

Inside the “freedom” of free trade

Much like it hides behind the cloak of morality as a justification for its global military adventures, the United States wraps its foreign economic initiatives in the flag of freedom. Thus the proliferation of “free” trade agreements such as NAFTA with Mexico, CAFTA with Central America, the Colombia-US Free Trade Agreement, the Transpacific Free Trade zone (currently in the planning stage), and so on.

What’s the result of this “freedom” in trade for the people impacted by it? Since NAFTA, the “free” trade agreement with Mexico, is now twenty years old it’s worth having a look at its consequences for the Mexican economy and its people. Below are some of its more salient results.

- ✓ The income of most Mexicans has declined during the NAFTA period, while a number of billionaires were created and US corporations selling and operating in Mexico enjoyed an economic bonanza.
- ✓ The economy remained stagnant while exports to the United States increased, and 85% of those exports were composed of oil and assembly plant products.
- ✓ Thus after 20 years of a program touted to lift all boats and turn Mexico into an advanced country, its economy has become dependent upon exporting its natural resources and maintaining cheap wages for the benefit of U.S. corporations.
- ✓ The United States flooded Mexico with cheap, subsidized corn, wheat, rice, soy, cotton and other products causing (a) a massive migration of displaced peasants to the United States and (b) destruction of its food sovereignty: Today Mexico imports 70% of the rice it consumes, 60% of wheat, and 32% of corn.
- ✓ But some people benefit. Today 25% of all pork products sold in Mexico come from a single U.S. company, Smithfield Foods. The largest retailer in Mexico has become, you guessed it, Walmart.
- ✓ Today 55 million Mexicans live under the official poverty level, nearly one quarter of its total population.

The free trade agreement between the U.S. and Colombia, now 9 months old, is following the same pattern: a flood of subsidized U.S. products entering the domestic market, reliance on the export of coal, the persistence of depressed wages, an invasion of Colombia by U.S. corporations.

The freedom of corporations to impose undemocratic and destructive investor rights agreements under the guise of “free trade” should not be confused with the freedom of

people to earn a decent living, maintain food sovereignty and enjoy at least a minimal level of social security.