

## More Information: for Organizing and Awareness

Stop FTAA [www.stopftaa.org](http://www.stopftaa.org)

Mexico Comm. Against FTAA

[www.noalca.org](http://www.noalca.org)

FTAA Official Website [www.ftaa-alca.org](http://www.ftaa-alca.org)

Z Magazine [www.zmag.org](http://www.zmag.org)

Common Dreams [www.commondreams.org](http://www.commondreams.org)

Public Citizen [www.publiccitizen.org](http://www.publiccitizen.org)

Global Exchange [www.globalexchange.org](http://www.globalexchange.org)

Latin American Solidarity Network

[www.lasc.org](http://www.lasc.org)



### FTAA and CAFTA Calendar

- September 10-14, 2003—WTO Ministerial meetings in Cancun, Mexico.
- November 2003—FTAA Trade Ministerial will take place in Miami, Florida.

- January 2005—Scheduled deadline to conclude the FTAA negotiations. White House will want to pass the FTAA through Congress before the next congressional elections draw near.

## WHAT CAN WE DO

### Mission Statement:

The New York City People's Referendum against the Free Trade Area of the Americas (FTAA) is a grassroots coalition of organizations and individuals that is part of the national and hemisphere-wide Global Justice and Fair Trade movement to stop so-called "Free Trade" agreements like the Central American Free Trade Agreement (CAFTA) and the FTAA. These agreements are now being negotiated in secret by governments and multinational corporations. Our aim is to reclaim democratic control over this decision-making process by raising awareness, organizing concerned people, and showing elected leaders—through a referendum—just how many people are against these pro-corporate, anti-labor, anti-environment, anti-democratic agreements.

### NYC Referendum:

In order to coordinate this city-wide referendum on the FTAA and CAFTA, we meet regularly to strategize community and media outreach, congressional concerns, and to plan town hall meetings in each borough to educate ourselves and the public about the effects of free trade.



NYC People's Referendum  
130 W. 29<sup>th</sup> Street, 9<sup>th</sup> Floor  
NY, NY 10001  
(212) 760-0333  
[nyc.FTAAreferendum.org](http://nyc.FTAAreferendum.org)

Come join us on the 1<sup>st</sup> Wednesday of every month at 7pm!

## The FTAA and CAFTA's Impact on Labor Rights

(Free Trade Area of the Americas and the Central American Free Trade Agreement)



### FTAA, CAFTA and NAFTA: "Free Trade" and Labor

For some time now, the advocates of trade liberalization have been telling us that "free trade" is a win-win proposition. Everybody benefits from it; workers and bosses, poor

countries and rich countries...But not only has the experience of NAFTA shown us otherwise (since it went into effect more than 460,000 US jobs have been lost and real wages have fallen by as much as 20% in Mexico), but a closer look at this proposition shows us why it is full of holes.

## What does the “Free” in “Free Trade” stand for?

It doesn't mean that you or I get anything for free. It only means that corporations have more freedom to invest overseas, and to import and export what workers produce. Workers, on the other hand, are forced to compete against one another across borders, or risk losing their jobs when companies relocate to countries with cheaper labor. Let's look at “Free Trade” from the standpoint of workers and corporations:

### What Corporations Gain from “Free Trade”:

- Corporations get easier access to foreign markets to sell their goods. Countries are forced to stop protecting vital sectors of their economies with tariffs and quotas and subsidies.
- Corporations can use International Monetary Fund (IMF) imposed Structural Adjustment Programs to invest in forced privatization of state industries. This often allows giant multinationals to hold monopolies in vital sectors of the economies of poorer or less powerful nations. They can

then run these monopolies to generate tremendous profits.

- Corporations get easier access to cheap labor. It becomes easier for them to relocate and shift production to countries with lower wages.
- Corporations benefit from reduced enforcement of environmental and worker protection laws, because they can claim these as hindrances to “Free Trade” and their ability to make a profit.



### What Workers Gain from “Free Trade”:

Practically nothing. In theory, we are told that more open competition will lead to reduced prices for commodities, but in reality, the first commodity to lose value is our labor. By making it easier to import, export and relocate, workers are forced to bid down their wages to compete with the lower wage scales in the poorest countries. Jobs are lost due to relocation. Services are cut back due to the forced privatization of state industries. The environment becomes even more endangered. Our unions lose power because of lost membership and poor bargaining positions.

## Effects of NAFTA on Workers: the Precursor to the FTAA and CAFTA

NAFTA has eliminated some 766,000 job opportunities, mostly for non-college educated workers in manufacturing. All 50 states and DC have experienced job losses under NAFTA. California is the highest at 82,354. Other hard hit states include Michigan, New York, Texas, Ohio, Illinois, Pennsylvania, North Carolina, Indiana, Florida, Tennessee, and Georgia, each with more than 20,000 jobs lost. These states all have high concentrations of industries where large numbers of plants have moved to Mexico.

NAFTA has also contributed to growing income inequality and to the declining wages of US production workers, who make up about 70% of the workforce. The growth in US trade and trade deficits has put downward pressure on the wages of non-college educated workers in the US, especially those with no more than a high school degree. This group represents 72.7% of the total US workforce and includes most middle- and low-wage workers. These US workers are bearing the brunt of the costs and pressures of globalization.

Most displaced workers find jobs in other sectors where wages are much lower, which in turn leads to lower average wages for all US workers. Surveys have shown that even when displaced workers are able to find new jobs in the US, they face a reduction in wages, with earnings declining by an average of over 13%.

These displaced workers' new jobs are likely to be in the service industry, the source of 99% of net new jobs created in the US since 1989, and a sector in which average compensation is only 77% of the manufacturing sector's average.



New 'maquiladora' plants near the U.S. border hired about 500,000 Mexican workers, but overall, **1.4 million Mexican jobs have been lost**. The cost of living in Mexico has tripled, but wages are 27% lower.