

Peru FTA Labor Provisions – Ground Breaking Provisions that Ensure Worker Rights

Strongest Labor Protections Ever in an FTA

“The Peru TPA, as amended, marks a substantial step forward toward a trade model that will benefit the working people of both countries. We applaud the substantial effort that brought about these changes.” Ms. Thea Lee, Policy Director AFL-CIO before the Senate Finance Committee on September 11, 2007

Why does the AFL-CIO believe that the Peru FTA marks an important step forward for workers' rights? Because it guarantees core International Labor Organization (ILO) labor standards, ensures enforcement of labor laws, and allows the U.S. to challenge Peru if it is not abiding by these commitments.

Fundamental Labor Rights Guaranteed — For the first time ever in a Trade Agreement, Congressional Democrats ensured that Peru enshrine in their law the 5 fundamental ILO core labor rights:

- **Freedom of Association;**
- **Right to Collective Bargaining;**
- **Elimination of Slave and Compulsory Labor;**
- **Abolition of Child Labor;** and
- **Elimination of Employment Discrimination.**

Enforcement Ensured — It is not enough for Peru to have any labor laws on the books; they must also enforce strong core labor standards to ensure that their workers are treated fairly. Specifically, Peru must ensure that their laws with respect to **working conditions, minimum wages, hours of work and occupational health and safety** are respected and followed. This ensures not only fair conditions for Peruvian workers, but also does not provide any incentives for U.S. companies to move jobs to Peru in order to circumvent these requirements.

Dispute Settlement Parity — If Peru fails to enforce the ILO core labor rights, or fails to enforce its labor laws, the U.S. Government can sue Peru for not complying with the Agreement, just as the U.S. can do for any commercial dispute. This means that these obligations carry the same weight as the other parts of the agreement.

Capacity Building—Beyond standards and enforcement, the Peru trade agreement includes a number of provisions committing the U.S. to provide technical assistance and

capacity building programs so that the governmental institutions promoting worker's rights in Peru are improved so they have the tools they need to comply with their labor obligations.

Sincerely,

Joseph Crowley

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Member of Congress

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