OTHER VIEWS

CAFTA to hurt Guatemala, U.S. workers

By LIZA GRANDIA
SPECIAL TO THE POST-HERALD

On the eve of corn planting in Guatemala, Q'eqchi' Maya farmers gather in home vigil to play "b'uluk," a gambling game with sticks and corn kernels somewhat like Parcheesi.

As night fades into dawn, through this game, the men make bets about how their corn crop will grow.

The June rains were generous this year to their cornfields. Yet little do my Maya farmer friends know that the U.S. Congressional vote week will gamble away their traditional corn farming — indeed, their entire way of life.

The passage of the Central America Free Trade Agreement (CAFTA) will decimate Central America's small farmers just as NAFTA has destroyed the Mexican countryside over the past decade.

Critics of these trade agreements often cite two statistics from the NAFTA experience:

- Since 1994, more than 1.5 million Mexican farmers have lost their livelihoods.
- At least 800,000 U.S. manufacturing jobs have disappeared.

But, what exactly is the connection between the fates of Mexican farmers and U.S. factory workers?

Mexico was once largely self-sufficient in corn production and farmers earned decent prices for their products. Then NAFTA obligated Mexico to open its borders to cheap, subsidized U.S. corn.

Between 1994 and 2001, Mexican corn imports leaped from 2.5 to 6 million tons and prices plummeted by 70 percent. Mexican small farmers could not defend themselves against this corn dumping and began to immigrate by the thousands to the U.S.

CAFTA will be even worse for countries like Guatemala, even more dependent on corn production than Mexico. Guatemala's Maya people consider corn sacred and essential for life, and they each consume daily about one pound of handmade corn tortillas.

Mechanization is economically and geographically unfeasible in this tiny mountainous country. That's why more than 6 million family farmers (60 percent of the population) continue to plant their corn with little more than a hoe, a machete and a digging stick.

Farmers shell the corn by hand and transport it by mule or on their backs to market. They sell just enough to buy essentials like shoes, medicines and school notebooks. No one gets rich from corn, but no one starves either.

For small farmers, corn is like currency. If the price drops, a currency devaluation occurs.

Guatemalan farmers can currently sell their corn for about $10 per ton. Now they must compete with subsidized U.S. corn prices ($4.14/ton on the Chicago Board of Trade), and they'll lose more than half their income.

Urban consumers might think, "What's wrong with cheap corn?"

Ironically, low grain prices usually don't help consumers because most grocery costs are in the processing, packaging and marketing — not in the food itself. That's why food prices keep rising while global grain prices have been falling — resulting in fantastic profits for vertically-integrated corporate agrobusiness.

Indeed, just three corporations (Cargill, Archer Daniels Midland and Zen Noh) control 82 percent of U.S. corn exports. Since, NAFTA (1994-2000), ConAgra and ADM have tripled their profits (from $143 to $413 million and $110 to $301 million respectively).

Every country in the world historically has developed ways to protect their small farmers. Rich countries like the U.S. tend to use direct subsidies ($50 billion annually) as well as indirect subsidies (cheap water for irrigation, good roads for transportation, low fossil fuel costs) to help farmers.

Because poor countries cannot afford cash subsidies, they instead protect their farmers through tariffs, quotas and price supports, especially for staple foods like corn. So-called "free trade" agreements are unfair because they force poor countries to lower their agricultural tariffs but allow the U.S. to maintain agricultural subsidies.

If our Congressional representatives don't care about the survival and dignity of our Central American neighbors, they should have considered protecting U.S. jobs. After all, where will millions of Central American farmers go if low corn prices squeeze them out of the countryside?

Now, the Central American labor pool will swell and drive down wages with two results:

- Increased emigration to the U.S.
- Further relocations of U.S. factories to Central America.

This will disproportionately hurt the U.S. South, which has been hemorrhaging jobs since NAFTA. According to Department of Labor data, while 19 percent of the U.S. population lives in the Southeast (excluding Florida), the region has shouldered 35 percent of NAFTA job losses.

Either way, CAFTA is a bad gamble, because hurts the working poor both in Central America and here at home.

Liza Grandia is an anthropologist who has lived and worked in Guatemala for six years. Her dissertation concerns the impacts of trade and globalization on the agrarian situation of the Q'eqchi' Maya people whose language she speaks fluently.

Liza Grandia, Ph.D. Candidate
Department of Anthropology
University of California-Berkeley
232 Kroeber Hall
Berkeley, CA 94720-3710
(510) 642-6608