1995

...And the Twain Shall Meet?

Lance A. Compa
Cornell University, lac24@cornell.edu

Follow this and additional works at: http://digitalcommons.ilr.cornell.edu/articles

Part of the Collective Bargaining Commons, Human Rights Law Commons, International and Comparative Labor Relations Commons, International Trade Law Commons, and the Unions Commons

Thank you for downloading an article from DigitalCommons@ILR.
Support this valuable resource today!
...And the Twain Shall Meet?

Abstract
[Excerpt] No country or company should gain a commercial edge in international trade by jailing or killing union organizers, crushing independent union movements, or banning strikes. Gaining an advantage in labor costs should not depend on exploiting child labor or forced labor, or discriminating against women or oppressed ethnic groups. Deliberately exposing workers to life-threatening safety and health hazards, or holding wages and benefits below livable levels should not be permissible corporate strategies. But these are exactly the abuses that happen all too often in a rapidly globalized world trading system based on "free trade."

Keywords
globalization, labor rights, union organizing, international trade

Disciplines
Collective Bargaining | Human Rights Law | International and Comparative Labor Relations | International Trade Law | Unions

Comments
Suggested Citation

Required Publishers Statement
Copyright by the Labor Research Review.
...And the Twain Shall Meet?
A North-South Controversy Over Labor Rights and Trade

Lance Compa

No country or company should gain a commercial edge in international trade by jailing or killing union organizers, crushing independent union movements, or banning strikes. Gaining an advantage in labor costs should not depend on exploiting child labor or forced labor, or discriminating against women or oppressed ethnic groups. Deliberately exposing workers to life-threatening safety and health hazards, or holding wages and benefits below livable levels should not be permissible corporate strategies. But these are exactly the abuses that happen all too often in a rapidly globalized world trading system based on “free trade.”

The following are just “snapshot” examples of widespread labor rights abuses that afflict workers in many countries, not just those mentioned.

Silencing Union Organizers. Just last year, the leader of an agricultural workers’ protest movement in Guatemala was thrown to his death from an army helicopter. Independent union leaders and activists in Indonesia were thrown in jail or went into hiding after government crackdowns on union activity.
• Crushing Independent Union Movements. In Malaysia, workers in the burgeoning electronics factory zones are forbidden from forming their own unions. They are forced instead to join government-run labor federations. Throughout Central America employers are promoting a company union system called solidarismo aimed at displacing genuine trade union formations.

• Exploiting Child and Forced Labor. In East and Southeast Asia children younger than twelve years old work 12- and 14-hour days in carpet manufacturing and garment assembly shops. Political prisoners and common criminals in China work in prison factories producing goods that enter global commerce.

Labor rights violations are not limited to developing countries. In the U.S., thousands are killed or maimed in industrial accidents each year – 27 poultry processors died in a factory fire where the owner kept the doors locked.

There is nothing new about the conditions described in the above examples. They have existed since the earliest stages of industrial and agricultural production. What is new and menacing is the reliance on exploitative labor practices as a deliberate strategy for gaining an edge in the competitive global economy. At the same time, however, globalization provides new opportunities for labor advocates to begin to remedy labor rights violations through the development of global trading system policies.

As U.S. labor rights advocacy has grown in scope and effectiveness in recent years, the debate over international labor rights and standards, and their relationship to international trade, has sharpened. This article is meant to contribute to the debate, first by clarifying issues and terms, then by addressing a powerful critique from social activists in developing countries. These activists oppose any system of labor standards that are enforced through trade sanctions and devised by the United States and other “highly-developed” countries. Such a system, they argue will be used as a protectionist tool to preserve jobs in the North while retarding development in the South.

THE LABOR RIGHTS AND TRADE LINKAGE

A broad-based international labor rights movement has taken shape in the United States over the past decade. This movement is pressing for a “linkage” between labor rights and trade policies, using trade sanctions to back up demands to respect workers’ rights in the global economy.

The theory of a labor rights-trade linkage is not new. It animated the work of the First and Second Internationals in the late 19th century, and the founding of the International Labor Organization in 1919. The ILO debated international fair labor standards and issued reports detailing various governments’ failure to abide by ILO conventions. But it had – and still has – no enforcement power to back up its findings.

Governments can ignore ILO rulings, and multinational companies can blithely claim to be following the laws and practices of the countries where they do business. Behind the scenes, though, they often threaten to pull out of a country where the government attempts to improve workers’ rights.

Today, the prospect of trade sanctions gives real power to a worker rights-trade linkage. For example, the Generalized System of Preferences (GSP), contains “labor rights amendments” requiring respect for basic workers’ rights as a condition for country participation in the U.S. trade program.

Labor rights advocates compelled the Clinton administration to add a side agreement on labor rights to the North American Free Trade Agreement. Despite several flaws and limitations, the side accord creates a new arena where corporate and government treatment of workers and trade unions can be called to account, with trade sanctions available to redress violations in defined subject areas (namely child labor, minimum wage, and occupational safety and health). In Europe, trade union pressure has led to European Union directives that force multinational companies, including U.S. multinationals, to consult with workers and unions at the Europe-wide level – a prototype, many hope, of genuine transnational collective bargaining.

Back in the United States, coalitions of union, religious, consumer, and community organizers have persuaded several multinational companies heavily dependent on a positive brand image to adopt “codes of conduct” for workers’ rights in their overseas subsidiaries and suppliers. Levi Strauss, Reebok, and most recently Starbucks Coffee Co., are examples of prominent firms that have set in place labor rights codes for their foreign operations.

Some labor rights advocates have used creative litigation strategies to remedy abusive workplace practices. For example, a Texas-based litigation group, working with Costa Rican human rights activists, won millions of dollars in damages from U.S. chemical manufacturers for Central American farm workers who used pesticides banned in the
United States. And, when a U.S.-owned garment factory in Guatemala fired its workers for organizing, the Washington, D.C.-based International Labor Rights Advocates (a project of the International Labor Rights Education and Research Fund) filed a suit in Florida against the U.S. citizen who owned the plant. The suit was settled out of court and the Guatemalan workers were reinstated.

The newest forum for a labor rights-trade linkage is the World Trade Organization (WTO), the successor to GATT that went into operation in 1995. While labor rights advocates were unsuccessful in obtaining concrete measures to back up workers' rights with trade sanctions under the WTO, they did secure a commitment for Preparatory Committee treatment of the linkage issue – exactly the way other issues eventually made their way into the GATT/WTO system.

Against the Social Clause

A corporate community that simply brushed off appeals for international fair labor standards twenty years ago is launching a counter-offensive to recapture lost ground. The new Republican majority in the U.S. Congress insists that any new trade agreements must contain an explicit renunciation of any "social clause" on labor rights or environmental protection. The U.S. Council for International Business, the principal employer grouping of large U.S. multinational corporations, calls for the ILO, with its sanctionless review of worker-rights violations to be the exclusive forum for consideration of labor rights issues related to trade.

U.S. multinationals are joined on many sides by other voices demanding a de-linking of trade and labor rights issues. "When the issue of human rights is linked to trade, investment, and finance, we cannot but view that as protectionism by other means," says Malaysian Prime Minister Mahathir Mohamad, an outspoken advocate of the authoritarian industrial state. A Guatemalan newspaper commenting on efforts by the U.S.-Guatemala Labor Education Project to have GSP sanctions applied to that government for labor rights violations declares "Eso es lo absurdo de los norteamericanos cuando meten sus narices en los asuntos internos de otros pueblos... Si hay un pueblo que ha sido a lo largo de su historia violador de los derechos humanos, ha sido los Estados Unidos." ("This is the absurdity of the North Americans when they stick their nose into the internal affairs of other peoples... If there is one people that has been throughout its history a violator of human rights, it has been the United States.") Professor Philip Alston, a prominent human rights scholar and advocate, criticizes labor rights amendments in U.S. law as a form of "aggressive unilateralism" that violates norms of international conduct.

A SOUTHERN CRITIQUE

One of the most surprising and, to many U.S. workers' rights advocates, distressing turns in international labor rights affairs in recent years has been the emergence of sharply-drawn objections to the labor rights-trade linkage by progressive Third World activists. Their views often parallel the anti-linkage arguments of investor elites and repressive governments in Southern countries, even while they are in the forefront of struggle against those same elites and governments. But labor rights advocates in the North should listen all the more carefully to what Southern colleagues are saying, precisely because Third World progressives are allies in the fight for social justice in a global economy based on free trade. Their countries, their workers, and their unions are those that would be most affected by trade sanctions related to labor rights issues.

The most developed critique of the labor rights-trade linkage by progressive activists appeared in the May, 1994 issue of Third World RESURGENCE, a publication of the Malaysia-based Third World Network. The issue was devoted to the results of the Uruguay Round of GATT
negotiations that concluded in February, 1994, and focused on “trade-related threats” to the South in the framework of the new World Trade Organization, the successor to GATT.

Chakravarthi Raghavan, Martin Khor and collaborators in the Third World Network sound an alarm against environmental and labor linkage to trade policies in the WTO that would allow trade sanctions against Southern countries for failure to meet Northern-defined standards. Their fear, well-founded in experience, is that Northern countries’ dominance of the global trade regime, particularly by the United States, Western Europe and Japan, will distort the WTO decision-making process to the disadvantage of the Third World. As they put it,

The bringing of any issue thus [by calling it “trade-related”] under “international” jurisdiction, and the very choice of the GATT/WTO as the international agency, pulls the location of rights and powers away from the local and national levels to an international agency that skews the treatment of the matter in favour of the powerful parties. As a result, the process by which local communities lose control... is accelerated.

A Third World Network position paper recommends that social issues are better taken up by United Nations-related agencies “with more democratic and open decision-making systems,” where countries of the South stand on more equal footing with the industrialized countries of the North. If there are to be any trade sanctions, they “should be based on a treaty negotiated in a universal forum [whose] adherents represent fully various regions and levels of development. Otherwise it will be a coercive instrument capable of abuse.”

Northern Unemployment and Protectionist Motives

Martin Khor’s article “The World Trade Organisation, labour standards and trade protectionism” goes to the heart of the debate over the labor rights-trade linkage. Echoing the view of Malaysian Prime Minister Mahathir, he declares that “the push by the U.S., France, and others in the North for the WTO to consider the relationship between trade and international labour standards and workers’ rights is prompted, not by feelings of goodwill and solidarity with Third World workers, but protectionist motives aimed against competitive imports from the South.”

Khor concedes that “some well-meaning Northern NGOs [Non-Government Organizations] actually believe” in protecting worker rights through trade sanctions. But he suggests that concern about Northern unemployment and “runaway shops” to Southern countries is the real reason underlying demands for a labor rights-trade linkage in the WTO.

Khor argues that labor competition from the South is exaggerated. Most movement of capital takes place among countries of the North, he points out. The number of jobs created by Northern multinational companies investing in the South is minimal. It is wrong, he says, to blame the North’s unemployment woes on the transfer of industries to the low-cost South.

Khor maintains that Northern unemployment is mostly due to government employment policies and technological change, not low-wage competition or runaway shops. Northern government policies should address these issues, not blame the South. To the extent that global trade patterns do cause unemployment, Southern countries suffer disproportionately. After all, they are the victims of “structural adjustment” demands from the World Bank and the International Monetary Fund, with massive unemployment resulting from privatization schemes and government spending cuts.

Khor strikes at a premise of Northern labor rights advocacy when he argues that “the relatively low wage levels... in the South may not necessarily or primarily be caused by a deliberate policy of labour exploitation... The low wages are mainly due to the prevailing low levels of income and living standards of the general population which, in many countries, live and work in the rural agricultural sectors.” The North is imposing on the South its “free trade” agenda, by which the theory of comparative advantage reigns supreme. Since “most if not all Southern countries have to take the forms and conditions of the global market as a given,” they must be allowed to use their comparative advantage in labor costs to compete in the global economy. If they are blocked by sanctions related to charges of labor rights violations, domestic industries and jobs in the South will be destroyed, giving the North an even greater share of the global market for products where Southern countries might otherwise be able to compete effectively.

The WTO as the Forum for Labor Rights Treatment

Khor is especially harsh on proposals that the newly-created World Trade Organization be the locus of the labor rights-trade linkage. The WTO will be dominated to the point of control by the industrialized giants of the North, he argues, turning its mechanisms and power to their advantage. He points to the example of “trade-related intellectual property rights,” (IPR) the focus of Northern attention in the GATT round of the early 1980’s that preceded the Uruguay Round. Rather than opening up trade and technology flows in intellectual property, the North’s IPR doctrine reinforced their monopoly, guaranteeing profits of
chemical, pharmaceutical, software, and other companies, and depriving the South of the ability to compete in these sectors.

"This shows that the North is able to determine the specific ways by which the linkages are made between "trade" and other issues within the GATT/WTO institutional framework," says Khor. With demands for international labor rights enforcement through trade sanctions, the North now wants to have it both ways: monopolizing its comparative advantage in highly-profitable intellectual property fields, while attacking the South's comparative advantage in labor costs.

Khor concludes that Southern country delegates "should strongly resist any moves by the U.S. or other countries to put 'labour standards' on the WTO agenda." He suggests that the ILO should be the sole forum for treating the relationship between workers' rights and trade. If the WTO really wants to tackle the causes of distorted and unfair trade, it should take up the issue of first-world control over trade practices and lending policies, not attack the one area where Southern countries have an advantage: labor costs.

Martin Khor well understands the concerns of labor rights advocates who call for trade sanctions against violators. He recognizes that "labour standards and workers' rights are critical issues in the South, involving the fair distribution of development benefits and social justice." He agrees that "the poverty of the general population should not be an excuse or pretext for exploiting workers in particular companies or industries," and insists that "workers, their unions and other public organizations in the South have a legitimate right to organize against exploitation."

Khor goes on to acknowledge that "the fight for better wages and working conditions...is a formidable one, especially in those countries where democratic freedoms are absent or severely limited, and where there is a powerful alliance between corporate interests, the landed and property elite, bureaucracy and politicians." However, he concludes that "it is most doubtful that the Northern governments have the interests of Southern labour at heart when they now champion the inclusion of 'Labour standards' as a legitimate issue in the WTO." Their real motive, he insists, is one of protectionism.

**A NORTHERN RESPONSE**

The question of motive is at the heart of the Third World Network's critique of a linkage between trade and social standards (the same issue of RESURGENCE contains a parallel analysis of environmental conditionality in trade). Khor distinguishes between Northern governments and unions, on one hand, and "well-meaning" NGO's on the other hand. All are advocating a labor rights-trade linkage backed up by sanctions against violators, but Khor attributes crass protectionist motives to the former and suggests that the purer motives of the latter merely provide a social justice cover for a protectionist dagger aimed at the heart of Southern jobs and development.

The U.S. situation is more complex than that. Certainly there are protectionist forces in the labor movement and the government. There are also protectionists in the NGO community who emphasize the preservation of "high" U.S. labor and environmental standards, with little to say about raising standards in "developing" countries. At the same time, there are many in all three sectors that advocate "open trade" (to distinguish themselves from free trade ideology) in support of Southern countries' right to export to the U.S. market. They stress, however, that open trade must rest on a foundation of basic labor rights that take human rights, not wages out of competition.

**On Comparative Advantage**

A comparative advantage in labor costs is one that Southern countries should be allowed to exploit in their trading relationships as long as the advantage is not artificially created or maintained. Indeed, they should be allowed in an open trading system to take advantage of their cheaper labor, even at the cost of Northern jobs. But workers in poorer countries must have a voice in the workplace through trade unions, and
a voice in their society through democratic political participation, to ensure that the development strategies of investors and governments give the workers' interests weight in their policy making decisions.

At the same time, the citizens and governments of the North must come up with income-maintenance, retraining, and job-creating policies for workers affected by open-trade policies that admit imports from the South. U.S. policy in the area of retraining and job creation is woefully inadequate, which is why protectionist pressures remain so powerful. But an ill-conceived tendency toward protectionism is not a reason to forego labor-rights advocacy.

The battle for labor rights must include provisions for:

- international fair labor standards (including workers' rights to participate in their countries' political discourse)
- open-trade policies that allow developing countries to export to the huge Northern consumer markets
- fair domestic adjustment policies in the North
- other fronts identified by Khor including: capital flows, exchange rate policies, technology transfers, development assistance, etc.

Deliberate wage suppression, with the rewards of successful exporting sectors going solely to investor elites and corrupt government officials, crosses the line from a genuine comparative advantage to an artificial advantage based on labor rights violations. Letting nine- or ten-year-old children work in factories, or deliberately making workers labor under life-threatening conditions also crosses that line. But these are realities, ones for which the international community has a right to seek effective remedies. If the only effective remedies lie in a labor rights-trade linkage, with the WTO as the main trade supervising body, then that is where sanctions policies need to be carefully drawn.

On Rights and Standards

Another key issue not addressed by the Khor critique is the distinction between labor "standards" (wage levels and benefit costs) and labor "rights" (the right of association, or the right to organize and bargain collectively). While setting labor standards may unfairly favor the North over the South, establishing labor rights carries no additional costs in and of itself; workers do not have the right to win their demands for higher wages and more benefits even where they can associate, organize and bargain.

Currently, workers in many countries (including those in the North) bear the cost of their organizing and bargaining efforts when companies leave, or threaten to leave, if the workers succeed. Only when countries and companies know that they face sanctions for violating these fundamental rights, and that the country or company they are competing against faces the same sanctions, will the advantage in violating rights of association, organizing and bargaining be eliminated.

On Northern Unemployment

Khor emphasizes technological development as the root cause of unemployment in the North. He cites Jeremy Rifkin's work, always insightful but not always right. The technology argument is mainly put forth by Paul Krugman, Robert Lawrence and other neo-classical economists. Progressives at the labor-backed Economic Policy Institute argue that while technology is certainly a factor in Northern unemployment, the pace of technological change is not significantly different than in past decades.

The greater causes of unemployment, at least in the United States, include deliberate employer policies of shifting operations to lower-cost, non-unionized locations (both at home and abroad), subcontracting work formerly performed in-house, eliminating health insurance and other benefits (which induce workers to seek employment), substituting casual labor for permanent employees, fighting taxes that pay for social services, and other "low road" labor and employment policies.

Khor correctly points out that most direct investment by multinational corporations flows among Northern countries, not from North to South. Similarly, direct employment by transnational companies is concentrated in the North. But such observations also have to account for the widespread subcontracting system in global production. Millions of Southern workers toil in garment, footwear, electronics, and other manufacturing assembly enterprises owned by domestic investors, or investors from the newly-industrialized countries. Their production is mostly destined for the North, where millions of workers - most often immigrants from the Third World, racial minorities and low-paid women - have lost their jobs in these labor-intensive industries. It is impossible to expect those workers and their unions to quietly accept their fates, any more than workers and unions in the South should quietly accept their exploitation.

On Structural Adjustment

According to Khor's analysis, Southern workers, unlike their Northern counterparts, confront the structural adjustment demands of the World Bank and the IMF. But Northern workers face equivalent demands from their own employer and investor elites, the North's source of
finance capital. The U.S. economy is undergoing widespread privatization of government services, mass layoffs through corporate “downsizing,” a gigantic shift away from full-time, full-benefits employment to the use of part-time, temporary, seasonal and contract labor, and other effects that parallel structural adjustment in the South.

This is not to shed crocodile tears: unemployment in a wealthy, industrialized country of the North does not normally carry the same devastation for workers and their families that it does in the South. But it is certainly the goal of Northern capitalist elites to make their workers “run scared” in a race to the bottom on labor rights and labor standards.

On Free Trade as a “Given”

While an initial, knee-jerk reaction in the United States is understandably one of “buy American” and “bring the jobs back,” those are dead-end policies. The global economy is a given. But one does not have to take the free-trade model of global economic relationships as a given, too. Instead, the task is to fight for a model that puts masses of ordinary people first, not multinational investors, bankers and executives. Making the labor rights-trade linkage through trade-related sanctions might appear at first blush to be motivated by knee-jerk protectionism, but it is really an essential component of an alternative approach to economic globalization.

On Getting from Here to There: ILO or WTO?

Khor chides Southern governments to “themselves work more closely with workers’ unions and public organizations to improve working conditions, including measures to upgrade wages, social security, job security and terms of employment, work safety and occupational health, and the right to association.”

The problem is getting from here to there. Evidence is scant that Southern governments are improving wages, working conditions, and workers’ rights voluntarily. Many are rushing headlong to adopt a development model emphasizing export processing zones, privatization schemes, and breaking of trade union strength. To attract investment, they guarantee to multinational companies a free hand to exploit their workers. When they try, finally, to provide even the most basic workers’ rights, as when Malaysia proposed to allow independent unions in the electronics sector in 1990, they quickly retreat in the face of threats from U.S.-based transnationals to pull up stakes and quit the country.

In its 75 years of existence the International Labor Organization has rarely, if ever, changed the conduct of a labor rights violator in any sustained fashion. The ILO is an international monitoring agency. Its work is important, even indispensable, in elaborating international norms and creating a body of labor rights “law” to measure governmental compliance. But after all the investigations, all the behind the scenes dialogue, and all the reports placed in libraries and ministries of labor around the world (and now available on CD-ROM), little has changed.

The United Nations and its various other agencies are equally ineffectual when the time comes for action. While Southern countries may have more say in these forums than in the WTO or other economic bodies dominated by the North, at the end of the day, after the appropriate pronouncements and denunciations, it is still a matter of words, with very little action.

Any system of “law” is only as good as its enforcement mechanism. Reliance on government or corporate voluntarism or the effect of embarrassing publicity cannot compare to the potential loss of income or profits as a mechanism for changing government or employer behavior toward workers and trade unions. This is why a labor rights-trade linkage backed up by sanctions is the key goal of labor rights advocates.

In principle, a labor rights-trade linkage mediated by the World Trade Organization is preferable to the United States’ unilateral sanctions scheme or enforcement under various regional bloc arrangements. The WTO is the only appropriate trade body for shaping universally applicable labor rights protection mechanisms because it is the only trade body that comprises almost every country in the world. The next stage
of struggle, therefore, must be to make the WTO more democratic, not to swear off the social dimension altogether and allow the free-trade offensive to roll over workers and trade unions.

An important element of this struggle is a move to strengthen the ILO and devise means by which the ILO can serve as the labor rights arm of the world trade regime, so that trade interests cannot trump human rights concerns. For example, the ILO can be the investigative and adjudicative body, with enforcement carried out by the WTO. Such a relationship is still many years in the future, however. In the meantime, labor rights advocates North and South should work together in every available arena of the labor rights and trade debate: the ILO as it now operates; regional trade agreements like NAFTA, Mercosur and the European Union; codes of conduct for multinational corporations; creative legal action seeking damages from companies that abuse their workers, and so on.

CONCLUSION: ON U.S. HYPOCRISY

Any discussion of international labor rights that U.S. analysts join must address the most telling criticism of the United States' efforts at a labor rights-trade linkage: the entirely justified "hypocrisy" charge. The U.S. has failed to ratify all but a handful of ILO conventions. Among a half-dozen "core" human rights conventions of the ILO covering freedom of association, the right to organize, the right to bargain, child labor, forced labor, and employment discrimination, only the convention on forced labor has been ratified by the United States. The U.S. has also failed to ratify the United Nations Covenant on Economic, Social and Cultural Rights, which incorporates many basic labor protections.

The traditional U.S. defense on these issues is that the U.S. does not have to ratify international instruments because its laws are already in compliance. Which is better, ask successive U.S. administrations: not to ratify, but to abide by international norms, or to ratify them but violate them all the time (as many countries do)?

This timeworn U.S. position on ratification of international fair labor standards would have weight, if indeed the United States lived up to the international standards. But the record shows otherwise.

Labor rights violations are not limited to Southern countries. In the United States, thousands of workers are fired each year for trying to form a trade union. Thousands more are killed or maimed in industrial accidents. For example, in 1992 twenty-seven poultry processing workers died in a factory fire where the owner kept doors locked as a method of plant discipline.

The right to strike is negated by a "permanent replacement" doctrine in the United States, and worker solidarity initiatives through forms of sympathetic action are outlawed. A resurgence of "sweatshop" garment factories marked by child labor and minimum wage violations is underway in many U.S. cities with large immigrant populations. Further, prisons are now turning to production for commerce to try to meet their budgets.

In light of these realities, U.S. advocates of a labor rights-trade linkage must resist arrogance about supposedly "high" labor standards here, as if the problem were simply the "low-wage threat" from Southern countries. They must be willing to apply the linkage to the United States as well, including the application of trade sanctions where needed, even if it affects U.S. jobs. Most U.S. unionists, for example, welcomed the March, 1995 filing of the first complaint against the United States under the NAFTA labor side accord. (See Jon Pattee's article, p. 13.)

Northern activism on a labor rights-trade linkage should also be marked by intensive collaboration with Southern workers and their unions. The efforts of the U.S.-Guatemala Labor Education Project have set good examples. U.S.-GLEP's filing of petitions to challenge Guatemala's benefits under the Generalized System of Preferences because of labor rights violations came only after extensive exchanges of delegations and consultations with Guatemalan unionists.

Northerners also have to carefully consider the important insights and experience that Third World workers, trade unionists, and activist intellectuals bring to the discussion of how best to resist the free-trade model of a globalized economy. Martin Khor reminds his Northern colleagues to look beyond the narrow question of wages and conditions in export sectors, and consider the overall conditions of work and life for the masses of agricultural workers still trapped in rural poverty in many Southern countries. He points out that many other factors, not simply job transfers from North to South, contribute to unemployment and downward wage pressure in the North – information that requires a broader analysis and wider-ranging policies than labor rights advocacy alone.

Khor cautions, with justification, against letting protectionist purposes dominate labor rights policy initiatives. He rightly calls attention to forces other than labor rights violation that result in worker exploitation: structural adjustment conditions, hoarding of technology, restrictive business practices, and the like. Labor rights advocates in the North have to integrate these concerns into their on-going fight for fundamental rights of workers.