

NAFTA: 20-year legacy of middle-class harm

By CASSANDRA WATERS

WASHINGTON, D.C. — Twenty years later and what have we learned from the North American Free Trade Agreement (NAFTA)?

Nearly 700,000 U.S. jobs have been lost or displaced, union density in the United States, Mexico and Canada fell and income inequality has increased. The AFL-CIO's new report, NAFTA at 20, discusses how current U.S. trade policy has failed to raise wages, improve social standards or address inequality — and what needs to change to ensure that future trade agreements actually work for working people.

NAFTA was sold to the public as a way to promote equitable growth, but as the report details, NAFTA-style trade deals benefit corporations at the expense of workers, farmers, consumers and communities.

Wages in all three countries are stagnant. Productivity has increased, but the share going to workers has decreased. Union density has declined, and precarious work without stable hours or benefits is on the rise. The overall volume of trade between the three countries has grown, but these gains are concentrated at the top, not distributed across society. Instead, inequality has skyrocketed.

Flat wages and an eroding middle

class did not happen by accident — they are the result of the NAFTA model, a model that deals with broad economic governance issues, including investment, intellectual property, consumer and environmental protections, labor rights — issues not inherently trade-related. NAFTA made it easier and less risky for companies to move operations where the cost of labor was cheapest, but contained no effective mechanism to ensure labor rights or environmental protections were enforced.

The model's deregulatory agenda limits government's ability to act in the public interest. For example, procurement provisions prevent governments from including requirements that companies contribute to local development or respect fundamental human rights in contracts, limit equitable access to public services and raise the price of medicines through stringent intellectual property protections.

Meanwhile, investors were given unprecedented privileges and protections, which have been replicated in later trade agreements. Along with various deregulatory guarantees, multinational corporations obtained sweeping property rights and a unique — and uniquely

dangerous — way of enforcing them: Investor to State Dispute Settlement (ISDS). ISDS allows foreign investors to directly sue national governments over policies they think threaten their bottom line. Instead of domestic courts, claims go before secretive international tribunals that can award unlimited taxpayer money but are unaccountable to the public. Multinationals have used these quasi-courts, which are usually composed of the same trade lawyers that bring these claims on behalf of companies, to challenge numerous regulations in the public interest.

The report highlights the need for a trade model that promotes shared prosperity.

Unfortunately, current U.S. trade negotiations on two agreements — the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership, which involve 39 countries in Asia, the Americas and Europe — seem to only offer more of the same. The lack of transparency around the negotiations means the exact content of the proposed agreements remains unknown, preventing public debate and scrutiny. But leaked documents indicate that the agreements contain the same flawed provisions, and then some. Draft text expands areas like intellectual property rights and opens up new sectors, including financial regulation, which could imperil the government's ability to react to and prevent economic crises.

Workers live in a globalized economy, and now more than ever global rules to protect people and the planet are necessary. The NAFTA model does

not deliver on the things people need — quality employment, enhanced social mobility and shared prosperity. It's time

for a new approach.

(Editor's Note: This report is from the national AFL-CIO.)

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Floppy disk petition urges Sen. Wyden to oppose outdated trade policy

Fair trade advocates delivered over 10,000 petition signatures adhered to old-fashioned 5.25" floppy diskettes to U.S. Sen. Ron Wyden's office in Portland's Lloyd District on March 20. The petition, spearheaded by the Oregon Fair Trade Campaign and Fight for the Future, urges the senator to oppose the renewal of 1970s-era "fast track" legislation on the pending Trans-Pacific Partnership (TPP) and Trans-Atlantic Free Trade Agreement (TAFTA). Wyden recently became chair of the U.S. Senate Finance Committee and will determine whether or not the expired fast track process is resurrected. Similar actions were held throughout the week at the senator's offices in Bend, Eugene, LaGrande, Medford and Salem. "Sen. Wyden has been outspoken about the need for greater public participation in trade policy-making, and with his new role as Senate Finance Chair, he's finally in a position to do something about it," said Elizabeth Swager of the Oregon Fair Trade Campaign. "This petition encourages the senator to stay true to his democratic principles and to stand up for ordinary Americans."

...Football players can unionize

(From Page 1)

But Ohr said the players satisfied key legal points: That the employer pays them for their work, and the employer profits from it. His ruling also gives an idea of the scope of big-time college athletics. Northwestern, which is known for its academics, gave full-ride scholarships to 85 of the 131 football team members, and each scholarship is worth \$61,000 yearly. In return, the university earned more than \$30 million during the football season and cleared a profit on football of approximately \$9 million, Ohr said.

Northwestern tried several arguments to convince Ohr the football players can't unionize. He bought none of them.

When it argued the players' prime purpose is to attend class, Ohr retorted they spent more hours a week on football, and that the employer could arbitrarily fire them by yanking their scholarships. The university argued the players are temps, whose scholarships last at most five years. It compared them to part-time student janitors at a San Francisco art school several years ago. Ohr replied the janitors — whom the Board did not allow to unionize — had high turnover due to the fact that their prime mission was studying art.

And Northwestern said players are like resident assistants and teaching assistants at private colleges. The NLRB

has gone back and forth on whether RAs and TAs are employees and thus can unionize.

"Unlike the graduate assistants, the facts here show the employer never offers a scholarship to a prospective student unless they intend to provide an athletic service to the employer. In fact, the players can have their scholarships immediately canceled if they voluntarily withdraw from the football team," Ohr replied.

"Given the substantial length of the players' employment it is clear they cannot be found to be temporary employees," Ohr said.

CAPA President Ramogi Huma said the NCAA invented the term 'student athlete' to prevent the exact ruling that was made. For 60 years, people have bought into their notion that they are students only. The reality is, players are employees and this ruling confirms that."

CAPA organized the players around several key issues, notably job-related injuries. It says it would bargain for guaranteed medical coverage for injury expenses and post-injury treatment, as well as injury prevention measures. It also plans to bargain over establishing trust funds to help former players pay tuition and expenses to complete their degrees after their scholarships end.

(Editor's Note: Press Associates Inc. contributed to this report.)



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