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Central American Deal Ignites a Trade Debate

By ELIZABETH BECKER

SAN SALVADOR - Marina del Carmen Leiva, a 32-year-old mother, struggles to keep her job earning \$152 every month bent over sewing machines, making clothes for famous American brand-name companies.

The pressure to produce garments quickly is so great, she says, that she and her co-workers are regularly refused permission to visit the bathroom or get a drink of water for fear it would slow the line.

"If they would just treat us like human beings, even without raising the minimum wage, my life would be better," said Mrs. del Carmen Leiva, a slender, dark-eyed woman who is the sole supporter of her three children.

With the Bush administration asking Congress to approve the Central American Free Trade Agreement late this spring, the next big battle over the politically explosive issue of trade will revolve around people like Mrs. del Carmen Leiva and their labor rights.

For President Bush, the best help for workers like Mrs. del Carmen Leiva is his Central America agreement. Cafta, as the agreement is called, promises more trade with the United States and a new commitment that the five countries included - Costa Rica, Guatemala, Honduras and Panama as well as El Salvador - will do a better job enforcing their national labor laws.

But Democrats say that is not enough. Cafta, they say, needs to include explicit guarantees of the internationally recognized labor rights to organize unions and to prohibit child labor and discrimination in employment. Then, they say, increased trade would lead to better protection for jobs abroad and at home, and the benefits of globalization would be spread more evenly.

Cafta would create a free trade zone between the United States and the five Central American nations, immediately dropping most duties for imports. It would also help prepare the textile industry in all the countries for stiff international competition next year, especially from China, when the global textile quota system is eliminated under an global trade agreement. The Central American nations opened their protected insurance, telecommunications and agricultural sectors to American competition, but the United States resisted requests to reduce its annual \$19 billion in agriculture subsidies or allow more immigration.

In the last decade, as global and regional trade accords have expanded to include enforced protection of intellectual property rights and foreign investment, the idea of including workers' rights is gaining

ground.

"It's ridiculous that trade laws provide better protection for the label of a garment than the worker who sews it on," said Sergio Chavez, director for the National Labor Committee, a nonprofit organization here lobbying for workers.

With lost jobs and closed factories a crucial issue this election year, Democrats hope to make workers' rights in trade one of their defining issues.

Senator John Kerry, the presumptive Democratic nominee for president, says he is opposed to Cafta because it fails to protect workers in Central America as well as American workers, "who are forced to compete hopelessly against companies that abide by no rules whatsoever."

To the Bush administration, that sounds like political showboating. Robert B. Zoellick, the United States trade representative, argues that Cafta, with its enforcement clauses to improve labor rights and fines for offenders, has the best labor provisions ever negotiated in a trade agreement. "No country is doing more than the United States to push for strong labor and environmental provisions in international trade agreements," Mr. Zoellick said. "While some other countries talk about labor and the environment in the context of trade, only the United States is actually doing something to integrate these topics as an active part of its trade agenda."

The Institute for International Economics, a centrist research group in Washington, recently published a policy brief on labor standards and Cafta, arguing that "globalization and workers rights are complementary" and that greater respect for the core international labor standards could help spread trade benefits more broadly.

As the debate plays out in the presidential campaign in the United States, the same political battle is under way in El Salvador.

In this tropical country of extreme wealth and poverty, the question of labor rights touches a raw nerve. Twelve years after a civil war was fought in part over questions of inequality, shanties with scrap metal roofs are crammed together on the capital's outskirts, while stucco mansions hidden behind well-guarded walls sit serenely along leafy avenues.

Business leaders here recoil at the complaint that Cafta fails workers and say that the labor provisions are generous and well balanced with the need to attract more foreign investment and create many more jobs. "In a word, Cafta will generate stability and security," said Rigoberto Monge, the senior official of the National Association of Private Enterprise in charge of trade agreements.

With a national budget of less than \$3 billion, El Salvador survives on the \$2 billion sent home every year in remittances from compatriots working in the United States. In such an economy, improving trade is considered critical. At the same time, the country has a miserable record of upholding its labor laws.

In her cramped bungalow, Mrs. del Carmen Leiva sounds like many other Salvadoran factory workers who have little faith in their government's labor policies.

"It makes me angry when they say we have good laws for workers' rights," she said. "In four years I won't have a job because factories don't want us after we turn 35 years of age and then what will I do?"

Every workday, in a scene worthy of a Diego Rivera mural, she is one of the thousands of mostly young women, and some men, who pile out of crammed buses and vans outside factories enclosed as an international free trade zone. The workers gulp down hot sweetened coffee and corn tortillas bought from street vendors and then rush through the single entry gate, past guards armed with rifles who check their identification cards, before disappearing inside one of the clothing factories.

In a country with a 42 percent unemployment rate, these workers are considered lucky to have a job, even if it does pay the lowest of the country's three minimum wages.

Luis Fernando Avelar Bermudez, El Salvador's vice minister of labor, said the labor argument should not undermine the chances for passage of Cafta either in the United States or El Salvador. The chance of open access to the world's biggest economy, he said, is too important for his country's future.

"People who are making criticisms about our labor conditions are mired in the past," Mr. Avelar Bermudez said. "Instead, we want to thank the United States for the opportunities they are giving us in Cafta."

Antonio Aguilar Martinez, El Salvador's deputy ombudsman for human rights, an independent government watchdog role, said that attitude was short-sighted. He said he believed that stronger labor clauses would improve the quality of the country's labor force, which includes more than 87,000 workers in maquila factories, which are owned by foreigners who are not required to pay most taxes. It would also attract more foreign investors, he said.

"This is quite a hostile environment for workers, where the business and government sectors see protecting workers' rights as going against the country's economic interests," he said. "Cafta protects the fundamental rights of businesses but not the labor rights of the citizens."

Recent reports confirm the checkered history of labor rights in the country. "Deliberate Indifference," by Human Rights Watch, a nonprofit advocacy group, says that employers in El Salvador fire or suspend trade union members and leaders without penalties and keeps unofficial black lists of workers considered troublemakers.

Those findings are reinforced by the State Department's human rights reports.

But the Nationalist Republican Alliance, the conservative political

party known as Arena that continued its hold on the presidency in last month's election, disputes the notion that El Salvador is incapable of enforcing its labor laws that respect the international labor standards.

"The human face of free trade agreements are new jobs," said Carmen Elena Calderon de Escalon, a senior Arena deputy in the legislative assembly. "We have made the commitment to carry out our labor code and monitor to see it is followed through."

But the left and centrist parties have a plurality in the legislature and they say Cafta needs to contain explicit promises to enforce the international labor codes.

"It's not a simple question of will we or won't we ratify Cafta," said Hugo Martinez, a senior deputy of the Farabundo Martí National Liberation Front, which was the rebel force that fought the government during the country's brutal civil war. "We want to give a big welcome to foreign investors who will make new jobs, but only if they are willing to respect basic labor standards."