



# A-GENDA

GENDER AND TRADE IN CENTRAL AMERICA

OCTOBER 2007

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## The Struggle against CAFTA Continues in Costa Rica

**Alda Facio**

Protesting against CAFTA in Heredia, Costa Rica, August 2007



Mujeres contra el TLC

**M**ujeres Contra el TLC (Women against CAFTA) was the name they gave themselves when joining thousands of others in an unequal struggle against the ratification of the free trade agreement with the U.S. known as CAFTA. Unequal in so many respects that many organizations are now saying they will not accept the results of this referendum because the process was undemocratic.

"Is not equality one of the pillars of a democratic process?" asks Roxana Arroyo, a feminist lawyer with Mujeres Contra el TLC. "How can anyone say this process was democratic and therefore based on the principle of equality when the Yes campaign had millions of dollars to spend on propaganda "donated" by a few multinationals while the NO campaign was financed by the

48% of the voters who voted NO? A 48% composed of a few rich, many middle class and even so many more poor women, workers, farmers and indigenous peoples.

"Unequal also because the Supreme Electoral Tribunal (TSE) allowed all public workers, including the President, to campaign for the Yes. Unequal because most of the public institutions had been taken over by the neo liberal machinery way before the referendum was even called. And unequal because the Yes campaign had the political, economic and symbolic power to force thousands of Costa Ricans to vote yes out of fear. Fear for their jobs, fear for their country and fear of being disloyal to their president.

"Because women were over half of the voters who voted NO, and because as feminists we

have always opposed expanding the exploitation and discrimination against women to those men who are less powerful or to our natural resources, we are going to insist that the laws required to implement CAFTA will not be negotiated only in Congress. They must be negotiated by all who have worked hard to make Costa Rica a democracy.

"Furthermore, because as women we know inequality and because we have struggled against it for millennia, we will not accept a referendum that was tainted by partial and even illegal decisions by the TSE and by an arrogant abuse of power by the president and other high officials, all of which are well documented. For millennia we have resisted the power men exercise over our bodies and our right to choose based on the unequal power relations

between women and men, so too today we will not accept that those who have the economic and political power in this country, have for that reason alone, the power to violate the will of the majority of Costa Ricans who do not want this so called agreement.

"There is ample evidence that the rules made by the TSE did not guarantee equality or freedom of choice during the process leading up to the referendum. Radio and television transmissions were not obligated to give equal time to both sides nor were citizens guaranteed a minimum of access to impartial information about the agreement. Freedom of choice was not guaranteed when the president himself was allowed to freely campaign for the Yes.

"How can we accept that the people freely chose to ratify the agreement when the choice was tainted by threats made by the largest multinationals in the country of firing everyone if the NO won, or by threats of a

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Mujeres contra el TLC



The 'banner of our dreams'

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collective suicide if the NO won made by the president himself, not to mention the threats by the U.S. Ambassador and even the White House?

"As women we know about frustration when those who have raped our bodies are left unpunished, or worse still, when the crime is not even recognized and we are accused of meaning yes when we have said NO. That is why we will not remain silent about the fact that there were no real sanctions made by the Supreme Electoral Court when the Yes campaign violated the prohibition to campaign two days before the referendum after the polls showed that the NO was winning by 12 points. We will insist that the process

itself was tainted as was the decision to vote yes by so many Costa Ricans. As feminists we have always said NO to rape and therefore we cannot but say NO to this gang rape of our collective freedom to choose what treaties we accept.

"From now on 'Mujeres contra el TLC' will call itself 'Mujeres del NO' (Women for the NO). A NO that is not only directed at the implementation laws, but a NO to the abuse of power, whether in our homes or in the country. And we will keep saying NO to public or private violence, whether it is exercised by the President of the Republic or by the head of the household. We will continue to say NO to that which is blindly called "development"; NO to the overvaluation of production over

reproduction; NO to capitalist greed as natural; NO to discrimination against women; NO to the disappearance of our millenary resistance.

"The Banner of Our Dreams will continue to travel throughout Costa Rica and the whole world so that anyone can express in it what they have not been given the chance to say in the media. The Banner will visit many more communities and cities so that women and men can demand, as thousands of Costa Ricans have already done, that they want a society where no one has too much or too little food, a society where goods are not produced for waste, a society centered on the nurturing of life and Mother Nature.

The Banner of Our Dreams



Mujeres contra el TLC

The 'banner of our dreams'

will continue to safeguard the space for dreaming a world where every color of the human rainbow can have a voice to demand with dignity, without the slavery of unabated production and consumption of unnecessary and inert goods, a planet full of poetry, beauty and happiness."

Source: Feminist International Radio Endeavour/[www.radiofeminista.net](http://www.radiofeminista.net)  
For more information go to [www.fire.org.cr](http://www.fire.org.cr)

## EDITORIAL Gender equity: The bottom line

**N**egotiations have just begun between the European Union and Central America on an Association Agreement that will lock the region into new models of trade liberalization. This is just the latest in a series of free trade agreements that are at different stages of negotiation and implementation across both Central and South America, including the recent ratification of DR-CAFTA in Costa Rica in spite of significant public opposition.

On 13th September 2007, the Nicaraguan National Assembly once again voted to make it a criminal offence for women to have an abortion under any circumstances, even if their lives are in danger. El Salvador and Chile are the only two other countries in the world to have such legislation.

At first glance these may appear to be parallel processes that have little to do with each other. On closer inspection we can see that there are women's rights issues involved in both. But if we look at either or both

through a gender equity lens, it becomes clear that they are in fact closely linked.

Trade liberalization, as has been argued in the articles in this and previous editions of the A-Genda Bulletin, impacts differently on men and women. Women, who play a distinct and often far more central role in the family and community, are marginalized in decisions that are considered to primarily affect the national economy. While men, who generally have a more recognized, formal role in the economy not only take most of the decisions, but also stand to gain most from a framework that prioritises mainstream economic development.

However if we trace the impacts of economic decision-making, which is often determined by trade policy and agreements, to the level of the family and community the downside of trade liberalization becomes clear. Women, particularly women who are marginalized through poverty, bear the brunt of policies that emphasise

liberalization of services, open market competition and foreign investment over small business development and equality of access. Faced with fewer opportunities and increasing demands on their time, women who are already marginalized become entrenched in a disadvantaged social role.

So it is with the right to a safe abortion. In the cultural context of strong influence by conservative religious sectors in the formulation of public policy which can be said to affect most if not all countries in the region, Central American women's sexual and reproductive rights are in mortal danger. A poor, marginalized woman who does not have access to a safe abortion when needed loses control over her own life and, assuming she survives the pregnancy, will often find herself with increased responsibility to do whatever it takes to cover her basic needs and fewer opportunities to change her situation. For those who do not survive their pregnancies or unsafe abortions it is of course the end of all choice.

In the strikingly similar

context of law change to restrict abortion rights in the USA, Ruth Bader Ginsberg, the only woman Supreme Court judge, recently expressed her opposition to a new ruling saying "The court deprives women of the right to make an autonomous choice, even at the expense of their safety. The protection of reproductive rights is about a woman's autonomy to decide for herself her life's course, and thus to enjoy equal citizenship stature... This way of protecting women recalls ancient notions about women's place in society ...ideas that have long been discredited." (*The Observer*, 7/10/2007)

If men and women are ever to enjoy equal status in society reproductive rights are as fundamental as economic policies. If gender equity is ever to become a reality women must be given opportunities to challenge and change their disadvantage. These opportunities can be provided both through respecting reproductive rights and through trade and economic policies that benefit women instead of than further marginalizing them.

# How is the EU – CA Association Agreement likely to affect women in Central America?

Tessa Mackenzie, CAWN

Central American women have much at stake in the negotiations that have just been launched on the Association Agreement between Central America and the European Union. The process of trade and market liberalisation in Central America has depended in large part on the integration of women into the workforce. Unfortunately this does not necessarily mean that women benefit, nor that gender equity is furthered. Of the many thousands of women that have entered the labour market in recent years, the vast majority have taken up poorly paid, low-skilled jobs in export processing zone factories which are considered a key element of the globalised, open market but which provide little or no stability for employees and contribute virtually nothing to the national economy because of the factories' tax free status.

If, as is to be expected, the AA uses similar negotiation terms to those used to negotiate DR-CAFTA which focus on trade liberalisation and do not incorporate a gender perspective, the subordination of women will inevitably worsen. Their equality of opportunity and access will be further restricted since they are over-represented in the most vulnerable sectors which, as many studies have shown, are always those most negatively affected by trade liberalisation.

## Women as workers

Trade liberalisation generally benefits larger trans-national corporations over small, local businesses, so it is likely that the lifting of tariff barriers on imports will lead to the collapse of many smaller, local or national businesses. This would worsen the following trends

which are already detectable in the region:

- *Increased unemployment of women:* Unemployment in Central America is currently higher among women than among men. It is likely that unemployment will increase following the EU-CA AA, especially given the impact that DR-CAFTA is already having on the competitiveness of small businesses. Women who are also over-represented in the public sector may face losing their jobs as the emphasis shifts further towards privatisation. As unemployment rises so men will be prepared to accept lower wages and women will be forced out of the labour market.
- *Women working without basic rights and in worsening conditions:* Consequently it is likely that increasing numbers of women will be forced to take unstable or part-time or piecemeal jobs in export processing zone factories which often do not provide even basic workers rights such as holidays, breaks, health insurance and maternity leave. With increased competition from a global market, conditions are likely to worsen including increased production targets for workers, compulsory overtime and lower salaries.
- *Reduced opportunities for women to access decent work:* In the face decreased employment opportunities and rising costs of living women will continue to seek work predominantly in the informal economy, in export processing zones or in domestic employment. The need to work long hours to cover their basic needs will mean that they have less

time to study or train for other work.

## Women's social reproductive role

The impact on women is particularly severe because of the social reproductive role they also play in caring for children and the elderly, nurturing and educating in their families and communities. A woman who has to work long hours outside of the home in order to cover her and her family's basic needs will inevitably be unable to fulfil her social reproductive role. This role will then often be played instead by younger females in the household. This very often has a negative impact on the education and health of girls and on family cohesion. In this context and with the increasing numbers of female headed households in Central America the pressures on women are ever increasing.

These impacts should also be viewed in the cultural context of strong influence by conservative religious sectors in the formulation of public policy in the region which, as has been demonstrated in the recent outlawing of therapeutic abortion in Nicaragua, has severe negative effects on women's sexual and reproductive rights.

In the context of increasing privatisation of public services in the region, which will be a likely area of impact of the EU AA, women will again shoulder most of the burden. As the cost of essential services - such as health, education, water and electricity - rises women will increasingly have to take on the provision of these services in their families and communities. The health and education of women and is also the most likely to be negatively affected

by the rising costs of services. Given their multiple responsibilities poor women are not likely to access health care unless or until their condition is serious, while boys education is likely to be prioritised over that of girls.

## Migration

In the face of increased unemployment and economic pressures, migration both within and between CA countries is likely to increase. When men migrate pressures increase on women to provide for their families and family cohesion is threatened. Likewise when women migrate, not only do they themselves suffer discrimination and abuse as migrant workers, but it will often be the younger women in the household who are left with the responsibility of caring for the family with the consequent negative impacts on their own health and education and that of other members of their families.

## Women in agriculture

Early indications of the impacts of DR-CAFTA are that agricultural communities are being hard hit. While agricultural market access may not be a major area of interest of the EU-CA AA, it is very likely that conditions imposed as a result of further trade liberalization will worsen these impacts. Women smallholders will not be able to compete in an open-market and their livelihoods will be threatened as a result.

## Women's opportunities to organise and participate in public life

As women are under increased pressure to work long hours to cover their basic needs, as well as to fulfill their

responsibilities in the home and community in a context of reduced public services, so they will be less able to organise and to participate in public life. Women workers are under-

represented in trade unions which consequently often do not take into account a gender perspective in their negotiations. In this context, that is also characterized by the strong

influence of the religious right in public policy, women are likely to be further marginalized, uninformed about their rights and less able to organize to defend them.

This summary is based on the findings of the research report 'The European Union – Central America Association Agreement: Its possible impact on the lives of Central American women' by Martha Yllescas, Guadalupe Salinas and Ana Quiros Viquez for CAWN.

## Therapeutic abortion once again criminalised in Nicaragua

Tessa Mackenzie, CAWN



Tina Agerbak

Demonstration for maternal health, Managua, 28 May 2007, featuring a controversial bronze sculpture by Danish artist Jens Galschiot.

On 13th September 2007, the Nicaraguan National Assembly once again voted to make it a criminal offence for women to have an abortion under any circumstances, even if their lives are in danger. El Salvador and Chile are the only two other countries in the world to have such legislation.

The move was supported by 62 members of the National

Assembly of the FSLN (*Frente Sandinista de Liberacion Nacional*), PLC (*Partido Liberal Constitucionalista*) and ALN (*Alianza Liberal Nicaraguense*) parties. It was opposed by just three, all members of the MRS (*Movimiento de Renovacion Sandinista*) party.

Women who have an abortion now face up to two years in jail, while medical

personnel who carry out an abortion risk a sentence of up to three years as well as losing their license to practice medicine.

At least 82 women have died in Nicaragua because they have had no access to therapeutic abortion since the legislation first came into force in November 2006.

Representatives of the women's rights movement will continue to protest against the legislation and to press for the Supreme Court to declare the new law unconstitutional.

For more information go to [www.abortoterapeutico.org](http://www.abortoterapeutico.org) and see the latest edition of the CAWN Newsletter at [www.cawn.org](http://www.cawn.org).



"Ignorance kills, therapeutic abortion saves lives", Managua, 28 May 2007

Tina Agerbak

**The European Union  
– Central America  
Association Agreement:**  
Its possible impact on the  
lives of Central American  
women

**A report for CAWN by Martha  
Yllescas, Guadalupe Salinas  
and Ana Quiros**  
[www.cawn.org](http://www.cawn.org)  
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### FOR MORE INFORMATION ABOUT THE EU-CA AA:

The Copenhagen Initiative for Central America and Mexico (CIFCA)  
[www.cifca.org](http://www.cifca.org)

European Commission – External Relations  
[http://ec.europa.eu/external\\_relations/ca/index.htm](http://ec.europa.eu/external_relations/ca/index.htm)

Asociación Latinoamericana de Organizaciones de Promoción (ALOP)  
[www.alop.or.cr](http://www.alop.or.cr)

Cooperation Internationale pour le Developpement et la Solidarite (CIDSE)  
[www.cidse.org](http://www.cidse.org)

Grupo Sur: <http://www.eurosur.org/gsur/#marca>

Tender for the EU-CA AA Sustainability Impact Assessment (SIA)  
<http://ec.europa.eu/trade/icentre/opportunities/tender/tender.htm>

# The EU-Central America Association Agreement: Background information

Tessa Mackenzie, CAWN

- The European Union (EU) is the second most important trade partner for Central America (CA) after the United States, worth 9.829 million euros (12.3 %) in 2006.
- The Central American market constituted just 0.42 % (worth 4,847 million euros) of EU total exports in 2006. EU imports from the CA region make up 0.37 % (worth 5,064 million euros) of total EU imports.
- In general there are low levels of EU foreign direct investment in the region; Costa Rica and Panama are the two countries attracting the most FDI.
- EU imports from CA consist mainly of agricultural products (47%), office/telecommunication equipment (35.4%) and transport equipment (10.9%), all in 2006.
- Exports to the CA region include transport equipment (33.3%), chemicals (15.8%), office/telecommunication equipment (12.7%) and power/non-electrical machinery (10.0%), all in 2006.
- CA's trade with the EU is highly concentrated in a few countries: Costa Rica accounted for over 64% of EU imports from the region in 2005. EU exports to the region seem to be less focused on a specific country; however, Costa Rica and Panama together accounted for 55% of EU exports in 2005.
- The 2007-2013 EU aid programme for Central America totals 840 million euros. Since the EU-CA Guadalajara Summit in May 2004, the two regions have been working towards negotiations on an Association Agreement (AA) that will contain elements of political dialogue and cooperation as well as a free trade agreement. Many

commentators have claimed that the free trade agreement element of the AA is in fact clearly dominant, while the political dialogue and cooperation aspects are little more than rhetoric.

A fundamental precedent to the EU-CA AA is the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) with the USA which was ratified by all countries, except for Costa Rica, in 2005. The ratification of DR-CAFTA became a very controversial issue in Costa Rica and a public referendum was held in October 2007 which narrowly approved the ratification. A key question is to what extent these two regional trade agreements are similar in process, impact and aims.

The AA mandate states that the negotiations will take place between regions, in this case the EU and CA, and therefore excludes the possibility of negotiations with individual countries. The EU-Latin America Summit in Vienna in May 2006 established as pre-requisites for the implementation of the AA that there should be regional economic integration in CA and specifically that a customs union should be in place. Neither of these conditions has so far been fulfilled. Given the aim of

completing negotiations in two years, there are serious doubts regarding whether the complex process of regional economic integration can be effectively realized in such a short time frame.

## Main negotiation areas

The EU's final negotiating mandate for the AA with Central America has not been made public but it is possible to envisage that the priority areas for the EU will be:

**Market access in investment and services:** The EC tends to target "essential network services" including financial services, distribution, transport, telecommunications, etc. These have significant implications for the domestic private sector either directly through increased competition or indirectly by affecting their access to essential business services.

**Government procurement:** The EU's competitiveness strategy "Global Europe: Competing in the world" clearly shows that one of the EU's major commercial interests is in liberalising government procurement. A key example is construction services, where over 90% of business opportunities exist in developing countries but where 4 of the main firms dominating the global market

are European.

## Intellectual Property (IP):

The focus on enforcement of IP legislation is a particular concern as promoting enforcement means asking developing countries to make commitments to monitor and enforce IP legislation (eg. by training monitors, bringing in new legislation, equipping courts to deal with changes etc.). Given the huge capacity and budget required, CA countries would likely be forced to divert their priorities in order to enforce IP legislation, and this would have a direct impact on the countries' own development priorities.

## Capital Account

**liberalization:** This could have significant implications for financial stability, and facilitates profit and capital repatriation by foreign investors.

**Trade in goods:** The EU will negotiate so that transition period for lowering tariffs cannot pass 10 years. Under DR-CAFTA some transition periods for sensitive agricultural products are longer (15-20 years). Given these sensitive products have already been identified the transition periods under the Association Agreement should at least be equal to those under DR-CAFTA and not undermine hard won

## Timeline

- April 2007 - EU negotiating mandate finalised.
- 22nd October 2007 - Negotiations on Association Agreement officially launched with the first round of negotiations in Costa Rica. The aim is to complete negotiations within a period of two years.
- October 2007 – Tender for the Sustainability Impact Assessment (SIA) published.
- Until (at least) January 2008 – Selection and contracting for SIA.
- 2008 - EU-Latin America summit in Peru
- Mid 2009 – SIA due to be completed.

flexibilities for sensitive sectors.

**Progressive tariff reduction:** Progressivity of tariff reduction within transition periods undermines the right of countries to raise as well as lower tariffs within their bound limits, which can be essential to cope with unpredictable impacts and changing circumstances.

**Progressive and reciprocal liberalisation:** The EU will

negotiate for progressive and reciprocal liberalization by means of an ambitious, comprehensive, balanced free trade area. Non-reciprocity is an established principle at the WTO.

In all of the above areas the EU appears to be taking an aggressive approach that goes beyond WTO agreements in terms of liberalisation targets and scope. It includes areas

such as investments, competition policy, trade facilitation and government procurement (otherwise known as Singapore issues) which the EU tried to include in the WTO ministerial talks in Cancun but failed to get the support of many developing countries. EU governments have argued that there will be room in the negotiating process for countries

to negotiate exceptions, but in the case of DR-CAFTA CA countries achieved very few exceptions, so it is fair to assume that the same may happen with the EU AA. If implemented as the EU would like all these areas will have negative implications for the long term economic development of Central American countries

## The referendum in Costa Rica

Diego Sanchez-Ancochea



Women protest against CAFTA in Costa Rica.

Costa Ricans celebrated the referendum to decide the fate of DR-CAFTA on the 7th October and the yes won by a very slim margin (3 percentage points and less than 50,000 votes). Although it was a disappointing result for the thousands of people that had energetically campaigned against the agreement, the referendum was a clear demonstration of the huge opposition to the US-imposed model of regional integration.

Despite the abuse of power of the proponents of the agreement, which outspent the opposition and were supported by all the key media groups, the referendum should be viewed as a victory for Costa Rica's democracy. Thanks to the pressure of a large coalition of social movements, the country was the first in Latin America to make a key decision about its future through a popular consultation. Moreover, this

same coalition was successful in shaping the debate and could constitute a major force for progressive change in the future. Now the close result may create new opportunities to promote changes in the Costa Rican socioeconomic model with the aim of reducing inequalities and making it more inclusive.

### Why the agreement is not right for Costa Rica

A large body of research has highlighted the negative consequences that DR-CAFTA and similar agreements may have for the region. Although trade liberalization will take place gradually, it will still require a huge modernisation effort in various sectors and will have a particularly hard impact on traditional agriculture. Small and medium-size firms, who have already felt the impact of more open trade in the nineties, will face even greater competition. The arrival of

cheap agricultural goods from the United States, which still maintains its farm subsidy programmes, could further deteriorate production capacity in the rural areas where most of the poor live. By increasing the protection of intellectual property rights, DR-CAFTA may also increase the prices of medicines, seeds and fertilizers.

Social movements and academics have raised many other concerns about DR-CAFTA and its impact on equitable development. What some have failed to notice, however, is that the agreement will even fail in promoting the type of technological upgrade (i.e. a move into high tech sectors that can generate higher value added) led by transnational corporations that proponents are expecting. The comparison of Costa Rica under DR-CAFTA with the historical experience of Singapore and other "development successes" has shown that the agreement promotes the wrong policy priorities (e.g. protection of copyright material that only benefit a few transnational media conglomerates), reduces tax revenues, while requiring new spending in customs and other institutions, and weakens the capacity of the state to invest in infrastructure.

Despite the evidence against this type of agreement, DR-CAFTA has been enthusiastically supported by the Costa Rican

governments, the business sector and the international multilateral institutions (World Bank and International Monetary Fund). The reasons for this support vary, but are mainly based on two assumptions: a) That Costa Rica will lose exports and foreign investment if it does not participate in an agreement that all other Central American countries have signed; b) That DR-CAFTA will trigger reforms in telecommunications and other sectors that are positive for the country.

Both of these assumptions are highly questionable. First, few sectors in Costa Rica depend on preferential access to the US market. High-tech exports of semiconductors, medical equipment and other goods and services depend on Costa Rica's ability to improve its education system and strengthen and improve its institutions. DR-CAFTA will make little difference to their future expansion. And, as the rest of Central America is painfully experiencing, the apparel sector will face increasing difficulties to compete with China with or without the agreement.

Second, it is not totally clear why Costa Rica should liberalize its telecom sector and other public services. In a small country, public providers of telecom services like the Costa Rican Institute of Electricity (the 'Instituto Costarricense de

Electricidad', ICE) are more than capable of providing high quality services, if investment is expanded and the regulatory regime becomes more flexible. Liberalizing the sector will just create competitive problems for the ICE and transfer profits from the public sector to some transnational corporation.

### Prospects for the future

But, given that the wrong agreement has been approved, what is next? We can only hope that Oscar Arias finally realizes that he cannot impose his views by force. The government should instead work hard to build real

consensus that take into consideration the growing strength of social movements organized around the new Patriotic Committees. If the government takes this first positive step, social movements should commit themselves to securing the success of this approach. Let me suggest some steps that the Arias

administration should consider:

- a. Concentrate on passing the tax reform before any other legislative measure. This will clearly show that the government is committed to expanding social spending and compensating the losers

- b. Meet with the leaders of the NO and try to reach some basic agreements about the future of the country. Other actors (e.g. business groups) should participate and all groups should try to be as constructive as possible;
- c. Respect the fact that Costa Ricans support a strong public sector and do not want to see a weaker ICE. Make sure that the company remains strong and with enough resources to grow and compete.

Costa Rica has made a costly decision by passing the

agreement (thanks to the scare tactics used during the campaign) and the challenges ahead are larger than ever. Yet the country needs to overcome its polarization and reverse the rapid increase in income inequality that has suffered since the mid-1980s. This will require heterodox policies and a lot of consensus building... something the government should realize sooner rather than later.

Diego Sanchez-Ancochea is a lecturer in economics at the Institute for the Study of the Americas, University of London.

## CAFTA and the Women of Costa Rica

### Extract from an article by Maria Eugenia Trejos

Women in Costa Rica are mainly domestic workers. If we include those who work in the 'informal sector' which is not a stable source of employment but really a last resort for those who have little other choice, the resulting group encompasses more than 80% of all Costa Rican women over the age of 15.8.

As to those who work outside the home in more formal settings, the majority work in assembly plants (maquiladoras), largely in the clothing sector; some also work in education and as domestic servants.

The clothing industry has awful labor conditions: entailing extremely intensive piecemeal work, the dangers of injury and shift-work, little protection, and no freedom to form unions. On top of this, the way wages are set leads to more intensive work and an increase in the length of the workday while overtime goes unrecognized. In education, workers in the public sector have full workers rights, although wages are low and the work intense.

We can predict negative impacts all-around in the sectors mentioned above if the trade agreement is approved. In the

clothing industry, we can already see effects in the industrial sector with or without CAFTA, by the way in which the industry has been restructured on an international level. The multinationals control the chains of production and the sales and marketing. Countries such as Costa Rica only work the seams and finishing work, all of which is performed under the control of the multinationals. It really doesn't matter from the point of view of the multinationals if the production is done in Central America, India, China, or Vietnam. They can move production plants or change contractors from one country to another.

With the 2005 global elimination of the import quotas approved at the World Trade Organization (WTO), competition from clothes originating from Asia has displaced Central American and Mexican production. CAFTA doesn't protect clothing made in these countries and it remains obvious that this pattern will continue. In fact, just this last year clothing exports into the United States fell from all countries in Central America except

Nicaragua. The same is true of Mexican clothing exports.

In the education sector it is expected that CAFTA would lead to a growth in private education, where wages are lower and labor rights are not respected; among such rights is the right to organize, which might otherwise offer some protection.

Above all one finds Nicaraguan migrants working in the domestic service sector. The agreement stipulates that member countries do not further their commitments with respect to migrant workers (Art. 11.1.4.5), so their current lack of protection will no doubt continue.

### Public Services and CAFTA

One of the principal policy aims of CAFTA is expansion of multinational activity in public services. This expansion changes the way Costa Rica has traditionally provided these services, moving from a philosophy of solidarity and concern for the people, to the profit motive and a lack of regard for human necessity. Services cease to be considered a means to attend to the needs of the population or a way to

provide for human rights, and instead public services are treated like any other merchandise - they are provided only to those with the means to pay for them. If this happens, more sectors of the population will find themselves excluded from access to such services. In this case, the women, domestic workers entrusted with the survival of their families and access to services, will be further burdened trying to find alternatives to that which, until now, has been provided "medical attention, public education, drinking water, electricity, and telephones.

To sum up, CAFTA is a legal instrument that favors multinational expansion without limits, leaving the most underprivileged sectors of our population totally unprotected, among them women and the poor.

Maria Eugenia Trejos is an economist specialized in labor studies, member of Pensamiento Solidario, a group formed to analyze the Free Trade Agreement and create public awareness about its contents. She is an analyst with the Americas Policy Program at [www.americaspolicy.org](http://www.americaspolicy.org). To read the full version of this article go to: <http://americas.irc-online.org/am/4575>  
English translation by Tony Phillips

# Recommendations to prevent some of the EU-CA Association Agreement's negative impacts for women

European and Central American civil society and women's organizations must strengthen their alliances and work more closely together on the issue of the EU-CA AA.

Joint initiatives to minimize some of the negative impacts for women of the EU-CA AA advocacy initiatives should:

- Promote economic development strategies that are centred around the needs of women and men, communities and nations, in which the capacity of local and national economies are strengthened.
- Seek to reconcile the productive and reproductive spheres – for example through recognizing the care economy and the unequal value placed on women's work in the home and in the labour market.
- Emphasise the elements of the EU-CA AA - the commitments to political dialogue, cooperation and the promotion of sustainable development - that, supposedly, make it different from a simple free trade agreement.
- Insist on the need to re-negotiate the political dialogue and cooperation elements of the AA
- Call for much wider participation of civil society, and particularly women's groups, before, during and following the negotiation process.
- Emphasise the need to deepen the process of regional integration in Central America so that it fully considers women as economic, political, social and cultural subjects, and demand that the EU retains its condition of not implementing the AA until there has been substantial progress in the process of regional integration.
- Call for the incorporation of a clear gender perspective in the design, execution and analysis of the Sustainability Impact Assessment (SIA) including full participation and consultation with all sectors, particularly the most vulnerable.
- Given that the SIA is in any case likely to have a pro-liberalisation bias, promote the use of disaggregated statistics in the negotiation process and the carrying out of independent gender impact studies before, during and after the negotiations in order to identify more clearly the impact on women's lives.
- Support and promote alliances between national and regional women's organizations that allow for effective participation at different levels and instances of the negotiations, including before and during the negotiations, as well as during the implementation and administration of the AA.
- Demand the exclusion of health and education services from the free trade agreement, as well as natural resources such as water, since this is directly linked to the well-being of the population. Also establish special treatment in the areas of electricity and communication.
- Demand an in depth evaluation, with a gender perspective, of the impacts of DR-CAFTA in order to prevent the repetition of negative impacts in the case of the EU-CA AA.
- Support the creation of a regional centre for equality in employment, which would contribute to the eradication of instances of discrimination in the work place. These measures should also include foreign investors, particularly as regards sexual harassment, discrimination because of sex or pregnancy, employment and salary.
- European NGOs and CSOs should continue to facilitate and channel the proposals and demands of Central American civil society rather than becoming direct executors of the external aid that will likely result from the cooperation element of the AA. In this way we can avoid competition and the duplication of efforts.

## A-GENDA

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