



WASHINGTON OFFICE ON LATIN AMERICA

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DATE: June 17, 2005
TO: Trade and Labor Policy Legislative Assistants
RE: DR-CAFTA and Central American Labor Laws

WHY CAFTA'S "ENFORCE YOUR OWN LABOR LAWS" STANDARD PORTENDS DISASTER FOR GUATEMALAN WORKERS

On December 13, 2004, a worker rights petition was filed with the U.S. Trade Representative (USTR) seeking a review of Guatemala's eligibility for beneficiary status under the Generalized System of Preferences (GSP), citing the numerous broken promises of the current government that were made in response to a 2003 GSP petition. The 2004 petition reported that long-promised labor code reforms had not materialized, that the Ministry of Labor's budget had not been increased, that the government had failed to make progress against impunity even as violence against workers continued, and that the government continued to fail to adequately enforce existing labor laws or provide adequate remedies to workers unlawfully dismissed.

Importantly, the petition also reported that the Constitutional Court of Guatemala had stricken key provisions of the 2001 labor code reforms, including the language empowering the Ministry of Labor to levy administrative fines against employers that violate the labor code. Currently, the Ministry of Labor is powerless to sanction any employer for any violation for the labor code. As yet, there is no pending legislation before the Guatemalan Congress to restore sanctioning authority, consistent with the constitution, to the Ministry of Labor. Thus, employers may continue to violate labor laws knowing that they do not face administrative sanction.

It is over six months later and the USTR has failed to act upon the 2004 petition (most likely hoping to avoid a politically charged decision until after the DR-CAFTA vote). Similarly, the government of Guatemala has failed to act on a single one of the issues raised therein. There has been:

- No progress on labor law reform
- No progress against impunity
- No progress in restoring the ability of the Labor Ministry to levy sanctions against employers who violate the law
- No visible increase in the Labor Ministry's commitment to enforce existing labor laws

A 2005 GSP petition was filed on June 15, 2005, updating and incorporating our 2004 petition. A copy of that petition is available at:

http://www.wola.org/economic/gsp_petition_june_2005.pdf