



CAFTA-DR Facts

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CAFTA-DR - Labor Capacity Building

Promoting Effective Enforcement of Labor Laws in the CAFTA-DR Countries

As a result of consultations between the Bush Administration and members of Congress during the legislative approval process for the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), the Administration committed to \$20 million in FY 2005 and \$40 million for FY 2006 - FY 2009 for labor and environment capacity building in the CAFTA-DR countries. The labor capacity building initiatives support the implementation of the recommendations made in the White Paper.

Areas for labor capacity building in Central America and the Dominican Republic were identified through a cooperative process with recipient countries and reflect on-going needs that are identified in the April 2005 “White Paper” of the Working Group of the Vice Ministers Responsible for Trade and Labor in the Countries of Central America and the Dominican Republic. Programs funded as of FY 2006 include:

1. Labor Justice System Modernization – \$8.94 million

Labor Justice Training (FY 2005) - \$2 million: Through the International Labor Organization (ILO), the Department of Labor (DOL) is implementing a comprehensive training program for judicial personnel on national labor laws, the application of international labor standards, and case preparation.

- Initial trainings/workshops for judicial representatives have been conducted in various CAFTA-DR countries, including an analysis of national labor codes in relation to internationally recognized labor rights. Training sessions are scheduled throughout 2007 and early 2008.
- Cooperative agreements with judicial academies are being negotiated to provide sustainable training on internationally recognized labor rights, their relation to national legislation, and the consistent interpretation of jurisprudence.

Administration of Labor Justice (FY 2005 \$4.94 million; FY 2006 \$2 million): After completing a regional labor justice assessment that identified key priorities for the region, the U.S. Agency for International Development (USAID) launched a region-wide judicial strengthening effort on case management, training, and procedural streamlining, including oral proceedings, conciliation, and small claims. By year's end, computer equipment will be procured for case management systems; judicial training courses on oral procedures, conciliation, and other topics will be launched in all CAFTA-DR countries; and, a comprehensive strategy for procedural streamlining for labor cases will be developed in close consultation with the CAFTA-DR countries' Supreme Courts and other stakeholders in the region.

2. Strengthen Labor Ministry Capacity to Enforce Labor Laws, Conduct Inspections, and Resolve Labor Disputes - \$14.94 million

Strengthening Labor Law Compliance (FY 2005) - \$4.94 million: Cumple y Gana (Comply and Win)

DOL is expanding the regional Cumple y Gana project by extending it until September 2008, adding a component targeting gender discrimination in the maquila sector, and expanding current activities to additional geographic areas in the Central American countries.

- Electronic case management systems for inspectors implemented in four countries; electronic case management systems for mediators installed in three countries; more than 200 computers donated.
- More than 650 labor inspectors and mediators trained on improved procedures and techniques, including trainings in four countries conducted by DOL enforcement professionals.
- A ground-breaking website with information on labor laws developed in seven countries; has already received more than one million consultations.
- More than 1.9 million copies of a variety of educational materials on labor rights developed and disseminated to workers and employers.
- 55 unique radio spots on worker rights developed and currently being aired throughout all seven countries at a rate of 1,900 per month.
- Over 3,200 workers and employers trained on national labor laws.

Establishing Worker Rights Centers (FY 2006) - \$5 million: This project will strengthen local organizations that provide advice to workers about the scope and applicability of relevant labor laws and legal services explaining the procedural and documentation requirements to exercise those rights.

Strengthening Labor Law Compliance in the Agricultural Sector in Central America and the Dominican Republic (FY 2006) - \$3 million: This project will provide information about labor rights and national labor laws to workers and employers in rural areas, with particular emphasis on regulations pertaining to occupational safety and health. An additional component is being executed by the U.S. Environmental Protection Agency to improve worker safety through better handling of pesticides.

Labor Ministry Modernization (FY 2005 \$2 million): USAID has completed a comprehensive diagnostic of the Labor Ministries' use of information communication technology in the Dominican Republic, El Salvador, Guatemala, and Honduras (with Nicaragua soon to follow), identifying problems such as antiquated systems, lack of professional personnel, and underutilization of management information. Drawing on the recommendations from this review, the program, working with the Labor Ministries, is developing integrated management systems that will better serve internal and external clients.

3. Reduce Discrimination and Harassment against Women in the Maquilas - \$3.98 million

Cumple y Gana – Gender component (FY 2005 \$1.98 million):

DOL is supporting efforts to improve the capacity of Labor Ministries to enforce labor laws pertaining to gender discrimination, as well as raise awareness among female workers as to how to better protect themselves from discrimination in the workplace. Particular emphasis is placed on pregnancy testing and maternity rights.

- Draft baseline studies on gender discrimination in the workplace have been produced in the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua and have been validated in tripartite seminars.
- Diagnostics have been conducted to establish or improve gender offices within the Labor Ministries.
- Equipment has been provided for gender offices in El Salvador, Honduras, and Nicaragua.
- Radio spots about maternity rights have been developed in the Dominican Republic.

Gender and discrimination (FY 2006 \$2 million): USAID is supporting a multi-stakeholder alliance of international brands, local factories, unions, and others to conduct large-scale worker-manager labor rights training for textile and apparel factories. The training is followed by intensive technical assistance to implement changes in the workplace affecting at least 90,000 workers (20 percent of the region's textile factory sector). Capacity building focuses on gender discrimination, freedom of association, occupational health and safety, and other topics. Workers and managers are taught how to exercise their rights and responsibilities under international labor conventions, national laws, and private sector codes of conduct.

4. Benchmarking, Verification, and Monitoring Progress - \$2.98 million

ILO Benchmarking/Verification - \$2.98 million: The ILO is creating a series of benchmarks and indicators to assess progress in improving and enforcing labor laws.

- Initial benchmarks and indicators have been identified; tripartite groups within each beneficiary country have been identified and/or established; extensive stakeholder consultations undertaken.
- Implementation plans have been developed to achieve the goals set out in the White Paper.
- The verification process has commenced; the first report is scheduled to be produced in the first half of 2007. Reports will be produced every six months.

5. Worst Forms of Child Labor - \$27 million

- DOL is separately funding \$27 million towards projects to combat the worst forms of child labor. Projects include a regional Education Initiative to work towards the elimination of the worst forms of child labor through the provision of basic education, a regional project aimed at the prevention and withdrawal of children from commercial sexual exploitation, and time-bound programs in El Salvador and the Dominican Republic that support government efforts to eliminate the worst forms of child labor within specified timeframes.
- Awareness raising materials (e.g., articles, reports, media spots) have been produced and disseminated at regional, national, and local levels.
- Twenty pilot programs are functioning in 39 communities, with over 2000 children in the region provided with education and other social services through the regional Education Initiative.
- Ministers of Education from the region signed a resolution to protect a child's right to education in April 2006.
- More than 50 regional meetings have been held, bringing together key officials from foreign affairs ministries, migration offices, child protection institutions, and public prosecutors to discuss bilateral agreements on trafficking and share guidelines for safe repatriation of child victims of trafficking.
- Officials trained in the conduct of police investigations, care of victims of trafficking and commercial sexual exploitation, legislative reforms, and preventative measures.
- Over 48,000 children have been withdrawn from/prevented from the worst forms of child labor in the Dominican Republic and El Salvador.