

Bigger than NAFTA, just as controversial

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WASHINGTON, Jun 5 (IPS) - The United States and South Korea kick-started the first round of talks in Washington Monday toward a bilateral free trade agreement amid cheers from business groups and denunciations from labour groups and farmers from both nations.

Assistant United States Trade Representative Wendy Cutler opened the talks with South Korea's chief negotiator, Ambassador Jong-hoon Kim. She said the deal, which seeks to remove trade barriers to goods and services between the two countries, could be concluded by the end of the year — something the White House is pushing for since its authority to negotiate so-called "fast track" trade agreements that cannot be amended expires in mid-2007.

"I remain optimistic about our ability to conclude a high-quality, comprehensive agreement," Cutler told reporters in a teleconference Monday. "The political will is clearly there on both sides."

Cutler acknowledged that the treatment of autos, agriculture and investment will be critical to the success of the final deal. Rice will also be a contentious issue, with Korean negotiators resisting U.S. pressure to open up domestic markets to a commodity they consider crucial to the country's food security.

Trade between Washington and Seoul topped 72 billion dollars last year. However, South Korean tariffs on industrial and consumer goods are about 11.2 percent, compared with 3.7 percent in the United States. For agricultural products, South Korea's tariffs average 52 percent, more than four times the U.S. level of 12 percent. The pact would reduce tariffs on both sides to zero.

The U.S. primarily exports agricultural products, aircraft, machinery and organic chemicals, while Korea sells cars, telecommunications equipment and electronics.

South Korea is the world's 10th largest economy, with an annual Gross Domestic Product rapidly approaching one trillion dollars. It is the United States' seventh-largest export market and is the fifth-largest international market for U.S. agricultural goods.

The new Korea-U.S. Free Trade Area would be the biggest deal since the 1993 North American Free Trade Agreement (NAFTA) that binds the United States, Canada and Mexico.

But as Cutler briefed reporters, she acknowledged that she could hear the protestors outside the White House.

More than 100 farm, labour and community leaders from South Korea descended on Washington to protest the Korea-U.S. (KORUS) trade negotiations in activities this week.

Popular sentiment in Korea is opposed to the agreement, which many see as threatening to the livelihoods of 15 million South Korean workers and 3.5 million farmers.

The activists in Washington say they have formed an alliance with labour groups and global justice activists in the United States who oppose the deal and other free trade models that do not include enough labour, social or environmental safeguards.

Wearing bright orange "stop the FTA" headbands and marching to the beat of Korean drums and gongs, dozens marched in downtown Washington Sunday and held other protests on Monday as the officials started their first round of talks.

U.S. representatives from the 35,000-member United Electrical Workers Union and the National Family Farm Coalition joined the Korean protestors.

"Down, down with the FTA!" chanted activists from the Korean Alliance against the FTA.

"KORUS Economic Colonisation", said one banner carried by the group who complained that at least 50 Korean peasants and farmers were denied visas to the United States and couldn't join the protests.

Farmers and free-trade critics say the deal say will devastate workers and farmers in Korea and in the United States.

"Unless the proposed FTA includes significant labour, agriculture, and environmental protections, it is difficult to imagine how the FTA could possibly benefit workers and family farmers in either nation," said Thomas Kim, executive director of the Korea Policy Institute.

U.S. labour, community and immigrant groups say they want both governments to build strong local economies and avoid the NAFTA model which many studies have shown benefits large corporations at the expense of farmers and workers.

"The proposed FTA will dramatically expand the failed model of NAFTA, wreaking havoc on American and Korean workers, farmers, and their families," said Anuradha Mittal, executive director of the Oakland Institute. "We have come together to form a unified front to stop the free trade agenda from moving forward without people's consent."

Dozens of other organisations opposed to the talks signed a statement charging that the deal, if approved, will allow the U.S. to dump cheap imports on the Korean people. Unable to compete, 3.5 million peasants stand to lose their livelihoods, the statement added. The deal, which still has to be signed by Congress, is likely to face opposition by U.S. lawmakers as well. The latest major free trade deal the United States signed, the CAFTA pact with Central American nations, narrowly passed the U.S. Congress.

On Feb. 3, the George W. Bush administration notified Congress of its intent to enter into negotiations with the Republic of Korea towards a free trade agreement.

The legislators are worried that trade deals cost jobs at home, depress wages and lower environmental and social regulations aboard.

"Once again, Washington is ready to pass another trade agreement that benefits multinational corporations at the expense of workers and the environment," said Congressman Dennis Kucinich, who represents the opposition Democratic Party in the U.S. state of Ohio.

"It is urgent that we end this race to the bottom and work for trade agreements that respect workers' rights, human rights and environmental principles."