

NO TO THIS CAFTA!!

Why this CAFTA
Will Not Benefit
Costa Rica

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The Debate Must Continue

- CAFTA not yet ratified in Costa Rica
- Constituencies from several sectors oppose this CAFTA

Reasons for Opposition in Costa Rica

- Lack of transparency in negotiations
- Past political promises
- Refusal to debate and close election results
- Substantive issues
- Insufficient parliamentary discussion
- Ideals in CR: there is something to care for and something that will be lost

History

- A sense of independence and nationhood
- One of the most stable democracies in the Western Hemisphere: nearly 120 years of democracy and no army since 1949
- Strong respect for human rights
- World wide recognition for its commitment to protecting the environment
- Best regional record concerning economic and social development

Central America: Economic Indicators 2006

	Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua
GDP per cápita (USD)	4,858	2,619	2,508	1,213	908
Imports (USD billions)	11.6	7.6	9.4	5.4	3.7
Exports (USD billions)	8.2	3.5	3.4	1.9	2.0
GDP (USD billions)	21.4	18.3	35.3	9.0	5.4
FDI (USD billions)	1.4	0.2	0.3	0.4	0.3
Global Competitiveness Index 2006 (ranking)	53	61	75	93	95

Central America: Social Indicators 2006

	Costa Rica	El Salvador	Nicaragua	Honduras	Guatemala
Life Expectancy at Birth	79	71	70	68	68
Illiteracy Rate (>15 yrs)	4%	18%	23%	20%	25%
Poverty (% population)	23%	47%	69%	75%	60%
Extreme Poverty (% population)	6%	19%	42%	54%	31%
Human Development Index (ranking)	48	101	112	117	118

Substantive Issues I

1. Agriculture
2. Investment Protections
3. Intellectual Property
4. Government Enterprises
5. Environment and labor

Substantive Issues II

6. Negative List on Services
7. Trade in Industrial Goods
8. Government Procurement
9. International Labor Market

A FTA for the *Age of Democracy I*

- Examples of universal principles:
 - One Convention on Human Rights
 - One set of rules for Soccer
 - One road to salvation if you are a Catholic.
- Are the rules for economic development are inherently as absolute and universal as human rights, sports and religion?

A FTA for the *Age of Democracy II*

- Current FTA model disregards the very principles of democratic decision-making:
 - Identical models for countries as diverse as Nicaragua, Costa Rica, Peru and Morocco.
 - Poorly tailored to specific country's needs
 - Excludes local actors at the negotiation roundtable
- Countries are being forced to adjust their strategy of development to the Washington Consensus.

A FTA for the *Age of Democracy III*

- Countries must be allowed to design and agree upon their OWN strategy of development...

... not the other way around!

In the Meantime...

- **The US and Costa Rica should foster a relationship on shared values and standards such as:**
 - Decentralization and community responsibility
 - Minorities' rights
 - Equality of gender
 - Enhanced opportunities for the poor
 - Anti-corruption policies
 - Anti-drug and anti money laundering policies
 - Strong environmental protection policies

In the Meantime...

- Meanwhile, Costa Rica should continue to better the climate for business and the private sector by :
 - Reducing red tape
 - Easing procedures for opening a business
 - Eliminating corruption and increasing transparency
 - Developing a long term strategic view
- We welcome an excellent relationship based on those aspirations.