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[Review of the Book *Trade Conditions and Labor Rights: U.S. Initiatives, Dominican and Central American Responses*]

Abstract

[Excerpt] With *Trade Conditions and Labor Rights*, Henry J. Frundt makes a signal contribution to the debate on workers' rights in a rapidly globalizing economy. Can economic pressure by the United States compel poor countries to enhance workers' rights and improve institutions to enforce those rights? Does labor rights "conditionally"—more bluntly, the threat of diminished access to the U.S. market for countries and companies that violate workers' rights—promote labor rights and labor standards? Or does conditionality hurt the very workers it is supposed to help by keeping products out of the U.S. market and slowing economic growth and investment in developing countries?

Keywords

workers rights, labor market, globalization, labor movement, activism, economic growth

Comments

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public service will not be the last word on the subject.

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Trade Conditions and Labor Rights: U.S. Initiatives, Dominican and Central American Responses. By Henry J. Frundt. Gainesville: University Press of Florida, 1998. 286 pp. text + 99 pp. appendices, notes, bibliographies, and indexes. ISBN 0-8130-1621-5, \$55.95 (cloth).

With *Trade Conditions and Labor Rights*, Henry J. Frundt makes a signal contribution to the debate on workers' rights in a rapidly globalizing economy. Can economic pressure by the United States compel poor countries to enhance workers' rights and improve institutions to enforce those rights? Does labor rights "conditionality"—more bluntly, the threat of diminished access to the U.S. market for countries and companies that violate workers' rights—promote labor rights and labor standards? Or does conditionality hurt the very workers it is supposed to help by keeping products out of the U.S. market and slowing economic growth and investment in developing countries?

Most of the debate has taken place among economists. But while economists argue from econometric models, macroeconomic data, and neoclassical theory, Henry Frundt examines on-the-ground conditions in developing countries afflicted by poverty, war, near-feudal employment relationships, and barely functioning labor ministries and courts.

Trade Conditions and Labor Rights could not be more timely. Fueled by media exposés of child labor and other abuses linked to brand name fashion lines and retail stores, public concern about labor conditions in Central America and the Caribbean is keen. A growing anti-sweatshop student movement has also emerged to challenge conditions in apparel factories making university-licensed clothing and athletic gear.

Frundt's book is a model of engaged scholarship. As a member of the board of the Guatemala Labor Education Project, he was active in much of the international solidarity work described in the book. But he is able to step back and put this work in perspective, helping the

general public and the new student movement see shades of grey in labor rights advocacy.

Part 1 reviews the economic debate over methods of achieving labor rights, the arguments over labor rights conditionality, and the record of labor rights petitions under the United States' Generalized System of Preferences (GSP). Frundt cites five possible ways offered by other analysts to improve labor standards and labor rights: free market forces, collective bargaining, enlightened management, consumer pressure, and government enforcement. His review of the literature and the arguments supporting each of these approaches is itself a valuable asset for scholars in this field. But this discussion serves as background to his main argument that GSP trade conditionality has an important, sometimes paramount role in advancing workers' rights in developing countries.

Under the GSP labor rights clause, tariff-free access to the U.S. market for developing countries is conditioned on those countries' affording five "internationally recognized worker rights": freedom of association, the right to organize and bargain collectively, prohibition of forced labor, limitations on child labor, and "acceptable conditions" for minimum wages, hours of work, and job health and safety.

Frundt provides a comprehensive review of all GSP labor rights petitions filed on Latin American countries. He explains the Caribbean and Central American countries' exported development strategies and their new emphasis on non-traditional exports, mainly in apparel and other light manufacturing industries. Working conditions in export factories, often characterized as sweatshops, along with continuing abuses in plantations, mines, and other traditional export sectors, have prompted several GSP labor rights petitions by U.S. trade unions and human rights groups.

Frundt shows that the pressure wrought by GSP petitions has led to revised labor codes, more labor inspectors, and new labor courts in many countries. But he is interested in going below the surface of documented reforms to plumb the reality of labor rights and working conditions in the region.

Part 2 is the richest vein of the book both for international labor rights activists and for scholars treating labor standards and workers' rights in the global economy. Frundt went to the Dominican Republic, El Salvador, Guatemala, Honduras, and other Central American countries to see how labor rights conditionality works in practice. He talked with workers, employers, union leaders, political activists, government

ministers, workplace inspectors, labor court judges, U.S. Embassy and Agency for International Development officials, and other actors. For each country, to back up documentary sources he provides a detailed analysis that can only come from this kind of hard, slogging, personal research.

U.S. economic power in Central America and the Caribbean is overwhelming. Workers in poor, developing countries need access for their products to the U.S. market. Denying access because of labor rights violations can cost them their jobs. Frundt's account of consultation, collaboration, and solidarity between North American labor rights advocates and their Central American and Caribbean counterparts in the GSP labor rights enforcement process shows how a sanctions strategy can be wielded like a stiletto rather than a broadax.

As one Guatemalan unionist puts it in Frundt's chapter titled "Workers Evaluate Trade-Based Labor Strategies," "We want [GSP] as a pressure point, but we don't want Guatemala to lose its benefits. We favor bringing the country to the brink to gain compliance, but not going beyond this. Otherwise, 80,000 workers could lose their jobs." Frundt's engaging story of maneuvering by U.S. activists, Guatemalan unionists, and employers and government officials in both countries over "continuing review" under the GSP labor rights clause shows how the almost-but-not-quite imposition of sanctions can get concrete results—labor code changes, labor ministry reforms, new labor courts, and first collective agreements in *maquila* factories.

Frundt explains candidly that results are limited. The practical challenge of building functioning labor market and labor law institutions in countries emerging from decades of civil strife or civil war is enormous. Employer resistance to trade unions and to effective government enforcement of labor rights is also enormous. An important lesson of this book is that even exemplary activist energy and international solidarity yield just incremental results. But the alternative, leaving workers to the mercy of a global marketplace devoid of social justice, is worse. Henry Frundt's book is both sobering and encouraging as it deals with the reality faced by workers in developing countries caught up in the new global economy.

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