



Free Trade Bulletin

No. 44 • February 15, 2011

Trade Agreement Would Promote U.S. Exports and Colombian Civil Society

by Juan Carlos Hidalgo and Daniel Griswold

Introduction

A free-trade agreement (FTA) between the United States and Colombia has been stalled in the U.S. Congress for more than four years since it was signed in November 2006. Proponents of the agreement argue that it will promote U.S. exports and deepen our ties with a key democratic ally in South America. Opponents in Congress and the U.S. labor movement contend that the Colombian government has not done enough to curb violence against trade unionists.

In his State of the Union address on January 25, 2011, President Obama highlighted his National Export Initiative as a way to promote growth and the creation of well-paying jobs. Toward that goal, he specifically mentioned pending trade agreements with South Korea, Panama, and Colombia:

Now, before I took office, I made it clear that we would enforce our trade agreements, and that I would only sign deals that keep faith with American workers and promote American jobs. That's what we did with Korea, and that's what I intend to do as we pursue agreements with Panama and Colombia and continue our Asia Pacific and global trade talks.¹

The president and the leaders of the new 112th Congress are widely expected to work together in the coming months to enact the South Korea agreement (analyzed in an October 2010 Cato Trade Briefing Paper).² The fate of the Colombia agreement is much more in doubt. The purpose of this bulletin will be to examine the Colombia agreement in light of the president's call to boost U.S. exports, and to examine whether violence in Colombia

against union members poses a legitimate obstacle to trade liberalization.

Promoting U.S. Exports to Colombia

If enacted, the U.S.-Colombia trade agreement would eliminate barriers to billions of dollars of U.S. exports. Colombia is home to 45 million consumers and is one of the largest economies in Latin America, and a major market for U.S. exports in the Western Hemisphere. In 2010, U.S. producers exported more than \$11 billion in goods to Colombia, making it our third-largest market in Latin America, behind only Mexico and Brazil.³

Two-thirds of U.S. exports to Colombia are manufactured goods. The top U.S. exports are chemicals, plastics, electrical equipment, excavating machinery, telecommunications equipment, computers and computer accessories, industrial engines, and drilling and oilfield equipment. Other major exports are fuel oil and corn.⁴

The pending trade agreement would eliminate about three-quarters of the duties on industrial and agricultural goods immediately. Almost all other duties would be phased out over 5 to 10 years, with a few stubborn agricultural tariff-rate quotas hanging on for 19 years. The U.S. International Trade Commission estimates that the agreement would boost U.S. exports by an additional \$1.1 billion after full implementation.⁵ "The primary impact of the U.S.-Colombia [trade agreement] will be increased U.S. exports to Colombia as a result of enhanced U.S. access to the Colombia market," the commission concluded.⁶

Anytime trade barriers can be lowered anywhere, at home or abroad, Americans benefit from greater competition and specialization. Reducing Colombia's barriers to imports from the United States should be especially welcome in Washington because the reduction would help to advance President Obama's National Export Initiative, the effort he launched in January 2010, which would double U.S. exports in the five years between 2009 and 2014.

Juan Carlos Hidalgo is project coordinator for Latin America at the Center for Global Liberty and Prosperity and Daniel Griswold is director of the Center for Trade Policy Studies at the Cato Institute.

If this ambitious goal is to come close to being realized, it will require a significant reduction in the trade barriers with our major trading partners.

Toward that goal, passage of the Colombia agreement would have a positive impact on U.S. exports in the politically potent manufacturing and agriculture sectors, as well as the less visible but equally important services sector.

Manufacturing. The agreement would put an immediate dent in the average 11 percent tariffs that Colombia currently imposes on manufactured goods from the United States. For U.S. industrial and textile products entering Colombia, 76 percent of tariff lines would be duty free upon implementation. Other duties would be phased out within 5 to 10 years. Among the key sectors that would benefit:

- **Construction Equipment.** According to the U.S. Trade Representative's Office, Colombian tariffs on such goods average 12 percent. Upon immediate enactment, 88 percent of U.S. industrial exports in this category will receive duty-free treatment, including such high-value construction equipment as sinking machinery, dumpers, bulldozers, and mechanical shovels.⁷ According to testimony given to the U.S. International Trade Commission, the agreement would save \$200,000 in duties on each large off-highway truck made in the United States and exported to Colombia.⁸ Because of its resource-intensive economy, Colombia is actually a bigger market for U.S.-made excavating equipment than China.⁹
- **Chemicals.** A third of U.S. industrial exports to Colombia are in this sector, in which tariffs average 7.8 percent. Upon enactment, 82 percent of U.S. chemical products will receive duty-free treatment, including such high-value items as resins, fertilizers, soda ash, and new tires. All remaining tariffs will be phased out within 10 years.¹⁰
- **Plastics.** The agreement will eliminate tariffs on 60 percent of U.S. exports of resin and manufactured plastics immediately upon implementation, and almost all remaining tariffs in this category will be eliminated over seven years.¹¹

Agriculture. American farmers and ranchers would also reap immediate gains from the U.S.-Colombia trade agreement. In 2008, Americans sold \$1.6 billion worth of farm goods in Colombia, making it the largest market for U.S. farm goods in the Western Hemisphere outside of Canada and Mexico. Our major export commodities to Colombia are corn, wheat, soybeans, and cotton.

According to the U.S. Foreign Agricultural Service, Colombia's tariffs on agricultural imports range from 5 to 20 percent, with the higher tariffs imposing a real barrier to U.S. exports. Upon enactment, 77 percent of Colombia's tariff lines affecting U.S. farm exports would go to zero, accounting for 52 percent of U.S. exports. Most other tariffs would go to zero within 15 years, including many that would be eliminated within 5 years.¹²

In recent testimony before the 112th Congress, American Farm Bureau President Bob Stallman hailed the agreement:

Colombia has one of the highest tariff structures in South America. This is the major impediment to market access in many sectors, including agriculture. Colombian import duties on agricultural and processed food products are currently high, and the average tariff rate is roughly 30 percent. Elimination of Colombia's duties in the agricultural sector would create new opportunities for American farmers and ranchers in this market, particularly relative to other suppliers that already have trade agreements with Colombia.¹³

Among the agricultural export sectors that would benefit most:

- **Beef and pork.** The agreement would grant immediate duty-free access to export categories most important to the U.S. beef industry, such as USDA Prime and Choice beef cuts. All other tariffs on beef would be eliminated within 15 years or sooner. Crippling tariffs on pork products, which range from 20 to 30 percent, would be phased out to zero within 5 to 15 years.¹⁴ The U.S. International Trade Commission estimates the fully implemented agreement would boost U.S. beef exports to Colombia by 46 percent and pork exports by 72 percent.¹⁵
- **Wheat, corn, and soybeans.** These three commodities account for more than half of all U.S. agricultural exports to Colombia, with tariffs ranging from 5 to 20 percent on wheat and soybeans and higher on corn depending on world prices. The agreement would immediately eliminate all tariffs on imported U.S. wheat and soybeans. A maximum tariff of 25 percent on imported U.S. corn will be phased out in 12 years.¹⁶
- **Cotton.** The agreement would immediately eliminate the 10 percent duty on U.S. cotton upon enactment.¹⁷

Without the trade agreement, Colombian tariffs on U.S. manufacturing and agricultural goods could actually go much higher than existing levels. As a member of the World Trade Organization, Colombia has agreed to limits (or bindings) on the maximum tariffs it can apply in different product categories. Colombia's current applied tariffs are typically well below its tariff bindings, which means its government could raise tariffs substantially on most U.S. products without running afoul of its WTO commitments. Colombia's bindings run as high as 108 percent on pork, 150 percent on soybeans and soybean products, 194 percent on corn, and 248 percent on wheat and barley. The trade agreement would not only reduce tariffs, but also bind Colombia's tariffs to zero, protecting U.S. exporters from future tariff hikes.¹⁸

Services. Liberalizing trade in services can be more challenging because it requires a change in behind-the-border regulations rather than at-the-border duties. Yet services are a major source of export earnings for American

companies, which are competitive across a range of sectors, including finance, banking, insurance, and education.

The Colombia trade agreement would extend investor protections and guarantees of equal treatment to service providers in a broad range of sectors. The agreement takes a “negative list” approach, which means that it covers all sectors except a small number that are specifically excluded from its terms. An analysis by the U.S. Trade Commission predicts a small but real gain in U.S. service exports to Colombia, with the gains limited by the small size of the Colombian market.

Gains in market access would be especially strong for the U.S. financial sector. According to the USITC, “The financial services chapter will contribute to favorable conditions for U.S. providers of banking, securities, and insurance services. Particularly important provisions for U.S. industry include new commitments regarding asset management, cross-border insurance services, and mutual and pension funds.”¹⁹ The agreement would allow U.S. insurance companies to establish local branches for the first time.²⁰

Small and Medium-Sized Exporters. Trade with Colombia is not just a Fortune 500 phenomenon. According to the U.S. Commerce Department, more than 10,000 U.S. companies export to Colombia, 85 percent of them small and medium-sized (SME) companies employing fewer than 500 workers. Those SMEs account for more than a third of U.S. exports to Colombia.²¹

A trade agreement can be especially helpful to SMEs because it establishes more transparent rules and arbitration procedures. It opens up the government procurement process for smaller contractors and reduces the fixed costs of regulations that can be especially burdensome to smaller companies.

A Politician’s Dream of a “Level Playing Field”

The Colombia agreement should be especially attractive to members of Congress who demand that such agreements deliver a “level playing field” of equal tariff treatment for each other’s exports. The agreement delivers on that demand, reducing Colombia’s tariffs to match the near-zero level of existing U.S. tariffs on imports from Colombia.

U.S. tariffs are already low because of unilateral tariff preferences that have been in place since 1991 through the Andean Trade Preferences Act. The ATPA offers duty-free access to the large majority of imports from Colombia and three neighboring countries. As a result of this “tariff asymmetry,” the agreement will have a more stimulating effect on U.S. exports than imports. According to the USITC analysis,

As a result of Colombia’s status as an ATPA beneficiary, Colombian exporters generally face substantially lower tariffs in the U.S. market than do U.S. exporters in the Colombian market. With few exceptions, Colombia’s average ad valorem tariff equivalent rates in the economywide model range from 10 to 20 percent, whereas almost all U.S. sector average tariff rates in the model are zero or near zero, with only one exceeding 3 percent

(sugar). Given this tariff asymmetry, the [trade agreement] is likely to result in a much larger increase in U.S. exports to Colombia than in U.S. imports from Colombia.²²

As a further comfort to politicians worried about import competition, the kinds of products we buy from Colombia do not tend to compete head-to-head with politically sensitive U.S. sectors. The top four U.S. imports from Colombia in 2010, accounting for 86 percent of our total imports from that country, were oil and other fuels, precious and semiprecious stones, coffee and tea, and flowers and plants.²³ None of those sectors involves anxieties over U.S. job losses or competitiveness.

Of course, if the ultimate goal is to promote economic freedom and efficiency, as it should be, there is nothing wrong with a trade agreement that results in the elimination of existing U.S. barriers to imports. In fact, as Cato studies have argued elsewhere, opening our own market to enhanced import competition is one of the main economic benefits of a trade agreement, even if that competition proves unpopular with politicians and protected interests. Introducing more vigorous import competition to our domestic economy, like competition generally, spurs lower prices and more variety for consumers, and more innovation and productivity among producers. The more we “give” in terms of our own market access, the more we gain.²⁴

For the record, the agreement will confer modest blessings on U.S. consumers. According to the USITC, the biggest change in imports will come from a very grudging expansion of the sugar quota imposed on Colombia, and increased imports of dairy products and certain smaller crop categories. The result would be a reduction in prices enough to confer a \$400 million a year boost to the real income of American consumers and a \$2.5 billion boost to the nation’s GDP.²⁵ Those are small gains in the context of a \$14 trillion economy, but they are nonetheless real. Politicians should think of it as a stimulus that does not require a dime of federal debt.

The Risk of Inaction: Shrinking Market Share

If Congress and the administration fail to enact the Colombia agreement, all those potential gains to U.S. exporters and U.S. consumers will be lost. Failure will also raise the risk that U.S. producers could suffer permanent loss of market share to competitors in countries that are moving ahead with trade agreements with Colombia.

While Washington has dallied in approving the trade agreement with our South American ally, Colombia has been moving ahead. In early 2005, a free-trade agreement went into effect with the Mercosur countries of Brazil, Argentina, Uruguay, and Paraguay, which are all important agricultural exporters. Colombia recently signed similar trade pacts with Canada and the European Union, which are expected to be implemented later this year or by early 2012. Negotiations are also underway with South Korea, and might soon start with Japan as well.

U.S. exporters already appear to be losing market share because of delayed implementation of the Colombia

agreement. According to the Embassy of Colombia in Washington, the U.S. share of Colombian wheat imports dropped from 72 percent in 2008 to 46 percent in 2009, with Canada and Argentina filling the gap. The U.S. share of Colombia's corn imports fell even further, from 80 percent to 37 percent, with Argentina and Brazil the main beneficiaries.²⁶ Implementing the agreement would help U.S. exporters stem or reverse those losses.

Without an agreement, U.S. manufacturing exporters will also soon be at a disadvantage compared to their major competitors in Canada, the European Union, and South Korea. Manufacturers in those countries will soon be able to sell into Colombia's market duty free while U.S. manufacturers must overcome the 11 percent average tariff Colombia imposes on manufactured goods. As the USITC testimony showed, this can result in hundreds of thousands of dollars of extra cost imposed on earth-moving machinery and other high-value products exported from the United States.

The U.S.-Colombia trade agreement should be an easy call for the Obama administration and members of Congress. It would remove barriers to U.S. exports to a major market in our own hemisphere. It would deliver the level playing field of mutual free trade, putting U.S. exporters on equal tariff footing with their competitors in Colombia—and even more importantly, with their competitors in other countries who are also selling in the Colombian market. The administration's full-court press to promote U.S. exports will lose credibility if the president fails to do all he can to see that the Colombia trade agreement soon becomes law.

Why the Free Trade Agreement Matters to Colombia

The United States continues to be Colombia's main trading partner, although this position is now being challenged by the rising commercial presence of China. Colombian president Juan Manuel Santos, who was inaugurated in August 2010, has continued his predecessor's push for negotiating free-trade agreements with Colombia's most important commercial allies. Moreover, the current administration has complemented that push with a strong unilateral drive for the dismantling of trade barriers—a welcome move in a country with a long-standing tradition of protectionism.

However, the FTA with the United States continues to be the “the jewel in the crown” of Colombia's trade agenda. Despite the fact that most Colombian exports already enter the U.S. market duty free, the lingering uncertainty surrounding the constant extensions of the ATPA—and its vulnerability to future challenges in the WTO—constitutes a handicap to Colombia's footing as an attractive destination for foreign direct investment. This is aggravated by the fact that most of Colombia's Latin American neighbors—and competitors for foreign direct investment—such as Mexico, the Central American countries, Peru, and Chile, already have free-trade agreements with the United States.

Colombian exporters have also been harmed by the constant diplomatic spats of their government with neighboring Venezuela and its autocratic president Hugo Chávez. Until a few years ago, Venezuela was Colombia's

second main trading partner, but because of disputes regarding Chávez's now well-known support of the *Fuerzas Armadas Revolucionarias de Colombia* (FARC) guerrillas in Colombia, the border between both countries has been shut down several times in recent years. In 2008, Colombian exports to Venezuela amounted to \$5.4 billion, but by November 2010 they had dropped to \$1.3 billion.²⁷ Even worse, the Venezuelan government, which largely controls food distribution in that country through a state-owned agency, owes Colombian exporters approximately \$500 million in delayed payments for their sales.²⁸

The FTA with the United States would boost the Colombian economy and complement other important market reforms carried out in that country in the last decade.²⁹ More importantly, the FTA would increase the potential benefits of the ambitious land reform that the Santos administration has announced as one of its priorities. Unlike previous land reforms in Latin America, in which the government took land from large landowners and distributed it among peasants without also giving them proper ownership, the aim of the Santos administration is to re-stitute approximately 2.2 million displaced Colombians of the land they lost during decades of armed conflict.³⁰ Even though this reform aims at correcting a historic wrong, it would do little to improve the lot of hundreds of thousands of Colombian farmers if it is not accompanied by other economic measures, such as trade liberalization, which would boost the competitiveness of the country's largely underdeveloped agricultural sector.

After a decade of substantial improvements in the areas of security and the economy, Colombia stands to benefit from a free-trade agreement with its most important partner. By approving this FTA, the United States would contribute significantly to Colombia's economic development at a crucial point in the country's history.

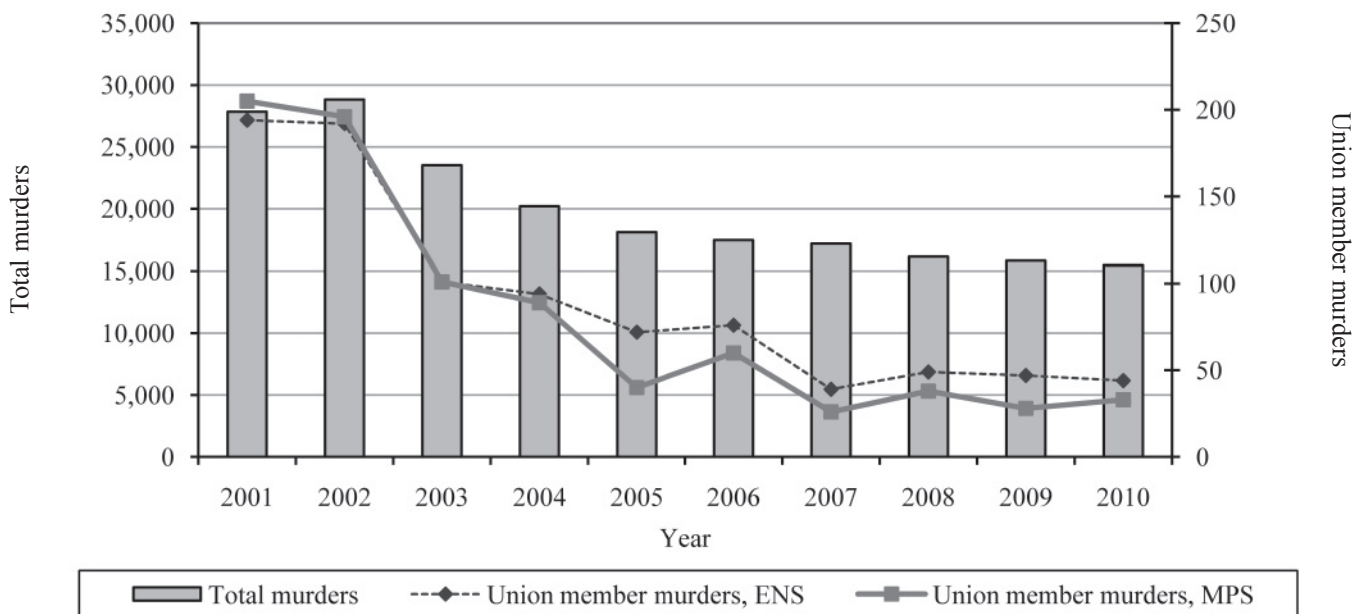
Putting Violence against Unions into Perspective

Violence against union members continues to be the rallying cry of those opposed to the FTA with Colombia, despite the economic benefits of the agreement and even though evidence of progress against the violence continues to accumulate. The latest data show that assassinations against union members have consistently declined since the beginning of the last decade, when the country was engulfed in a brutal three-way armed conflict between left-wing guerrillas, right-wing paramilitary groups, and the army.

The statistics on the number of killings against union members vary depending on the source, with the figure from the government's Ministry of Social Protection being lower than that of the National Union School (ENS for its acronym in Spanish), a Colombian nongovernmental organization affiliated with the labor movement. However, both sources show a steep decline in the number of killings since 2001. Moreover, when compared with the total number of homicides in the country, killings of union members clearly have dropped at a faster rate than those of the general population (see Figure 1).

Critics of the FTA fail to recognize that violent crime affects all levels of Colombian society, not only trade

Figure 1
Colombia: Total Murders vs. Union Member Murders, 2001–2010



Sources: National Union School (ENS) and Ministry of Social Protection (MPS).

unions. What is more, the statistics show that union members enjoy more security than the population at large. Looking at the homicide rate as defined by the number of murders per 100,000 inhabitants, the rate for the total population in 2010 was 33.9 per 100,000, whereas the rate for union killings was 5.3 per 100,000 unionists that same year (using the statistics of the ENS).³¹ That means that the homicide rate for the overall population is 6 times higher than that for union members.

Researchers Daniel Mejía and María José Uribe of the Universidad de los Andes also analyzed the murder statistics of other vulnerable groups of Colombia’s civil society, such as journalists, teachers, and politicians, among others, and found that “Not only has progress in security been greater for union members than for the total population, but it has been greater than for other vulnerable groups.”³²

Still, opponents of the FTA claim that Colombia continues to be the most dangerous country in the world in which to be a trade unionist. According to Guy Ryder, General Secretary of the International Trade Union Confederation, “standing up for fundamental rights of workers [in Colombia] is more likely than anywhere else to mean a death sentence.”³³ Are trade unionists being targeted for their activities or are they just victims of the general violence that still mires Colombia?

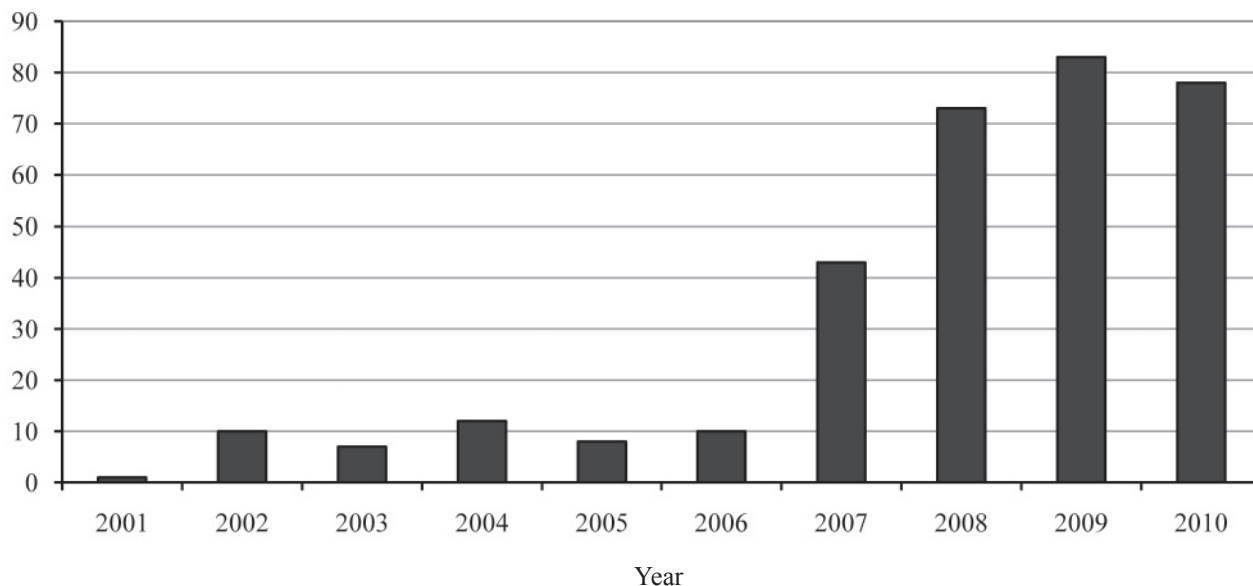
In their comprehensive state-by-state study on violence against union members, Mejía and Uribe analyzed the statistics on assassinations of trade unionists and compared them to data on union activity in each Colombian state, such as

wage agreements, strikes, and work stoppages. After controlling for other variables that might impact the results, like per capita income, government protection, and presence of irregular armed groups, Mejía and Uribe found “no statistical evidence supporting the hypothesis that more union activity causes more violence against union members.”³⁴ The states that reported the highest union murder rates didn’t correlate with the states with the highest levels of union activism. Moreover, according to their results, “the violence against union members can be explained by the general level of violence and by low levels of economic development.”³⁵ Thus, the empirical evidence belies the claim that trade unionists in Colombia are systematically targeted because of their involvement in the labor movement.

Edward Schumacher-Matos, a visiting professor at Harvard University, provided more facts to substantiate this finding. He looked at the number of convictions won in union cases in 2001–2007, and found that out of 87 convictions, in only 17 cases did the judges rule that union activity was the cause of the crime. A large proportion of the homicides was related to common crime, crimes of passion, and membership in guerrilla organizations.³⁶ Groups opposed to the FTA with Colombia don’t challenge these figures, and they even admit that in an overwhelming majority of the cases, the perpetrators of trade unionist murders are unknown: of the 2,704 homicides committed against union members between 1986 and August 2009, 88 percent of the cases remain unsolved.³⁷

Even though the evidence indicates that union members are not systematically targeted for their activities,

Figure 2
Colombia: Convictions in Homicide Cases Against Union Members, 2001–2009



Source: Embassy of Colombia, “Protecting Labor and Ensuring Justice in Colombia,” December 2010.

since 2002 the Colombian government has committed substantial resources to ensure their safety. Over 1,400 trade unionists were under a government protection program in 2010—more than any other vulnerable group of Colombia’s civil society. In 2007, a special department started operating in the Office of the Prosecutor General dedicated exclusively to solving crimes against union members and bringing the perpetrators to justice. Close to 85 percent of the sentences issued since 2000 for assassinations of trade unionists were issued after the creation of this department (see Figure 2). Additionally, three specialized judges were appointed in 2007 to adjudicate criminal cases involving union members. This has significantly contributed to a faster review process.³⁸

The violence that afflicts trade unionists is not unique from that which affects all Colombians. In light of the remarkable achievements in security that the country has experienced in the last decade, it is unreasonable for the United States to continue to withhold approval of the FTA on the basis of further unspecified progress in protecting union members in Colombia.

Conclusion

A free-trade agreement with Colombia would achieve a number of worthy U.S. policy objectives. An agreement would reduce significant barriers to U.S. exports to a major Latin American market, moving the United States closer to meeting President Obama’s goal of doubling U.S. exports by 2014. It would remove uncertainty over Colombia’s access to the U.S. market, aiding that country’s efforts to

develop its economy and reduce poverty. And it would strengthen civil society in Colombia, reinforcing the efforts of the country’s new reform-minded government to reduce violence even further and to bolster the nation’s already robust democracy in the face of antidemocratic forces in the region. Such an agreement would “keep faith” not only with American workers but also with our national interest in promoting peace and prosperity in our own hemisphere.

Notes

1. “Remarks by the President in State of Union Address,” Office of the Press Secretary, The White House, January 25, 2011, <http://www.whitehouse.gov/the-press-office/2011/01/25/remarks-president-state-union-address>.
2. Doug Bandow, “A Free Trade Agreement with South Korea Would Promote Both Prosperity and Security,” Cato Trade Briefing Paper no. 31, October 20, 2010.
3. U.S. Census Bureau, “Country and Product Trade Data,” Foreign Trade Statistics, U.S. Department of Commerce, <http://www.census.gov/foreign-trade/statistics/product/index.html>.
4. Ibid.
5. U.S. International Trade Commission, “U.S.-Colombia Trade Promotion Agreement: Potential Economywide and Selected Sectoral Effects,” USITC Publication 3896, December 2006, p. xvi.
6. Ibid., p. xv.
7. U.S. Trade Representative’s Office, “Market Access Results:

- Construction Equipment,” U.S.-Colombia Free Trade Agreement, http://export.gov/static/Construction%20Equipment07_Latest_eg_main_017607.pdf.
8. USITC, chap. 3, p. 23.
 9. U.S. Census Bureau, “Country and Product Trade Data.”
 10. U.S. Trade Representative’s Office, “Market Access Results: Chemicals,” U.S.-Colombia Free Trade Agreement, http://export.gov/static/Chemicals07_Latest_eg_main_017606.pdf.
 11. Ibid.
 12. U.S. Department of Agriculture, “Fact Sheet: U.S.–Colombia Trade Promotion Agreement,” Foreign Agricultural Service, September 2009, <http://www.fas.usda.gov/info/factsheets/ColombiaFTA06.asp>.
 13. Bob Stallman, “The Pending Free Trade Agreements with Colombia, Panama, and South Korea and the Creation of U.S. Jobs,” (testimony before the House Committee on Ways and Means, January 25, 2011).
 14. U.S. Department of Agriculture, “Fact Sheet.”
 15. USITC, chap. 3, p. 3.
 16. U.S. Department of Agriculture, “Fact Sheet.”
 17. Ibid.
 18. Ibid.
 19. USITC, chap. 4, p. 1.
 20. USITC, chap. 4, p. 10.
 21. Cited in “Why Support the Trade Agreements with Colombia and Panama? Here are 13,257 Great Reasons!” Latin America Trade Coalition, <http://www.latradecoalition.org/files/2010/09/3Hereare13257GreatReasons.pdf>.
 22. USITC, chap. 2, p. 2.
 23. U.S. Census Bureau, “Country and Product Trade Data.”
 24. See, for example, Daniel J. Ikenson and Scott Lincicome, “Beyond Exports: A Better Case for Free Trade,” *Cato Free Trade Bulletin* no. 43, January 31, 2011, pp. 4–5; and Daniel Griswold, “The Miscellaneous Tariff Bill: A Blueprint for Future Trade Expansion,” *Cato Trade Briefing Paper* no. 30, September 9, 2010, pp. 4–5 and Appendix.
 25. USITC, chap. 2, p. 8.
 26. Embassy of Colombia, “A Trade and Investment Partnership: Colombia and the U.S.,” www.colombiaemb.org.
 27. Departamento Administrativo Nacional de Estadística, “Boletín especial de la dinámica de comercio exterior: Exportaciones a Estados Unidos, Venezuela y Ecuador,” January 25, 2011, p. 3, http://www.dane.gov.co/files/investigaciones/boletines/exportaciones/bolesp_exp_2006-2010_nov.pdf.
 28. “Ministro colombiano viene a Venezuela por pago de exportadores,” *El Universal* (Venezuela), January 23, 2011.
 29. Perhaps the most comprehensive study to date on the costs for Colombia of not implementing an FTA with the United States was published in 2007 by the University of Antioquia, which found that not approving the agreement would decrease investment by 4.5 percent in Colombia. Furthermore, it would increase unemployment by 1.8 percent, representing a net loss of 460,000 jobs. GDP would go down 4.5 percent and the poverty level would rise by 1.4 percentage points. Jesús A. Botero et al., “El TLC con Estados Unidos: Efectos de su aprobación y costos de no aprobarlo,” Universidad de Antioquia, June 4, 2007, pp. 78–80.
 30. For more on the proposed land reform, see “This land is our land,” *The Economist*, September 18, 2010, p. 51.
 31. Escuela Nacional Sindical, “Una política de exclusión sistemática: Panorama de la situación de los trabajadores y de las organizaciones sindicales en Colombia,” May, 2009, p. 12, [http://www.ens.org.co/index.shtml?s=e&m=c&als\[MENU____\]=Documentos&v=008&cmd\[22\]=c-1-008-c-2-Documentos](http://www.ens.org.co/index.shtml?s=e&m=c&als[MENU____]=Documentos&v=008&cmd[22]=c-1-008-c-2-Documentos). See also the chapter on Colombia in Human Rights Watch, *World Report 2011*, p. 4, http://www.hrw.org/sites/default/files/related_material/Colombia_English%201-27.pdf; and “¿Endurecimiento de penas garantiza la seguridad de defensores de derechos humanos?” *Semana*, January 25, 2011.
 32. Daniel Mejía & María José Uribe, “Is Violence Against Union Members in Colombia Systematic and Targeted?” *Documentos CEDE* 006147, Universidad de los Andes-CEDE, 2009, p. 7.
 33. Quoted in “101 Trade Unionist Murdered in 2009; Pressure on Workers’ Rights Grows as Crisis Hits Jobs,” International Trade Union Confederation press release, June 9, 2010, <http://www.ituc-csi.org/ituc-annual-survey.html>.
 34. Mejía & Uribe, p. 12.
 35. Ibid., p. 14.
 36. Edward Schumacher-Matos, “Killing a Trade Pact,” *New York Times*, March 29, 2008.
 37. Lauren Damme, “The Likely Impact of the U.S.-Colombia Trade Promotion Agreement on Colombian Workers,” *Demos Briefing Paper*, May 18, 2008. It should be noted that less than a fifth of these assassinations took place after 2002.
 38. The efforts of the Colombian government regarding security have been acknowledged by international organizations such as the International Labor Organization and the United Nations Human Rights Committee in their annual reports of 2010. See International Labor Organization, *Application of International Labour Standards 2010 I*, (Geneva: International Labor Organization, 2010), p. 104; and United Nations Office of the High Commissioner for Human Rights, “Human Rights Committee Considers Report of Colombia,” July 16, 2010, <http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=10216&LangID=E>.

Board of Advisers

James Bacchus
Greenberg Traurig LLP

Jagdish Bhagwati
Columbia University

Donald J. Boudreaux
George Mason University

Douglas A. Irwin
Dartmouth College

José Piñera
International Center for
Pension Reform

Russell Roberts
George Mason University

Razeen Sally
London School of
Economics

George P. Shultz
Hoover Institution

Clayton Yeutter
Former U.S. Trade
Representative

CENTER FOR TRADE POLICY STUDIES

The mission of the Cato Institute's Center for Trade Policy Studies is to increase public understanding of the benefits of free trade and the costs of protectionism. The center publishes briefing papers, policy analyses, and books and hosts frequent policy forums and conferences on the full range of trade policy issues.

Scholars at the Cato trade policy center recognize that open markets mean wider choices and lower prices for businesses and consumers, as well as more vigorous competition that encourages greater productivity and innovation. Those benefits are available to any country that adopts free trade policies; they are not contingent upon "fair trade" or a "level playing field" in other countries. Moreover, the case for free trade goes beyond economic efficiency. The freedom to trade is a basic human liberty, and its exercise across political borders unites people in peaceful cooperation and mutual prosperity.

The center is part of the Cato Institute, an independent policy research organization in Washington, D.C. The Cato Institute pursues a broad-based research program rooted in the traditional American principles of individual liberty and limited government.

For more information on the Center for Trade Policy Studies,
visit www.freetrade.org.

Other Free Trade Bulletins from the Cato Institute

"Beyond Exports: A Better Case for Free Trade" by Daniel Ikenson and Scott Lincicome (no. 43; January 31, 2011)

"'Consumer Safety' Bill Could Boomerang against U.S. Manufacturers" by Daniel Griswold and Sallie James (no. 42; September 28, 2010)

"Appreciate This: Chinese Currency Rise Will Have a Negligible Effect on the Trade Deficit" by Daniel Ikenson (no. 41; March 24, 2010)

"Is the Trans-Pacific Partnership Worth the Fuss?" by Sallie James (no. 40; March 15, 2010)

"Burning Rubber: Proposed Duties on Chinese Tires Whiff of Senseless Protectionism" by Daniel Ikenson (no. 39; September 11, 2009)

"As Immigrants Move In, Americans Move Up" by Daniel Griswold (no. 38; July 21, 2009)

"A Protectionism Fling: Why Tariff Hikes and Other Trade Barriers Will Be Short-Lived" by Daniel Ikenson (no. 37; March 12, 2009)

"Shipping Jobs Overseas' or Reaching New Customers? Why Congress Should Not Tax Reinvested Earnings Abroad" by Daniel Griswold (no. 36; January 13, 2009)

"Crisis Averted? How Government Actions Keep Food Prices High" by Sallie James (no. 35; December 8, 2008)

Nothing in Free Trade Bulletins should be construed as necessarily reflecting the views of the Center for Trade Policy Studies or the Cato Institute or as an attempt to aid or hinder the passage of any bill before Congress. Contact the Cato Institute for reprint permission. The Cato Institute, 1000 Massachusetts Avenue, N.W., Washington, D.C. 20001. (202) 842-0200, fax (202) 842-3490, www.cato.org.