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Trade Deal 6/2007

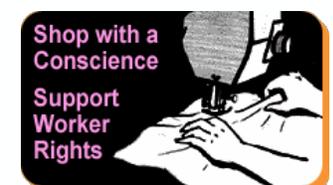
SweatFree Communities Statement on Trade Deal Announced May 10, 2007

June 6, 2007

SweatFree Communities is a national network of community-based worker rights organizations that believe that we need a new fair trading system for the global economy to support the rights of workers, strengthen communities, and protect the environment. For this reason, we are opposed to the trade deal recently announced by the Bush Administration and House and Senate Democratic leaders to facilitate passage of pending Free Trade Agreements (FTAs) with Peru and Panama, Colombia, and Korea. Because only a broad summary of the provisions of the trade deal are available, a real assessment of its impact will have to await the release of the specific FTA language. However, enough public information is available to know that the deal – despite seemingly positive new labor and environmental protections – would further advance the corporate "free trade" model that has proved devastating to the world's workers. We still need a new direction for trade agreements based on the values and priorities of workers and communities, and the principles of democracy, equity, and social justice.

The promised new labor and environmental standards are a step in the right direction. The agreement calls for countries to enforce their labor laws in accordance with five core International Labor Organization conventions regarding freedom of association and collective bargaining, and the elimination of forced labor, child labor and discrimination in employment. Furthermore, countries have the obligation to enforce Multilateral Environmental Agreements. The deal also calls for labor standards and environmental protection obligations to be subject to the same dispute resolution process as other FTA obligations. However, it is not clear if these labor and environmental provisions will be included in the main text of the FTAs or as unenforceable side agreements. There is also disturbing news that the U.S. Chamber of Commerce has been reassured that the United States will not have to comply with the new labor provisions. SweatFree Communities insists that these labor and environmental protections be written into the main body of the FTAs and that the United States must fully comply with them. Currently, U.S. compliance with the ILO standards, particularly with those pertaining to freedom of association and collective bargaining, is inadequate.

On government procurement, the deal calls for a clarification that technical specifications requiring contractors to comply with certain labor standards do not constitute an "unnecessary obstacle to trade." We support this clarification. However, the deal is silent on other government procurement provisions in FTAs that constrain governments' ability to adopt strong sweatfree and fair trade procurement rules or apply other social



or environmental criteria for contracting. States and local governments must remain free to conduct their procurement to advance sustainable economic development, social justice and human rights.

Furthermore, the deal calls for an unenforceable provision in the Preamble of FTAs stating that foreign investors in the United States have no greater rights than domestic investors in the United States. Under the North American Free Trade Agreement and the Central America Free Trade Agreement foreign investors have the right to challenge democratically enacted federal and state measures as "regulatory takings tantamount to expropriation" if such measures threaten even the anticipated profits of the investor, and even if such measures are necessary to protect public health and safety. These challenges take place in closed tribunals, hidden from public view, that operate outside our legal system. There have been many serious and costly foreign investor challenges to U.S., Mexican, and Canadian laws in the last decade that have resulted in the weakening of important environmental protections. The new Preamble provision does not address foreign investor challenges outside the United States, and will not prevent future foreign investor challenges of U.S. and state law based on property rights provisions in trade agreements that are more expansive than those in the U.S. Constitution.

SweatFree Communities is also opposed to any FTA with Colombia. Colombia has the world's highest rate of labor union member assassinations, with significant government complicity. New trade agreements will do little or nothing to stop this atrocity. The United States should not enter into any new agreements with Colombia as long as union members are being killed for standing up for their rights.

Lack of democracy lies at the core of our concern about the current trade model; the rules are created through a process which is non-transparent, undemocratic and dominated by the world's largest business interests. Dubbed "Fast Track," this process has removed Congress's authority and oversight over trade negotiations, and resulted in a series of corporate friendly trade agreements that have caused much damage to workers, communities, and the environment. Unfortunately, a similar secretive process lurks behind the new trade deal. Labor unions, environmental and other groups who care about trade issues were not consulted adequately or given any meaningful opportunities to review proposals or provide input. The details of the negotiations were withheld even from most Democratic House members.

Because Fast Track trade promotional authority is set to expire on June 30, 2007, we have the opportunity to establish a new and democratic process that will include previously excluded voices in the creation of a new type of trade policy that reflects the needs and interests of those who have suffered under the corporate trade model. The recently announced "new" trade policy may hint at a new direction, but fails in both substance and process.

[More on trade policy.](#)