



Introduction

In November 1997, U.S. president Bill Clinton was forced to withdraw his requested renewal of fast-track trade authority after congressional leader Newt Gingrich could not deliver the necessary votes. Despite White House pleas that non-renewal would undermine the international stature of the American presidency, and despite President Clinton's promotional free-trade tour to major countries in South America, Congress had heard from too many constituents about the failed promises of the North American Free Trade Agreement (NAFTA), the persistent international violations of labor and environmental standards, and their own economic fears. The canceled authorization was reminiscent of November 1995, when Congress refused to grant other southern neighbors the "benefits of free trade" and tariff reductions enjoyed by Mexico. Critics then elaborated the dismal record of Latin nations in implementing environmental and worker rights. In a close vote, Congress failed to pass the Caribbean Basin Security Act, which would have extended trade parity to most other North American nations. Nevertheless, with the renewal of the General Agreement on Tariffs and Trade (GATT) and the creation of the World Trade Organization (WTO), free-trade advocates retain a forceful position in policy circles. In December 1996, despite U.S. objections, the WTO rejected the inclusion of labor standards for GATT's next round of debate. At the second Summit of the Americas, held in Chile in April 1998, the hemisphere's heads of state reaffirmed their commitment to a "Free Trade Area of the Americas" by 2005, although they also accepted a parallel program to improve social conditions (Sims 1998). As negotiations progress in the years ahead, the specific design of unregulated trade between the U.S. and Latin and Caribbean Basin countries will assuredly spark heated exchange.

This book is about labor standards and augmented trade in the Caribbean region.¹ In 1996, the equity of labor standards gained notoriety when TV celebrity Kathie Lee Gifford tearfully denied knowledge of the abusive conditions endured by underaged workers who sewed her labels on clothing produced in Honduras. (She later had to face similar charges about clothing made in New York City.) But Kathie Lee became a cause célèbre because the U.S.



public had already been educated about the low wages, long hours, minuscule benefits, and sexual harassment faced by maquila workers beyond U.S. borders. Shoppers took notice when labor solidarity organizations such as the National Labor Committee or the U.S./Guatemala Labor Education Project (U.S./GLEP) distributed leaflets at stores requesting that retailers adopt a minimum code of employee standards for their contracting producers. Journalists devoted sympathetic programs and columns to the issue of sweatshop conditions abroad. While occasionally the publicity generated opposite claims—that sweatshop workers were happier to have jobs than to be without them (Rohter 1996a)—global discussion mounted.

Publicity efforts began to show positive results when the Phillips–Van Heusen shirt company agreed to abide by a corporate code and recognize a Guatemalan union in 1992; Levi Strauss Co. voluntarily announced a code for contractors in 1993; then Starbucks Coffee promised to enforce purchasing standards, and GAP Clothing committed to honor outside monitoring of its producing companies in 1995. In 1997, ten major U.S.-based maquila contractors assented to the White House “No Sweat Task Force” recommendations. Other name-brand companies were expected to soon follow.

But while solidarity leaflets and purchaser efforts to remedy oppressive labor conditions remained essential, others sought to reach beyond visible targets and grapple with less visible subcontractors and local firms that persistently mistreated their employees with little consequence. They advocated attaching conditions to trade that the U.S. (or any nation) extends to exporting countries. In effect they said, if you want favorable access to U.S. markets, then you must take steps to improve national observance of basic labor rights. The question this study asks is whether that approach is effective.

The Argument

While the trade condition argument appears simple, it has not been easily accepted by a significant number of people, including those who believe that workers in developing countries are glad to get a job. They point out that work conditions there cannot be compared to standards in advanced nations. The definition of labor rights can be elusive. Workers have much lower food and housing costs, and life has less elaborate requirements. Indeed, their less-adorned, enjoyable livelihoods are something to be admired.

U.S. workers know that there is more to life than “living standards” can measure. On wintry days they might even wistfully dream of trading places with those living simpler lives in warmer climes. But they also know that



increased trade attracted by the low wages of campesinos and seamstresses and the unhealthy and undignified circumstances of their work have made comparison more of an issue.

The struggle to reconcile standards reflects a fundamental debate between those who believe each culture or nation will naturally evolve appropriate standards as its economy develops through trade with its neighbors and those who deny that this “market process” is sufficient to assure worker protection. To put the matter academically, neo-liberal (also called neo-classical) economists argue that imposed labor standards interfere with the market, thereby inhibiting overall national growth; neo-institutional economists insist that without standards, worker exploitation will remain. Decent treatment may motivate worker productivity and increase consumer demand, but market-driven companies can still choose intimidation and bare-subsistence wages.

U.S. workers also believe labor conditions abroad are increasingly tied to similar conditions at home, and the unrestricted ability of publicly chartered corporations to shift high-paying, unionized jobs to low-paying, non-unionized locations outside the U.S. They wonder who really benefits when untrammelled trade allows jobs to be relocated from industrial to developing nations with no controls to assure worker dignity. Again, in explaining this trend, neo-liberal economists stress the benefits of “market factors”: Seeking a “comparative advantage,” companies are simply obeying the law of supply and demand. Since modern communications and transport systems now make it possible to coordinate production and distribution on a worldwide basis, any firm that desires to remain competitive must take advantage of lower labor costs wherever it can locate them. If this means having its shirts or auto parts assembled abroad, then of course that is what a company will choose to do, but its investments will convey substantial gains for workers in all countries.

However, neo-institutionalists emphasize that it is not just a matter of corporations relocating for the best market advantage (see Dietz 1995). They also justify economic systems that perpetuate a small minority of wealthy families and a large underclass ready to work for pittance remuneration. Consciously or unconsciously they thereby help formulate political policies that encourage enclaves of low-wage opportunity. Under the rationalization of national security, they support authoritarian governments and quasi-military dictatorships that guarantee stability. In the process, even within “market” conditions, they cultivate a breeding ground for anti-union sentiment that inhibits the natural ability of working people to demand their own work requirements.



Background: Changing Economies of Caribbean Basin Nations

To contribute to this debate, our study focuses on labor standards in the Caribbean region as they relate to augmented trade. We will evaluate the merits of the neo-classical and neo-institutional arguments. The historical transformation of work in this region remains a key factor in such evaluation.

Over the last fifteen years (1983–98), largely due to trade, a growing number of the still mostly agricultural workers in Caribbean Basin nations have been transformed into wage laborers in foreign industries. Far from setting their own pace of life, they have quickly been forced into tasks previously performed by assembly workers in U.S. factories.

As with work conditions in the U.S., the transformation of trade is not solely responsible for converting the work process in Caribbean Basin nations. The other factors, while stimulated by trade, are also operative: augmented mechanization of agriculture, land concentration, urbanization, improvements in communications technology, enhanced industrialization, and consumer substitution of formulated products (such as corn syrup for sugar, and coffee substitutes). But among these factors, the export/import decisions of both national and international upper classes have a significant influence, as our study will discover.

Until the 1980s, the pace of change was slower in the Caribbean Basin than in much of Latin America. Some have attributed this to the conservative policies of a relatively isolated elite which has controlled the political and economic system. Satisfied with traditional export income, they were reluctant to reinvest to improve output, offering minuscule opportunities to the vast number of poor, landless peasants and part-time workers who sustained production (see Debray 1975). However, others stress that international class interests were complicitous in maintaining the region's dependent state. The Caribbean Basin's strategic value became defined as an area for corporate sourcing and investment and for political alliances against the Soviet Union. Although structural imbalances persisted, policy makers were oriented to protect U.S. interests and property (see Coleman and Herring 1991; Hamilton et al. 1988; Weaver 1994).

For many years the region's peasants and workers, sometimes separately, sometimes jointly, demanded change. Occasionally, as in Guatemala between 1944 and 1954 and in Cuba after 1959, they enjoyed periods of control and improved conditions. However, neither the local nor the North American upper classes envisioned peasant/worker revolutions as an acceptable formula for advancement (Paige 1997). Critics charge that international and national elites coordinated their forces to brutally repress any indigenous efforts at national freedom: U.S. officials would not tolerate an independent Guate-



mala, so they encouraged CIA operatives to overthrow its elected government (Immerman 1982; Gleijeses 1991). They isolated and blockaded Cuba, whose autonomy might inspire similar efforts elsewhere (Franklin 1997). They evolved a double-pronged approach: Thoughtful northern development theorists realized that peasant/worker solutions to inequality had to be replaced by an Alliance for Progress for improved land redistribution and employment. At the same time, U.S. government operatives infiltrated every free-spirited, democratically chosen alternative to the structure of power. They would either divide it or eliminate it directly, as they did with Juan Bosch's brief presidency of the Dominican Republic.

From this perspective, these interventions protected traditional class privileges, but they also created fresh institutional forces which unleashed a counterinsurgency monster that viewed all reform efforts as "communistic." Military henchmen schooled in Panama or Fort Benning, Georgia, returned to rule their nations with unapologetic blood and torture. Any activity to improve local conditions was suspect. Not only did this halt grassroots development, it also stymied the proper functioning of traditional structures of justice. As they became subjected to the brutalizing authority, government ministries, police, and courts surrendered previous legitimacy. They hesitated to apply established principles of human rights and labor standards, and abuses persisted.

Although they are open and generous, Central American and Caribbean peoples were not prone to accept injustice, and pockets of resistance persisted. Other endeavors via the U.S. Agency for International Development failed to mitigate conditions, and inequalities exacerbated. Campesinos, intellectuals, and even disillusioned military officers fled to the mountains to organize their rebellions.

The "Guerilla Wars" of Central America and other movements in the Caribbean began as a thirty-year struggle to redress the gross imbalances in land and power and the resulting grinding poverty and mistreatment (Burbach and Flynn 1984; LaFeber 1984; Landau 1995; PACCA 1984; Pearse 1982; Walker 1985, 1997; see also Berryman 1984, 1987, 1995 and Lernoux 1992 for religious influence). In the late 1970s, these paramilitary forces won important victories in Guatemala (Jonas 1991) and El Salvador (Armstrong and Shenk 1982). The Sandinistas celebrated the achievement of state power in Nicaragua in 1979 (Vilas 1986; Walker 1985). In the Caribbean, the New Jewel movement gained office in Grenada. Rather than dealing with such changes constructively, once again U.S. policy makers chose ideology over humanity. They flooded the region with military aid and advisors. In Central America, local armies unleashed a reign of terror against virtually all popular organizations and indigenous communities. They would stop the guerillas, as one



Guatemalan general put it, “killing the fish by draining the sea.” For reasons partly related to the war effort, prices which these nations received for their traditional agricultural exports dropped significantly.

U.S. Policy Promotes Regional Job Shift

In the early 1980s, North American strategists again reached the consensus that brute force alone would not bring order to the region’s population. They could not wean themselves from military force, since they blamed the region’s social and political crisis on “Cuba’s regime and the presence of other anti-democratic forces in Nicaragua, Grenada, and other parts of the region.” The U.S. overt/covert war would still have to deal with them. However, they also admitted that “this crisis was triggered by escalating costs of imported oil and declining prices of the Basin’s major traditional exports” (USITC 1994). To remedy this, they urged an economic development strategy that stepped beyond the designated assistance programs of USAID. In 1982, President Ronald Reagan proposed the Caribbean Basin Initiative (CBI) and invited Henry Kissinger to head the National Bipartisan Commission on Central America. The commission gave a fresh emphasis to freer regional trade: Along with overt military force and other forms of development aid, trade would become the solution for improving living standards in Central America and the Caribbean (see U.S. Department of State 1986 and U.S. National Bipartisan Commission on Central America 1984).

To implement this plan, Congress in August 1983 enacted the Caribbean Basin Economic Recovery Act (CBERA). The U.S. hoped that the CBI and CBERA (which are often equated) would mollify the mushrooming economic and political crisis in the region. The programs were designed to promote regional stability “principally by providing incentives to foreign and domestic private investors in non-traditional economic sectors” (USITC 1994). The package of trade preferences and tax incentives was geared to diversify production and exports away from traditional Caribbean Basin commodities (see appendix).

Twenty-four of the region’s twenty-nine nations were eventually included. CBERA made it possible for Central American and Caribbean nations to dramatically increase their duty-free exports to the U.S., and the Reagan administration reorganized its many aid agencies to offer advice and financial assistance (see Johnson 1993). All told, over the next twelve years CBI programs spent nearly \$16 billion to transform the region into an agro-industrial complex valued at 12 percent of overall regional exports to the U.S.

From Cane Cutter and Coffee Picker to Stitcher and Seamstress

CBI stimulated a new pattern of exports. This pattern expanded after 1986 when President Reagan announced a “Special Access Program” for textiles



and apparel, which brought a crucial shift in regional employment. Apparel, which constituted only 5.5 percent of overall U.S. imports from the area in 1984, reached 39.8 percent in 1993, making “Caribbean countries collectively the fastest growing U.S. supplier in 1989–93,” followed by Mexico and China (USITC 1994). At the same time, similar job opportunities developed in footwear, instruments, and sporting goods. Most were products that lent themselves to the final assembly of components produced in the U.S. Eyeing an opportunity to industrialize, observed USITC (1994), “regional policy-makers recruited export-oriented assembly operations” known as maquilas. The number of factories and export-processing zones in the region magnified dramatically.

Jobs were also available in the region’s traditional export industries, in bananas, coffee, sugar, and beef, and—from several Caribbean islands—aluminum ore and petroleum products. But even here new export growth came from seafood and such “nontraditional” agricultural export crops as vegetables and fruit sold to the U.S. market. Jobs in these areas did not pull people toward urban areas, but they transformed life in the countryside (see Burnham et al. 1992 and Green 1997 on changes in family roles).

The CBI legislation contained references both to human rights in general and labor rights in particular, as elaborated below. However, in their promotion of the new maquila assembly plants or the nontraditional agricultural sector, U.S. policy makers minimized references to this aspect of the policy. The subject also remained verboten among their counterpart basin technocrats, who often informally agreed that the local labor laws would not be enforced in export-related facilities. Thus, an aspect of the promotion of trade in place of autonomous development was an insistence on maintaining labor control.

Impact on U.S. Workers

At the time that the Caribbean Basin neighbors of the U.S. experienced a massive transformation in employment, U.S. working families faced a drop in income (Ehrenreich 1990; Sklar 1995). Despite more of its members joining the workforce, the average U.S. family had less buying power in 1994 than it enjoyed in 1964. Social scientists offered several reasons for this loss of U.S. family income, including the changing value of the American dollar, job-displacing technology (Rifkin 1995), longer work hours (Schor 1992) and the growing importance of lower paid service sector occupations (Labor Institute 1995). But, in a growing national debate, the runaway corporation and increased exports from abroad remained the most popular rationale.²

Affected by the job-transfers argument, U.S. policy makers justified their actions by claiming that increasing trade abroad meant more jobs for the U.S.



In any case, CBI imports did not account for much loss. Aside from apparel, said USITC, CBI-produced goods rarely surpassed 10 percent of U.S. production in any category. Those over 5 percent included luggage, leather apparel, frozen vegetables, and cigars. Medical instruments were highest (12 percent) followed by electrical resistors (11 percent). USITC unconvincingly argued that these figures did not constitute a job-displacement effect.³

Nevertheless, especially from industrial areas, the U.S. public demanded restrictions on the ability of corporations to relocate to Mexico, the Caribbean Basin, and elsewhere. “It is not just a question of free market economics,” they insisted. “U.S. workers have devoted their lives to the construction of corporate America. Their sweat and tears helped create the investment potential of these companies. Their families should not be treated as a commodity that can simply be moved about at will. Both family and community health depend on a stable and lasting environment which deserves protection.”⁴

During the 1980s, these “populists” developed several strategies to prevent corporate dislocation (see Ramney 1987). Some sought restrictive clauses in corporate charters; others demanded early warning legislation so that workers might have an opportunity either to collaborate with a company to achieve desired savings or to buy it with some government financing. The official labor movement remained wary of these solutions, preferring laws that would specify domestic product content. The AFL-CIO urged the public to “Buy American,” thereby preserving U.S. jobs and living standards. In the 1990s, public figures like Ross Perot and Pat Buchanan capitalized on widespread popular discontent over factory closings by promising to redraft U.S. trade policies to retard plant dislocations. While such efforts won notoriety, the trend toward corporate globalization and job transfers accelerated.⁵

The Labor Rights Argument

Another approach to the workforce impact of corporate globalization also emerged in the 1980s (see Cavanagh et al. 1988). Rank-and-file trade unionists as well as an articulate group of social scientists postulated the linkage: Uncontrolled transnational investment and trade was detrimental to workers in the U.S., and it did not necessarily improve the living standards of those working in other countries. In fact, argued the group, most of the countries where jobs were transferred had highly authoritarian governments that tightly controlled the income levels of the population. They would often summon their U.S.-trained armies to enforce local laws prohibiting strikes, factory occupations, and even organizing—activities designed to improve the quality of life of the nation’s workforce. In other words, it was not just market factors that stimulated the transfer of U.S. industrial jobs elsewhere; the attraction of “la-



bor repressive” regimes also made it possible for transnational corporations to exploit their workforce more easily. These advocates challenged the “protectionist” AFL-CIO “Buy American” campaign as both ineffective and insensitive to the genuine needs of workers abroad, who needed jobs but were also being persecuted. Instead, they promoted an enforced requirement for labor rights in all countries.

In 1984, this perspective won a sufficient number of adherents to win legal recognition for the principle of labor rights as an element of fair trade: U.S. trade benefits such as those of the CBI program must arrive in the context of a nation’s respect for labor rights. Requirements for worker standards were elaborated in the Generalized System of Preferences (GSP), a trade program that grants tariff reductions to “most-favored nations.” If a country’s exports were to obtain favored-nation treatment, the country would have to show that it was “taking steps” toward full respect of worker dignity and free organizational rights. GSP contained a provision that permitted interested parties to petition for review of participating nations to verify that they were complying with five core areas of labor rights: freedom of association; the right to negotiate and bargain; prohibitions against child labor and slave labor; and humane working conditions. At first, few people comprehended the potential effect of this new legislative requirement. By the early 1990s, however, a significant number of countries had been cited for labor abuses and “labor rights trade conditionality” had emerged as a major public issue.

By the time of Kathie Lee Gifford’s dramatic televised confession, calls for “labor rights” had become a primary union response to the expansion of hemispheric free trade. The voices had an effect: In 1990, GSP worker-rights provisions were attached to the Caribbean Basin Initiative. Such monitoring provisions were excluded in the final round of NAFTA, and the side agreement on labor issues was much weaker than advocates had hoped. Nevertheless, it did contain important provisions that could generate pressure (see Compa 1996; Cook et al. 1997; Herzenberg 1996). The Miami Summit of the Americas promoted labor rights in 1994. That same year, the U.S. won a commitment that labor rights would be on the agenda of the World Trade Organization preparatory committee created to implement the General Agreement on Tariffs and Trade. Although the U.S. remained ambivalent on trade conditionality for China (see Tonelson 1996), it did take stronger actions vis-à-vis Japan for non-labor-related market protections. In 1997, partly because of labor-rights concerns, the U.S. Congress balked at renewing fast-track treatment of trade legislation. Unions remained adamant about “social-contract” provisions in future agreements. The issue of trade conditionality promised to remain on the public policy agenda in the years ahead.

Through this study I hope to enlighten debate by examining the impact of



U.S. labor-rights trade provisions on labor standards in Central America and the Caribbean. The region is constituted by a number of small economies, most of which have historically resisted trade-union rights more so than their larger neighbors to the south. Central American and Caribbean nations are also more dependant on U.S.-based trade, and potentially more affected by labor-rights conditions. While the area has been subjected to considerable worker-rights pressure, up to this point policy advocates have had virtually no scientifically assessed results.

Basic Propositions: Labor Rules Help

The basic hypothesis of this study is that in Central America and the Caribbean, labor-rights provisions positively influence national labor-rights legislation and enforcement. To put it another way, were it not for the application of trade-based conditions, Central American and Caribbean countries would be much slower to legislate trade-union protections. Specifically, if GSP requirements were not invoked, these nations would still be governed by antiquated labor codes and little enforced monitoring.

Corollary to this fundamental hypothesis is another important principle: Enforced labor rights improve a society's labor conditions. This subsequent proposition will test the claim that enforced labor standards are counterproductive, that they serve as a barrier to market forces which would more rapidly lead to better conditions for a larger number of people. To examine this possibility, we will probe other potential causes of labor-standards improvement which could serve as "intervening variables" and affect this relationship. These include economic development, political forces, *private*-sector flexibility, and union strength.

The two hypotheses bear on the neo-classical/neo-institutional debate about the role of market forces in improving labor conditions. The hypotheses will motivate an exploration of the nuances of these theories as they affect conditions in Central American and Caribbean nations, where corporations have few restrictions on investment and trade. One such nuance is the admission by some neo-institutionalists that enforcement of labor standards might stimulate corporate scofflaws to clandestinely transfer production to the lower-paying informal sector.

Research Design

Economists may be inclined to study the impact of labor rights by examining econometric outcomes on export income, job creation, wage increases, and overall economic growth (see Rodrik 1995). However, we believe that the



above hypotheses require a much broader approach that integrates several types of evidence: comparative historical examination of the changes in national labor legislation, its compliance in specific countries, and personal testimonies by those affected. While testimonies are not always objective, they do convey the experience of trade impact as a *social* reality. This study proposes to reconcile various forms of evidence. It will look at the results of imposed trade requirements in seven Caribbean Basin nations: Costa Rica, the Dominican Republic, El Salvador, Guatemala, Nicaragua, Panama, and Honduras. All seven have been subjected to GSP petitions. Then, the study will give special emphasis to the development of labor rights in El Salvador, Guatemala, Honduras, and the Dominican Republic since these nations have exemplified extreme labor-rights violations on the one hand and clearly delineated government and private-sector responses to labor-rights trade provisions on the other.

To test the specific impact of GSP on local labor-rights practice, the project is organized into two parts and thirteen chapters. The first part examines the arguments surrounding labor rights and specific aspects of labor legislation in Latin America. The second part constitutes case studies. A final chapter summarizes the results.

Chapter 1, "Caribbean Basin Workers Search for Decent Treatment," serves as a vehicle for individual workers to tell their own stories about conditions resulting from increased global trade. While they recount experiences at specific work sites, they also tell of challenging repressive work conditions through moribund legal systems, and of their recent frustration with unilateral decisions by their governments to privatize public services. Chapter 2, "The Debate over Methods of Achieving Labor Rights," presents the story of how worker rights came to be codified through the International Labour Organisation (ILO), beginning with the early conventions on hours and mandated rest in 1919. The dispute between neo-classical and neo-institutional economists regarding labor-rights standards is examined in detail, as well as the beneficial and detrimental roles of the market, the government, and an enlightened private sector in redressing employee grievances. Finally, the chapter focuses on the utility of trade requirements for gaining observance of such rights.

Chapter 3, "Implementing Labor Rights Through Trade Conditions," briefly details the history and legal mechanisms used to tie trade conditions to labor rights. It then reviews the evolution and function of U.S. GSP trade legislation. GSP is the most concrete example of a policy that limits trade with nations less committed to improving respect for such rights. The discussion addresses the selection of rights to be enforced, procedures for reviewing these rights, and measures of trade condition effectiveness. It then proposes



an approach for testing the usefulness of labor rights requirements on corporate and government behavior.

Chapter 4, “The Record of GSP Petitions in Latin America,” briefly summarizes the economic and labor conditions extant in Latin America countries prior to the introduction of GSP petitions. After some introductory comments describing the evolution of labor rights in Latin America in general, it describes the process in which the AFL-CIO invoked GSP to review labor conditions in Chile and Paraguay. Then it places Central American and Caribbean national conditions within the overall context of world trade. It also traces the past and present role of U.S. trade on Central American and Caribbean economies. The chapter then questions the effect of the GSP petition process in Central America and the Caribbean, asking how the process has affected specific national labor policies over the past ten years.

The first chapter in part 2, “The Labor Petitions in El Salvador: A Weak Labor Code,” recounts what happened following the first major drive in Central America to tie together trade and labor rights. In the midst of a relatively upbeat national mood following the implementation of the 1992 peace accords, it reveals how business interests succeeded in substituting a relatively weak code for genuine private-sector reform and substantive labor dialogue. Chapter 6, “Structural Implications of GSP Pressure in El Salvador,” scrutinizes institutional behavior to assess changes following passage of El Salvador’s code. Included are the Labor Ministry, the courts, and tripartite dialogue.

Chapter 7, “The Guatemalan Case: Reluctant Compromise,” deals with a more complex outcome of labor-rights observance. The chapter presents the step-by-step chronology of the legal petitions, government/corporate responses, and trade-union assessment. Utilizing statistical tables and expert appraisal, chapter 8, “Structural Residues of the Guatemalan Case: An Analysis,” examines modifications in Guatemala’s Ministry of Labor, courts, wage structure, health services, tripartite discussions, and broader social transformations that are linked to labor-rights conditions.

After discussing the failure of a New York union-sponsored petition, chapter 9, “GSP and Labor Changes in Honduras,” focuses on an agreement between the government and the AFL-CIO to equitably apply labor law in the maquila sector. The chapter considers the evolution of labor activism in Honduras.

In chapter 10, “Petitions in the Dominican Republic: Stronger Maquila Unions,” the trade-condition strategy achieved its most substantial victory—the actual functioning of maquila unions. The chapter answers why, among many misses, the GSP strategy brought success. It examines the evolution of



labor rights, petition antecedents, the Haitian question, the passage of a new labor code, and the battle over code implementation in the free zones.

Chapter 11, “Regional GSP Efforts in Costa Rica, Panama, and Nicaragua,” briefly chronicles the impact of the trade-conditions approach with three additional nations. AFL-CIO–sponsored petitions stimulated important, though reluctant, improvements in Costa Rican labor legislation and prevented a major backsliding in Panama. Results from the Nicaraguan case also offer salient insights on the application of labor-rights principles under divergent types of governments.

In chapter 12, “Workers Evaluate Trade-based Labor Strategies,” trade-union leaders who have participated in GSP actions reflect on the lessons of a labor-conditioned approach to regional trade. In addition to their insights and reservations, they discuss what this portends for future trade-union cooperation and for “social charters” that affect trade.

The concluding chapter reflects on the results of my 1994–96 fieldwork in Guatemala and El Salvador and includes data from more than eighty lengthy interviews with businessmen, trade-union leaders, and government officials. It also incorporates data from other nations in Central America and the Caribbean and abstracts of GSP-related labor-reform legislation. While the results are largely drawn from qualitative research and the reconciliation of conflicting views, quantitative data that test relationships and measure institutional performance add legitimacy to qualitative findings. Finally, after discussing the complexities of testing the two hypotheses about the impact of trade conditions on worker rights, the study suggests policy implications that combine state and non-governmental approaches to achieve a more humane model for trade.