

An Interfaith Statement of Concern about "Free Trade" and Human Trafficking

You shall not withhold the wages of poor and needy laborers, whether other Israelites or aliens who reside in your land in one of your towns. You shall pay them their wages daily before sunset, because they are poor and their livelihood depends on them; otherwise they might cry to the LORD against you, and you would incur guilt. - Deuteronomy 24:14-15

We believe that international trade and investment systems should respect and promote the dignity of the human person and ensure the development and well-being of people in all nations. Few trade agreements have any labor provisions and those with labor enforcement measures have no effect on the companies that abuse their employees. We call for trade agreements that guarantee the dignity of workers through enforcement measures that affect not only countries that do not enforce labor laws, but also abusive companies themselves.

Since the approval of the U.S.-Jordan trade agreement in 2000, Jordan's apparel exports to the U.S. have increased by more than 2,000 percent, from \$52 million to \$1.1 billion in 2005. Unfortunately, garment workers in Jordan have suffered tremendous abuses while working for companies that supply cheap clothing to U.S. retailers like Wal-Mart, Target, Kohl's, and L.L. Bean, among others.

Despite the fact that the U.S.-Jordan free trade agreement was held up as an example of protecting workers' rights, a recently released report from the National Labor Committee shows that even with these labor provisions, free trade agreements fail to protect workers. The 162 page report details countless abuses being forced on workers in Jordan, especially guest workers from other countries. Common realities for these workers include 20 hour days and 109 hour work weeks, work without pay for up to six months, beatings for slowing down production and even rape. One woman reportedly hanged herself after being raped by her manager. Some companies are involved in human trafficking – guest workers from Bangladesh and other countries paid fees of \$1,000 to \$3,000 to work in Jordan only to have their passports confiscated by their employers. They were thus tied to their jobs and were often paid less than promised, even less than Jordan's minimum wage of \$154 a month.

The FTAs with Peru and Oman, which will come before Congress in the coming weeks, fail to meet even Jordan's FTA labor standards. The labor provisions in the Peru agreement is word-for-word identical to the CAFTA provisions while the Oman text has four wording changes that do not alter the provisions' meaning. The agreements require countries to enforce their own laws, but provide minimal penalties if they fail to do so. The only enforcement measures available in these agreements are fines of up to a maximum of \$15 million a year. This money is not paid by the offending company to victims, but is paid by the government that failed to enforce its labor laws. Worse still, the money is put into a fund which is then to be used by that same government for labor rights projects. In contrast, violations of commercial provisions like intellectual property rights (IPR) allow for much stronger consequences. Goods produced while violating IPR standards are to be seized and destroyed and can result in jail terms for

offenders, while countries that fail to enforce the law can be subject to unlimited trade sanctions.

We call on members of Congress to vote against the Oman and Peru FTAs and demand that any trade agreement include stronger labor enforcement measures that are felt by offending companies as well as countries that do not enforce internationally recognized labor standards. While we have other serious concerns with these trade agreements, such as a lack of environmental protections, lack of transparency, restrictions on governments' ability to form development policies, IPR policies that limit the creation of generic medicines, and investor-state processes, we think that protections of labor rights with real consequences for violators is a bare minimum for any trade agreement.

Signing Organizations

Center of Concern

Columban Social Justice, Peace and Integrity of Creation Office

Holy Cross International Justice Office

Maryknoll Office for Global Concerns

Maryknoll Sisters Eastern U.S.A. Region

NETWORK – A National Catholic Social Justice Lobby

Presbyterian Church, (USA), Washington Office

Sisters of Notre Dame de Namur International Justice and Peace office

Sisters of the Holy Cross - Congregation Justice Committee

T. Michael McNulty, SJ, Justice and Peace Director, Conference of Major Superiors of Men

Unitarian Universalist Association of Congregations

Unitarian Universalist Service Committee

United Church of Christ Justice and Witness Ministries

United Methodist Church, General Board of Church and Society

May 2006