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Workers bar way to free trade in central America

By Edward Alden

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Lydda Eli Gonzalez, a 19-year-old from Honduras, angrily waves a piece of paper - the permit to use the bathroom at the clothing factory where she used to work.

Twice during a working day that frequently lasted 12 hours she was allowed to stop sewing sleeves to the \$40 shirts sold in the US under the label of hip-hop star Sean "P. Diddy" Combs and use the lavatory.

Guards were posted outside the door, she says, and if the break lasted more than a few minutes she was summoned back by loudspeaker.

Ms Gonzalez was brought to the US last month by the National Labor Committee, a US labour rights group, to highlight what its director Charles Kernaghan calls the shocking conditions in the five central American countries now negotiating a free-trade agreement with the US. He says that, while those countries have embraced the global trading system, "on the ground the workers are getting creamed".

Wages in the Honduran factories that produce goods for the US market average about 90 cents an hour and workers say they are prevented from organising to fight for better wages.

The US company Ms Gonzalez worked for, Southeast Textiles, has denied her allegations of ill-treatment. But Human Rights Watch, the respected monitoring group, has said that in central America "the failure to enforce existing labour laws is egregious, systemic and, in some cases, largely attributable to a lack of political will".

The issue of labour conditions in central America is set to become a significant roadblock to efforts by the administration of President George W. Bush to pursue global trade liberalisation.

The regional deal will be the first since the still-controversial North American Free Trade Agreement with Mexico to open the US market fully to goods from much poorer countries.

Negotiators from the US and the five central American countries will meet in Washington next week to finalise details of the free-trade pact, known as Cafta. The Bush administration hopes Congress will then approve the agreement by the middle of next year.

With the tepid compromise in Miami last month on negotiations over a broader Free Trade Area of the Americas, Cafta has acquired new significance for the US.

Following Chile last year, it will be the next in what is now supposed to be a long line of bilateral regional deals that will include Colombia, Peru, Bolivia, Ecuador and the Dominican Republic.

Grant Aldonas, under-secretary of commerce for international trade, told a business group this week that such agreements were crucial for maintaining momentum at a time when the Doha round of world trade talks are stalled and large countries such as Brazil and Argentina were showing little enthusiasm for the FTAA.

But the administration faces enormous obstacles in trying to get Cafta through the Congress.

Mr Bush narrowly gained approval in 2001 for new fast-track trade negotiating authority by twisting the arms of many Republicans. Cafta supporters concede that some of that Republican backing will be lost, particularly from garment-making states such as North and South Carolina that compete with central America.

That means the Bush administration will need Democratic support. But Democrats in the House of Representatives, where the fast-track bill passed by a single vote, say their price will be serious measures to address labour conditions in central America.

They say that, unlike the recent deals with Chile and Singapore, the Cafta will require a far more determined effort to bring labour standards up to international norms and to penalise countries if they fail to progress.

"It's about workers in this country not competing with workers who are suppressed in other countries," says Sander Levin, a senior Democrat on the House ways and means committee.

So far, the administration has not acceded to those demands. Instead it has tabled proposals identical to the Chile and Singapore deals, which allow for small fines only if countries fail in a "sustained or recurring" way to enforce their own labour laws.

US business groups that support the agreement say there is still plenty of time to build congressional support. "Our message has been to negotiate a high-quality, Chile-like accord and then we'll worry about getting the votes," says Scott Otteman, director of international trade policy for the National Association of Manufacturers.

But he says that the deal must pass if the US is to continue making progress on a larger FTAA. "If Cafta's defeated, that takes the air out of the whole thing."