

# Alliance

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## for Responsible Trade

*A National Coalition for Just and Sustainable Trade Policies*

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31 March 1999

Chairman  
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on Civil Society Participation  
United Nations Economic Commission  
for Latin America and the Caribbean (ECLAC)  
1825 K Street, NW, Suite 1120  
Washington, DC 20006

Public

FTAA.soc/w/33/add.1  
14 April, 1999

Dear Sir or Madam:

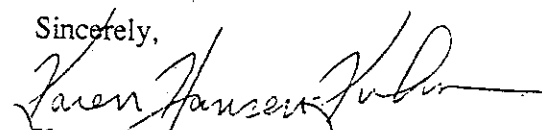
We write to you on behalf of a network of U.S. civil-society organizations working to ensure that trade and investment agreements serve as tools for equitable and sustainable development. Participants in the Alliance for Responsible Trade (ART) include representatives of U.S. labor, environmental, human-rights, religious, women's, family-farm, development and public-policy organizations.

Under separate cover we have sent you a letter detailing our concerns about the consultation process established by the Committee of Government Representatives on Civil Society Participation. At the same time, we would like to present our views on what should be the substance of an agreement on economic integration in the hemisphere.

Enclosed, therefore, please find "Alternatives for the Americas: Building a Peoples' Hemispheric Agreement." This document was prepared by citizens from throughout the Americas. It addresses the major topics on the official agenda of the FTAA negotiators (investment, finance, intellectual property rights, agriculture, market access and dispute resolution), as well as topics that are of great social importance but which governments have ignored (human rights, environment, labor, immigration, the role of the state, and energy). Issues relating to two particularly important and affected groups -- women and indigenous peoples -- have been incorporated throughout the document. The paper begins with a chapter on the general principles underlying an alternative vision, followed by others that lay out more concrete proposals. These chapters are complementary, and, therefore, the paper is to be viewed and discussed as a whole. We have also included an executive summary of the document as required.

We look forward to your response and to learning how our proposals will be addressed within the FTAA negotiation process.

Sincerely,

  
Karen Hansen-Kuhn  
International Coordinator  
Alliance for Responsible Trade

## **Alternatives for the Americas: Building a Hemispheric Peoples' Agreement**

### **Executive Summary**

**General Principles:** Trade and investment should not be ends in themselves, but rather the instruments for achieving just and sustainable development. Citizens must have the right to participate in the formulation, implementation, and evaluation of hemispheric social and economic policies. Central goals of these policies should be to promote economic sovereignty, social welfare, and reduced inequality at all levels.

**Human Rights:** Countries of the Americas should build a common human rights agenda to be included in every hemispheric agreement, along with mechanisms and institutions to ensure full implementation and enforcement. This agenda should promote the broadest definition of human rights, covering civil, political, economic, social, cultural, and environmental rights, gender equity, and rights relating to indigenous peoples and communities.

**Environment:** Hemispheric agreements should allow governments to channel investment towards environmentally sustainable economic activities, while establishing plans for the gradual "internalization" (taking into account) of the social and environmental costs of unsustainable production and consumption.

**Labor:** Hemispheric agreements should include provisions that guarantee the basic rights of working men and women, ensure proper assistance for adjustment as markets are opened up, and promote the improvement of working and living standards of workers and their families.

**Immigration:** Economic and financial agreements should include agreements regarding migrant workers. These agreements should recognize the diversity in immigration-related situations in different countries by allowing for variation in immigration policies but also facilitating funding for programs designed to improve employment opportunities in areas that are major net exporters of labor. At the same time, governments should ensure uniform application of their national labor rights for all workers—regardless of immigration status—and severely penalize employers that violate these rights.

**Role of the State:** Hemispheric agreements should not undermine the ability of the nation state to meet its citizens' social and economic needs. At the same time, the goal of national economic regulations should not be traditional protectionism, but ensuring that private sector economic activities promote fair and sustainable development. Likewise, agreements should allow nation states to maintain public sector corporations and procurement policies that support national development goals while fighting government corruption.

**Investment:** Hemispheric rules should encourage foreign investment that generates high-quality jobs, sustainable production, and economic stability, while allowing governments to screen out investments that make no net contribution to development, especially speculative capital flows. Citizens groups and all levels of government should have the right to sue investors that violate investment rules.

**Finance:** To promote economic stability, agreements should establish a tax on foreign exchange transactions that would also generate development funds, while allowing governments to institute taxes on speculative profits, require that portfolio investments remain in the country for a specified period, and provide incentives for direct and productive investments. To help level the playing field, low-income nations should be allowed to renegotiate foreign debts to reduce principal owed, lower interest rates, and lengthen repayment terms.

**Intellectual Property:** Agreements should protect the rights and livelihoods of farmers, fishing folk, and communities that act as guardians of biodiversity and not allow corporate interests to undermine these rights. Rules should exclude all life forms from patentability and protect the collective intellectual property of local communities and peoples, especially with regard to medicinal plants. Rules should also ensure that copyright laws protect artists, musicians and other cultural workers, and not just the publishing and entertainment industries.

**Sustainable Energy Development:** A hemispheric agreement should allow members to file complaints against countries that try to achieve commercial advantage at the expense of sustainability. International agencies should cooperate to create regulatory incentives for energy efficiency and renewable energy and promote related technologies, while eliminating policies that subsidize or encourage fossil fuel sales, consumption and use.

**Agriculture:** To ensure food security, countries should have the right to protect or exclude staple foods from trade agreements. Hemispheric measures should also support upward harmonization of financial assistance for agriculture (as a percentage of GDP), strengthened protections for agricultural laborers, and traditional rights of indigenous peoples to live off ancestral lands.

**Market Access:** Access for foreign products and investments should be evaluated and defined within the framework of national development plans. Timetables for tariff reduction should be accompanied by programs to ensure that domestic industries become competitive during the transition. With regard to nontariff barriers, measures are necessary to ensure that they reflect legitimate social interests rather than protections for specific companies.

**Enforcement and Dispute Resolution:** If the proposed rules and standards are to be meaningful, they must be accompanied by strong mechanisms for dispute resolution and enforcement that are focused on reducing inequalities and based on fair and democratic processes. Agreements may also include special safeguards for countries suffering as the result of surges in imports.