

of the Caribbean Free Trade Association (CARIFTA) to the Treaty of Chaguaramas. The Caribbean Basin Economic Recovery Act of 1983 implemented President Reagan's Caribbean Basin Initiative (CBI). Twenty-seven countries in the Caribbean Basin region could be eligible. But they should meet mandatory criteria: few of them are identical to U.S. GSP exclusionary criteria. Since the Caribbean Basin Economy Recovery Expansion Act of 1990, the duty-free treatment is extended in perpetuity, but another mandatory criterion has been added: the failure to take steps to afford internationally recognized worker rights to workers in the country. Curiously, the discretionary criterion about labor standards remains and seems to be identical to the new mandatory criterion! In the CBI, there are 11 discretionary criteria, including the degree to which the country follows accepted rules of international trade under international agreements, the degree to which trade policies of the country vis-à-vis other Caribbean Basin countries actually contribute to the economic revitalization of the region, the degree to which the country has taken or is taking steps to afford its workers internationally recognized worker rights (freedom of association, collective bargaining, working conditions, labor standards in export-processing zone). Some of CARICOM countries have taken significant labor commitments, like Honduras, El Salvador, Dominican Republic. Finally, rather than directly trying to join MERCOSUR, many Latin American countries (like Chile, Bolivia, Ecuador) will probably prefer to sign bilateral or multilateral free trade agreements, since the full membership of a country to the current MERCOSUR implies the unanimous approval of Brazil, Uruguay, Paraguay, and Argentina.

c) U.S. GSP: Protectionism vs Social Dumping.

By the Trade Act of 1974, the United States Congress has adopted (and amended them by the Trade and Tariff Act of 1984) the unilateral labor rights provisions of the "Generalized System of Preferences" (GSP), which authorizes the President to grant developing countries² some trade preferential conditions (duty-free

² Except Mexico, which is under the NAALC, and probably also the MERCOSUR countries, because of the "Four Plus One" agreement.