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THE RIGHT TO DEVELOPMENT

**Written statement* submitted by the Europe-Third World Centre,
a non-governmental organization in general consultative status and
the American Association of Jurists (AAJ),
a non-governmental organization in special consultative status**

The Secretary-General has received the following written statement which is circulated in accordance with Economic and Social Council resolution 1996/31.

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* This written statement is issued, unedited, in the language(s) received from the submitting non-governmental organization(s).

FTAA dangers and the urgent necessity of an alternative for development¹

1. Already more than a century ago, at the 1889 Inter-American Conference in Washington, a proposal was made that Latin American countries integrate their economies into that of the United States. This project, which included a customs union, and, in its more audacious draft, a common currency, ultimately failed. After months of negotiations, the Latin American countries finally found the motives and resources to reject the project. At that time, insightful observers did not fail to discern the geo-political goals of the United States. *“Only a unanimous and firm response can free [Latin] American peoples from the troubles engendered, with the complicity of venal republics, by their powerful neighbor’s politics of domination, which turned upon them only to hinder their expansion, seize their territories, breach their treaties with the rest of the world, and force them to buy what it cannot sell or to federate as a way of being better dominated”*². These words, then spoken by José Martí, strikingly relevant today from the perspective of the Free Trade Area of the Americas (FTAA/ALCA/ZLÉA)³, are portentous for 2005. The aim of this report is to highlight the dangers purveyed by this treaty with respect to the development and sovereignty of Latin American and Caribbean peoples.

The FTAA: myth and reality

2. The FTAA seeks to integrate all countries of the Americas –with the notable exception of Cuba– into a single free trade zone aimed at *“liberalizing trade, increasing investments through market liberalization, promoting competition, eliminating barriers to free trade (including subsidies to domestic producers, support to trade...) [and] to the free circulation of capital and business persons”*⁴. The spirit of this model of integration is rooted in a “parties’ conviction” that economic prosperity, as well as the strengthening of democratic institutions, and even of *“friendly relations”*, all depend on market liberalization. Neo-liberal ideologues have been pandering this fiction now for two centuries, despite the fact that it has been continuously contradicted by the facts. Indeed, when established among unequal partners, free trade only benefits the stronger. It neither promotes development nor translates into democracy or peace. The free circulation of goods and capital is being advocated by the most powerful corporations from the most powerful countries because *it has always strengthened and will always strengthen* their market positions. The rare productive and commercial breakthroughs of Southern countries in international oligopolistic markets dominated in all key sectors by Northern multinational corporations were obtained only at the expense of considerable efforts by states imposing limits on openness and expressing their willingness to control external trade relationships. The successive financial crises of recent years, affecting all continents, have highlighted the weakness and continuing dependence of the South. The integration of Latin America and the Caribbean (19% of the GDP compared to 81% for the United States and Canada) into a free trade agreement subjecting the weaker to a neo-liberal logic benefiting only the more powerful could by no means constitute a solution to their structural crisis.

¹ Statement written with the collaboration of Mr. Rémy Herrera, researcher for the National Centre for Scientific Research (CNRS), France.

² Martí, J. (1964), *Obras completas*, tome 6, pp. 46-47, Editorial Nacional de Cuba, La Havana.

³ ALCA = Área de Libre Comercio de las Américas, ZLÉA = Zone de Libre-Échange des Amériques.

⁴ Chapter 2, article 1, al. 1 to 5 of the FTAA draft agreement.

3. The FTAA is not a Latin-American initiative: it was conceived as early as 1990 by the U.S. administration (of G. Bush) and reactivated (by G.W. Bush) at the 2001 Summit of the Americas. Officially billed as “*promoting social development within a framework of equity*”, the agreement was presented to the U.S. Congress with the more prosaic goal of “*guaranteeing to our corporations the control of a territory stretching from the North Pole to the Antarctic and ensuring the free circulation of our goods, services, technology and capital over the whole continent, with no barriers nor difficulties*”⁵. The FTAA constitutes the spine –and is the most decisive economic constituent– of a globalizing strategy aimed at restructuring the hegemony of the United States on the global system, for which the control of the Western hemisphere is of utmost importance. The United States seeks to maintain its domination of the Triad (the European Union and Japan) or even of potential competitors (in particular China), but also to prevent the revival of South-South cooperation among countries increasingly attentive to their own interests, along the lines of projects previously lead by the UNCTAD or the ECLAC and, more recently, by the G21⁶.

4. Hence, the FTAA intends to extend to the whole hemisphere the North American Free Trade Agreement (NAFTA), the implementation of which, ten years ago, the EZLN in Chiapas “greeted” in its own way. Its dynamic follows the neo-liberal logic of structural adjustment plans and of WTO regulations and disciplinary measures. In order to accelerate this forced integration process, to pressure negotiators and to neutralize ever more vigorous oppositions to the project, the United States already signed a series of bilateral or regional agreements –some of them even more constraining than the draft FTAA agreement. Additional agreements, specific but decisive (plans Colombia and Pueblo Panamá), complete this scheme, envisioning the use of military force. It is particularly meaningful that the FTAA is being proposed as Latin America is being weakened (post-crisis, debt, foreign investment penetration...), and as new military bases are being established over the continent.

An assault on democracy, sovereignty and development

5. The FTAA must be taken, and fought, for what it is: an assault on Latin-American and Caribbean peoples’ fundamental rights to democracy, sovereignty and development. The negotiations of draft agreements, during which President G. W. Bush set an emergency procedure in motion (Fast Track, August 2002), were noteworthy for their lack of transparency and for their violating the most elementary democratic principles: none of the peoples of America –not even parliamentary representatives– was duly informed, associated with the discussions, consulted nor called to express their views on the drafting of the most decisive treaty for the future of the continent. This is how FTAA advocates conceive participation, free expression, contradictory debate and the search for consensus in the “*34 American democracies*”. The goal of the treaty is not to establish a social project responsive to the urgent needs of the vast majority of the population. Its goal is to simulate the *legitimate* elaboration of a *legal* framework allowing the systematic plundering of the hemisphere by a tiny minority of owners.

⁵ See : Alternatives Sud, *Les Dessous de l’ALCA*, CETRI / L’Harmattan, 2003.

⁶ Group of 21 Southern countries including China, India, South Africa, Brazil...

6. National sovereignty, already badly strained by neo-liberalism, is being directly threatened by the FTAA and limited by the supremacy of treaties⁷. This is notably true of the chapter relating to investments –which is an exact reproduction of the Multilateral Agreement on Investments (MAI), despite the recent defeat of the latter following popular mobilization–: not only does this chapter grant huge privileges to capital owners (national treatment), protect their intellectual property rights (patents) and open the doors to every key sector, including public services (education, health care...) and natural resources (water, biodiversity...); it also denies those states benefiting from foreign investments the right to constrain investors (or speculators), be it in terms of exports, access to technology, employment or environment protection.

7. Social rights of workers and citizens remains notably absent from the draft agreement. Its grotesque composition provides an idea of the proponents' priorities: a short preamble enunciating the alleged virtues of free trade and a number of wishes paves the way to the detailed inventory of the numerous rights exempt from any obligation guaranteed to big capital. Like the NAFTA and unlike the European Union or the Southern Common Market (MERCOSUR), the FTAA chooses to reproduce the fundamental dichotomy of the world capitalist system, an integrated market in all respects, except for labour: the freedom to move over the hemisphere will not apply to individuals –only “*business persons*”. Given the important productivity differences among countries, the effects of liberalizing the movement of goods and capital while simultaneously forbidding that of working people by closing the Río Grande border, will, most realistically, be similar to the ones of NAFTA in Mexico. Apart from a booming increase in exports over the last ten years⁸, the Mexican economy is primarily characterized by foreign trade increasingly dependent on the United States market; *maquiladoras* with completely unacceptable working conditions; rural production overwhelmed by the competition of a modern, subsidized and protected U.S. agriculture; loss of employment and of purchasing power for low wage-earners; ever increasing strata of the population below the poverty level; a boom in illegal emigration attempts; and major environmental scandals. For example, in 2000, the tribunal of the International Center for Investment Dispute Settlement found the Mexican government guilty of “*expropriation*” and ordered it to pay more than US\$ 16 million in compensation to Metalclad, a U.S. corporation, because the government had required the closing of a waste disposal plant for products considered hazardous to health and environment⁹.

The urgent need for resistance and the emergency of developing alternatives

8. The imminence and gravity of NAFTA dangers have provoked increasing opposition to its implementation. Resistance stems from all progressive sectors of Latin-American and Caribbean civil societies: political parties, manufacturers' and rural workers' unions, social movements, indigenous peoples, feminists... The progress of committees supporting the struggle and the success of demonstrations, walks and popular consultations contributed to informing, mobilizing and organizing peoples from the whole continent. In September 2002, more than 10 million of Brazilians said no to FTAA. Backed up by this outstanding popular impulsion, some countries (Cuba, Venezuela) knew how to resist and to formulate radical criticism of this destructive

⁷ « The Parties shall ensure that their laws, regulations, and administrative procedures are consistent with the obligations of this Agreement. » (FTAA, chapter 2, article 4.2).

⁸ Due, mostly, to some subsidiaries of US enterprises which take benefit from the cheap labour cost in Mexico.

⁹ See: Alternatives Sud (2003).

project, while others (prompted by Brazil) were able to renegotiate the agenda and postpone the deadline, reminding one that another integration was, and remains, possible.

9. The revival of MERCOSUR (uniting Argentina, Brazil, Paraguay and Uruguay), of the Andean Pact and of the common markets of Central America and the Caribbean certainly constitutes the type of *regional integration scheme* capable of challenging U.S. hegemony. However, in order to succeed in this challenge and grow stronger, these regional integrations will have to conform to a different rationale, one that serves the people. In particular, they will have to adapt to the specific requirements of their respective economic development needs; to build on strong social bases; to be conceived in an autonomous, democratic manner, taking into account individual rights and peoples, but also the environment; to be responsive to people's needs through voluntarist public programs of self-sufficiency for food, health care, education and infrastructure; to create appropriate mechanisms for the equalization of resources, promoting a reduction in intra- and international inequalities as fast as possible; to find appropriate plans for cooperation and the harmonization of decision making processes...

10. The FTAA is the very negation of human rights, and, especially, of the right of people to sovereignty, the backbone of the International Bill of Human Rights¹⁰. The Declaration on the Right to Development, inspired by International Human Rights Covenants, reaffirms the inalienable right of all peoples to exercise "*full and complete sovereignty over all their natural wealth and resources*"¹¹. Protecting and promoting human rights is an obligation for governments, hence, it is inadmissible that the latter implement policies or sign on to economic agreements going against international human rights instruments. Accordingly, CETIM and AAJ urge Latin American and Caribbean governments to reject the FTAA, in its current draft, so that the right of Latin-American and Caribbean peoples to sovereignty and leadership in building their collective future may be respected.

¹⁰ Cf. 1st article common to the two International Covenants on Human Rights.

¹¹ Article 1, paragraph 2.