

Acting for Justice

Supporting Fair Trade: CREA is collaborating with Equal Exchange in the marketing of Fair Trade coffee and cocoa. Individuals, religious communities, faith congregations and their sponsored institutions may wish to begin or to increase their purchases of Fair Trade products. Contact: crea-inc@crea-inc.org

Shareholder Activity: Investors with shares of coffee roasters Proctor & Gamble, Nestle, Sara Lee and Kraft are encouraged to request that the companies incorporate into their policies the purchase of at least 5% of their coffee from Fair Trade farmers.

Bechtel vs. Bolivia: This case is a striking example of corporate power under treaties by which governments have agreed to confidential tribunal proceedings for the settlement of investor-government disputes. Such procedures are part of the NAFTA and the pending Free Trade Area of the Americas.

Cochabamba cancelled a water privatization contract with a Bechtel subsidiary after citizens protested huge rate increases that affected their accessibility to water. The company is suing Bolivia for \$25 million under a treaty between Bolivia and the Netherlands, where U.S.-based Bechtel had established a presence. The case is before a tribunal at the International Center for the Settlement of Investment Disputes, in Washington, D.C.

The tribunal recently denied the requests of 300 citizen groups for access to the proceedings and documents, stating that the request was beyond its powers to grant without the consent of the parties, which was not granted. The case has received world-wide attention.

It behooves all of us to be wary of treaty provisions that reduce citizens' and government's authority over matters affecting our lives. For further information, see www.ciel.org of the Center for International Environmental Law.

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CREA is a faith-based, independent 501(c) 3 organization.



"Believing that the earth is home to all, CREA facilitates analysis of human, social and economic policies from the perspective of their effects on human lives, beginning with the lives of those who are poor."

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The human right to water is indispensable for leading a life in human dignity.

It is a prerequisite for the realization of other human rights....

States parties have to adopt effective measures to realize, without discrimination, the right to water, as set out in this General Comment.

United Nations Committee on Economic, Social and Cultural Rights. November 2002



CREA
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Starting Points

Center for Reflection, Education and Action, Inc. Hartford, CT

FREE TRADE

After decades of protecting their own home industries, U.S. and other industrialized countries are now the major proponents of "free trade." This is defined as reducing and eliminating tariffs on imported goods, and eliminating any discriminating strictures on the operation of foreign companies.

Proponents of free trade argue that this creates a "level playing field" because products and services can then be sold at the price set by the producer, no matter what the producer's country. Everyone is treated "fairly."

The reality is far from fair. Economically impoverished countries, many of them former exploited colonies, do not have the equivalent economic or political resources to compete in selling price with the products of highly developed and highly subsidized Western businesses, especially in agriculture. Yet they have to be a part of the World Trade Organization and other trade agreements in order to function within the globalized economy. "Liberalizing" their trade is a major condition for IMF and other loans. At the same time, the U.S. in 2002 dramatically increased farm subsidies.

The result is the decimation of the agricultural and small business sectors in already impoverished countries, and their growing dependence on imported products and food, and the foreign companies that market them.

Benefits accrue to the politically or economically powerful local elites, and to the subsidiaries of large corporations functioning within their geographical area

From the perspective of economic justice, this must be changed. The positive benefits of globalization must be utilized to create a system that is just and truly fair.

VS.



Salvadoran coffee farmer carrying bag of coffee berries. Photo by Sr. Ruth Rosenbaum, TC. © 2003

FAIR TRADE

The Fair Trade movement is comprised of alternative trade organizations and small companies that connect producers with consumers in a system that incorporates principles of economic and social justice and environmental sustainability. It offers a model that could be gradually incorporated into mainstream trading.

Fair Trade organizations presently import products from approximately 800 trading partners in 45 different countries. They are coordinated internationally for both certification, monitoring and labeling. Fair Trade certification testifies that:

- The producers receive a just price for their work and a portion of the price in advance so they do not have to enter into debt to cover start-up expenses.
- The producers use environmentally sustainable agricultural practices.
- The collectives or cooperatives are democratically operated within their cultural framework.

The Fair Trade movement has brought to the world's attention the millions of coffee farmers who are experiencing catastrophic losses. Over-production of sun grown, low-quality coffee, has flooded the commercial market. Farmers are forced to sell at the buyers' price. While the industry has experienced such cycles in the past, the industry's present concentration of major multinational coffee roasters is a significant difference.

Organizations in the Fair Trade movement such as Oxfam International and Equal Exchange are making a concerted effort to develop a fairer system. Coffee consumers can join in this effort by requesting and purchasing Fair Trade products. CREA presently offers for sale Fair Trade coffee, cocoa and organic tea.

For more information see: www.fairtrade.org, www.equalexchange.org and www.eftafairtrade.org

The United Nations and the WTO: Two Forms of World Government

The UN is the only global intergovernmental body that has as its purpose

- ◇ to maintain international peace and security
 - ◇ to solve economic, social and humanitarian problems and
 - ◇ to promote respect for human rights and fundamental freedoms.
- (U.N. Charter, Article 1)

This contrasts with the narrower focus of the World Trade Organization, created in 1995 to provide a

- ◇ "common institutional framework for the conduct of trade relations among its members
 - ◇ in matters related to the agreements and associated legal instruments."
- (WTO Agreement. Article II.)

The development and the interrelationship of these global organizations give rise to many concerns, among them the following:

- ◇ The dominance of the wealthy and militarily powerful nations in both organizations
- ◇ The growing influence of transnational corporations at the United Nations
- ◇ Developing countries' right to control over their lives and resources
- ◇ The growing power of trade rules over national and local legislation and regulation.
- ◇ The crucial importance of environmental sustainability.

Each generation has its role and challenges in creating a just and sustainable world. These are ours.

CREA's El Salvador Study Expands Application of the Purchasing Power Index: Sustainable Living Income for the Agricultural Sector—The Coffee Farmers + Sustainable Living Income for Crafts Cooperative members + Sustainable Living Wages for Maquila Workers

Recognizing the importance of the agricultural and craft sectors of economies, CREA has begun a three-part sustainable wage/income project in El Salvador. In January Sister Ruth directed the first phase of research among the coffee farmers and maquila workers. She returns this month to continue the work with maquila workers and to begin the work with crafts cooperative members in La Palma and San Salvador.

CREA's project will:

- ◇ document the actual purchasing power generated to workers and their families within these sectors.
- ◇ calculate the wages and/or income needed to attain purchasing power adequate for sustainable families and communities
- ◇ measure the purchasing power available from the present minimum wage standard.



Coffee farmer's home. El Salvador. Photo © CREA Inc. 2003

Each of the three industries will be examined for the profits that remain within the community and the tax base developed to allow for physical and social infrastructure development.

As with the Mexico PPI Study in 2000 the documentation will provide foundational data for dialogues and negotiations of factory workers with management, farmer and craft cooperatives with buyers, and corporation shareholders with the management of related corporations.

Funding to begin this study has come from several groups and individuals. CREA is still seeking additional funding in order to complete the entire project.

Farmers and Trade: Whose Voice is Heard? Who Decides?

Negotiations are in process regarding a framework for agricultural trade provisions of the proposed Free Trade Area of the Americas (FTAA) and the Doha Round of negotiations of the World Trade Organization (WTO.)

Developing countries were unsuccessful in delaying this new round of trade negotiations to allow their countries to deal with the effects of previous rounds. The industrialized countries pushed it through at the Doha Ministerial meeting, using tactics described by some as manipulative. (www.twinside.org.sg/title/twr135a.htm)

The present round of negotiations are of crucial importance to small farmers in the many poor countries dependent upon export of agricultural commodities. Tariffs protect a country's domestic industries until they are

strong enough to compete internationally. The goal of already industrialized countries is to have these tariffs removed.

Poor countries were outraged by the huge increase in agricultural subsidies by the U.S., which is among the strongest proponents of tariff reduction. They were joined in their dismay by the International Monetary Fund, the World Bank and the U.N. Development Program.

All of them say that unless industrialized countries change their subsidies policies, poor countries will never achieve enough growth to escape poverty.

The February meeting of negotiators ended without a resolution of the conflicting stands on agricultural trade. Future sessions will attempt to reach an agreement on framework for the September 2003 ministerial meeting in Cancun, Mexico. The WTO Secretariat is pushing this time schedule.

From Where I Stand.....by Ed Krueger, Comite de Apoyo, Mexico

"What does the Lord require of you, but to do justly, to love mercy, and to walk humbly with your God."

When I feel overwhelmed by the enormity of tasks or the maddening outrage of perplexing problems, this verse from Micah helps me find a calm safe harbor, a stable anchor when rest is needed, wind for my sails when I need to move, and a compass to give me direction.

The waves of greed, selfishness, exploitation, misunderstanding, ethnocentrism, and plain old hatred can disturb the quiet heart, overwhelm and block compassionate responses. When we have the right compass to guide us - do justly, love mercy, walk humbly - it is a relief to let the results be in God's hands. It gives us some honesty with ourselves. We aren't required to know it all or do it all. We do not have all the answers. But we know enough for today.

Mexican border scenes boggle the mind: shocking contrasts of rich and poor, mansions alongside hovels of scraps. Women wade through mud to make navigation systems for cars, risk hazardous chemicals and miscarriages to make dialysis sets for other countries, work overtime making seat warmers to pay for a son's school uniform.

What do we do? We reach out, often to the poorest of the poor. Every day, the Comite de Apoyo/ Support Committee and the organizations of workers it develops and trains gather women and men workers. They discuss labor law, health and safety in the workplace, and strategies to embolden women and men to take actions for justice. The workers become the heroines and heroes who challenge both factory management and union leaders to obey laws and improve wages, benefits, and working conditions.



Ed Krueger and workers.

Teresa's experience is an example. "Agitator" is what the managers called me," she says. The label came after the administrators told workers that "due to a computer error made four months ago, money will be deducted from next week's pay envelope." The deduction would reduce the week earnings to \$14.99, too little for Teresa and her children to get through the week. A Comite de Apoyo friend reminded her of Article 517 of the labor law: no deduction can be made for anything that occurred more than one month earlier.

Who in management would have thought that a woman worker would know about this statute of limitations? Teresa informed other women on her shift. Because of role-playing/training meetings of the Comite de Apoyo and DODS, and due to Teresa's patient information sharing and grit, more than 800 indigent families avoided losing 50% of their weekly pay.

When management wanted to remove stools from the workplace, Teresa and her group found areas of labor law to successfully defend themselves. Later, they used language from the Mexican Constitution and labor law to appeal for a wage increase. Although many women were involved, the "blame" naturally fell on Teresa. Her offense: informing women of their rights under Mexican Labor Law. She was fired.

Others took up the struggles and within a month won the wage increase. Teresa was elected president of a new workers' organization, Workers' Rights and Union Democracy, that had resulted from the Comite de Apoyo's gathering initiative.

Such is God's love. God's tenacity in pushing us to mission. God's patient comfort to set aside our fears. God's forgiveness for our stumbling mistakes and our contemptuous ways. Thanks be to God "for the love which from our birth over and around us lies."

Ed Krueger can be contacted at ComitedeApoyo@aol.com

To Our Readers

As this issue of *Starting Points* is being printed, war with Iraq and fear of terrorist retaliation loom over our world.

For many of us, this anxiety on top of our everyday worries is more than enough to handle. It is a difficult stretch to allow other concerns into our minds and hearts.

Ed Krueger's beautiful reflection provides a model for us as people of faith.

"We aren't required to know it all or do it all. We do not have all the answers. But we know enough for today."

This issue's insert on *Sanctuary* helps us to make the connections between our faith and worship and the world around us.

Each time we make that connection, we grow: in the depth of our understanding and in the strength we need to carry the burdens and to meet the challenges with courage and inner peace.

Starting Points continues to provide our readers with brief notes on issues we believe are important. We offer these not to add to your burdens, but in the hope that they assist in the carrying of them.

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