economic havoc in Mexico. Since 1994, when NAFTA went into effect, an additional 11 million Mexicans have fallen into poverty. The payments on the country’s staggering foreign debt—which total \$27 billion a year—are more than federal spending in both health and education. Real wages have declined 30 percent, and food security has been jeopardized, according to Mexico’s Institute for Studies of the Democratic Revolution.

The effects of NAFTA on the countryside have been particularly devastating, with 81% of rural Mexicans now living beneath the poverty line, according to Public Citizen.

“Since NAFTA negotiations were initiated, *campesinos* have felt it was an agreement designed to make us disappear,” says Efraín García Bello, president of the National Confederation of Agricultural Producers of Corn.

Like NAFTA, the FTAA would require the reduction or elimination of subsidies for small farmers and price controls for commodities such as corn and rice. In Mexico, such eliminations have led to plummeting prices paid to corn, wheat, and bean farmers—replacing domestic grains with heavily subsidized US ones. Thanks to US agricultural subsidies that are 500 percent

higher than Mexico’s, an estimated one million small Mexican farmers have been forced out of business since 1994.

“There is a risk of social upheaval due to the catastrophe in the agricultural sector,” say *campesino* leaders in Mexico. Under the FTAA, farmers in other Latin American countries would likely suffer a similar fate.

The FTAA’s provisions for investor protection bear striking resemblance to NAFTA clauses giving foreign investors treatment equal to domestic ones, deregulating capital flows in and out of the country, and giving corporations the ability to sue governments (other than their own) when local laws are contrary to the foreign investor’s interests. NAFTA’s infamous Chapter 11 on “Investor-State Relations” enabled the US-based Metalclad Corporation to win damages from the Mexican government of US\$16.7 million for upholding local environmental regulations in the state of San Luis Potosi.

The FTAA would also pit Mexico against other developing countries in a bid to lure foreign investment. In search of ever-cheaper production costs, corporations producing labor-intensive goods will have the whole of Latin America to scour for the most favorable environment, meaning those with the fewest regulations.

Foreign investment in Mexico accelerated rapidly under NAFTA, with an estimated 80 percent of Mexican assets now in foreign hands. According to Javier Corral Jurado, President of the Communications and Transportation Commission in Mexico’s Senate, Mexicans are “losing real control” over their companies.

Since China’s admission into the WTO in November 2001, 320 *maquiladoras* (foreign-owned factories producing for export) have relocated to the Asian behemoth, further swelling the ranks of Mexican unemployment. The FTAA would increase Latin American competition for foreign employers, leaving countries to bid for jobs by offering lucrative incentives in the form of compromised labor and environmental restrictions.

Even NAFTA’s notoriously weak side-agreements for labor and environmental protection have been softened in the FTAA text, with US negotiators simply calling for participating countries to “strive to ensure” that labor and environmental laws are not relaxed to attract investment.

In addition to foreign investment, the FTAA also promotes privatization as a means to increasing market efficiency and lowering consumer prices. The vast majority of Mexico’s state industries were sold off during the early nineties. Today, Mexico’s petroleum, natural gas, and electricity industries are in the cross-hairs of foreign energy conglomerates as the Bush administration promotes a common North American energy market. The FTAA also includes a dangerous clause under which countries are obliged to continue to export nonrenewable resources, even when domestic resources become scarce.

“The [FTAA energy] proposals are totally contrary to ethics of conservation and sustainable development,” says John Dillon of the Ecumenical Coalition on Economic Justice.

Workers, union leaders, farmers, and indigenous groups in Mexico have all expressed their opposition to the proposed agreement. Having seen their wages drop, ability to organize undermined, markets dry up, and their rights protected by international treaties ignored under NAFTA, these groups are putting forth the NAFTA experience as a portent of what other Latin American countries can expect if the agreement is passed.

Based on its experience under NAFTA, many Mexicans feel that any new trade agreements must be negotiated based on sustainability and social equality, with concrete measures to protect human, labor, cultural, and environmental rights.

“We must redefine the relationship between Mexico and the US, ending the hegemonic vision and the absence of respect for Mexico’s sovereignty and dignity,” says Jorge Calderon Salazar, Director of the Institute for Studies of the Democratic Revolution.

WHY MEXICO'S SMALL CORN FARMERS GO HUNGRY

The New York Times

By Tina Rosenberg
March 3, 2003

MEXICO CITY: Macario Hernández's grandfather grew corn in the hills of Puebla, Mexico. His father does the same. Mr. Hernández grows corn, too, but not for much longer. Around his village of Guadalupe Victoria, people farm the way they have for centuries, on tiny plots of land watered only by rain, their plows pulled by burros. Mr. Hernández, a thoughtful man of 30, is battling to bring his family and neighbors out of the Middle Ages. But these days modernity is less his goal than his enemy.

This is because he, like other small farmers in Mexico, competes with American products raised on megafarms that use satellite imagery to mete out fertilizer. These products are so heavily subsidized by the government that many are exported for less than it costs to grow them. According to the Institute for Agriculture and Trade Policy in Minneapolis, American corn sells in Mexico for 25 percent less than its cost. The prices Mr. Hernández and others receive are so low that they lose money with each acre they plant.

In January, campesinos from all over the country marched into Mexico City's central plaza to protest. Thousands of men in jeans and straw hats jammed the Zócalo, alongside horses and tractors. Farmers have staged smaller protests around Mexico for months. The protests have won campesino organizations a series of talks with the government. But they are unlikely to get what they want:

a renegotiation of the North American Free Trade Agreement, or Nafta, protective temporary tariffs and a new policy that seeks to help small farmers instead of trying to force them off the land.

The problems of rural Mexicans are echoed around the world as countries lower their import barriers, required by free trade treaties and the rules of the World Trade Organization. When markets are open, agricultural products flood in from wealthy nations, which subsidize agriculture and allow agribusiness to export crops cheaply. European farmers get 35 percent of their income in government subsidies, American farmers 20 percent. American subsidies are at record levels, and last year, Washington passed a farm bill that included a \$40 billion increase in subsidies to large grain and cotton farmers.

It seems paradoxical to argue that cheap food hurts poor people. But three-quarters of the world's poor are rural. When subsidized imports undercut their products, they starve. Agricultural subsidies, which rob developing countries of the ability to export crops, have become the most important dispute at the W.T.O. Wealthy countries do far more harm to poor nations with these subsidies than they do good with foreign aid.

While such subsidies have been deadly for the 18 million Mexicans who live on small farms—nearly a fifth of the country—Mexico's near-complete neglect of the countryside is at fault, too. Mexican officials say openly that they long ago concluded that small agriculture was inefficient, and that the solution for farmers was to find other

work. "The government's solution for the problems of the countryside is to get campesinos to stop being campesinos," says Victor Suárez, a leader of a coalition of small farmers.

But the government's determination not to invest in losers is a self-fulfilling prophecy. The small farmers I met in their fields in Puebla want to stop growing corn and move into fruit or organic vegetables. Two years ago Mr. Hernández, who works with a farming cooperative, brought in thousands of peach plants. But only a few farmers could buy them. Farm credit essentially does not exist in Mexico, as the government closed the rural bank, and other bankers do not want to lend to small farmers. "We are trying to get people to rethink and understand that the traditional doesn't work," says Mr. Hernández. "But the lack of capital is deadly."

The government does subsidize producers, at absurdly small levels compared with subsidies in the United States. Corn growers get about \$30 an acre. Small programs exist to provide technical help and fertilizer to small producers, but most farmers I met hadn't even heard of them.

Mexico should be helping its corn farmers increase their productivity or move into new crops—especially since few new jobs have been created that could absorb these farmers. Mexicans fleeing the countryside are flocking to Houston and swelling Mexico's cities, already congested with the poor and unemployed. If Washington wants to reduce Mexico's immigration to the United States, ending subsidies for agribusiness would be far more effective than beefing up the border patrol.

STILL POOR, LATIN AMERICANS PROTEST PUSH FOR OPEN MARKETS

The New York Times

By Juan Forero
The New York Times
July 19, 2002

AREQUIPA, Peru, July 13—The protest that shook this colonial city last month was very much like others in Latin America recently. There were Marxists shouting 60's-era slogans, and hard-bitten unionists. But there was also Fanny Puntaca, 64, a shopkeeper and grandmother of six.

Though she had never before protested, Ms. Puntaca said, she could not bear to see a Belgian company buy what she called "our wealth"—the region's two state-owned electrical generators. So armed with a metal pot to bang, she joined neighbors in a demonstration so unyielding that it forced President Alejandro Toledo to declare a state of emergency here, suspend the \$167 million sale and eventually shake up his cabinet.

"I had to fight," Ms. Puntaca said proudly. "The government was going to sell our companies and enrich another country. This was my voice, my protest."

Across Latin America, millions of others are also letting their voices be heard. A popular and political ground swell is building from the Andes to Argentina against the decade-old experiment with free-market capitalism. The reforms that have shrunk the state and opened markets to foreign competition, many believe, have enriched corrupt officials and faceless multinationals, and failed to better their lives.

Sometimes-violent protests in recent weeks have derailed the sale of state-owned companies worth hundreds of millions of dollars. The unrest has made potential investors jittery, and whipsawed governments already weakened by recession.

The backlash has given rise to leftist politicians who have combined pocketbook issues and economic nationalism to explosive effect. Today the market reforms ushered in by American-trained economists after the global collapse of Communism are facing their greatest challenge in the upheavals sweeping the region.

"The most worrying reading is that perhaps we have come to the end of an era," said Rafael de la Fuente, chief Latin American economist for BNP Paribas in New York. "That we are closing the door on what was an unsuccessful attempt at orthodox economic reforms at the end of the 90s."

For a time the policies worked, and many economists and politicians say they still do. The reforms increased competition and fueled growth. Stratospheric inflation rates fell back to earth. Bloated bureaucracies were replaced with efficient companies that created jobs.

The formula helped give Chile the most robust economy in Latin America. In Mexico exports quintupled in a dozen years. In Bolivia, poverty fell from 86 percent of the population in the 70s to 58.6 percent today.

Still, the broad prosperity that was promised remains a dream for many Latin Americans. Today those same reforms are equated with unemployment and layoffs from both public and private companies, as well as recessions that have hamstrung economies.

"We privatized and we do not have less poverty, less unemployment," said Juan Manuel Guillón, the mayor of Arequipa and a leader in the antiprivatization movement here. "On the contrary. We have more poverty and unemployment. We are not debating theoretically here. We are looking at reality."

Indeed, 44 percent of Latin Americans still live in poverty, and the number of unemployed workers has more than doubled in a decade. Tens of millions of others—in some countries up to 70 percent of all workers—toil in the region's vast informal economy, as street vendors, for instance, barely making ends meet. Economic growth has been essentially flat for the last five years.

Popular perceptions—revealed in street protests, opinion polls and ballot boxes—are clearly shifting against the economic prescriptions for open markets, less government and tighter budgets that American officials and international financial institutions have preferred.

A regional survey supported by the Inter-American Development Bank found last year that 63 percent of respondents across 17 countries in the region said that privatization had not been beneficial.

"It's an emotional populist attitude people have," said Larry Birns, director of the Council on Hemispheric Affairs, a Washington-based policy analysis group. "It may not be reasoned, but it's real, and it's explosive and it's not going to be easily contained by coming up with arguments that free trade is the wave of the future."

In Brazil, South America's largest country and its economic engine, revulsion with American-led market orthodoxy has fueled strong support for the labor leader Luiz Inacio da Silva, known as Lula, who is now the front-runner in the October presidential election, to the chagrin of worried financial markets.

In Paraguay protests last month blocked the \$400 million sale of the state phone company by President Luis Gonzalez Macchi, whose government has been dogged by a dismal economy and corruption charges. [This week deadly demonstrations led the president to declare a state of emergency.]

In Bolivia the country's political landscape was redrawn this month when Evo Morales, an indigenous leader who promised to nationalize industries, finished second among 11 candidates for president.

This spring, the sale of 17 electricity distributors in Ecuador fell through in the face of political resistance, a blow to a country that has adopted the dollar as its currency and is heavily dependent on foreign investment.

Meanwhile, in Venezuela, President Hugo Chavez's left-leaning government has been intent on scaling back reforms, exacerbating the divisions that led to his brief ouster in April.

The backlash in many of these countries gathered momentum with the economic meltdown in Argentina, which forced a change of presidents after widespread rioting in December.

While the causes are multifold, many Argentines blame the debacle on a combination of corrupt politicians and the government's adherence to economic prescriptions from abroad that have left the country with \$141 billion in public debt, the banking system in ruins and one in five people unemployed.

Argentines now look for possible salvation from Elisa Carrio, a corruption fighter in Congress who has been scathing in her criticism of the International Monetary Fund. She is now the early favorite in the upcoming presidential election.

"This has created the backlash because now there's a debate all around Latin America," said Pedro Pablo Kuczynski, Peru's former economy minister and a favorite of Wall Street who resigned under pressure last week. "Everywhere you look, people say, 'The guys followed the model and they're in the soup. So obviously the model does not work.'"

The backlash comes as foreign direct investment in Latin America has fallen steeply, dropping from \$105 billion in

1999 to \$80 billion in 2001. A big reason for the decline is that many big-ticket sales of state companies to private investors have already been completed. But economists like Mr. Kuczynski, who say market reforms must continue for capital-poor Latin economies to progress, are worried.

Bolivia, for instance, was an early convert along with Chile in the 1990s to what is called the neoliberal model. It reined in loose monetary policies and shrank the government by unloading dozens of state-owned companies to private international investors. The results, particularly in taming inflation and reducing poverty, were impressive.

But in one of Latin America's poorest nations, it is hard for Bolivian officials to talk about progress to the wide portion of the population that continues to live in grinding poverty and feels that entitlements the government once provided in the form of subsidized rates for water and electricity have been stripped away.

The better services that have accompanied the sale of state enterprises have left many indifferent, particularly in impoverished areas where residents had invested their own money and sweat to string up electrical lines or put in water pipes and drainage.

"Clearly if you're poor and have no water, sewage and live in a rural area, having three long distance telephone companies when you have no phone lines doesn't make a bean of difference," Bolivia's president, Jorge Quiroga, acknowledged in an interview.

In Peru the resistance to privatization and market reforms is especially pronounced and, for its government, puzzling.

Unlike most of Latin America, the economy here has steadily grown since Mr. Toledo's election in June 2001 as the government has continued sales of assets begun during the decade-long rule of Alberto K. Fujimori.

Government officials say the program has been successful. Phone installation, which used to take years and cost \$1,500 or more, now costs \$50 and takes a day or two. Electrical service, once shoddy and limited, has spread across the country.

The privatization of mines, which is nearly complete, has improved efficiency and output so much that employment in that sector and related activities has increased to more than 60,000 today from 42,000 in 1993.

But government belt-tightening also led to widespread layoffs. Mr. Toledo's government has been hit hard by protests and popular discontent, much of it fueled by its inability to alleviate poverty. Many have blamed the privatizations, seeing them as a vestige of the corruption-riddled presidency of Mr. Fujimori, who is now in exile in Japan.

Here in Arequipa, where the economy was already limping, when word came that the government was about to sell the two state-owned electric companies, Egasa and Egesur, people recalled that Mr. Toledo had campaigned on a pledge never to sell the companies to private owners.

It did not matter that the government promised Arequipa half the sale price, and that the investor, the Brussels-based Tractebel S.A., would invest tens of millions of dollars more to improve services.

The promises were not believed. Soon the workers federation, neighborhood organizations and university students organized protests, suspecting that higher electricity costs and layoffs were on the way.

"Thanks to our fight, our perseverance, the government backed down," Alejandro Pacheco, a leader in the protests here, told a roomful of supporters this week. "Now we need to do this in the rest of Peru."

WORKING WITH ELECTED OFFICIALS:

HOW TO MAKE THE SYSTEM WORK FOR WE, THE PEOPLE

Democracy rests on the simple idea that elected representatives serve the interests of those who elected them. Unfortunately, this revolutionary idea doesn't always work in practice. That doesn't mean we should give up on the political process. Rather, it should spur us work even harder to ensure that elected officials—the servants of the people—are following our views.

Democracy, it is important to remember, is not a one-day act we commit once every two or four years. Democracy is a *process* that requires continuous citizen participation if it is to work properly.

This guide offers some pointers on how we can make democracy work for us, the people. Included in this guide are instructions on how to prepare for and meet with elected officials, the best way to contact a legislator on issues of concern, and a tips on how you, as a citizen-activist, can become more politically influential.

I. Meeting with legislators

Without question, meeting with and developing long-term, productive relationships with legislators is the most effective form of grassroots lobbying. This is true for representatives at the local, state, and national level. Everyone who will be meeting with the elected representative (or their aides) should be an active participant in the meeting.

1. Setting Up a Successful Meeting:

Pre-appointment planning

- Gather information about your representative, including their committee assignments and their voting record.
- List your reasons for the meeting in a clear and concise manner.
- Decide who will attend the meeting. Generally the more people, the more likely it is that you will meet the legislator rather than just staff. A small representative group or a coalition of leaders may be the best bet.
- Determine how much time you will need. Fifteen to 20 minutes is generally the longest appointment with a legislator you can expect, so be concise and present only two to three points for discussion.

Call your representative's office to schedule a meeting

Organize your resources for the meeting

- Select the specific topics to be covered (contact Global Exchange for the latest updates on your issue).
- Create a typed agenda for the meeting.
- Prepare materials, including specific requests, that you can leave with the legislator.
- Assign roles for the meeting, making sure to involve every partner.

Practice for the meeting

Confirm the appointment

- One week before the meeting.
- The morning of the meeting.

2. Suggested Format for the Meeting:

Introductions

- Connect with the person with whom you are meeting. (Example: If it is an aide, ask what brought them to work with the representative.)
- Describe who you are and what you do in the community.
- Explain why the issue is important to you. Show that the issue is personal and communicate your concerns on a personal level.
- Give the representative (or their aides) a typed agenda and a list of your requests.
- Show that you are local—legislators pay particular attention to constituents. You need to show that your support can help this person get reelected.

Acknowledge your legislator for any previous positive actions

Presentation of Issues

- Stick to your agenda and assigned roles.
- Involve all of the participants.
- Perhaps show a video or use another creative element.
- Be honest and don't claim to know more than you do about an issue.
- Keep the lines of communication open. Give the legislator a chance to express an opinion. If he or she is supportive, don't be afraid to ask for help in advancing your issue and in contacting other like-minded legislators.
- Keep the communication positive. Never burn bridges. Even though the legislator or the staff person is rude or uncooperative never lose your cool, argue or threaten.

Make specific requests and ask for an immediate answer

- If the representative (or their aides) are unwilling to make a commitment, set a date for a follow up meeting.
- Carefully record any questions, objections, or concerns.

After the meeting, determine your next step and plan for follow-up

- Send any materials and information you offered. Follow up on deadlines and if they are not met, set up others. Be persistent.

The next day, send a thank you letter

Follow up with the legislator and their aides!

II. Letters and other written communication

It is important that we tell elected officials where we stand on issues. Our input on human rights, global trade, corporate accountability, peace and reconciliation, and other issues shapes the way our representatives create and implement policy.

When you are pushing an issue or supporting or trying to defeat a bill, writing to your legislators is a very effective way of getting your message across. However, some methods of communication are more effective than others.

1. Personal letters or faxes

The absolute best thing to do is to write a personal letter. Personal letters show legislators that the author is knowledgeable, interested and committed to the matter at hand. Sending a personal letter also alerts the legislator to the fact that the author is politically active. Legislators keep close track of how their mail is running on particular issues, so your letter will have an influence whether the elected official will read it or not. Many legislators argue that one clear, logical individual letter is worth more than a petition with a thousand signatures!

Suggestions for writing personal letters:

- *Be Timely*—Write when an issue is current. Procrastination reflects apathy, and an outdated letter is a sure way to guarantee that your voice will not be heard and that the legislators will assume you don't really care.
- *Be Brief*—Limit yourself to one page and to one topic. The goal is to be read and understood.
- *Be Specific*—Reference specific bill numbers. Include basic information like what the legislation would do and how it would affect you and other people in the legislator's district or state. Remind legislators how their actions affect your issue and your vote.
- *Be Legible*—Clearly sign your name and include your address in the letter itself (envelops with return address are routinely discarded). Type your letter rather than hand write it.
- *Be Supportive*—Write thank you letters when a legislator supports your cause. Too often they get only "anti" or complaint letters. A thank-you will make you stand out and it will help establish a more personal relationship with the legislator.
- *Don't Be a Pest*—Don't become a constant "pen-pal." Legislative offices track who writes and how often. Avoid being seen as a constantly writing crank or malcontent; it will dilute your message.

2. Email correspondence

Email has become a very useful tool for quickly and effectively communicating with elected officials. Keep in mind, however, that email is easily deleted and often comes in overwhelming numbers. A personal letter will always be more effective.

Suggestions for email communication:

- *Treat it as an electronic personal letter*—Follow the same rules for form and content as you would for writing a personal letter. Avoid the symbols, shorthand or "electronic-speak" that often accompanies personal emails. Write in complete sentences.
- *Title your submission*—Take advantage of the email subject line to give the legislator an idea of what the letter is going to be about. Include the bill number, if possible. This will make it easier for legislator to categorize the email and respond more effectively.
- *Include a home address*—Always provide your postal address somewhere in the body of your email. This will increase your chances of getting a response to your note. Most legislators and legislative staff are not prone to establishing an electronic conversation.

3. Form Letters

"Canned" or form letters are okay, but not nearly as effective as a personal letter or email. Certainly, they are easy to produce and send in. However, they lack personal touch and conviction. Legislators are more likely to discount form letters because they may show a lack of effort, and lack of effort can be translated into lack of interest.

Nonetheless, if you are embarking on a form letter campaign, keep these two ironclad rules in mind:

- *Include your address*—A great number of form letters have no obvious space for you to LEGIBLY write in your address. Without an address, the legislator has just a piece of paper. He or she won't know whether you are a constituent or not.
- *Give extra effort*—Take an extra 30 seconds to write a 1- or 2-line personal note at the bottom of the form letter. Briefly restate your concerns. Ask for a written response. Any effort to make a form letter personal will help it be noticed.

4. A very few words about petitions

They usually don't work. Few people read petition papers and many of the people who sign them have no idea what they are signing. Legislators know this and overwhelmingly discount their importance.

Petitions also tend to be poorly prepared and legislators have difficulty or no time to look through thousands of signatures to determine if any constituents signed on.

Petitions, however, are better than nothing at all, and logistically they are much easier than letters if you are out tabling at, say, a concert or farmers market.

Bottom Line: Write personal letters or pay your legislators a visit.

III. Phoning your legislators:

Phone calls are a relatively effective way of communicating your concerns to your legislators. Phoning is especially important when a bill is moving quickly through the legislative process and time is short. The opportunity cost is that issues need to be relatively simple to be communicated well.

- *Be simple*—Call about one issue at a time. If possible, refer to the bill number and what the bill will do.
 - *Be brief*—Introduce yourself, state how you feel about a particular bill or issue and ask for the legislator's support. If the legislator is undecided, ask to be updated on his or her stance after a period of time or ask for a meeting where you can argue your position.
 - *Be logical*—Call your own representatives before you call any others. Your local legislators are always your first priority. They owe their political fortunes to you and your neighbors.
 - *Be connected*—Always leave your name and address, particularly if you are a constituent. To keep track of how the constituency feels on certain issues legislative offices often log phone calls. Legislative offices usually respond to phone inquiries by a mail after a brief period of time. If you phone to express an opinion but refuse to leave an address, you are wasting your breath.
 - *Be smart*—Always say thank you. Never be abusive or threatening.
-

HOW TO PASS A LOCAL RESOLUTION

Getting your City Council or County Board of Supervisors to pass a resolution in favor of a policy you support—or against a policy you are fighting—is an excellent way to boost your campaign. During the struggle against South African apartheid, local resolutions banning investment in the racist regime were key to eventually bringing down the government. More recently, Fair Trade activists have increased the demand for Fair Trade Certified coffee by passing resolutions that mandate cities only serve their employees the socially responsible blend. Nonbinding resolutions that simply express the city’s opposition to or support for an idea can also be effective. For example, when citizens were fighting a corporate rights treaty called the Multilateral Agreement on Investments (MAI) in the late 1990s, nonbinding resolutions declaring cities and towns “MAI-Free Zones” were essential in educating people about the dangers of the agreement, and eventually stopping it from becoming law.

Local resolutions represent grassroots democracy at its finest. They give ordinary citizens the opportunity to address pressing international issues right in their own community, and in the process increase awareness about things that may seem far away. They’re a concrete expression of the old bumper sticker: “Think Global-Act Local.”

So how can you pass a resolution in your community?

Plan Your Campaign

- **Determine what kind of resolution you want to pass.**

Your overall campaign goals (ending US military aid to Colombia, fighting the FTAA, etc.) will naturally influence your decision. Depending upon the nature of your campaign, you may want to pass a binding resolution that will actually effect city policies or a nonbinding one that is simply the expression of an opinion. You should know that, in general, nonbinding resolutions are easier to pass. (A sample anti-FTAA resolution is enclosed. Global Exchange has other resolutions that may fit your campaign.)

- **Identify and reach out to supporters.** Campaigns work best when they are anchored by a *coalition* of groups and individuals. Who else might be interested in helping to pass the resolution? What natural allies do you have in the community? Try to find coalition partners sooner rather than later. Coalitions work best when everyone is involved in the process from the beginning.

- **Determine who will work with you to pass the resolution and what their roles will be.** As with any campaign effort—hosting a teach-in, organizing a demonstration, etc.—it is useful to make sure everyone knows their assigned tasks. When trying to pass a resolution, you probably want at least one person responsible for communicating with elected officials, at least one person responsible for working the media, and at least one person responsible for putting together public education materials. *Everyone* should work on spreading the word to the general public.

- **Plan a timeline for the resolution campaign.** Make sure you know when, and how often, the city council meets and how long it typically takes for a resolution to be passed. In bigger cities, it may take months for a resolution to become law.

Find a Champion—Someone in Local Government to Introduce Your Resolution

- **Identify a county supervisor or member of the city council who you think will be sympathetic toward your issue.** This is essential. Without a government official who will actually take ownership of the issue and make it his or her cause, it will be difficult to successfully pass a resolution. You can identify likely champions by investigating officials’ voting records and asking your coalition partners if they have any allies on the city council.

- **Make contact with your champion.** Find people who live in the official’s district or ward and request a meeting with the representative. Once you arrange a meeting, try to organize as diverse a group as possible to represent your cause. By involving a wide range of coalition partners in the discussion, you demonstrate that your issue has community support. At the meeting, make a strong case for why the resolution is important and why the city should pass it. (For more tips on meeting with elected representatives, see “How to Make the System Work” in this toolbox.)

- **Get your champion to introduce the resolution to the council for a vote.** When you meet with the elected official, you should present them with sample text of the proposed resolution. This will make the official’s job easier, and make them likelier to support your issue.

- **Chart the political landscape.** When meeting with your champion, ask them to predict which members of the city council are likely to support or oppose the resolution. Knowing your allies and opponents will help you in your campaign.

Work with City or County Staff

- **Get to know the city staffers.** In many city halls, especially those in small towns, the unelected bureaucrats wield as much power as the elected representatives. That's because the staff are permanent and work full time, whereas the elected officials come and go and often work only part time. It's crucial, then, that you get the city staffers on your side. Ask for meetings with the city manager, the city attorney, the pension fund manager, the city purchaser, or whoever else may be affected by the proposed resolution. Explain to them why the resolution is important. If you gain their support, you are much closer to winning the campaign.

Educate the Public

- **Spread the word.** Without real public support, passing your resolution will be difficult. At the same time, one of the main reasons for working on a local resolution is to educate the public about the issue you care about. The resolution is, in a sense, a vehicle for educating the public. There are several ways you can do this.

- **Try to get the media interested.** Once your resolution is introduced and scheduled for a vote, contact the media and ask them to do a story about the campaign. Resolutions give local media a way to cover larger issues through a community angle. Write letters to the editor and op-eds in support of the resolution. (For more on media outreach, see "How to Work with the Media" in this toolbox.)

- **Host a public forum about the resolution.** It may be a good idea to hold a teach-in or other educational event to talk to your fellow residents about the resolution. Organize a film screening that addresses your issue. Bring an inspiring speaker into the community to talk about why the resolution is important. Global Exchange can suggest speakers that can boost your campaign. (For more information on hosting educational events, see "How to Organize a Teach-In" in this toolbox.)

Lobby Other Elected Representatives

- **Make contact with other officials.** "Lobbying" is just a fancy word for letting your elected officials know how you feel about an issue. Communicating with your representatives is a right, not a privilege. You should make sure all of the representatives on the city council have a packet of information about your resolution. Try to get constituents from different districts to arrange meetings with their representatives to show support for the resolution.

- **Expand the base of support.** As the date of the vote approaches, make sure you are working with residents across the city and asking them to call or write their representatives in support of the resolution. Constituents throughout your town should be contacting their representatives on the city council. There are some ways to coordinate this. Organize a citywide "call-in" day during which people from every neighborhood will call their representatives in support of the resolution. If a particular representative is opposed to the resolution, do targeted outreach in that neighborhood.

- **Cover all the bases.** In some cases, especially with binding resolutions, committees or subcommittees will consider the resolution before the full city council does. Make sure you attend these meetings and present the argument for your resolution during the public comments section of any hearings.

- **Pack the house.** On the day your resolution is going to be voted on, make sure the city council chambers are filled with supporters of your resolution. Bring colorful and eye-catching signs to show support for the resolution. Encourage supporters to speak in favor of the resolution during the public comments section, and make sure you have a few people ready with prepared remarks. The day of the vote is your final chance to show that the community really cares about your issue.

Follow Up

- **Make sure that what the resolution calls for actually happens.** This is crucial when it comes to binding resolutions. Keep in touch with your champion and city staff to ensure the resolution is being implemented. If it isn't, make sure all of your supporters, your champion, and the media hear about it.

SAMPLE ANTI-FTAA CITY COUNCIL RESOLUTION FROM THE CITY OF SANTA CRUZ, CA

WHEREAS The Free Trade Area of the Americas (FTAA) would be essentially an extension of the NAFTA to the entire western hemisphere....

WHEREAS The negotiations surrounding the FTAA have been held secretly, without allowing for any effective public evaluation or input....

WHEREAS NAFTA's Chapter 11 Investor to State Lawsuits, which will be included and strengthened in the FTAA directly threaten the sovereignty of local and state governments...

WHEREAS This sort of corporate power would diminish the efficacy of local environmental laws and regulations...

WHEREAS The FTAA will undermine the Social Services that are essential for a thriving community...

WHEREAS The strict intellectual property laws within the FTAA will have devastating impacts on the people living in the global south...

WHEREAS Local businesses and workers would be harmed by the increasing powers granted to large corporations...

WHEREAS Local resolutions like this one have been instrumental in defeating other destructive trade agreements such as the Multilateral Agreement on Investment (MAI).

THEREFORE BE IT RESOLVED, that the City of Santa Cruz:

1. Is in direct opposition to the proposed Free Trade Area of the Americas;
2. Petitions the federal government to refuse to sign any new trade and investment agreements, such as the proposed Free Trade Area of the Americas, that include investor-state provisions similar to the ones included in NAFTA;
3. Urges the U.S. Trade Representative withdraw any further negotiation on the FTAA;
4. Requests U.S. Trade Representative to release their proposals for the agreement and their written submissions to the nine negotiating groups of the FTAA. We also request the release a comprehensive list of the representatives to the FTAA negotiating groups from all 34 countries involved;
5. Urges the U.S. Congress to adopt stronger sovereignty safeguards in implementing legislation for the FTAA and other trade agreements, now and in the future.

BE IT FURTHER RESOLVED, that this resolution be forwarded to the U.S. Trade Representative, to the state Congressional delegation, and to the Congressional committees with trade jurisdiction, and be made known to the people of Santa Cruz.

HOW TO ORGANIZE A TEACH-IN

A teach-in is a powerful way to educate and activate members of your community. By offering qualified speakers of intellectual and/or experiential expertise, a teach-in provides a way to explore crucial local and global issues. Teach-ins are most effective when they supply real solutions and give opportunities to build powerful citizen coalitions. The best teach-ins are those that at once give a boost to your existing organizing efforts while also attracting new people to your campaign. A teach-in can also be an effective way to fundraise for your group.

Preliminary steps:

What to do before you start to organize a teach-in (*These steps can occur both simultaneously and in any order*).

Select a speaker(s)/speaking topic your group is interested in.

Finding a topic should be relatively easy considering the focus of your group. Pairing a speaker with a topic may be a little more difficult. Some important factors to consider when choosing a speaker are reputation, availability and cost.

Think about your audience and outreach.

What are you trying to accomplish by bringing the speaker? Who do you want to attend the event? How will you conduct outreach? Do you plan on doing media outreach? What about meetings with local elected representatives? Make the most of the opportunity. Flyers, events, calendars, direct mail, email, phone calls, public service announcements, press releases and word-of-mouth are all good ways to get people to the event. When considering all of these questions it is important to plan ahead.

Think about possible cosponsors.

Brainstorm and ask other members of your group for suggestions of other groups (student, community, religious, etc.) that may be willing to cosponsor the event with you. Keep in mind that cosponsors are a key component to generating an audience and sharing the workload and cost of organizing an event.

Plan the event:

The when, where, who and how

Select a date

The date obviously is dependent on other factors, such as the availability of the speakers, availability of a venue, and whatever else is being planned in your community around the same time. Try not to have your teach-in coincide with other similarly themed teach-ins. Also, it is a good idea to organize an event around a date that has some significance in relation to the theme. For example, a labor-related teach-in has more resonance around Labor Day. Or, if part of the overall goal of the teach-in is to affect legislation, have the teach-in before a legislative vote is to take place—whether it is a city, state or national vote—so people can talk to their elected representatives.

Find a venue

The ideal venue is a free venue. Try to get a space donated to you. Churches, community centers, schools and universities are likely to do so. Also, consider the size of the space. The appropriate size of the space chosen is related to how many people are expected to attend the teach-in.

Confirm your cosponsors

There is no such thing as too much group participation or too much outreach. The point is to get as many people to the event as possible. A larger audience will be generated with outside help. Contact the organizations you think would be interested in being part of the event. Explain to them that you are bringing a speaker for an event and that you would like for them to be a cosponsor. When they say “yes,” suggest that they help with outreach by inviting their members. Among other things, they may be able to help publicize the event by putting it on their web site, or adding their name to a press release. Also, don't be afraid to ask them for financial support. It costs money to host, transport and feed speakers. Explain this to them. This is not too much to ask if the organization's name is associated to the event as a cosponsor. Offer in return to include their name on any publicity materials that will be produced.

Develop outreach materials and conduct outreach

Key to a successful outreach strategy is the production of materials like event fliers, direct mail invitations, email invitations, public service announcements and press materials. Distribute the fliers as much as possible among friends and colleagues to be disseminated publicly at coffee shops, community centers, cultural centers, other events, churches, schools, universities, etc. Also use the press as a tool to get the word out. Write a press release and send it to campus and local media to get the press to cover the event. Send a flier as well to make sure the event gets announced on by radio stations and included in the community calendar or events section of local newspapers and magazines. The sooner you have materials ready, the better, especially in regards to media.

Prepare to host

Decide who will pick up the speakers from the airport, bus station or train station. Decide where the host will stay and do your best to make the chosen place as comfortable as possible for the guests. Home stays are fine, but try and make sure that the speakers have their own rooms, if possible. If you have arranged for a hotel, make sure everything is in order. Finally, make sure to have your organization's materials at the event for tabling purposes. And don't forget the all-important donation basket! Use the teach-in to build your donor base so you continue your important work.

Take advantage of the speakers' presence in your community

The media can be used as an effective tool to spread your message more widely. A well-planned teach-in may attract hundreds of people, but an article in a newspaper or an interview on the radio can reach thousands of people. Organize visits and/or interviews with the speakers and local journalists. Also, if your work includes a legislative strategy, set up meetings with local congresspersons. (More information about how to work with the media and elected officials is enclosed.)

Evaluation and follow up

After the event has ended successfully, consider all that went well and all that didn't. Learn from the mistakes and remember what worked. Thank your cosponsors, the audience, your members and anybody that helped to make the event a success. Use the teach-in build new relationships and strengthen old ones. Organize!



HOW TO HOST A HOUSE PARTY

A house party is essentially a scaled-down, more intimate version of a teach-in. Just like a teach-in, a house party is a chance to educate, organize, and hopefully raise some money for your campaign. The key difference is scale—instead of doing public outreach and striving to attract dozens or hundreds of people, a house party is geared toward your existing circle of friends, relatives and neighbors.

House parties played a key role at the beginning of the struggles against Jim Crow laws and the war in Vietnam. During those efforts, organizers held informal get-togethers in their homes during which they informed their friends and relatives about the injustice they were trying to end. This was a great way of spreading information, building energy, and raising money—and eventually the efforts percolated into a real movement. Today the house party remains a valuable way of reaching those you most want to connect with—the people closest to you.

A house party is one of the simplest ways to educate people about and fundraise for the work that you are doing. The essential idea is bring people together—old friends, new friends and friends of friends—to dialogue with them about your work in a cordial atmosphere.

House parties are a good venue to explain a complicated issue to many people at once, allowing them ask questions and get more information. It can also be a place for a group of people to meet someone famous or important, or someone who brings interesting information about the issue you and/or your group is working on. You or your selected speaker tells their story to an audience that is then moved to do something to support your cause—volunteer, write a letter to their elected representatives, or give money. The main goal of a house party is often to raise money for your campaign after educating people about why their support is so important.

Although all of us at some point have held house parties, it is useful to go over the obvious and not so obvious details about having a successful party.

There are five basic steps to putting on a house party:

- Find the person who is willing to host the party at their house and take on other related responsibilities related to the event.
- Prepare the list of people to be invited.
- Design the invitation.
- Choreograph the event, particularly the pitch.
- Orchestrate the Pitch.
- Evaluate and follow up.

Find a Host

The host of a house party has many important duties to fulfill, and they don't just include providing the house and some food. The host, with the help of co-organizers, invites those who they think might be interested in the issue(s) to be discussed. An ideal host is somebody who understands the issue(s) at hand, can easily discuss it, and is not afraid to ask their friends, or those present, for money.

Prepare the List of People to be Invited

Once someone has volunteered to host the party, the organizers of the event help that person decide who is to be invited. In figuring out how many people to invite, keep the following factors in mind: As a rule of thumb, invite three times as many people as you want to attend. Begin by inviting the host's friends and neighbors. Don't forget the people who you know are interested in the issue. Focus on expanding your base of supporters—that way you increase your numbers... and your budget.

Design the Invitation

An invitation does not have to be fancy and can be easily printed at a copy shop, so expenses should not really be an issue. If you have access to desktop publishing computer programs, attractive invitations can be produced without much difficulty or cost. The invite should reflect something about the host, the guest speaker, and/or the crowd. Also, don't forget to "hook" the guests by mentioning the issue(s) to be discussed.

Finally, remember to include the following: an indication that people will be asked for money. A line such as "Bring your questions and checkbook" or something similar is fine. Also offer people a way to contribute even if they can't come to the party—a reference like "I can't come, but enclosed is my donation" is suitable. Remember a RSVP to help prepare for the party, and directions on how to get to the house along with the host's telephone number.

Choreograph for the Event

Parties sometimes fail because of disorganization. Since the idea is to ask people for money, make the party easy—cater to your guests as much as possible without overdoing it. Do what you can to make it easy for them to find parking, find the house, find the bathroom, get to the food, relax, and have a good time. In other words, help them to help you. It is also a good idea to have a guestbook where guests can write down their contact information. This is useful in keeping track of supporters. Although it may sound obvious, remember that a party is a party—it supposed to be fun, so make it fun. Food, music and refreshments all contribute to creating a friendly atmosphere that will help inspire guests to contribute to your cause.

Orchestrate the Pitch

Everything at the house party should be built around the pitch. Time the pitch about one hour into the party to make sure everyone is present when it happens. The host calls for everyone's attention, introduces himself or herself and welcomes everyone. If there is a presentation, the host introduces the presenter. After the presentation, the host should be the person to make the pitch. A pitch must be made. Don't be shy. It's one of the main reasons for having the house party to begin with.

Although some do not agree with the tactic, it is useful to station “decoys”—a few pre-selected people who agree to quickly contribute after the pitch is made. They break the ice and generally make people feel more comfortable about giving money by being the first to do so. Also, decide ahead of time *how* people can contribute. Choose beforehand whether people should place donations in a basket, or designate people to go around and collect the contributions.

It is very important to not hurry the pitch. Give people time to write checks, give cash, whatever. Don't just carry on quickly into the party—if the pitch person starts to party then everyone else will take their lead... and forget to contribute. Obviously, this is not a desired result.

Evaluate and Follow Up

After a house party, evaluate what went well and what could have been done better. When doing this keep in mind the previous points, with special attention to the presentation and pitch. Write and send thank-yous to everyone who gave money. Add the guests' information to your or your organization's records for later use.

HOW TO ORGANIZE A DEMONSTRATION

The people's right to peaceably assemble and to "petition the government for a redress of grievances" is one of the most important freedoms guaranteed by the Constitution's Bill of Rights. The right to freedom of association is a bedrock requirement of a functioning democracy. Without this right, the people lose one of the best tools for making their views known to those who hold power. Marching in the streets, holding demonstrations, staging protests—these are some of the most effective ways of at once showing support for a cause, drawing new people to that cause, and attracting the attention of those in positions of power.

The street march and the corner demonstration have a proud place in US history and in the history of social movements around the world. The abolitionist movement, the women's suffrage movement, the labor movement, Gandhi's anti-imperialist movement, the civil rights movement, and the movement against the Vietnam War all made good use of marches and demonstrations. Today, that tradition is alive and well, from the streets of Seattle to the boulevards of Washington, DC.

Organizing a demonstration may sound like hard work, but it doesn't have to be. Gather together two dozen of your friends, make some signs and come up with some chants, and you're ready to protest the unsavory voting record of a local politician or the unaccountable misdeeds of a local corporate executive.

All you have to do is hit the streets!

Some Types of Demonstrations:

Vigil

Candlelight vigils are a well-known way to remember lost lives or commemorate other kinds of victims. They are generally solemn and reflective, and intended as a way to honor a person or a group of persons. A good example is the "Take Back the Night" vigils or the events held in the wake of September 11.

Picket Line

This type of demonstration consists of a group of people holding signs and chanting and marching outside a building or office. If you have ever seen workers on strike, you have probably witnessed a picket line. Pickets are also a popular tactic with the anti-sweatshop movement and other groups who have used protests in front of corporate retail chains as a way to hold corporations accountable for their actions.

March

A march is much like a picket line—people hold signs and shout chants—except that the crowd is walking from one designated point to an agreed upon destination. Marches are usually a good idea when you are expecting a particularly large crowd, or when you want to convey a message in the selection of your route or your destination. An example of a march is any of those that occur on the National Mall in Washington, DC such as the Million Man March.

Sit-ins and Other Types of Civil Disobedience

When an injustice becomes so great that people of conscience can no longer tolerate it, nonviolent civil disobedience can be a crucial tactic. Pioneered by American author Henry David Thoreau and made popular by Gandhi and Dr. Martin Luther King Jr., nonviolent civil disobedience offers a way of taking direct action without resorting to force.

Probably the most well-known type of civil disobedience is the sit-in. Typically, protesters occupy the space of a decision maker—whether a corporate executive, a university president, or an elected official—make a demand, and refuse to leave until the demand is met or negotiated. Sit-ins have also taken place in front of the retail stores of corporations.

In recent years, civil disobedience has become more creative. Sometimes protesters chain themselves together to block an intersection or lock themselves to a building's entrance. Sometimes protesters scale down buildings to unfurl giant banners.

Important note: *Civil disobedience is by definition unlawful. If you plan to organize a sit-in or similar demonstration, we encourage you to obtain legal advice in advance. We suggest the American Civil Liberties Union or the National Lawyers Guild.*

Steps for Organizing a Demonstration:

Identify and reach out to supporters/Create a coalition

As with organizing any event—whether a house party, teach-in or protest—it is essential to bring together a key group of people who are committed to the project. It is also useful to reach out to other groups to see if they would want to contribute to the demonstration. Campaigns work best when they are anchored by a *coalition* of groups and individuals. Who else might be interested in helping to plan the demonstration? What natural allies do you have in the community? Try to find coalition partners sooner rather than later. Coalitions work best when everyone is involved in the process from the beginning.

Building coalitions among different constituencies is not only key to organizing a big demonstration—it is also essential to forming an energetic and broad-based social movement.

Assign tasks and determine roles

It is useful to make sure everyone knows their assigned tasks. When organizing a demonstration, you probably want one person responsible emceeding the protest itself; one person in charge with getting the required permits, and if necessary, being in contact with the police; one person responsible for working with the media; and one responsible for signs, art, and chants. *Everyone* should be responsible for spreading the word to the general public.

Location, location, location/Permits and officials

You want to hold your demonstration where there is a lot of traffic—either auto traffic or pedestrians or both. Because you want to connect with as many people as possible, visibility is key. A lousy location can undermine the best organized demonstration.

It is important that you know your rights regarding the use of space, whether you are organizing a demonstration on a college campus or along a public street. Many towns require permits for demonstrations, especially if you will be using amplified sound such as bullhorns. Permits are almost always required for marches since they may disrupt traffic. Talk to the campus or community police about your demonstration and determine what permits you need.

If you are planning to risk arrest, you should make extra arrangements. It is a wise idea to have trained legal observers on hand to take notes and document the event. The National Lawyers Guild can provide suggestions on finding legal observers: www.nlg.org or 212-679-5100.

We also recommend that before engaging in nonviolent civil disobedience, some members of your group should take part in nonviolence training. The Ruckus Society offers regular direct action camps, and can suggest other trainers in your area: www.ruckus.org or 510-763-7080.

Get the word out: Turnout is crucial

A large number of people at your protest demonstrates broad public support for your cause. Both the media and the decision makers you are trying to influence will be looking closely at the number of people at your protest to see if you have real community backing. Develop a specific strategy for outreach and publicity, and set a goal for the number of people you want at the demonstration. Then create a plan for reaching out to *10 to 100 times* as many people as you hope will be there. Assume that only a fraction of the people you contact will actually show up.

Key to a successful outreach strategy is the production of materials like event fliers, direct mail invitations, email invitations, and public service announcements. Distribute the fliers as much as possible among friends and colleagues to be disseminated publicly at coffee shops, community centers, bulletin boards, cultural centers, other events, churches, schools, universities, etc.

You can also use the press as a tool to get the word out. Write a press release and send it to campus and local media to get the media to cover the event. Send a flier or public service announcement to radio stations and community newspapers to get the event announced on the air or in the events section of the newspaper. The sooner you have materials ready, the better, especially in regards to media.

Speakers and Schedule

Whether you're holding a solemn vigil or a loud march, you will want speakers at your event. Gather a group of people representing a wide range of constituencies—young people, old people, people of color, working class people, professionals. Just as a large number of people illustrates support for your cause, so does a diverse range of speakers. Decide on the order in which you want your speakers to address the crowd. Give speaker about two or three minutes and ask them to keep it short. Remember: this is a demonstration, not a teach-in.

Also, always make sure you have an emcee who is in charge of the speakers' order. It's this person's responsibility to bring a bullhorn or amplifier and to keep the program moving smoothly.

Slogans and Chanting

Don't assume that you will suddenly think up chants in the heat of the protest. This won't happen, so you need to prepare chants beforehand.

A few days before the demonstration, set aside some time to brainstorm catchy slogans that can be learned quickly by a crowd. Be as creative as you can. Even if you're working on a very serious issue, it's always a good idea to come up with a chant that might make people smile. Keep in mind that the passersby are people you want to educate, not alienate.

Make copies of the chants to give out to fellow demonstrators. Have someone in charge of leading people in the chants.

Signs and other materials

Colorful signs are *essential* for capturing people's attention. Make signs that have bold letters and clear messages—the fewer words, the better. You can paint your signs by hand or enlarge photos that illustrate your issue. Make sure your signs are readable from far away and make for good photo-ops. As with chants, the use of sarcasm or a play on words can be an effective way of communicating.

Literature and handouts

A bright, colorful sign may catch someone's attention, but then what? Most people won't have the time to stop and chat about your cause. That's why it's important that you bring educational materials to hand out—some sort postcard, fact sheet or flier that discusses your issue. The average person on their lunch break may not be able to hang out and learn about the issue, but if you give them something to stick in their back pocket, chances are that they will read it later.

Puppets and other props

Life-size puppets offer a fantastic way to dramatize your issue, and they make a great visual for television cameras. Other kinds of props like giant banners will also enliven your demonstration. Making art a central part of your protest will help you attract more attention. Art will also make your demonstration more fun for those involved.

Creative actions, skits and songs

It's always a good idea to think of new ways to express your point of view. Maybe you don't want to have another protest with people changing and shouting. Perhaps you want something more original.

Skits and other kinds performance provide an excellent way to grab people's interest. Write and perform a short play that explores your issue. For example, anti-sweatshop activists have organized "sweatshop fashion shows" to show people who the real fashion victims are. A song and dance performance is another fun way to attract attention and get your point across.

Invite the media/prepare press packets

A well-organized demonstration on a busy street corner can communicate with hundreds of people. But if the media covers your demonstration, you can reach 1,000 times as many people. Make sure you designate someone to be responsible for doing outreach to the media. For details on how to do effective media outreach, see the Media How To in this guide.

On the day of the demonstration, make sure you have plenty of press packets prepared. A press packet should have all the background material a reporter would need to cover your story. Include your original press release about the event (which should explain why you are protesting) and also any fact sheets or other campaign materials you may have. At least one person should be responsible for handing out press packets to reporters and also getting the reporters' names so you can contact them about future events.



HOW TO USE THE MEDIA TO BROADCAST YOUR MESSAGE

Whether we like it or not, the mainstream media has a massive influence on politics in the US. There is no question that we need to democratize our media, but as we do that we must also work *with* the mainstream media to broadcast the messages and values that are important to us as progressive activists. A fantastically well organized rally attended by 100 committed citizens is a beautiful thing. But if the media covers the rally, you will reach ten times that number with your message. If you want to talk to people outside the choir and bring new people into the struggle for social justice and human rights, media coverage is a must.

Telling a story or communicating a point of view to reporters and editors from mainstream publications is a special art. You have to be clear and brief and at the same time deeply thoughtful. You have to know certain tricks of the trade that will help your issue stand out from the hundreds of other interesting things happening in the world. This guide will help you get your important issues into the media's eye. It contains basic primers on how to write a press release, how to pitch a story, how to write a letter to the editor, and other important tips.

If you would like more guidance on how to work with the media, feel free to contact Global Exchange's communications department. GX's communications team is more than happy to put media skills into as many hands as possible. You can contact Tim Kingston at tim@globalexchange.org and 415-255-7296 x 229. Best of luck!

The following guidelines were gratefully adapted from salzman's "Making the News" and SPIN Media Project materials.

PRESS RELEASE HOW TO

What is a Press Release

- Informs reporters about your event, report, or issue.
- More detailed than the advisory—should tell all the information a reporter needs to write their piece.
- Envision, then write the press release as the news story YOU would want to see written.
- Sent out the morning of or the day before the event.

Elements

- **Headline.** This will make or break a news release—include the most important information in the headline, and make it punchy. The headline can be up to four lines if necessary, including a subhead, if used, but keep it short (and remember to use a large font).
- Important information should jump off the page—most reporters will only spend 30 seconds looking at a release.
- Spend 75 percent of your time writing the headline and the first paragraph.
- Use the inverted pyramid style of news writing. Make your most important points early in the release and work your

way down.

- Keep sentences and paragraphs short. No more than three sentences per paragraph.
- Include a colorful quote from a spokesperson in the second or third paragraph.
- Include a short summary of your organization in the last paragraph.
- Mention "Photo Opportunity" if there is one. Be sure to send a copy of the release to the photo desk.

Structure / Form

- In the top left corner, type "For Immediate Release."
- Below "For Immediate Release," type the date.
- **Contact Information:** In the top right corner, type names and phone numbers of two contacts. Make sure these contacts can be easily reached by phone. Including the contact's home phone number, if appropriate.
- Type "###" at the end of your release. This is how journalists mark the end of a news copy.
- Type "MORE" at the end of page 1 if your release is two pages, and put a

contact phone number and short headline in the upper right hand corner of subsequent pages.

- Print your release on your organization's letterhead.

How to Distribute It

- A release should be sent out the morning of, or the day before your event. In some cases, you may want to send an "embargoed" copy to select reporters ahead of time, meaning that the information is confidential until the date you specify.
- Generally, send a release to only one reporter per outlet.
- If your release announces an event, send it to the "daybooks." A daybook lists news events scheduled to take place in the region on that day. Someone from each major outlet reviews the daybooks each morning.
- **ALWAYS make follow up calls after you send the release. If your release is announcing an event, make the calls the morning before your event is scheduled.**
- Have a copy of the release ready to be faxed when you make the calls.

MEDIA ADVISORY—HOW TO

What is a Media Advisory?

- Functions as an FYI that alerts journalists to an upcoming event.
- Gives basic information: the who, what, where, when and why.
- Sent out a few days before the event.

Elements

- **Headline.** This will make or break the advisory—include the most important information in the headline, and make it punchy. The headline can be up to four lines if necessary, including a subhead, if used, but keep it short (and remember to use a large font—it’s eye catching!).
- **Short description of the event and the issue.** Make it visual (“Citizens will carry large placards and life-size puppets to the Governors Mansion to protest the latest cut in education funding.”)
- **List the speakers at your event.**
- **Include a quote from somebody from your organization who works on the issue.** This quote should be the main message that you are trying to convey

to the press, and in extension, to the public. Therefore, it should be clear, well thought out and strategic.

- **Contact information.** In the top right corner, type names and phone numbers of two contacts. Make sure these contacts can be easily reached by phone. Include the contact’s home phone number, if appropriate.
- **Include a short summary of your organization in the last paragraph.**
- **Mention “Photo Opportunity” if one exists and be sure to send it to the photo editors of local news outlets as well as to reporters – they don’t always share information with each other!**

Structure / Form

- In the top left corner, type “Media Advisory.”
- Beneath “Media Advisory,” type the date.
- Type “###” at the end of your advisory. This is how journalists mark the end of copy.
- Type “MORE” at the end of page 1 if

your advisory is two pages, and put a contact phone number and short headline in the upper right-hand corner of subsequent pages.

- **Print your advisory on your organization’s letterhead.**

How to distribute it

- A media advisory should arrive at news outlets 3 to 5 working days before the event.
- Fax or mail (if time permits) your advisory to the appropriate reporter, editor or producer at each news outlet on your press list.
- If your region has a “daybook” (you can find out by calling the newsroom of your largest local newspaper) be sure to submit your advisory. A daybook lists news events scheduled to take place in the region on that day. Major news outlets review the daybooks each morning.
- **ALWAYS** make follow up calls the day before your event, and have the advisory ready to be faxed.

PITCHING YOUR STORY

- **Telephone calls are the most effective way to communicate with reporters.** Pitch calls are essential to an effective media strategy. Reporters are on paper overload—chances are they never saw your faxed release or advisory.
- **Target your reporters.** Contact reporters who cover your issue, and reporters you have a relationship with. If you have to make a “cold call,” ask the general assignment editor or producer who you should speak to.
- **Find a “hook” for your story.** Show the reporter how your story is significant, dramatic, timely, controversial or impacts a lot of readers.
- **Always pitch the story first,** and then ask if they received your release or advisory. Immediately capture the interest of the reporter—they won’t wait

for you to get to the point.

- **Keep the pitch short and punchy.** Reporters don’t have time for long pitch calls, so get to the most interesting and important information in the first 90 seconds. Don’t forget the Who, What, Where, When, and Why.
- **Be enthusiastic and helpful.** If you’re not excited about your story, why should the reporter be?
- **Never lie to a reporter.** They may not like what you have to say, but they must respect you.
- **Be considerate of deadlines.** Pitch calls are best made in the mid morning (9:30 to noon). If you sense a reporter is rushed or impatient, ask them if they are on deadline and offer to call back.
- **Only pitch one reporter per outlet.** If you do talk to more than one person

(which sometimes is necessary), make sure the other reporter knows that you’ve talked with someone else.

- **Close the deal.** Ask the reporter if they are interested or if they are coming to the event. Most will not commit over the phone but they will think about it.
- **Offer to send information.** If they don’t commit to attend your event. Offer to send them information if they cannot attend. (Remember to send the information right away.)
- **Don’t get frustrated.** Pitch calls can be frustrating when reporters don’t bite. But remember that every phone call keeps your issue and organization on their radar screen, and is an important step in building an ongoing professional relationship with reporters.

HOLDING A MEDIA EVENT

What is a Media Event?

- An activity intended to generate news coverage. They often involve gimmicky visuals, playful stunts, props, etc.

Hints

- Determine if your event is newsworthy. The more of the following characteristics it has, the more likely it will get coverage:
 - Novelty
 - Conflict
 - New data, symbol of a trend
 - Simplicity
 - Humor
 - Prominent figure involved
 - Action
 - Bright props and images
 - Local impact
 - Holidays, anniversaries.
 - Build your media event—site, speakers, visuals—around your message and slogan.
 - Make it fun. If you don't look like you want to be there, why should the press?
 - Don't be afraid to employ stunts. Sexy and trendy events take precedence over long range things with the media.
 - Consider timing. Is your event competing with other things? It is best to stage an event Monday through Thursday, 10 A.M. through 2 P.M.
 - Find an effective location. Consider the following questions when choosing a location:
 - Is the site convenient? Reporters are busy and won't travel far for an event.
 - Is your site too commonly used for media events? Try to find a unique location, if possible.
 - If your event is outdoors, do you have a backup location? A little rain or bad weather won't ruin an event, but severe conditions will. Also consider if it is possible to postpone it if the weather is very bad.
 - Do you need a permit? Check with the local police department.
 - Arrange to have photographers take pictures of your event.
 - Display a large banner or sign with your organization's logo.
 - The event should last 15 to 45 minutes.
 - Distribute information about your issue and organization at the event.
 - Remember equipment. Will you need a megaphone, podium, or portable microphone?
 - Have spokespersons ready to be interviewed.
 - Find out which reporters attended the event. Follow up with the no-shows.
-

FUNDAMENTAL TIPS FOR INTERVIEWS

- Discipline your message! Use your slogan or message as much as possible.
- Familiarize yourself with three soundbites (with backup information). Write them down.
- Always turn the question back to your message.
- Anticipate questions.
- Know the opposing points.
- Practice—even people who speak all the time practice.
- An interview is never over even if the tape stops rolling. Everything you say to a journalist is on the record.
- Don't get frustrated by difficult questions—just stick to your messages.
- If you slip up, don't worry. Just ask the reporter to start again (unless it's live).
- If you need more time to think, ask the reporter to repeat the question or ask a clarifying question—or simply pause and think before answering.
- If you don't know an answer to a question, don't force it. Try to return to your message. If it's an interview for print media, tell the reporter you'll track down the answer later call them back.
- Tell the reporter you have more to add if he or she overlooks something you think is important.

LETTER TO THE EDITOR HOW TO

What is a Letter to the Editor?

- Letters to the editor (LTE's) most often discuss a recent event/issue covered by a publication, radio station, or TV program.
- They are your chance to “sound off” to your community about issues in the news. **They are widely read**—so make them an important part of your media strategy.

Elements / Hints

- It is much easier to publish a letter to the editor than it is to place an op-ed.
 - Your letter has the best chance of being published if it is a reaction to a story in the paper. Respond as quickly as you can.
 - Read the letters page—you will learn how to develop an effective letter-writing style, and you will see if someone has already responded with your idea.
 - Keep it short and concise—150–200 words. The paper will take the liberty to shorten your letter to suit its format; the more it has to cut, the less control you have of what gets printed. Lead with your most important information.
 - Focus on one main point and make a compelling case.
 - Write in short paragraphs, with no more than three sentences per paragraph.
 - Don't write too often. Once every three months is about as often as you should write.
 - Avoid personal attacks.
 - Put your full name, address and phone number at the top of the page and sign the letter at the bottom. You must include a phone number for verification purposes.
 - Follow up to see if the letter was received.
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GLOBAL EXCHANGE

For Immediate Release
Monday, September 30, 2002

Contact: Carleen Pickard, 415-575-5535 or
Jessica Marques, 415-621-8100

Fair Trade Activists to Host Town Hall Meetings Across California

Californians Will Have an Opportunity to Share Their Views on the Proposed Free Trade Area of the Americas

San Francisco, CA—In October fair trade activists across California will host town hall meetings to give members of their communities a chance to share their views about the proposed Free Trade Area of Americas (FTAA). Talks are underway to expand NAFTA (the North American Free Trade Agreement) to 31 other countries in the Western Hemisphere. This pact will dramatically impact US citizens, and yet ordinary people have been given no way to communicate to US trade officials their thoughts about this sweeping free trade deal. The town hall meetings have been organized to meet that important need.

The FTAA town hall meetings will take place in San Diego, Los Angeles, Palo Alto, Marin County, Stockton, Sacramento, Santa Cruz, and Oakland between September 30 and October 8. A complete schedule of the meetings, including specific times and locations, is available.

The town hall meetings will take place just before trade ministers from throughout the Americas meet Oct. 31 in Quito, Ecuador for the next round of FTAA negotiations, and are timed to encourage public discussion about the FTAA just as the talks go into the final and critical stage. At the California hearings, citizens from Colombia and Mexico will be on hand to share with US residents their views of the FTAA and initiate an international dialogue. The foreign guests include a factory worker from Tamaulipas, Mexico, and an environmental activist from Jalisco, Mexico, and a high school teacher from Barranquilla, Colombia who has been made a refugee because of persistent violence against trade unionists in Colombia.

“Despite repeated calls for the open and democratic development of trade policy, the FTAA negotiations have been conducted without citizen input,” says Carleen Pickard, an organizer with the international human rights group Global Exchange. “The town hall meetings will give people a chance to ask the hard questions that US trade negotiators are ignoring: Who benefits? Who loses? and Who decides?”

The US Trade Representative’s office has set up a process to solicit citizens’ views, but there is no real mechanism to incorporate the public’s concerns into the actual negotiations. The public has been given nothing more than a suggestion box. At the same time, however, hundreds of corporate representatives are advising the US negotiators and have advance access to the negotiating texts.

“The FTAA will impact the lives of 800 million people from Argentina to Alaska, yet US trade officials are conducting secret negotiations and refusing to open a public debate on this crucial issue,” says Jessica Marques of the Alliance for Responsible Trade. “Citizens are being left in the dark. These hearings will give people a chance to make their voice heard.”

For more information on the town hall meetings, a complete list of event times and locations, or more details about the FTAA, contact Jessica Marques at 415-621-8100 or msn@mexicosolidarity.org. ###