

**PRESS RELEASE FROM MSICG IN RESPONSE TO THE
ANNOUNCEMENT MADE BY THE UNITED STATES
GOVERNMENT THAT IT WILL BEGIN CONSULTATION
WITH REGARDS TO CAFTA-DR**

The Union, Indigenous and Peasant Movement of Guatemala, MSICG, is satisfied with and appreciative of the initiative taken by our sister union organization, the AFL-CIO, and the U.S. Government's decision to begin a process that verifies whether or not the Guatemalan government is fulfilling the obligations established by Article 16.2.1 (a) of the Free Trade Agreement between the Dominican Republic, Central America and the United States of America (CAFTA-DR).

According to that expressed by the U.S. Government, this process begins because the Guatemalan Government has not been living up to its obligations under Article 16.2.1 (a) with regards to effective enforcement of Guatemalan labor law as it relates to the right of association, the right to organize and bargain collectively, and acceptable working conditions. A significant number of deficiencies in the compliance of Guatemalan labor law were identified, which constitute a sustained or recurrent course of action or inaction. They include: 1) Failure on the part of the Ministry of Labor and Social Provision's, and especially the General Labor Inspectorate, to investigate violations of labor law; 2) Failure on the part of the Ministry of Labor and Social Provision to levy fines once this Ministry has identified violations of labor law, and 3) Failure on the part of the justice system to enforce compliance with judicial orders in the cases where labor law has been violated.

The United States Government and the Committee on the Application of Standards of the 98th and 99th Session of the International Labour Conference have expressed concern about the repeated deterioration of human, labor and union rights in Guatemala and the lack of political

will on the part of the Guatemalan Government to resolve the situation. The lack of political will is expressed not only by a lack of concrete advances in combating the use and threat of violence that are seemingly related to the exercise or intent to exercise labor rights in Guatemala, including the right of association and the right to organize and bargain collectively, but also by a lack of adequate protection for those who are threatened by violence, and others.

According to the procedures established by CAFTA-DR, a request for consultation allows for 60 days during which issues can be resolved. If they are not resolved during this time frame, the claimant can request a meeting of the Free Trade Commission, a Ministerial organization that supervises enforcement of the agreement. This Commission has 30 days to resolve the issue and if the mechanism fails the claimant, in this case the United States Government, can request that the issue be examined by a dispute resolution panel. If this panel determines that the defendant has not complied with its own labor laws, it can impose a fine of up to 15 million dollars per year.

The Union, Indigenous and Peasant Movement of Guatemala, MSICG, expresses its hope that this process initiated by the United States Government in the persons of its Trade Representative, Ron Kirk, and its Secretary of Labor, Hilda Solis, will contribute to our efforts to modify the economic growth model based on unmeasured exploitation of capital at the cost of human labor, which has characterized Guatemalan society, and move towards a model of development with social justice.

The MSICG expresses that it will continue to collaborate with this process, hand in hand with our sister the AFL-CIO.

Guatemala, August 2, 2010

**POLITICAL COUNCIL OF THE UNION, INDIGENOUS AND
CAMPESINO MOVEMENT OF GUATEMALA
(MOVIMIENTO SINDICAL, INDÍGENA Y CAMPESINO
GUATEMALTECO), MSICG**