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William Samuel
AFL-CIO

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Legislative Alert: Proposed Trade Agreements with Colombia, Korea and Panama

Abstract

[Excerpt] On behalf of the AFL-CIO, I write to urge you to oppose the proposed trade agreements with Colombia, Korea and Panama. Working people, in the U.S. and around the world, are bearing the brunt of decades of flawed trade policy. We need Congress and the White House to focus on creating the millions of good jobs at home that we so desperately need—not passing more flawed trade deals. These trade agreements, negotiated by the Bush Administration, incorporate too many of the disastrous policies of the past, rather than laying out a new and progressive vision for the future.

Keywords

AFL-CIO, Legislative Alert, Proposed Trade Agreements with Colombia, Korea and Panama

Comments

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815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

RICHARD L. TRUMKA
PRESIDENT

ELIZABETH H. SHULER
SECRETARY-TREASURER

ARLENE HOLT BAKER
EXECUTIVE VICE-PRESIDENT

LEGISLATIVE ALERT!

(202) 637-5057

July 7, 2011

Dear Representative:

On behalf of the AFL-CIO, I write to urge you to oppose the proposed trade agreements with Colombia, Korea and Panama. Working people, in the U.S. and around the world, are bearing the brunt of decades of flawed trade policy. We need Congress and the White House to focus on creating the millions of good jobs at home that we so desperately need—not passing more flawed trade deals. These trade agreements, negotiated by the Bush Administration, incorporate too many of the disastrous policies of the past, rather than laying out a new and progressive vision for the future.

Instead of using valuable time and effort advancing these flawed agreements, Congress should instead focus on effective job creation measures, including currency rebalancing and enforcing existing trade laws. We need to invest in a modern, functional infrastructure; in a high-tech, high-skilled workforce; and in clean renewable energy. It is time to update our trade model for the 21st century so that it strengthens labor rights protections for all workers, safeguards domestic laws and regulations, and promotes the export of U.S. goods rather than jobs.

Colombia Free Trade Agreement

- **Violence:** Colombia is the most dangerous place in the world for trade unionists. In 2010, 51 labor leaders were killed in Colombia, an increase over 2009 and more than in the rest of the world combined. So far in 2011, another 17 have been killed. The government of Colombia – despite renewed efforts – has been unable to effectively guarantee the rule of law allowing workers to exercise their legal rights without fear of violence.
- **Impunity:** Impunity in cases of violence against trade unionists remains high, with more than 95% of cases unsolved.
- **No Opportunity to Exercise Fundamental Rights:** As a result of this campaign of violence, as well as weak labor laws and inconsistent enforcement, only four percent of Colombian workers are unionized today, and only one percent of workers are covered by a collective bargaining agreement. Most workers lack freedom of association, the ability to engage in collective bargaining, and the right to strike effectively.
- **Labor Action Plan Inadequate:** In April 2011, the Obama Administration negotiated a Labor Action Plan with the Colombian government to address long-standing concerns about violence, impunity, and weak and unenforced labor laws. Unfortunately, the Labor Action Plan does not go nearly far enough in addressing these issues. It fails to require sustained, meaningful, and measurable results with respect to reductions in violence and improvements in impunity prior to ratification or implementation of the agreement, and it does not address the need for broad labor law reform. In addition, the Action Plan is not enforceable under the trade agreement itself.

- **Need to Wait for Results:** Once the agreement is in force, the United States will have lost its most important leverage to improve the human rights situation in Colombia. The Labor Action Plan will not fix Colombia's problems overnight. Congress should wait to see if it is implemented as promised, and if conditions for working families in Colombia actually improve as a result.

Korea-US Free Trade Agreement

- **Job Loss:** The Korea FTA is the largest trade deal of its kind since NAFTA. If enacted, the Economic Policy Institute estimates the Korea FTA would displace 159,000 U.S. jobs—mostly in manufacturing.
- **Kaesong:** The Korea FTA does not adequately protect against goods from the Kaesong Industrial Complex, a sweatshop zone in North Korea where workers have few rights and earn an average wage of \$61 a month. Kaesong provides \$20 million a year to a dangerous North Korean regime.
- **Weak Rules of Origin:** In order to qualify for reduced tariff under the Korea FTA, automobiles need only have 35% U.S. or South Korean Content—meaning up to 65% of the content of autos traded under the deal could be from other any other country, including China.
- **Transshipment:** South Korea has already reported an increase in transshipped goods (primarily from China) illegally and improperly labeled “made in South Korea.” This illegal transshipment is likely to increase further as unscrupulous businesses try to take advantage of reduced U.S. tariff rates specified in the Korea FTA.

Panama Free Trade Agreement

- **Investment, Financial Services, and Procurement Problems:** The Panama FTA contains similar flaws as other past trade agreements, including:
 - Investment provisions that give foreign investors the right to bypass U.S. courts while they challenge our domestic health, safety, labor, and environmental laws.
 - Provisions that reduce our ability to re-regulate the financial sector; prevent banks from becoming “too big to fail”; and even use taxpayer money to “buy American” and create local jobs.
- **Labor Rights:** Panama has a history of failing to protect workers and enforce labor rights.
- **Tax Haven:** Panama is known as a “tax haven,” with a history of attracting money launderers and tax dodgers. The Tax Information Exchange Treaty that Panama recently signed does not go into effect for another year and may be too weak to fix the problems. Only time will tell if Panama will live up to its promises.

American families need a new way forward on trade, not more of the same. So long as these agreements fall short of protecting the broad interests of American workers and their counterparts around the world in these uncertain economic times, we will oppose them.

Sincerely,



William Samuel, Director

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