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GUATEMALA

Free-trade deal 'done,' spurring more protests

Leaders of labor, peasant, student and other organizations that oppose Guatemala's participation in a regional free-trade deal warned that street protests may intensify.

BY CATHERINE ELTON

Special to The Herald

GUATEMALA CITY - Guatemala's government Wednesday put its final touch on a free-trade agreement with Washington despite a week of street protests that left one dead and could now continue and intensify.

"It's a done deal," Vice President Eduardo Stein told The Herald. "There was a clear majority in the Congress, the president signed it Tuesday and it was published [Wednesday] in the official newspaper."

But leaders of labor, peasant, student and other organizations that oppose the agreement and President Oscar Berger's pro-business policies are warning that their protests and highway blockages are only just beginning.

Street violence in Bolivia forced President Carlos Mesa to call Tuesday for early elections.

Violent street protests also forced Mesa's predecessor, Gonzalo Sánchez de Lozada, to resign in 2003, and in recent months have also bedeviled Argentina, Venezuela, Peru and Ecuador.

Guatemala's government maintains that the Central America Free Trade Agreement, or CAFTA, presents opportunities for economic growth. The U.S. Congress and several of the other nations covered by CAFTA have not yet approved the pact.

Opponents in Guatemala say CAFTA will benefit only the country's most powerful businesses, while hurting the nation's poor.

ECONOMIC ISSUES

But the debate has become a lightning rod for independent groups to come together and express grievances over a host of issues related to Guatemala's economic policies.

"The link between CAFTA and the current development model is what makes it so controversial," said Salvadoran economist Alexander Segovia. "It's a model that hasn't produced what it was supposed to -- more equality and economic growth."

Daniel Pascual, a peasant leader who has been at the forefront of the protests, said the street demonstrations also are about larger "geopolitical and economic issues . . . and the effects that transnational corporations have in the region."

Some of the demands that the opposition groups have put forth as conditions for toning down their street protests have nothing to do with CAFTA, but are about privatization of state services and the nation's policy on mining.

If those demands are not met and CAFTA is not rejected, some of the protest leaders say, the protests and highway blocks will intensify. Already the clashes have claimed a life -- a protester was killed Tuesday in western Huehuetenango.

While it's unclear whether the protest groups can stay on the streets for long, some analysts fear they could become a semipermanent fact of Guatemalan life because Congress plans to tackle several more controversial bills in coming months.

NATION LOSES

Political analyst Renzo Rosal says the prospect of continuing street activism is a "zero sum game and the nation on the whole loses."

CAFTA "was approved and what comes next is for it to go into effect. It's time for the social organizations to stop protesting and start making proposals," Rosal said, adding that they would do better to work with Berger to draft the so-called compensatory measures that he recently announced.

Vice President Stein explained that those measures will serve as a "protection scheme for any sectors that could be negatively affected by the accord, especially small farmers."

Economist Segovia said that if CAFTA is allowed to stand alone, without a complementary set of strong development policies, it will have more negative than positive effects -- both economically and politically.

"What worries me is the issue of democracy. If CAFTA is handled poorly it is going to polarize society even more and will be an excuse for outbreaks of social violence," he said. "And that's not good for anyone."