

Toward a Vibrant Peruvian Middle Class: Effects of the Peru-United States Free Trade Agreement on Labor Rights, Biodiversity, and Indigenous Populations
Abstract of paper by Stephen J. Powell and Paola A. Chavarro for 7th Annual Conference on Legal & Policy Issues in the Americas, May 2006, Lima, Peru

The International Trade Law Program at the University of Florida's Levin College of Law previously has conducted research on the place of human rights in World Trade Organization rules and on the effects of regional economic arrangements on human rights (*available at* <http://www.law.ufl.edu/centers/itl/research.shtml>). Beginning with the knowledge that trade and human rights are inextricably linked by trade's effects on poverty, labor, women, indigenous populations, health, and the environment, our research revealed surprisingly direct linkages between these two vital policies in WTO agreements, as well as positive indirect contributions by regional trade agreements to rules-based governance through their emphasis on transparency, accountability, and due process by governments, as well as timeliness, inclusive record keeping, and impartiality in the administrative decisional process. The present research examines a particular country and a single trade agreement, Peru and the recently signed free trade agreement between Peru and the United States.

With the backdrop of Peru's large informal economy and its past reliance on the capital-intensive mineral and metal industries, the paper examines the potential effects of diversification of exports from increased foreign investment and continued access to the U.S. textile and apparel market. We address the Agreement's unique recognition of Peru's biodiversity and its inevitable connection to Peru's indigenous populations and opportunities it presents for cooperative efforts aimed both at environmental protection and at preserving traditional knowledge while permitting research for lifesaving medicines. We look at the ability of the labor chapter of the Agreement to focus efforts of the Peruvian government to enforce fully its worker rights laws. We close with a look at infrastructural changes that may best magnify the Agreement's benefits.