

NAFTA record draws mixed reviews

Patricia Zapor/CNS

WASHINGTON — Ten years after the North American Free Trade Agreement took effect, it seems neither critics nor supporters quite hit the mark in predicting how it would change the economies of Mexico, the United States and Canada.

The Bush administration says NAFTA is responsible for 2 million new jobs that pay more than the national average. The AFL-CIO says half a million jobs have been lost as companies moved operations south.

Similar arguments are made in Canada and Mexico, where political leaders call NAFTA a success, but workers whose companies moved where labor is cheaper complain that the agreement gave their employers incentive to abandon them.

NAFTA loosened trade restrictions, luring television companies to build huge factories just across the Mexican border. They could hire workers for \$2 an hour — relatively good wages in Mexico — and ship the finished products to the United States without paying import taxes.

Over the last decade, many of the world's major television manufacturers moved their factories to Tijuana or expanded there. Such factories employ thousands of people, many of whom left economically unproductive agricultural regions. Now some of those jobs are disappearing, as corporate owners opt to move to China where hourly wages are as low as 25 cents.

Erica Dahl-Bredine, director of Catholic Relief Services' Mexico operations, said the shift away from cities like Tijuana and Ciudad Juarez has left them overwhelmed by new residents with few skills and no financial reason to return to homes in other regions. That adds to the pressure to try to illegally cross into the United States in search of jobs.

Purchasing power and real wages for the average worker in Mexico have declined by almost 21 percent, Dahl-Bredine said in testimony to the U.S. Senate in May.

She told Catholic News Service that unrelated government policies, including subsidy cuts, the changing global economy and restrictions arising from the war on terrorism, play a part. "But the bottom line is, life has not improved dramatically for most people in Mexico," she said.

Here in the Diocese of Rochester, N.Y., labor and religion activists who have studied the life of factory workers in Mexican border cities expressed concern over the plight of such workers under NAFTA.

"The winners seem to be the cor-



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Mexican farmers, lifting a caricature of President Vicente Fox, demonstrate in the streets of Mexico City Jan. 31, 2003, to urge the Mexican government to renegotiate the North American Free Trade Agreement, known as NAFTA.

porations, not the workers in Mexico or the U.S.," said Marv Mich, director of social policy and research at Catholic Family Center in Rochester.

Mich co-chairs the Rochester Labor-Religion Coalition, a group of religious and labor organizations affiliated with the New York State Labor-Religion Coalition, co-chaired by Bishop Howard J. Hubbard of Albany.

With other labor and religion activists from the diocese, Mich traveled twice to Mexico's border region to study the effects of NAFTA. They met Mexican workers employed by a U.S. company who told the Americans they were terrorized and fired for trying to organize a union.

"Little attention is paid to worker safety and health," Mich said. For example, he noted the chemical by-product of fluoride production has been used to patch holes in dirt roads in some poor areas. That, Mich said, would be illegal in the United States.

Ruth Putnam, Diocesan Catholic Charities' Works of Love coordinator, has also visited the Mexican border region. Like Mich, she said she was deeply moved by the poverty and injustices she perceived.

"I think the church should invest more resources in educating its own members, ordinary voters and stockholders (and) those who hold powerful corporate and government

positions, in the importance of living out the deepest values of our faith in all aspects of our life," Putnam said.

Mich called for Catholic consumers to pressure U.S. corporations in Mexico to respect human rights and end environmental pollution. Pat Domaratz, labor relation specialist for the New York State United Teachers union and a parishioner at St. Mary's Church in Rochester, said that human-rights abuses have been highlighted and condemned before, and that Catholics can bring their social values to the free-trade debate.

"America looked much bleaker during the turn of the 20th century than it did by the 1970s," said Domaratz. "The difference was the creation of public and social policy that allowed for the sharing of resources to benefit many more people while protecting the weaker members of society."

Gerry Flood, an adviser to the U.S. bishops on international economic issues, said the results of a slew of studies about the effects of NAFTA "are not easy to interpret."

The impact on very poor Mexican farmers who grow staple crops such as corn and beans has been harsh, he said. American agriculture is heavily subsidized, while Mexico has severely cut back on such subsidies. U.S. growers can export corn to Mexico for about 25 percent less than the

cost to produce it domestically, according to Dahl-Bredine.

At the time NAFTA was being drafted, the bishops conferences of all three countries neither supported nor opposed the agreement. They did offer suggestions for how it could address some of the anticipated ill effects on the poor.

Recently, the Mexican bishops said NAFTA's effects have been beneficial for some regions and some producers, "but the quality of life and economic activity for the majority of small farmers and indigenous communities have severely deteriorated."

An extension of the agreement to include Central American countries was reached Dec. 17 by the Bush administration, Guatemala, Nicaragua, Honduras and El Salvador.

Mich and Domaratz said NAFTA should be expanded only if it contains protections for workers' rights and the environment.

"Catholic social teaching talks about 'solidarity,'" Mich said. "Well, solidarity means we are all in this together, and it means that all people should earn a living wage and have decent working conditions. If NAFTA can promote that, then I would support it."

Contains reporting by Rob Cullivan in Rochester.