

The Korea FTA: a clone of NAFTA

The Association for Colombian Sovereignty (ASOCOL) firmly opposes the U.S.- Korea Free Trade Agreement under current consideration in Washington.

This agreement is a copy of NAFTA, an agreement that produced terrible consequences for Mexico, where local agricultural production has been ruined, and for the U.S where it led to the loss of hundreds of thousands of well-paying jobs.

Like NAFTA, the U.S.-Korea Free Trade Agreement is neither free nor about trade. It will have a significantly negative impact on U.S. employment. It is really about setting new rules of international investment which will guarantee profits for multinational corporations, increase their freedom to move about the globe in search of cheap labor, and weaken regulations that protect workers and communities.

The U.S. government International Trade Commission itself estimates that the over all impact of the Korea FTA will be an increase in the U.S. trade deficit which translates, according to Economic Policy Institute estimates, into a loss of 159,000 U.S. jobs in the next seven years.

The same official U.S. government agency states that the jobs and sectors affected will be high-paying, high-technology sectors as well as auto parts manufacturing.

Another consequence of a U.S.-Korea so-called 'free trade' agreement will be a tremendous downward effect on U.S. wages and working conditions. Under the "rules of origin" section of the agreement products will be regarded as "national" if they contain a merely 35% of inputs from either Korea or the U.S. This means that U.S. and Korean multi-nationals can move up to 65% of production offshore, to low-wage third countries like China, Vietnam, etc, and import/export the items as "Korean" or "American." That is the kind of wage-pressure competition that U.S. domestic auto parts manufacturers and workers alike will face.

Furthermore any attempts, in Korea or the U.S. by municipal, state, or federal legislation designed to improve wages, working conditions, regulations, environmental conditions, can be blocked under another section of the treaty concerning investors' rights. As in the case of NAFTA any such measure can be considered by the U.S. investor in Korea, or the Korean investor in the U.S., as an act of expropriation subject to legal action for compensation, to be decided by an "international" arbitration tribunal. This aspect of "free trade" agreements was implemented beginning with NAFTA and has led to several cases where multi-national corporations have successfully received compensation from local governments. Any chances for improvement in wages and working conditions, environmental regulations, etc are threatened by this treaty, esp. given the fact that there are hundreds of U.S. multi-nationals operating in Korea and nearly 300 Korean multi-nationals operating in the U.S.

Like NAFTA, this agreement provides no protection for workers' rights. There are many other aspects of this NAFTA clone agreement with awful consequences for U.S. and Korean workers and communities. The U.S.-Korea treaty is an agreement of the multi-nationals, by the multi-nationals and for the multi-nationals.

Waiting in the wings in the hopes that the U.S.-Korea FTA will be approved are two other treaties of the same type: with Panamá and Colombia. In the case of the first one, aspects of the agreement dealing with financial transactions will solidify Panamá as a center for money-laundering and risky financial speculations. Of particular concern to our organization, a U.S.-Colombia FTA would be a disaster: among other things, it would further ruin Colombia's agriculture already enduring a flood of cheap agricultural imports from the U.S. free-of-tariffs; increase the displacement of a rural population already numbering in the millions; and legitimize the situation in the country with the world's worst record in terms of labor rights, where murders of political and labor activists have continued into the government of Juan Manuel Santos.

Thus, it is imperative to oppose the U.S.-Korea FTA not only because of its own terrible effects upon U.S. and Korean workers, peoples and communities, but also because it would open the door to two other nefarious agreements with Panama and Colombia.

For the Association for Colombian Sovereignty

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