

**Joint Statement Concerning the United States-Central American Free Trade Agreement (US-CAFTA) by the Bishops' Secretariat of Central America (SEDAC) and the Chairmen of the Domestic and International Policy Committees of the United States Conference of Catholic Bishops (USCCB)**

In light of a recent visit to Washington, DC, 23-24 June 2004, by a delegation of six bishops representing the Church in Central America, the Bishops' Secretariat of Central America (SEDAC) and the Chairmen of Domestic and International Policy Committees of the United States Conference of Catholic Bishops (USCCB), wish to express with one voice our observations and concerns about the US-Central American Free Trade Agreement (US-CAFTA) that was recently signed by the governments of our countries. After a rich dialogue among ourselves, and discussions with representatives from the U.S. Administration, Congress, multi-lateral institutions and civil society, we state the following:

1. According to our pastoral vision, which is inspired by the Gospel and the Church's social teaching, the human person must be at the center of all economic activity. Free trade agreements, such as CAFTA, should be a way of achieving authentic human development that upholds basic values such as human dignity, solidarity and subsidiarity. Whether such treaties are ethical or not depends on how these values are pursued.
2. If trade agreements are shaped by a proper moral perspective, they can promote human development — while respecting the environment — by fostering closer economic cooperation among and within countries and by raising standards of living, especially for the poorest and most abandoned. Human solidarity must accompany economic integration so as to preserve community life, protect families and livelihoods, and defend local cultures.
3. Because trade agreements are not a panacea for deep-seated problems of poverty and social and economic exclusion, they must be part of a broader agenda of sustainable development that includes financial cooperation and migration policies and programs specifically designed to lift up sectors adversely affected by the agreement. The basic challenge is to implement a framework for sustainable human development.
4. We believe that in an increasingly interdependent world, it is essential that economic globalization be made more human by globalizing solidarity among people everywhere. If this is not done, then, as Pope John Paul II has said, “the poorest appear to have little hope” (*Ecclesia de Eucharistia*, 20). Indeed, “if globalization is ruled merely by the laws of the market applied to suit the powerful, the consequences cannot but be negative” (*Ecclesia in America*, 20).
5. In general, the situation in which many people of Central America live is marked by poverty and exclusion, a growing gap between rich and poor, an inadequate educational and public health system, insecurity and violence, and migration caused by the lack of opportunities.
6. We are concerned about the ability of CAFTA to increase opportunities for the poorest and most vulnerable and to enhance the prospect that they will genuinely benefit from increased trade. To ensure that this takes place, it is necessary to frame trade policies

within an integrated development agenda that incorporates measures that improve education and healthcare, include minority groups and the disabled and strengthen democratic participation. In this way, the great promises made on behalf of trade liberalization are more likely to be realized and the growing gap between rich and poor will more likely diminish.

In light of the values and principles that we have outlined as well as the situation of the people, we express some of our specific concerns about the potential impact of CAFTA on our countries, especially in Central America:

1. There has not been sufficient information and debate in our countries about the various aspects of CAFTA and its impact on our societies. This troubles us deeply given the obvious imbalance in power and influence that exists between the United States and the Central American countries and the impact the agreement will have on our peoples, especially in Central America. This lack of dialogue and consensus regarding the treaty is also leading to growing discontent. In Central America, this could lead to violence and other civic unrest, which would further hinder true democratic reforms and respect for the rule of law.

2. In the area of agriculture, there is insufficient attention given to such sensitive issues as the potential impact of U.S. farm supports on Central American farm producers. It seems likely that poor farming communities in Central America will suffer greatly when subsidized agricultural products from the United States expand their reach into these markets. Any reform of such supports should address the needs of small and medium-sized farms and farm workers in the United States and in Central America, for whom farming is the principal means of support.

Even when such reforms take place, Central American countries should be able to implement responsive trade policies that enable farmers to produce food for their people, maintain a stable income and help develop the rural sector.

3. While certain labor and environmental provisions are included in the agreement, it is not clear that the enforcement mechanisms within CAFTA will lead to stronger protection of fundamental worker rights and the environment.

Many have claimed that CAFTA will lead to a significant increase in jobs. However, these jobs could principally be in assembly plants (*maquilas*), which mainly employ women and which offer an unstable form of employment. Without proper worker protections we know from our own experience that this type of employment will not foster authentic human development. The likely loss of jobs in the countryside and the resulting migration to the cities or out of the region must also be considered.

Increased trade, consumption and economic growth can impact the environment. Therefore, environmental protections within the agreement should ensure the sustainable use of natural resources such as water and forests.

4. The treaty will have effects on intellectual property rights. The proposed legal framework could jeopardize the right of Central American countries to exercise

proper stewardship of their natural resources. If the use of generic drugs is limited, this would lead to further increases in the cost of health care.

Taking into consideration the concerns of the poor – who make up the majority of the people in Central America – and before any possible ratification of the US-CAFTA takes place by the national legislative bodies, we respectfully request:

1. That the Free Trade Agreement should contribute to sustainable human development, especially among the poorest and most vulnerable sectors. This agenda should include adequate financial resources that will enable the countries of Central America to invest not only in their trade capacity, but in social and human development.
2. That the countries' governments take as much time as necessary to provide adequate information and foster broad debate about the content and impact of the Free Trade Agreement that will serve as the basis for discussion in our respective legislatures.
3. The moral measure of any trade agreement should be how it affects the lives and dignity of poor families and vulnerable workers whose voice should receive special attention in this discussion.

We the undersigned bishops renew our commitment as pastors to accompany our people on their journey towards authentic human development, moving “from less than human conditions to truly human conditions.” (*Populorum Progressio*, 20). This development will take place through a “growing awareness of other people's dignity, a taste for the spirit of poverty, an active interest in the common good, and a desire for peace.” (*Populorum Progressio*, 21)

Washington, D.C., July 21, 2004

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