Abstract: The U.S. Generalized System of Preferences trade program provides a mechanism for reviewing participating countries’ trade benefits, on the basis of their labor rights laws and practices. This mechanism requires the filing of petitions by interested parties — typically human and labor rights activists and labor unions or union federations. While the US Trade Representative does not accept for review or act upon all of these petitions, the decision to file is central to the process. Therefore, we explore what the petition filing process: given the prevalence of labor rights violations among GSP beneficiaries, how does U.S. based interest groups act strategically to target some beneficiaries, but not others? We hypothesize the probability of petition filing is influenced not only by labor rights conditions, but also by the beneficiary country’s strategic importance to the US, as well as its economic relationship with the U.S. On the basis of a large-N analysis of all petitions filed during the 1985-2011 period, we find substantial – although not complete – support for our expectations.

Acknowledgment: We thank Daniel Verdier, as well as participants in the UCSD IR/PS seminar for comments on a previous version of this paper. Tello’s work on this project was supported by the Thomas Uhlman Fund in the Department of Political Science at UNC. Mosley thanks the University of Washington’s Whiteley Center for the use of its facilities. Emily Blanchard and Shushanik Hakobyan provided product-country data on GSP access. For providing information used in compiling our list of GSP petitions, we thank Andrew Schrank, Emmanuel Teitelbaum and especially Kimberly Nolan Garcia.
In the wake of the April 2013 collapse of the Rana Plaza complex, and the resulting deaths of more than 1,100 people, observers worldwide called for actions to protect apparel sector workers in Bangladesh. A range of measures were taken, including the participation of many Western retailers in the Accord on Factory and Building Safety, which provides for inspections of and repairs to facilities that manufacture products for a range of foreign companies. The collapse also prompted changes to Bangladesh’s laws regarding the rights of workers to form labor unions. And Rana Plaza collapse led to a decision by the US government, in June 2013, to suspend Bangladesh’s trade privileges under the Generalized System of Preferences (GSP) program, which provides low- or reduced-tariff access to the US market for some products for low and middle income countries.

The US suspension did not originate with Rana Plaza; rather, it followed several annual reviews of Bangladesh’s labor practices. In 2007, the AFL-CIO filed a country practice petition regarding workers’ rights in Bangladesh. The petition addressed labor rights limitations in export processing zones, in the ready-made apparel sector, and in the seafood-processing sector. The United States Trade Representative (USTR) accepted this petition and began a series of reviews and public comment periods on Bangladesh. Bangladesh’s GSP status remained under review through December 2012. The suspension is therefore an escalation of earlier action – continuing review – that came about in response to an interest group’s petition regarding Bangladesh.

It remains to be seen whether the GSP suspension, and the accompanying list of requirements for a restoration of benefits, will make a difference for labor rights in Bangladesh. Certainly, the country’s history of labor rights problems – both those related to collective labor rights and those related to health and safety – suggests that improvements will be difficult to achieve, even with new private sector initiatives. The Bangladesh case also hints that the GSP review process
was insufficient on its own to effect improvements in the garment sector. Yet activists in the US continue to use the GSP process as a means of highlighting labor rights violations in certain trading partners and in attempting to create additional incentives for improving labor rights.

Indeed, since the early 1980s, the U.S. Congress has attempted to link respect for workers’ rights with trade and investment (Brown et al 1996). The Generalized System of Preferences program, which offers preferential access to US markets for a range of products from low and middle income countries, offers the clearest statement of this linkage. In 1984, Congress made GSP privileges conditional on whether a given country “has taken, or is taking, steps to afford workers in that country (including any designated zone within that country) internationally-recognized worker rights” (Douglas et al 2004, p. 276). As a result, private parties, including trade unions and NGOs, may petition the U.S. Trade Representative (USTR) to suspend or revoke GSP benefits for countries that fall short on labor rights.

Since 1985, the AFL-CIO, the International Labor Rights Fund (ILRF) and other U.S.-based interest groups have filed 178 of these labor-rights related country eligibility petitions with the USTR, involving 56 different beneficiary countries. The USTR’s GSP has subcommittee accepted 91 of these petitions for further consideration and investigation, although it has ultimately suspended country-level GSP benefits in only sixteen instances.

Under what conditions do interest groups deem the GSP review process worthy of their time and effort? Given that labor rights violations can be identified in a wide range of countries and industries, why do these groups choose to file country petitions in some cases, but not in many others? Or, put differently, what is the role of strategic as well as normative considerations in

---

1 One reason for this may be that, while GSP country petitions can be based on violations of fundamental labor rights anywhere in a beneficiary country’s economy, GSP privileges do not apply to apparel and textiles.
2 Note that the definition of workers’ rights in the GSP legislation, and in US trade legislation more generally, varies from that of the ILO’s 1998 Declaration. See below.
3 Some of the USTR evaluations and suspensions were in response to multiple petitions, so the “petition success rate” may be slightly higher than this figure implies.
determining activists’ allocation of their scarce time and financial resources? We address these questions by investigating the determinants of US-based interest groups’ use of country GSP petitions to the USTR. Doing so allows is essential for scholars who want to understand the broader effectiveness of the GSP’s labor-related provisions.

We hypothesize that interest groups seek to file petitions in places with severe labor rights violations, but that these groups also are cognizant of the political process that underlies the assessment of petitions. Hence, where interest groups observe countries with high strategic importance to the US, or with important economic relationships with the U.S., petition filing is less likely. Hence, we expect the petition process to be less effective when beneficiaries are economically or strategically important. We test these claims via a statistical analysis of all identified petitions to the USTR, submitted from 1985, when labor rights conditions become part of the GSP process, through 2011. We find that interest groups are, indeed, more likely to file petitions when labor rights violations are more severe. These groups also are more likely to target countries who export more to the United States – reflecting, perhaps, the greater leverage that threats of GSP suspension have over such countries. At the same time, however, a country’s strategic importance, is not significantly associated with petition filing: interest groups seem willing to file claims against countries that are important US allies, even if such petitions are less likely to succeed.

Our research also addresses a broader question: under what conditions are economic relationships leveraged to improve respect for human and labor rights? Governments’ use of human rights, labor and environmental conditions has expanded in recent decades, as governments and activists seek to motivate respect for rights abroad via material mechanisms. For instance, the United States government first included a full article focused on labor rights in its 2004 “Model Bilateral Investment Treaty.” When the US released a revised Model BIT in May 2012, the labor-related provision was expanded, directing each party to ensure that it does fail to effectively enforce its
labor laws in an effort to attract investment. The Model BIT references the four core labor rights found in the ILO’s 1998 Fundamental Declaration on Rights and Principles at Work (also see Hassel 2008), as well as the right to acceptable conditions of work.⁴ Admittedly, the model BIT does not allow for dispute settlement claims related to the labor clause; rather, the treaty offers a government-to-government consultation process, and well as the ability of investors to pursue labor-related claims in the more general arbitration process.

Despite such efforts, the utility of trade, financial and foreign aid relationships to advance other goals has frequently been called into question. Home governments may be unwilling to disrupt economic relationships, particularly if doing so would harm powerful domestic constituents; if the targeted government is an important strategic ally; or if the goods produced or the investment opportunities presented by the targeted government cannot easily be substituted. Alternatively, threats of sanctions or imposed sanctions may be effective for changing target governments’ behavior but, as sending governments’ and publics’ attention to a situation fades, so does the effect of economic threats on rights outcomes. Moreover, while many governments are willing to participate in or sign treaties with labor and human rights conditions, they also are willing to violate their commitments, especially as they often perceive the domestic benefits of repression to exceed the international costs of repression. While interest group use of such mechanisms is not a sufficient condition for their success, it often is necessary; therefore, understanding their moral and material calculations will advance our understanding of how, and whether, such linkages can affect behavior in targeted states.

I. The U.S. Generalized System of Preferences and International Labor Rights

The GSP Program. The U.S. Generalized System of Preferences (GSP) program has its roots, as do many developed countries’ programs, in the 1968 “Enabling Clause” of the General

⁴ http://www.state.gov/r/pa/prs/ps/2012/04/188199.htm
Agreement on Tariffs and Trade (GATT). The clause allowed wealthy countries to offer developing nations preferential, “aid for trade” market access for a range of exports, going beyond the most favored nation (MFN) status extended to all GATT members. The program is intended to be “general” in the sense that all GSP recipients receive the same level – applied to the same products – of market access (also see Tsogas 2000). Developed countries, however, are permitted to develop and implement the rules of their GSP programs as they wish, provided that the program embodies the non-discrimination principle and that high-income nations are statutorily excluded from beneficiary status. Beyond these requirements, governments have autonomy in terms of which countries and which products receive GSP benefits. This autonomy could allow importing countries to revoke GSP status as a beneficiary’s exports become too competitive (Özden and Reinhardt 2005), or to punish some beneficiaries, but not others, for labor rights violations.

The U.S. GSP program, which was established by the Trade Act of 1974 and which began operating in 1976, currently provides duty-free access to over 3,400 types of products, from 129 beneficiary countries. The specific operation of the program is left to discretion of the President, albeit with the need for periodic Congressional program renewal. In practice, the U.S. Trade Representative, via its GSP Subcommittee, administers the program. The Subcommittee usually includes representatives from the Departments of Commerce, Labor, Agriculture, State and Customs and Immigration; the US International Trade Commission (USITC) also participates in an advisory capacity (also see Blanchard and Hakobyan 2012).

5 The US also operates other preferential trading schemes, such as the Caribbean Basin Initiative, the African Growth and Opportunity Act and the Andean Trade Promotion Act. CBI, AGOA and ATPA countries are all eligible for GSP as well. These programs, together with GSP and preferential trade agreements, account for approximately 25 percent of US imports (Lederman and Özden (2007). When GSP benefits to a country are suspended, their benefits under these programs typically are suspended, too (Nolan 2011). The CBI includes among its criteria whether workers in a given country are afforded “reasonable workplace conditions” as well as the right to organize and bargain collectively.

6 Congress authorizes the GSP program for a fixed period of time, so Congressional authorization is periodically required, and sometimes delayed (Jones 2013).
The first part of the 1974 Trade Act provides guidance regarding which countries may receive GSP status. Eligible countries are characterized either as beneficiary developing countries or least developed beneficiary developing countries. The latter are, by virtue of their lower level of economic development, offered additional market access. The Act excludes high income and Communist countries, and it provides criteria to categorize such countries. The Act also directs the executive branch to exclude countries on other grounds, although the executive branch has significant discretion regarding these decisions. These include being a member of an international commodity cartel (e.g. OPEC), nationalizing or expropriating property owned by a U.S. citizen or firm, and failing to support U.S. efforts to combat terrorism. Typically, countries that sign a preferential trade agreement with the United States also are excluded as GSP beneficiaries once the agreement takes effect. Beneficiaries also can have their status revoked for not providing “adequate and effective protection of intellectual property rights” as well as for not “taking steps to afford internationally recognized worker rights to workers in the country and eliminate the worst forms of child labor.” It is this final possibility, which became part of the program with the GSP Renewal Act of 1984, that is the subject of this paper, and which we discuss in more detail below.

The second part of the 1974 Trade Act focuses on product-level (as opposed to country-level) limitations to GSP status. “Import-sensitive,” as well as agricultural products subject to a tariff-rate quota, are excluded from the program. Again, the executive branch retains considerable discretion in making product-level determinations. The Act does, however, explicitly specify some goods to be excluded, including textiles and apparel, footwear, watches, ceramics and “import sensitive electronics.” Many products that fall within the electronics, glass and steel categories are deemed not to be “import-sensitive” and, therefore, are permitted GSP access; most textiles and

---

7 China, Cuba, Laos, North Korea and Vietnam currently are ineligible, based on the “Communist” provision. In 2008, however, Vietnam requested a (still-pending) review of its status.
8 This has become customary practice, although it is not mentioned in the Trade Act legislation.
9 Some of these were implemented on a specific date, such as 1994 for textiles and 1995 for footwear.
footwear, on the other hand, are *de facto* as well as *de jure* barred from receiving GSP treatment. Within the context of the GSP annual review process, the president may determine which other products qualify as import-sensitive, suggesting another mechanism for material and interest group considerations (Blanchard and Hakobyan 2012). Of the exclusions to GSP status that existed during 2002-2009, product-level exemptions accounted for a slightly greater volume of trade than did country-level exemptions.\(^{10}\)

The third part of the 1974 Trade Act imposes limits on country-product eligibility (e.g. the export of processed pineapple from the Philippines) on the basis of competitive needs. Again, the legislation allows for significant executive branch discretion. In short, if exports from a beneficiary developing country\(^{11}\) account for more than 50 percent of US imports of that product, or if they exceed a value threshold ($160 million in 2013), then duty-free access for that product is supposed to be terminated during the next year. US-based firms, however, can petition for exemptions from CNLs.\(^{12}\)

Decisions regarding the various elements of the U.S. GSP program generally are made within the context of the Annual Review process, in which the USTR issues a formal request for petitions and comments from interested parties. These parties include foreign governments, foreign firms, U.S. firms, and labor groups. Most of the petitions received relate to products (for instance, recent discussion on whether to remove tobacco from the list of eligible products) or to country-products. Others, however, address country-level beneficiary status. It is here that issues of workers’

---

\(^{10}\) For a list of GSP-eligible products, see [http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preferences-gsp/gsp-program-i-0](http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preferences-gsp/gsp-program-i-0)

\(^{11}\) Least developed beneficiary developing countries are excluded from competitive needs limitations.

\(^{12}\) Indeed, based on an analysis of 8-digit product-level data for the 2002-2009 period, Blanchard and Hakobyan (2012) report that approximately 22 percent of GSP imports to the US in each year are those that meet the criteria for exclusion based on CNLs. At the same time, however, the success rate for CNL-based petitions is quite low; each year, most petitions are rejected.
rights, as well as intellectual property rights, most frequently enter the GSP process.\textsuperscript{13} After review of the petition and comments,\textsuperscript{14} the GSP Subcommittee decides whether to accept or reject it. If a petition is accepted, the Subcommittee then decides which further action to take: it may suspend a country’s status for a period of time; permanently remove a country from GSP eligibility; continue a country’s review in subsequent years (without removing its current status); or determine that a government is “taking steps” to address labor rights issues.

\textbf{Labor Rights and US Trade.} To what extent does the workers’ rights provision of the GSP program lead to improved respect for – or corrections of violations of – labor rights in beneficiary nations? Although labor rights activists have attempted to link labor rights with trade at the multilateral level, they have had little success in doing so, perhaps because there was little consensus among them regarding the content of “core labor standards” frame (Payne 2001), or perhaps because many developing countries worry that calls for labor clauses in the WTO are nothing more than veiled protectionism (Rodrik 1997). Indeed, at its 1996 Singapore ministerial meeting, the WTO stated that the ILO was the most appropriate forum for addressing labor-related concerns, and that members should avoid using such concerns to justify protectionist policies. Since that time, labor rights have received little attention in the WTO context (Bartels 2009).

At the bilateral and regional level, however, the US government and US-based activists have long attempted to link labor conditions with market access.\textsuperscript{15} In the 1940s, for instance, the

\textsuperscript{13} Workers’ rights issues also can enter the GSP process in response to petitions for exemptions for CNLs or changes in product coverage. For these types of petitions, however, it is only those with a stake in the product/industry who can initially file. In practice, this means that the AFL-CIO can file such petitions, assuming it is an industry or product in which their union members are active; but the International Labor Rights Fund (which does not represent US workers or industries) cannot. Hence, labor-related issues are more likely to come up at the product or country-product level as responses to an already-filed petition rather as the centerpiece of a newly-filed petition.

\textsuperscript{14} The USITC also solicits comments and petitions, via a process that is conducted subsequent to the GSP Subcommittee’s consideration of a case.

\textsuperscript{15} This practice is not limited to the US. The general increase worldwide in preferential trade agreements during the last decade has been accompanied by the use of provisions that go beyond issues addressed by the WTO. These include competition policy, the environment and labor. Horn et al (2009) collect information
president of the CIO (Congress of Industrial Organizations) pressed for an international treaty that would limit the exchange of goods produced in violation of the right to organize, hours of work, minimum wages and child labor. The contemporary practice of linking rights with trade had its beginnings in the early 1980s, when U.S. labor activists pressured Congress to make GSP program access conditional on recipient governments’ protection of workers’ rights. Following the passage of the 1984 GSP Renewal Act, labor rights provisions also were included in 1985 as a condition for political risk insurance (via the U.S. Overseas Private Investment Corporation); as part of the renewal of fast track trade promotion authority (1988); as a grounds for claims of unfair trade practices under Section 301 of the Omnibus Trade Act; as a condition for participation in the Caribbean Basin Initiative (1990); and as a condition for investment promotion efforts funded by USAID (1992).

The Tariff and Trade Act of 1984 also mandates that all new US preferential trade agreements make benefits conditional on respect for labor rights. Beginning with the 1985 agreement with Israel, US agreements reference “internationally recognized workers’ rights.” The exact way in which these rights are included in trade agreements, and the penalties associated with

---

16 The 1988 Omnibus Trade and Competitiveness Act also directed the US government to attempt to add to the GATT a principle that the denial of workers’ rights should not be a means for industries or countries to gain competitive trade advantages (Charnovitz 1987).
17 Compa and Vogt (2001) detail how human and labor rights activists organized in the early 1980s, with strong backing from Congressman Don Pease (D-OH), to effect the inclusion of labor-related conditions in US trade agreements.
18 U.S. trade legislation has defined “internationally recognized workers’ rights” slightly differently than the ILO defines “core labor rights.” Indeed, no reference to the ILO or its conventions is made in the GSP legislation or in the 1984 Tariff and Trade Act (nor in US trade agreements, until 2006); the EU, by contrast, references sixteen ILO and human rights conventions in its 2005 “GSP+” legislation (Charnovitz 2008). Both the US and the ILO include in their definitions the freedom of association, the right to organize and bargain collectively, prohibition of the use of forced or compulsory labor, and a prohibition on the worst forms of child labor (as well as a minimum age for labor generally). To these rights, the ILO adds the prohibition of discrimination in employment and wages (see Baccaro and Mele 2010, Elliott 2006). The US, on the other hand, includes acceptable conditions of work, with respect to wages, hours of work, and occupational health and safety.
failing to respect such rights, however, vary across agreements. NAFTA, for instance, includes labor rights in the North American Agreement on Labor Cooperation (NAALC), a side agreement added after activists complained that the 900 page draft agreement made no reference to workers’ rights (Kay 2011).

After NAFTA, interest groups shifted focus: rather than arguing that FTAs should include labor rights (which became enshrined in law with the Trade Act of 2002, which re-authorized “fast track” trade promotion authority), activists focused on the effectiveness of, and compliance with, the labor rights provisions that were included (also see Kim 2012). CAFTA-DR, in contrast to NAFTA, mentions “internationally recognized workers’ rights” in the main text of the agreement; it also asks each signatory to reaffirm its commitment to the ILO’s 1998 Declaration and to “not to fail to enforce labor laws” in a way that would distort trade. The Bush Administration also agreed – partly in response to pressures from the AFL-CIO and its transnational allies in CAFTA-DR countries19 -- to support several years of US funding for labor standards capacity-building, and ILO monitoring, in CAFTA-DR countries (Elliott 2006).

II. The Effectiveness of the GSP Petition Process

With respect to the GSP process, labor-focused interest groups – both those involved in production (e.g. labor unions) and those motivated by normative (e.g. human rights and development) concerns --- also play a central role. The 1984 GSP Renewal Act assumes, as do we, that beneficiaries’ payoffs from the GSP program are (sometimes) sufficient to motivate governments to avoid actions that will endanger such status.

Note that the GSP program accounts for a very small proportion – two to three percent during the 2000s – of US imports. For the 2002-2009 time period, only 8.5 percent of all developing

19 On the changes in the AFL-CIO’s international strategy, as well as its leadership’s views on workers in Latin America – as competitors versus as allies – see Anner 2011, Bandy 2004, Kay 2011.
country exports to the US were GSP-eligible (also see Jones 2013). Additionally, as tariffs worldwide have declined (via GATT/WTO negotiations), the magnitude of the GSP benefit also has fallen (Tsogas 2000; also see Özden and Reinhardt 2005). Others worry that, because GSP systematically excludes labor-intensive products such as leather goods, tobacco and ceramics, threats of GSP suspension are less effective vis-à-vis developing country governments (Elliott 2010).

Yet GSP-based access can be critical to recipient countries that rely on the US as an export market. One recent study indicates that, when a low or middle income country loses its GSP status, the exports from its affected industries fall by an average of 19 percent in the year of exclusion, by another 20 percent the following year; three years later, exports are 60 percent below pre-exclusion levels (see Blanchard and Hakobyan 2012). GSP beneficiaries also vary greatly in the extent to which their exports to the US are covered by the GSP program: in 2010/11, 7 percent of Nepal and Sri Lanka’s, 18% of Uruguay’s; 37 percent of Tunisia’s; and 47 percent of Lebanon’s exports to the US fell under the GSP. Furthermore, GSP access can be critical to specific industries in beneficiary countries, even if the country’s overall GSP utilization is small (Jones 2013).

Assuming sufficient material incentives, then, has the trend toward including labor-related provisions in US trade policy served to improve workers’ rights abroad? Even if such provisions exist largely to mollify domestic constituencies, perhaps they nonetheless can generate changes in governments’ behaviors, particularly when the treaties link human rights behaviors with tangible economic benefits (Hafner-Burton 2005, 2009; but see Spilker and Böhmelt 2013). This may be particularly likely when trade agreement provisions complement other sorts of pressures – via market relationships, “corporate social responsibility” campaigns, domestic capacity building, or

---

20 Using gravity models of trade, Lederman and Özden (2007) estimate that GSP preferences decrease, rather than increase exports. This is in contrast to other preferential programs, such as FTAs. This may reflect the dynamics of selection into FTAs versus GSP, as well as the effect of non-reciprocal benefits on trade-related domestic politics in beneficiary nations (see Özden and Reinhardt 2005).

But some scholars, as well as many activists, argue that the labor provisions in many trade agreements are too weak to generate significant pressures (e.g. Kay 2011). For instance, NAFTA’s labor side agreement focuses on national labor laws rather than supranational principles, and it allows governments to access the highest level of adjudication only for some of the referenced types (the eleven “guiding principles”) of workers’ rights. And the highest level of resolution to occur thus far involves ministerial consultations – meetings between national labor ministers – rather than fines, trade sanctions or factory-level actions to address complaints (Nolan 2011). Hence, while the creation of the NAFTA labor side agreement and dispute process may have served to enhance transnational labor coordination and cooperation in Canada, Mexico and the US (Kay 2011; also Compa and Vogt 2001, Keck and Sikkink 1998, Tsogas 2000), the process is not usually perceived as contributing significantly to workers’ rights.

Kim (2012), by contrast, takes a more positive view, arguing that, despite the weak enforcement mechanisms that exist in most such agreements, the negotiation process can nonetheless lead to an upgrading of labor laws and practices. As governments attempt to make themselves more attractive PTA partners, they will improve their labor laws and practices in anticipation of – rather than following – negotiating a PTA.21 Indeed, the process of pre-agreement improvements fits with Spilker and Böhmelt’s (2013) recent critique of the finding that treaties linking human rights behaviors with economic benefits can affect state policies.22 Murillo and Schrank (2005) similarly attribute some of the improvements in Latin American countries’ labor

---

21 Kim’s measure of labor rights is, however, quite limited, in that it does not distinguish among types of core labor rights, nor does it distinguish between rights in law and rights in practice. See Mosley 2011 for a discussion of labor rights measures.

22 Spilker and Böhmelt suggest, instead, that governments only sign preferential trade agreements with strong human rights conditions when they already intend to comply.
codes to pressure from activists abroad. These activists convinced the U.S. government to insist on protections of workers (at least de jure) as a condition for access to US markets; pressure from transnational activists – in the form of GSP petitions – had the greatest impact when labor was weak domestically.\textsuperscript{23} Piore and Schrank (2008) similarly attribute the revival of many developing-country labor inspectorates partly to labor-related conditions in US trade agreements.\textsuperscript{24}

The GSP program, however, is one in which \textit{ex ante} selection by the US as a potential trade partner seems to matter less (compared to PTA negotiations). Almost all eligible (by virtue of level of development) countries have requested participation in the U.S. GSP program, and the USTR tends to grant program participation to countries in the first year for which they are eligible. Yet despite this relatively easy pathway to initial participation, Compa and Vogt (2001) maintain that, while the actual or threatened suspension of GSP privileges does not necessarily lead to labor rights improvements, it sometimes does (also see Douglass et al 2004, Nolan 2011, Teitelbaum 2012). They note that, even when the GSP Subcommittee elects to place a country on “continuing review” (rather than to suspend benefits), domestic and foreign labor activists can use the GSP process to bring pressure to bear on governments. Therefore, interest groups might perceive that, even if a petition is unlikely to end with a suspension of GSP benefits, the petition process is worth using.

Indeed, the filing of a country-level petition by one or more private parties is effectively a precondition for a country to have its beneficiary status reviewed and, potentially, withdrawn.

\textsuperscript{23} Murillo and Schrank (2005) note that, while reforms to individual labor rights in Latin America were largely deregulatory in nature, reforms to collective labor laws served to strengthen, rather than to detract from, these rights. Tsogas (2000) also notes that, following GSP petitions in the 1990s, some governments (El Salvador, Guatemala) instituted labor law reforms.

\textsuperscript{24} Piore and Schrank (2008) argue, however, that the Anglo-American approach to labor regulations offers much less flexibility than does the French-speaking approach (or the “Latin model”); in the latter, local inspectors are given more flexibility to decide how best to promote compliance with labor regulations, and they tend to focus on “coaxing and convincing” rather than coercion.
The United States Trade Representative (USTR) almost never self-initiates a review of GSP status; it did so in 2000, for Guatemala (which had previously had its privileges suspended; see Compa and Vogt 2001), as well as in 1985-1986, when the USTR was obligated to conduct a general review, including all GSP recipient nations. More recently, self-initiation has been with an eye to granting, rather than revoking, a country’s GSP privileges, as in the current consideration of Burma and Laos for GSP eligibility. While the GSP legislation links labor rights practices with economic benefits, the program is only an example of a “hard law” human rights agreement (see Hafner-Burton 2005, Spilker and Böhmelt 2013) if petitions are filed against states that violate labor rights, and if the USTR regularly accepts these petitions. Therefore, to the extent that the withdrawal of benefits can motivate changes in labor-related practices abroad, it falls to interest groups to initiate the process.

The “fire alarm” (McCubbins and Schwartz 1984) by which the GSP system operates gives a key position to domestic interest groups. Therefore, to gain a sense of the effectiveness of the GSP program in linking trade with labor rights, we first need to explain when groups decide to file petitions. Only by understanding the causal mechanisms by which selection (of petition targets)

---

25 In terms of GSP petition effectiveness, it also is important to note the USTR’s discretion in how to respond to the suspension of status. While some country-level petitions and resulting suspensions do, in fact, lead to the removal of country status, others lead to the removal of status for some – but not all – of a country’s GSP-eligible exports (Blanchard and Hakobyan 2012). The same is true for intellectual property rights-related petitions. In fact, most of the examples of this behavior that Blanchard and Hakobyan cite concern intellectual property rights rather than labor rights. In 1996, however, the suspension of Pakistan’s privileges (on the basis of child labor violations) affected only certain goods, such as hand-woven rugs and surgical instruments.


27 Note that some other US trade programs, such as the Africa Growth and Opportunity Act (AGOA) include an annual review of all beneficiaries. This may level the playing field, in the sense that the likelihood of a violation being noted is not conditional on the interests and motivations of private groups. Polaski (2009) notes, however, that a review process involving all GSP beneficiary countries would be very time intensive.

28 Compa and Vogt (2001) provided a detailed discussion of several cases of petition filings, and Teitelbaum (2012) considers whether the petition process affects subsequent labor rights outcomes. He does not, however, consider how countries are selected for the petition and review process. Nolan (2011) investigates which countries are petitioned against; her analysis, however, is limited to Latin American countries.
occurs can we hope to understand the ultimate effect on labor rights – if any – on targeted countries.

III. Who Files and When? Theorizing the Petition Process

The Profile of Petitions. We have identified labor-related country practice petitions filed with the USTR GSP subcommittee, for 1985 to 2011. While the USTR provides information on accepted petitions, via postings in the *Federal Register*, it does not necessarily record information on rejected petitions. The USTR’s information is sometimes incomplete, as well. We therefore also draw on work by other scholars (Compa and Vogt 2000, Frundt 1998, Murillo and Schrank 1995, Nolan 2011, Teitelbaum 2012, Tsogas 2000), and interest group representatives have confirmed the accuracy of our list of country practice petitions.

We identify 178 unique petitions, addressing labor-related issues in a total of 56 countries. In a few instances, multiple unique petitions are filed against the same beneficiary country in the same year: this is particularly true of El Salvador (6 petitions in 1990; 4 in 1992; 2 in 2002; and 2 in 2005) and Guatemala (4 petitions in 1990; 2 in 1997; 2 in 1998; 2 in 2002; and 2 in 2005). Therefore, there are 163 country-year observations – from among 3183 country-years in our overall dataset, which comprises all GSP beneficiary countries in each year -- with a petition filing.

Figure 1 details the pattern of petition filings over time. The chart indicates that, in terms of absolute numbers, petitions were more frequently filed in the late 1980s and 1990s, as compared with the 2000s. This is due, in part, to a decline in the number of GSP beneficiaries over time, as countries that sign PTAs with the US no longer fall under the GSP program’s parameters. The lack

---

29 The 1984 legislation required a “General Review” of all GSP beneficiaries during 1985 and 1986. In addition to this process, however, some interest groups elected to file petitions. From 1987 on, only accepted petitions lead to an investigation of a country’s labor rights practices.

30 These multiple filings in the same year account for a total of 24 petitions, or 13 percent of the petitions we identify.

31 Countries enter or leave our dataset based on changes in GSP status. While a few of these stem from labor-related suspensions, most are due to changes in other criteria, such as the level of development, the political regime in office, or the entry into force of a free trade agreement with the United States.
of petitions in some years also coincides with a gap in Congressional reauthorization of the GSP program. During lapses, the USTR’s GSP subcommittee continues to investigate country petitions that have already been accepted, but it does not conduct a new review cycle, and it does not take action on previously accepted petitions.\textsuperscript{32} Hence, lapses in 1994, 1995, 1996 and 2001 may affect the overall patterns of filing, especially for the 1996 cycle: the program expired in July 1995, and was not renewed until August 1996 (Jones 2013, UNCTAD 2000). Therefore, there was no call for petitions during the spring of 1996.\textsuperscript{33}

\textit{Insert Figure 1 here}

We have filer information for 134 (of 178) petitions. Some petitions are filed jointly; we have identified 176 total filers. Of these, the AFL-CIO is involved in 89 petitions, filing 74 on its own and 15 jointly. The ILRF is the second most active filer, with a total of 30 petitions. Other filers include Human Rights Watch and its regional affiliates (12 petitions); USLEAP (formerly GLEP; 8 petitions); and Machine Workers of America (UE; 7 petitions). 18 different groups filed the remaining 27 petitions.

Of the filed petitions, the GSP subcommittee has accepted 91 for further review – an overall rate of 51 percent. The committee’s ultimate action on these petitions ranges from a determination that the country is, in fact, taking steps to comply with internationally-recognized labor rights; to a continued review in subsequent annual cycles; to a suspension or removal of status.\textsuperscript{34} Among petitions for which we have been able to identify the filing group, 58 percent (52 of 89) of the AFL-CIO’s petitions were accepted for review, compared with 30 percent (9 of 30) of those filed by the

\textsuperscript{32} Communication with Kimberly Nolan Garcia, July 2013; and USTR, “GSP Expiration: Frequently Asked Questions,”
\url{http://www.ustr.gov/sites/default/files/FAQs\%20on\%20GSP\%20Expiration073113.pdf}

\textsuperscript{33} The GSP program’s most recent expiration was on July 31, 2013. Congressional action, which may include retroactive measures to cover the non-GSP period, is required to renew the program.

\textsuperscript{34} In our statistical analyses, we treat as “accepted” petitions that are initially accepted by the GSP subcommittee, regardless of the ultimate decision that is made.
ILRF. Certainly, one could argue that even the act of filing a petition has an effect, as it provides information to external groups about the labor situation in a country, and as it may lead a beneficiary government to improve its labor environment, in hopes of avoiding an accepted petition or future petitions.\(^{35}\) In terms of the final outcome of petitions, we identify 16 instances in which a country’s GSP status is suspended; only two of these -- the 1988 Lawyers’ Committee petition on Liberia, and the ILRF’s 2006 petition on Niger – were filed without AFL-CIO support.

We have not yet classified petitions according to which labor-related issues they raise – freedom of association versus child labor, for instance. Many petitions raise multiple labor-related issues. It may be interest groups perceive some issues, such as child labor, easier to “sell” than others, such as freedom of association; but the “easy to sell” issues also may be the most difficult to solve, presenting a conundrum for interest groups (Interview, ILRF, May 2013). Indeed, other research suggests that collective labor rights are the most common subject discussed in petitions: in Nolan’s (2011) dataset of petitions filed against Latin American governments during the 1987-2005 period, 68 percent (59 of 87 petitions) allege violations of freedom of association and other collective labor rights; 31 percent reference minimum standards of employment; 20 percent reference child labor; and 16 percent discuss forced labor.

Similarly, Teitelbaum (2012) provides information on 46 petitions (38 for which information on their specific content is available), collected from the Department of Labor. Among these 38 petitions, 97 percent mention freedom of association; 84 percent mention the right to organize and bargain collectively; 42 percent discuss child labor, forced labor and/or trafficking; 18 percent address conditions of work; and 8 percent note violence against trade union leaders. Hence, petitioners have tended to focus the bulk of their attention on collective labor rights – that is, on the capacity of workers to form unions, bargain collectively and strike. Given that the AFL-CIO (as well

\(^{35}\) Those interviewed, however, stated that they rarely use threats of petitions – as opposed to actual petitions -- as a means of motivating beneficiary governments to change their practices.
as individual trade unions) are frequent participants in the petition process, and given that these rights often are seen as enabling the achievement of other outcomes (such as benefits, health and safety and wages; see Mosley 2011), this focus is not surprising.

**Petitioners’ Motivations.** What drives the filing of petitions by interest groups? We expect that petitioners are strategic, goal-oriented actors who seek to efficiently allocate limited resources (time as well as money). The petition process is a time-intensive one; in order for petitions to have a good chance of being successful, they must be well-researched, with violations carefully documented (Tsogas 2000). To gain some insight into petitioners’ behavior, we interviewed members of the legal departments at the AFL-CIO and the ILRF, both in Washington, in May 2013. During these interviews, we asked members of each organization to discuss how they choose targets for petitions. In discussing the petition process, each individual frequently made reference to specific (closed, ongoing or proposed) cases, as a means of illustrating the various factors that motivate them. We draw from these interviews, as well as from theoretical reasoning, to develop our core hypotheses.

In terms of their goals, we view petition filers as at least somewhat morally-motivated: groups like the AFL-CIO (representing various U.S.-based labor unions) and the ILRF (interested in rights-conscious economic development in low and middle income nations) see protecting workers’ rights abroad as part of their core mission. Petition-filing interest groups are informed not only by a commitment to justice for workers abroad, but also by a concern that, in an era of globalization, violations of workers in one sector or country may well spur violations elsewhere – a race to the bottom, facilitated by economic competition among firms and jurisdictions.

Interest groups often view petitions as one tool in a broader arsenal, where the ultimate aim is improving the workers’ rights situation in a given country or industry within a country. For

---

36 Mosley conducted semi-structured interviews with two AFL-CIO staff members (in a joint meeting) and with one ILRF staff member. Each meeting lasted approximately one hour. Mosley took notes during the meetings and corresponded with interviewees after the meeting to confirm some of the information provided, but she did not electronically record the interviews.
instance, in addressing conditions in Uzbekistan’s cotton sector – where allegations of child labor and forced labor are rife – the ILRF viewed the GSP process as one of several tools to address the issue. The ILRF’s 2007 petition to remove Uzbekistan’s GSP status coincided with the condemnations of Uzbekistan in the State Department’s Trafficking in Persons report and by the OECD, as well as an attempt to remove Uzbekistan’s investment guarantees through the Overseas Private Investment Corporation. And, when countries are not part of the GSP program, interest groups will look for other avenues to file labor-related complaints, as the AFL-CIO did with Vietnam (filing a petition with OPIC) and Honduras (filing a petition, along with Honduran unions, under the CAFTA-DR mechanism in 2012).

Filing groups also are aware of the campaigns pursued by other groups. While the AFL-CIO and the ILRF do not often work jointly on cases (explained, in part, by the fact that they have relationships with different unions in different low and middle income countries; and in part by the fact that working on different countries allows greater geographic coverage; Interview 2013), they are both attentive to what other human and labor rights groups are doing. For instance, when the ITUC (formerly ICFTU) has identified a given country’s labor situation as among its global priorities in its Annual Survey of Violations of Trade Union Rights; when foreign governments and interest groups are bringing attention to a situation (as with the 2011 Fiji petition, where British, Australian and New Zealander groups also were active on the issue); or when local labor unions are filing ILO complaints against their governments, US-based groups may be more likely to use the GSP process. Interest groups also might work with new partners: for instance, in addressing conditions for

38 See, for example, http://survey.ituc-csi.org/. US groups also sometimes ILO cases and recommendations as a baseline for what they request.
39 US groups tend to work less often with the European Union’s GSP process, as only a few cases have been filed under the GSP+ program, and the EU’s approach is perceived as weaker than the US approach. (Interview, May 2013).
workers in Bangladesh’s tobacco industry – its most important GSP sector – the ILRF has engaged with various public health-oriented interest groups.

Hence, when foreign governments are complicit in or fail to address labor rights violations, interest groups may seek to employ a “boomerang” model, using their home government (and its related trade privileges) to change behavior (Keck and Sikkink 1998). For instance, supporting letters from members of Congress can tip the view of the GSP Subcommittee regarding a petition. Tsogas (2001) notes that, in the case of Guatemala, where the Subcommittee rejected petitions from 1988-1991, an effort by activists to solicit letters from Congress members helped to affect the acceptance of the petition in 1992. The GSP process also can be used to signal to consumers and shareholders that goods produced in a certain location may be tainted by labor rights violations. Of course, for violations in some countries – those with whom the US has enacted FTAs – the GSP process is not available as an option. Indeed, we sometimes observe GSP petition filings during the negotiation stage of an FTA, as interest groups attempt to use that process while it remains available to them, and also seek to bring public attention to the proposed trade agreement. Indeed, in the years prior to CAFTA (2002-2005), there were 15 total petitions filed against CAFTA-DR governments.

Moral issues may not be the only concern motivating petition filers. For instance, in the case of the AFL-CIO, a more cynical interpretation is that “solidarity” with workers abroad also can serve to – if it leads to trade sanctions – protect the livelihoods of workers in the US. This possibility notwithstanding (see below), it nonetheless seems plausible that severe violations of labor rights (especially collective labor rights) are more likely (than no or minor violations) to spur the AFL-CIO to action. Therefore, our first expectation is that more severe violations of rights are, in fact, linked with a greater likelihood of petition filing.

**H1:** Interest groups are more likely to file petitions against countries with more severe labor rights violations, all else equal.
When we consider the severity of labor rights violations, we can conceive of this both in terms of contemporary and recent violations, as well as the longer-term history of violations. This first expectation – that petitions are, indeed, a response to rights violations – is supported by Nolan’s (2011) analysis; she reports that, for Latin American petitions, more severe violations render filing more likely. Note also that GSP legislation treats all violations of internationally-recognized rights as actionable, without regard to where in the economy they occur. If the collective labor rights of public sector or apparel sector workers are violated, these violations can serve as grounds for a GSP petition – even though such workers do not produce GSP-eligible products.\footnote{This stands in contrast to the labor provisions in most US FTAs, which require that violations occur in export-related industries.}

Several caveats, however, are in order. US-based interest groups realize that the GSP process requires credible and detailed information regarding labor rights violations. Indeed, the public comment process—in which the USTR GSP subcommittee solicits reactions to filed petitions—is often characterized by allegations that the facts presented are either incomplete or incorrect. Groups may rely on the work of local activists, or they may conduct their own investigations. For instance, in its work on the Philippines (culminating in an accepted 2007 petition), the ILRF investigated labor practices in both manufacturing and agriculture, and it documented a range of violent acts against union leaders and members. The ILRF followed its general strategy, which is to identify specific violations in a particular sector (or sectors) of the economy, and (often) to link such violation to specific U.S. based firms operating in that country. Indeed, the IRLF’s work in the Philippines prompted the ILO to dispatch its own investigative team to the country. Therefore, where interest groups have existing connections to a country, perhaps because of past petition
activity there, or perhaps because of ties with local partners, severe violations should be even more likely to generate petitions (also see Compa and Vogt 2001).

At the same time, US-based interest groups may worry that the petition process, by bringing international criticism of a foreign government, could endanger union activists abroad. The “spotlight” that comes with a GSP filing may serve to reduce violations, and to put repressive governments on alert, or it may cause governments to dig in their heels. For example, Compa and Vogt (2001) note that, in Guatemala, concerns about the effect of a GSP suspension on local labor activists – who had begun receiving death threats in the wake of the USTR’s acceptance of the 1992 petition – motivated US activists to move from insisting on suspension to accepting a “taking steps” determination as the best course of action. More recently, union activists worry that filing against certain countries, such as Zimbabwe, would endanger workers there (Interview 2013; also see Tsogas 2000). Similarly, Kay (2011) reports that some foreign unions have worried that GSP filings would undermine trade and therefore jobs, and that they might provoke violence against local union members.

A repressive political regime can mediate interest groups’ responses to labor rights violations in a second way: where press freedom and the capacity of local NGOs to operate are extremely limited, it may be difficult to observe violations of workers’ rights, even if these are occurring. Given that the petition process requires detailed information on specific violations of trade union rights, the inability to collect such information can limit petition filings (Robertson and Teitelbaum 2011, Teitelbaum 2010). Additionally, countries with high levels of political repression are less likely to feature local trade union and human rights groups with whom US groups can work in crafting

41 An ILRF representative noted, however, that not all foreign groups are enthused about participating in a process that involves the US government. Indeed, in some cases, local groups are not named specifically in a petition, not only because of concerns over their safety, but also because such groups take public stances that are anti-U.S. (Interview, May 2013).
42 In March 1993, the petitioners and the Guatemalan unions dropped their demands for sanctions and instead called for “continuing review.”
petitions. Hence, due both to concerns about the safety of local activists and the unavailability of information, then, the most repressive regimes may be less likely to be targeted with petitions, even when labor rights are restricted. Hence, when we model the petition process, we control for the level of political repression in a country, and we also test whether the impact of labor rights violations on filing is conditional on the general level of political repression.

Next, we also expect material considerations to play a role in the GSP petition process. By providing access to US markets for certain countries and products, the GSP program benefits certain groups, both exporters in recipient nations as well as importers (who rely on GSP-covered products as inputs or for retail sale) in the United States. US-based exporters and multinationals also might worry that, by damaging overall economic relationships with a targeted country, a successful GSP petition could harm their future capacity to trade with, produce in and invest in a given nation. Business groups might therefore be expected to respond negatively to petitions involving countries with strong ties to the US, and some members of the GSP Subcommittee (especially representatives from the Commerce and Treasury Departments, and perhaps the State Department) are likely to sympathize with their concerns.

For instance, when the 1992 petitions against Indonesia (filed by Asia Watch and by the ILRF) were accepted, there was a strong backlash from the U.S. business community, which saw Indonesia as an attractive investment destination, an important source of natural resources, and a potential key export market (Compa and Vogt 2001). In response to this pressure, in February 1994, the US government ended the labor rights review of Indonesia. By contrast, the AFL-CIO’s 1997 petition against Belarus was accepted and (relatively) quickly acted upon, leading to a suspension of

43 The AFL-CIO points out, though, that they sometimes have filed petitions in locations without unions – in which the labor rights situation is so dire that no unions exist. In these cases, other sources, such as State Department Country Reports on Human Rights Practices, make clear that violations of core rights exist.

44 Note, however, that interest groups sometimes view the GSP process as a way to protect trade union activists abroad, by bringing global attention to a problem. The AFL-CIO complaint against Bahrain, filed in 2011 under the US-Bahrain FTA provisions, is one such example.
benefits in 2000. Belarus, however, held little importance to the US as a trade or investment partner (Compa and Vogt 2001). Similarly, many of the countries that had their GSP preferences suspended in the 1980s - Paraguay, Romania, Burma, Central African Republic, Liberia, Sudan, and Mauritania – had minimal trade with the US (Tsogas 2000). If interest groups anticipate the potential negative reaction of US firms to petitions involving economic partners, then they will be less likely to file petitions involving countries with strong material ties to the US. Along these lines, Nolan (2011) finds that countries with higher levels of exports to the US are less likely to be petition targets.

We posit, however, that economic ties also can push in the opposite direction, and that this latter set of effects is likely to dominate. To begin, labor-related interest groups may define “success” more broadly than petition acceptance: if their aim is to bring attention to violations in a given country, or to signal to their core constituents that they are attentive to egregious rights violations in a particular country, then they may view a failed petition as nonetheless worth filing. Indeed, staff members at one interest group suggested that, in considering targets for petition, they did not worry about the level of exports to the US. Although they conceded that a low trade volume might make it easier to succeed, because it would generate less pressure from US importers, they also maintained that this would not affect their filing decision (Interview, May 2013). The argument, ultimately, was that there sometimes was value in filing petitions with a low chance of success, if only to bring greater public attention to violations in a given country.

Additionally, a strong trade and investment relationship with the US can increase the perceived leverage of threats of GSP suspension. If the partner country has little to lose economically from the suspension of benefits, then a filed petition may have little effect on behavior. Although filing against a country that benefits little from the GSP program may not provoke much of reaction, such threats also lack credibility. They may make a difference reputationally – assuming a country cares about condemnation from the US – but not materially. On
the other hand, countries that depend on the GSP program, and on US trade and investment more generally, may be more likely to reform their labor-related practices in a response to a petition. Interest groups also are aware of this and, if their underlying aim is to file in situations where improvements are possible, this might motivate them to file, despite potential backlash from business interests. Along similar lines, ILRF staff reports that, in their experience, a concentrated industry – either in terms of buyers or sellers – provides leverage in GSP cases. This allows advocates to frame their GSP petitions as identifying non-compliance by firms or exporter associations (rather by local governments); doing so may incline the targeted government to work with, rather than oppose, foreign interest groups (Interview, May 2013).

Moreover, when a GSP beneficiary is a large source of imports to the United States, import-competing producer groups might benefit from – and therefore support – successful petitions. Comparatively-disadvantaged industries could therefore be expected to support (or even to file) petitions. Indeed, one might imagine that the labor activism of the AFL-CIO and its member unions not only serves the moral aim of protecting workers abroad, but also serves the material aim of protecting jobs in some U.S. industries – adding “bootleggers” to the morally-motivated “Baptists.”

In his analysis of petitions filed during the mid to late 1980s, Frundt (1998) notes that the AFL-CIO (in contrast, somewhat, to the ILRF) focused its attention on countries that received the greatest trade benefits from the GSP program – including Singapore, South Korea and Taiwan. He asserts that the AFL-CIO chose to focus on these sorts of countries, rather than on Central American nations with gross human and labor rights violations, to protectionist inclinations. 45

---

45 Note, however, that because the GSP legislation systematically excludes some products, including textiles and apparel, and because its Competitive Needs Limitation provision allows for the exclusion of country-products that account for a large share of US imports of a product, these country-level dynamics may be less at play. This also suggests that much of the “trade politics” of the GSP program may occur at the country-product and Competitive Needs Limitation levels, rather than at the country level.
In sum, then, while we expect that economic ties could generate a negative backlash from US importing firms and investors, we also expect that material ties will enhance the leverage and the “spotlight effect” of GSP petitions. As such,

H2: Interest groups are more likely, all else equal, to file petitions against countries that have strong trade or investment ties to the United States.

As we discuss in Section IV, we measure economic ties in various ways; we aim to capture the importance of the targeted country to the United States, both in terms of being a source of imported products (in general as well as those covered by GSP), and in terms of being an investment destination.

The third factor that we expect to matter for petition filing is a country’s strategic importance. The GSP complaint process, as designed in the 1984 legislation, accords significant flexibility to the US government in responding to petitions, reflecting a desire on the part of the executive branch to take into account geopolitical and foreign policy considerations (Compa and Vogt 2001). The unwillingness of the US government to sanction its allies could lead interest groups to avoid petitioning against certain countries, even in the face of severe violations (Tsogas 2000). Or, if groups nonetheless want to make violations public, they might file petitions, but with the awareness that such petitions are unlikely to be accepted (Interview, May 2013).

Various GSP cases suggest that geopolitical considerations affect responses to petitions. In the 1980s, for instance, the USTR acted to suspend the GSP status of Nicaragua and Syria, but declined to act on petitions involving El Salvador, despite numerous filings and widespread evidence of rights violations there.46 Activists argued that US willingness to suspend Nicaragua’s benefits was

---

46 The USTR did eventually accept petitions related to El Salvador, and then responded with a “taking steps” finding, rather than with a suspension. Tsogas (2000) also points out that, even when a petition is accepted for review, the US government is sometimes willing to conclude that a country is “taking steps” to address labor rights violations -- a finding that stops short of suspending or removing the country’s GSP status, and
motivated by geopolitical concerns – by its larger objective of overthrowing the Nicaraguan government – rather than by genuine worries about workers’ rights (Nolan 2011). The US also has used the GSP program to reward or punish countries’ foreign policy behavior. In the wake of Pakistan’s nuclear tests in the late 1990s, the US removed most of Pakistan’s key exports from GSP eligibility. But, when the War on Terror rendered Pakistan an important ally, the US reinstated these product-level preferences (Lederman and Özden 2007; also Compa and Vogt 2001).

The desire of the US government to include strategic considerations within the GSP Subcommittee process comes as no surprise to interest groups, nor to scholars who have identified strategic motivations for the development of trade relationships and the formation of preferential trade agreements (Lederman and Özden 2007, Mansfield and Bronson 1997), as well as the allocation of foreign aid (e.g. Bearce and Tirone 2010). In investigating which countries receive GSP status, Özden and Reinhardt (2005) find that a formal alliance relationship with the US is a significant predictor of country-level GSP status, as is the amount of US foreign aid allocated to a country during the previous decade (also see Nolan 2011). An awareness of the strategic dynamic may prompt interest groups to refrain from filing petitions against strategically important nations:

**H3:** Interest groups are less likely, all else equal, to file petitions against countries that are strategically important to the United States.

Here, however, our expectation is tempered by the fact that interest groups may sometimes elect to file petitions where the US has strong strategic interests, even if they do not expect these petitions to succeed. The 2010 AFL-CIO petition against Georgia and its 2011 FTA filing against Bahrain are illustrative: given the strategic value of each country, there is little reason to expect the GSP Subcommittee to accept those petitions for review. But the AFL-CIO nonetheless saw value in which may require only the introduction of labor-friendly legislation, rather than its passage and enforcement. For instance, in response to petitions in the late 1980s and early 1990s, the GSP Subcommittee argued that, because Guatemala had introduced labor-protecting legislation into parliament, it was “taking steps” to protect workers – even as violence against them continued (Compa and Vogt 2001).
bringing violations to light, perhaps even more so because of the countries’ strategic ties to the US. Indeed, just as an economic relationship with the US can increase the leverage of petitions, so can a target government’s desire for US approval. Hence, some degree of friendly relations with the US – if not a strong formal alliance – might be seen as increasing the effectiveness of the petition process.\textsuperscript{47} Strategic ties also can induce caution on the part of interest groups. Interest groups sometimes worry that, once a petition is before the USTR subcommittee, non-labor issues may affect the outcome. This could include the subcommittee to reject a petition; but, if the US government is instead eager to identify a means of punishing a country for some other actions, it also could mean a strong response to a GSP case (Interview, May 2013).

IV. Empirical Analyses

Although we are interested primarily in explaining interest groups’ decisions regarding whether to file petitions, rather than in the outcome of filed petitions (whether they are accepted for review, as well as they ultimately lead to changes in US trade privileges and/or changes in labor-related behaviors; also see Teitelbaum 2012), we also recognize the filing decisions may not be independent of anticipated outcomes. That is, although interest groups sometimes argue that they file petitions even when they view the odds of USTR acceptance as low, petition filers are strategic actors who seek to efficiently allocate their limited staff and material resources. This suggests that the success rate of filed petitions should be relatively high; indeed, it is greater than fifty percent. Therefore, we can treat petition filing as the first part of a two-stage process. In the analyses that follow, we employ a Heckman probit model, explaining first petition filing (the selection equation).

\textsuperscript{47} For instance, one interviewee argued that Bangladesh is unconcerned with what the U.S. government says, while Indonesia and Malaysia, as well as many Caribbean and Latin American countries, want to please the U.S. government (Interview, May 2013). This may not affect petition filings, but it may affect the anticipated and realized effectiveness of petitions. In a slightly different vein, Tsogas (2000) argues that the US decision to accept the GSP petition against Chile in the late 1980s, and to suspend its status, was a sort of scapegoating -- intended to signal that the US was willing, in fact, to revoke trade privileges of its allies.
and then whether a petition is accepted (the outcome equation). Both dependent variables are
dichotomous (although one also could think about various ultimate outcomes for accepted petitions:
some lead to additional years of review, while others end in a determination that a government is
taking steps to improve labor rights; and still others end with the suspension of GSP benefits). Our
main focus is on the first stage; hence our discussion of the results below focuses on that stage,
although our results table also includes the outcome equation.48

Our dataset comprises the years between 1985 (when labor-related GSP petitions are first
possible) and 2011. We include all countries that are, by virtue of the GSP program’s parameters and
the USTR’s application of those parameters, GSP beneficiaries. Countries therefore enter and leave
the sample as a result of events – such as exceeding an income threshold – that alter their beneficiary
status. The dependent variable for the selection portion of our analysis is dichotomous, indicating
the filing of a petition (or more than one petition) in a country-year. For the outcome portion of the
estimation, the dependent variable also is dichotomous, indicating whether the USTR’s GSP
subcommittee accepted a petition for review. Rejected petitions are coded as zero.49

In order to assess Hypothesis 1, we include a measure of respect for workers’ rights. Our
main measure of labor rights comes from the Cingranelli-Richards Human Rights Database; it is a
three-point measure (0, 1 and 2), based on coding of U.S. State Department Country Reports on Human
Rights Practices. Values of zero indicate full protection of workers’ rights, while values of 2 indicate

48 We also have explored an alternative modeling strategy, in which we look only at the petition stage (and
assume that considerations regarding the petition fate factor directly into the filing decision). For these
analyses, we employ a logistic regression model using binary cross sectional time series analysis. The results
from these analyses are, in terms of our main independent variables of interest, very similar to those from the
selection models described below. The main difference is that, with some – albeit not all -- measures of
strategic considerations (such as overall US aid flows), there is a negative and significant relationship between
petition filing and importance to US; offering limited support for Hypothesis 3.

49 We do not model what could be seen as the third stage of the process, for those petitions that are accepted
for review. The GSP subcommittee may suspend a country’s status; more often, it continues the review into
subsequent years; it defers a decision until the next review cycle; or it determines that the country is “taking
steps” to respect internationally-recognized labor rights. One certainly could model this stage as well.
the greatest level of labor repression. While this measure does not capture a great deal of the variation in labor rights that one might expect to observe, it has the advantage of being available for the entire period of our sample, and for a broad range of countries. While we use this as the most direct indicator of labor rights outcomes, we also employ other measures in additional specifications—the Mosley-Uno measure of collective labor rights (Mosley 2011), as well as measures of human rights (physical integrity rights) more broadly. In addition to testing the effect of the previous year’s CIRI score on petition likelihood, we also assess the effect of a country’s accumulated (three or five year moving average) labor rights record.

To capture the impact of economic ties between the US and each beneficiary country, we consider the country’s trade (as well as investment) relationship with the U.S. The primary indicator we use is the volume of imports to the US from the beneficiary (or, put differently, the volume of exports from the beneficiary to the US). In the main model we report, we use a logged measure of all imports, rather than only those covered by the GSP program; the latter measure is available only from 1996, which greatly constrains our sample. The basic notion behind the total imports measure is that it captures the importance of a given beneficiary as a source of goods and services for US firms and consumers; this allows us to gauge the extent to which a suspension of or reduction in trade would be costly to actors within the United States, as well as to exporters in the beneficiary nation. In other model specifications, we employ alternative measures of economic ties. These include U.S. exports to a beneficiary (capturing the importance of the beneficiary as a destination for US products; this is highly correlated with imports, at .85); U.S. imports under the GSP program (0.69 correlation with imports); and US FDI stocks in the beneficiary (0.79 correlation with imports).

Turning to our third set of independent variables, we measure strategic importance to the United States as a function of U.S. foreign aid flows. A large literature suggests that bilateral aid
flows are motivated by strategic considerations; hence, foreign aid (e.g. Stone 2002) is a useful proxy for the U.S. government’s political and strategic interest in a country. Should activists avoid filing cases against strategically relevant nations, we will observe a negative link between this variable and petition filing (Hypothesis 3). As alternative measures of strategic importance, we employ a measure of bilateral military aid; the S-Score (see Signorino and Ritter 2009), which captures the overlap in alliance profiles between the US and each beneficiary nation; and a measure of affinity based on key votes in the UN General Assembly.

We include our chosen indicator of labor rights, of economic ties, and of strategic importance in both the outcome and the selection equations. Note that the logic presented in Section II also may imply interaction effects: perhaps it is not only that labor rights violations matter directly, but also that the response to labor rights violations is conditional on either the economic relationship with the U.S. or the strategic ties to the U.S. To assess this possibility, we estimate additional models with interactions between US imports from the target country and the CIRI score, as well as between the CIRI score and foreign aid.

In each of the estimations, we also include a number of control variables, which we expect are relevant to each stage. In the selection (petition filing) equation, we include a country’s level of economic development (GDP per capita), the ideology of the U.S. executive branch (where one might expect Democratic administrations to be more favorably disposed to labor rights-based petitions), and the number of previous petitions (to account for the fact that experience in filing may lower the costs for interest groups of future filings). Our selection equation also includes a dummy variable for Latin America, given the use of the GSP mechanism in that region especially from the mid-1980s to early 1990s. In order to ensure that we include a measure that arguably affects selection but not the outcome (to satisfy the exclusion restriction), we include a dichotomous measure of whether a given country participates in one of three other US trade preference
agreements – AGOA (Africa Growth and Opportunity Act); ATPA (Andean Trade Preference Act); and Caribbean Basin Initiative (CBI). Our rationale for doing so is that participation in these agreements raises the stakes for losing GSP status: typically, a loss of GSP status leads to a loss of privileges under these other agreements. Since these agreements are often broader in their product coverage (for instance, including some apparel and textiles), we might expect that anticipated petition effectiveness is greater for these countries (also see Nolan 2011). At the same time, though, these programs are broad enough in their country coverage that we do not expect them to indicate strategic or economic importance, and therefore to affect the fate of petitions, once filed.

In the outcome equation, we again include as controls income per capita, U.S. executive ideology, the Latin American dummy variable and the number of petitions filed in previous years. In addition, we include an indicator of the number of petitions filed in that specific year; we expect that, when multiple petitions are filed against a country, the USTR subcommittee is more likely to come under outside pressure to accept a petition and engage in a full review. We lag each of the theoretically important (worker rights, economic ties, and strategic considerations) independent variables by one year, and we logarithmically transform the variables where appropriate (see the Data Appendix).

Table 1 reports the results of five of the Heckman probit models we estimate. The upper half of the table includes reports from the selection stage, while the lower half includes reports from the outcome stage. Model 1 represents our main variables of interest, and it suggests that, indeed, worse workers’ rights outcomes increase the probability of petition filing (or, given that higher values of the CIRI score represent worse workers’ rights outcomes, better outcomes reduce the probability of filing, as represented by the negative coefficient estimate). The results also indicate that, when a country exports more to the United States (captured in this model by the logged value
of US imports from the partner country), interest groups are more likely to file a petition. Hence, our results are consistent with the argument that greater export activity to the US provides interest groups with greater perceived leverage, making the GSP petition process more appealing to them. This result also is consistent with the possibility that higher import penetration prompts interest groups – especially those representing U.S. workers – to use the petition process as a route to trade protection. Hence, this result allows for the possibility that interest groups’ “moral” claims (protecting workers’ abroad) also may have a material motivation (protecting U.S. jobs at home).

Turning to a country’s strategic ties with the United States, our results do not support Hypothesis 3. While countries that receive greater aid are less likely to have petitions filed against them, the coefficient estimate does not (in any of the models) approach statistical significance. At the same time, previous petition activity does serve to significantly predict petition filing in a given year, suggesting that interest groups experience a lower cost of filing where they already have developed knowledge of the labor situation in a given country, or links to labor groups in that country. The other consistently significant variable in the selection equation is the country’s level of economic development: all else equal, higher income beneficiaries are less likely to have petitions filed against them. This also may indicate that human and labor rights violations are more common in the poorest nations, or that these nations tend to do little exporting to the United States, perhaps making them less attractive targets for the petition process. The remaining independent variables – US presidential ideology and participation in one of three US trade preference agreements – do not significantly predict petition filing.

In Models 2 through 5, we consider alternative measures of our main variables of interest. In Model 2, we substitute the Mosley-Uno collective labor rights measure for the CIRI score. While this reduces the time scope of our analysis (that measure currently ends in 2002), this measure also significantly predicts petition filings. In other estimations, which we do not report, we use a three or
a five year moving average of the CIRI score as our main measure of labor rights. The three year moving average is, like our main CIRI measure, strongly and negatively associated with petition filing; while the estimate on the five year CIRI average is negative but not statistically significant at conventional levels.

Model 3 reports the analysis with a different measure of the economic relationship with the US in a given country-year. Here, we use the logged value of GSP-covered US imports. Note that this variable is available only from 1996, so this model contains significantly fewer observations. While the results again suggest that greater workers’ rights violations are more likely to generate petitions, all else equal, they do not reveal a significant link between GSP imports and petition filing. Hence, if economic relationships serve to generate leverage in the petition process, this comes via broader material ties, rather than via the GSP program specifically.\footnote{Note that, when we restrict the time coverage of Model 1 to the same period as Model 3 (1996-2011), we find that the relationship between petition filing and overall US imports remains. The difference in the results, then, appears driven by the GSP imports versus overall imports indicators, rather than by the years included in our sample.} We do not report, but also did estimate, models with US exports as the measure of economic ties. Again, the indicator is positive and statistically significant. When we instead use U.S. FDI outflows, capturing the importance of the target as a location for US investment, this measure is not significantly linked with petition filing.

The signs and significance of the various other regressors remains similar to Model 1. In Model 4, we turn to an alternative measure of strategic interests, using a measure of affinity between the US and the target country on key votes in the UN General Assembly. In other specifications, we employ the similarity of alliance portfolios between the US and a given country in each year (the S-Score), or the log of military aid flows from the US to the target. Neither of these measures is significantly associated with petition filing.

The final model reported in Table 1 includes an interaction term, which seeks to assess the extent to which the effect of labor rights and economic ties are conditional on one another. For
instance, are groups more likely to respond to poor labor conditions where economic ties are stronger? Model 5 suggests that, when workers’ rights are well-respected (when the CIRI score is zero), a high level of imports make petition filing more likely. At the same time, however, the coefficient on the interaction term is not statistically significant, providing little evidence for a conditional effect. When we instead test for the conditional effects of labor rights on US strategic ties, the interaction effect also is statistically insignificant, and its inclusion does not affect the substance of the other results.

In another set of analyses, we assess whether the effect of labor rights outcomes on the propensity to file petitions depends on the level of political repression in a country. As we discuss above, we might expect that, in more politically repressive regimes, interest groups worry that filing petitions (despite labor rights violations) will endanger activists, or that they will not be able to gather sufficiently detailed information to support their petition. Our statistical results, however, do not offer support for this expectation: the impact of workers’ rights on the petition filing process is not conditional on the level of civil or political rights in a target nation.

Given the time series cross sectional format of our dataset, we also estimate our models using a cross-section time series probit model, with a random effects estimator. Although we do not report these results in Table 1, the findings are similar to those generated in the selection models above. Similarly, such an estimation strategy for the outcome stage generates results that are substantively similar to what we report in the second half of Table 1.

As we suggest in Section III, our main interest in this paper is the selection stage: we want to identify the conditions under which interest groups choose to file petitions within the GSP process. We do, however, also report estimates from the outcome stage, not least because we assume that interest groups seek to file petitions that will succeed (that is, that will be accepted for review). Of course, many petitions are not accepted for review (87 of 178 petitions in our dataset), so interest
groups either are not perfectly able to anticipate what will happen in the USTR GSP subcommittee review process, or they sometimes file even though they do not expect a petition to be accepted.

In any case, the outcome analyses reported in Table 1 – where the outcome is either “accepted for review” or “rejected” – reveal few systematic patterns. The only indicators that significantly predict the outcome are (sometimes) the Latin American regional measure and the ideology of the U.S. President (where the latter predicts that Democratic administrations are more likely to accept petitions). These results do differ somewhat from Nolan’s (2011) analysis of petitions in the Latin American region; she reports that where U.S. foreign aid flows are greater, petitions are less likely to be accepted. But she also finds no impact of labor rights outcomes or of export dependence on the likelihood that a petition succeeds. Hence, much room remains to unpack the political processes that drive the GSP Subcommittee’s consideration of, and response to, filed petitions.

IV. Conclusion

In this paper, we attempt to explain the strategic decisions by interest groups to use the GSP petition process, as a means of addressing labor rights violations abroad. We compile a dataset of all petition filings since 1985 and, using a selection model, we find mixed support for our hypotheses. More severe labor rights violations predict petition filings, as do stronger economic ties to the United States. Interest groups do not, however, appear to avoid filing petitions against countries that are more strategically important to the U.S. The robust association between economic ties and filing may indicate that interest groups perceive greater leverage via petitions where countries export more to the U.S. (or when U.S. multinationals hold larger investments in their economies). Alternatively, to capture pressures from U.S. importers, we may need a finer-grained measure of beneficiary
countries’ import salience – for instance, whether it involves raw materials for which few substitutes are available – to U.S. firms.

The potential importance of specific sectors and industries in beneficiary countries to U.S. material and strategic considerations also points to another possibility: while the labor-related GSP process focuses on country-level status, GSP beneficiaries also are treated differently at the product level. Not all beneficiaries receive market access in all potential product categories, and many of the petitions received by the USTR concern access to the U.S. market for a particular product or set of products – processed pineapples from the Philippines, for instance. Although U.S. interest groups usually are unable to file such petitions, they certainly can respond to them as interested parties. Some groups may find it more effective to focus their energies as the country-product level, where direct linkages between U.S. firms and investors and labor rights violations can be drawn. Therefore, as Blanchard and Hakobyan (2012) suggest, we might find greater evidence of U.S. domestic political influences on GSP privileges at the product, rather than country-product, level.

Another possibility is that interest groups sometimes file petitions even when they expect such petitions not to succeed – for instance, against countries that are economically important to U.S. firms and investors. Not only might they perceive greater trade-based leverage in such circumstances; they also might see value in “naming and shaming” violators through the public issuance of a petition. These petitions can signal to interest groups’ supporters and allies that they are working hard to address a given labor rights issue, even if the petition process is unlikely to produce improvements in labor rights. We might imagine that filers vary somewhat in their motivations as well. While we treat all filers as the same in this analysis, in future work, we could seek to distinguish among filers; for instance, the AFL-CIO may be more likely to file when a country exports more labor-intensive products to the U.S. (representing a greater threat to
comparatively disadvantaged U.S. workers), while the ILRF may be more likely to file when violations involve not only collective labor rights violations, but also child labor and forced labor.

This, too, suggests another avenue for future research: to what extent do interest groups perceive that some labor issues are easier to pursue via the petition process than others? Might they expect, for instance, that petitions involving more vulnerable populations (children, ethnic minorities) are more likely to be accepted by the USTR subcommittee? Or might they expect that violations involving freedom of association and collective bargaining are easier to address via the GSP process, and therefore a better use of resources, than those involving working conditions or forced labor? While we have not coded petitions based on their substance, we could do so in the future. This would allow us to assess not only the strategies employed by interest groups, but also the extent to which success rates vary across types of claims.

Finally, the U.S. GSP program is not unique: many other developed countries administer similar programs. For instance, the European Union began its GSP program in 1971. The EU’s system allows member governments or any interested individual or party to bring complaints to the European Commission; the Commission then collects comments regarding the complaint. Once the Commission’s review and investigation is complete, it can engage in a dialogue with the government, or recommend the temporary suspension of privileges, subject to approval by the Council of Ministers.

In the mid-1990s, the EU’s program was reformed to address labor rights. Specifically, from 1998, countries with “domestic legal provisions” that gave effect to the ILO’s conventions on freedom of association and collective bargaining (Conventions 87 and 98), and the minimum working age (Convention 138), would receive additional reductions in trade barriers. The reform also included provisions for the withdrawal of GSP privileges from countries that engaged in any form of forced labor (Tsogas 2000). The reductions in trade barriers associated with labor rights
were further expanded in 2006 (the so-called GSP Plus scheme). The EU’s system allows member governments or any interested individual or party to bring complaints to the European Commission; the Commission then collects comments regarding the complaint. Once the Commission’s review and investigation is complete, it can engage in a dialogue with the government, or recommend the temporary suspension of privileges, subject to approval by the Council of Ministers.

Many activists and observers, however, argue that the EU’s labor-related GSP process is even less effective – in terms of improving labor rights – than that of the U.S. (e.g. Tsogas 2000; Interview with AFL-CIO, May 2013). The EU did indefinitely suspend Burma’s benefits in 1997, in response to complaints from the ETUC and ICFTU regarding forced labor; but it failed to take action in response to several other petitions. Indeed, the EU has withdrawn GSP (and GSP+) privileges in response to labor rights violations from only three countries, Belarus, Burma and Sri Lanka.) One certainly could ask, however, whether the EU’s model of incentives and dialogue is more effective than the U.S. model of sanctions (or threats of sanctions, via petition filing). Asking this question directs us to another broader issue, which also is beyond the scope of the current analysis: do governments that are petitioned against, that are placed on continuing review, or that have their benefits suspended experience systematic changes in their labor rights outcomes? Or, put bluntly, does the linking of GSP benefits with labor rights make any difference for workers, ultimately; and when compared with other mechanisms that might improve labor rights, how effective is the GSP process? We hope to address these broader issues in future work on this subject.
Table 1: Heckman Probit Results

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers' Rights</td>
<td>-.170** (.076)</td>
<td>.034*** (.008)</td>
<td>-.248** (.110)</td>
<td>-.264*** (.071)</td>
<td>-.123 (.119)</td>
</tr>
<tr>
<td>Economic Relationship</td>
<td>.173*** (.076)</td>
<td>.165*** (.034)</td>
<td>-.029 (.022)</td>
<td>.151*** (.025)</td>
<td>.146*** (.025)</td>
</tr>
<tr>
<td>Workers' Rights * Econ. Relationship</td>
<td>- .032 (.028)</td>
<td>.023 (.031)</td>
<td>.018 (.034)</td>
<td>.127 (.200)</td>
<td>- .024 (.022)</td>
</tr>
<tr>
<td>Strategic Importance</td>
<td>-.032 (.028)</td>
<td>-.023 (.031)</td>
<td>.018 (.034)</td>
<td>.127 (.200)</td>
<td>- .024 (.022)</td>
</tr>
<tr>
<td>Previous Petitions</td>
<td>.111*** (.014)</td>
<td>.122*** (.019)</td>
<td>.156*** (.016)</td>
<td>.114*** (.014)</td>
<td>.114*** (.014)</td>
</tr>
<tr>
<td>US Executive Ideology</td>
<td>-.102 (.111)</td>
<td>-.261** (.125)</td>
<td>.043 (.131)</td>
<td>-.099 (.118)</td>
<td>-.021 (.101)</td>
</tr>
<tr>
<td>GDP per capita (log)</td>
<td>-.165*** (.062)</td>
<td>-.032 (.072)</td>
<td>-.055 (.074)</td>
<td>-.115** (.052)</td>
<td>-.096* (.053)</td>
</tr>
<tr>
<td>Latin America</td>
<td>.155 (.143)</td>
<td>-.217 (.182)</td>
<td>-.035 (.197)</td>
<td>.062 (.136)</td>
<td>.077 (.136)</td>
</tr>
<tr>
<td>US Trade Preferences</td>
<td>.006 (.126)</td>
<td>.050 (.163)</td>
<td>-.178 (.154)</td>
<td>.052 (.127)</td>
<td>.023 (.131)</td>
</tr>
<tr>
<td>Constant</td>
<td>-.857 (-2.353)</td>
<td>-.164 (-1.164)</td>
<td>-.1465 (-1.465)</td>
<td>-.1680 (-1.680)</td>
<td></td>
</tr>
</tbody>
</table>

Outcome Equation

| Workers' Rights    | -.146 (.256)       | -.009 (.018)                       | .095 (.302)                          | -.053 (.350)                       | -.960 (.679)             |
| Economic Relationship | -.022 (.140)      | -.081 (.068)                       | .055 (.059)                          | -.138** (.082)                     | -.060 (.106)             |
| Workers' Rights * Econ. Relationship | -.113 (.094) | -.043 (.057)                        | -.083 (.071)                         | .033 (.403)                        | .179** (.099)            |
| Strategic Importance | -.364 (.368)     | -.320 (.289)                       | -.444 (.570)                         | -.318 (.396)                       | -.376 (.357)             |
| Number of Petitions | -.031 (.556)      | -.045 (.030)                       | -.044 (.071)                         | -.046 (.055)                       | -.043 (.050)             |
| Previous Petitions | .390 (.270)       | .402** (.204)                      | .153 (.309)                          | .522 (.397)                        | .587 (.383)              |
| US Executive Ideology | -.202 (.269)     | -.030 (.128)                       | -.251 (.215)                         | -.111 (.233)                       | -.248 (.244)             |
| GDP per capita (log) | .526** (.257)   | -.384 (.241)                       | -.1014 (.774)                        | -.499 (.382)                       | -.579** (.330)           |
| Latin America      | - .526** (.257)   | -.384 (.241)                       | -.1014 (.774)                        | -.499 (.382)                       | -.579** (.330)           |
| Constant           | 5.520 (3.70)      | 4.722 (3.786)                      | 4.306 (4.306)                        |                                  |                         |
| N of Obs.           | 1886 (1424)       | 1289 (1289)                        | 2194 (2194)                          | 2267 (2267)                        |                         |
| Log Likelihood     | -458.286 (-326.336) | -253.6986 (-519.486)              | -525.826 (-525.826)                  |                                  |                         |

***p>0.01; **p>0.05; *p>0.10
Data Appendix


**Asia-Pacific Trade Agreement (APTA):** This dummy variable captures member-states of the Asia-Pacific Trade Agreement. Available at [http://www.unescap.org/tid/apta.asp](http://www.unescap.org/tid/apta.asp)


**Current Account Balance (% of GDP):** This variable measures the sum of net exports of goods and services, net primary income and net secondary income. This variable is taken from the World Bank Development Indicators Database. Available at [http://data.worldbank.org/data-catalog/world-development-indicators](http://data.worldbank.org/data-catalog/world-development-indicators)


**GDP:** This variable measures the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. This variable is taken from the World Bank Indicators Database. Available at [http://data.worldbank.org/data-catalog/world-development-indicators](http://data.worldbank.org/data-catalog/world-development-indicators)

**GDP Growth (annual %):** This variable measures the annual percentage growth rate of GDP at market prices based on constant local currency. This variable was taken from the World Bank Development Indicators Database. Available at [http://data.worldbank.org/data-catalog/world-development-indicators](http://data.worldbank.org/data-catalog/world-development-indicators)

**GDP Per Capita (current US$):** This variable is the gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. This is taken from the World Bank Development Indicators Database. Available at [http://data.worldbank.org/data-catalog/world-development-indicators](http://data.worldbank.org/data-catalog/world-development-indicators). We use the logarithmic transformation of this variable.

**GDP Per Capita (constant 2005 US$):** This variable is the gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. This variable is taken from the World Bank Development Indicators Database. Available at [http://data.worldbank.org/data-catalog/world-development-indicators](http://data.worldbank.org/data-catalog/world-development-indicators). We use the logarithmic transformation of this variable.
GDP Per Capita Growth (Annual %): This variable measure the annual percentage growth rate of GDP per capita based on constant local currency. This variable is taken from the World Bank Development Indicators Database. Available at http://data.worldbank.org/data-catalog/world-development-indicators

Geographic Location: Countries are categorized in one of the following regions: Middle East-North Africa, Sub-Saharan Africa, Latin America and Caribbean, Asia, Oceania, Eurasia, Eastern Europe, Western Europe, and North America. This distribution list of countries by regions list was taken from the U.S. Department of State. Available at http://www.state.gov/s/inr/rls/4250.htm. In the analyses reported in the paper, we use only the Latin America and Caribbean variable.

GNI Per Capita, PPP (Constant 2005 international $): This variable measures the gross national income (GNI) converted to international dollars using the purchasing power parity rates. This variable is taken from the World Bank Development Indicators Database. Available at http://data.worldbank.org/data-catalog/world-development-indicators. We use the logarithmic transformation of this variable.

Labor Rights: The overall collective labor rights score in six broad categories: freedom of association and collective bargaining-related liberties; the right to establish and join worker and union organizations; other union activities; the right to bargain collectively; the right to strike; and rights in export processing zones. Higher values indicate more violations of collective labor rights. Available at http://thedata.harvard.edu/dvn/dv/lmosley

Number of Petitions: This variable measures the total number of country practice petitions filed by organizations against a GSP beneficiary member country in a given year.

Petition Outcome: This variable captures the decision made by the USTR on a country practice petition, in terms of whether to accept or reject a petition. It is a dichotomous measure. The authors coded this variable, using information from the Federal Register, as well as from Compa and Vogt (2001), Frundt (1998), Nolan (2011), and Teitelbaum (2012).

Petition Filing: This variable measures if an organization filed a country practice petition based on labor rights violations against a GSP beneficiary member country. It is a dichotomous measure coded by the authors, using information from the Federal Register, as well as from Compa and Vogt (2001), Frundt (1998), Nolan (2011), and Teitelbaum (2012).

Previous Petitions: This variable measures the number of petitions filed against a GSP beneficiary member country, since the beginning of the labor-related petitions process (1985). Coded by the authors.

Physical Integrity Rights: This is an additive index constructed from the torture, extrajudicial killing, political imprisonment, and disappearance indicators. It ranges from 0 (no government respect for these four rights) to 8 (full government respect for these four rights). This variable was taken from the Cingranelli-Richards Human Rights Database. Available at http://www.humanrightsdata.org
Political Terror Scale: This variable measures the levels of political violence and terror based on a 5-category “terror scale.” This variable ranges from 1 (low level of political terror) to 5 (high level of political terror). This variable is taken from the Political Terror Scale Database. Available at http://www.politicalterrorscale.org

Regime Type (Freedom House): This variable measures the level of political rights and civil liberties. It ranges from 1 (strongly government respect for political rights and civil liberties) to 7 (poor government respect for political rights and civil liberties). This was taken from Freedom House. Available at http://www.freedomhouse.org

Regime type (POLITY): This variable measures the level of democracy. It ranges from +10 (strongly democratic) to -10 (strongly autocratic). This variable is taken from the 2012 update of the POLITY IV database. Available at http://www.systemicpeace.org/polity/polity4.htm

Strategic Alliance Relationship: The S-score is a measure of alliance portfolio similarity between the US and the selected country. It ranges from zero (low alliance) to one (strong alliance). This measure is available via EUGene (Bennett and Stam 2000).

U.S. Imports (US Historical Dollars): This variable measures the total amount of imports that the U.S. has imported from each country. The vast majority of the data are from UN COMTRADE; in some instances, data are taken from the Correlates of War Trade Dataset and the U.S. Census Bureau Foreign Trade Statistics Database. This measure was collected by Robert Galantucci (Ph.D. candidate at UNC). We use the logarithmic transformation of this variable.

U.S. Exports: This variable measures the total amount of imports that the U.S. has exported to each country. The vast majority of the data are from UN COMTRADE and in some instances data are taken from the Correlates of War Trade Dataset and the U.S. Census Bureau Foreign Trade Statistics Database. This measure was collected by Robert Galantucci (Ph.D. candidate at UNC). We use the logarithmic transformation of this variable.

Textiles and Clothing (% of value added in manufacturing): This variable measures the Value added in manufacturing is the sum of gross output less the value of intermediate inputs used in production for industries classified in ISIC major division 3. Textiles and clothing comprise ISIC division 32. This variable is taken from the World Bank Development Indicators Database. Available at http://data.worldbank.org/data-catalog/world-development-indicators

Trade (% of GDP): This variable measures the value of imports and exports relative to the country's GDP. This variable is taken from the World Bank Development Indicators Database. Available at http://data.worldbank.org/data-catalog/world-development-indicators

Trade Agreement Participation: This variable measures if a country participates in one of the following trade preference agreements with the U.S.: AGO, ATPA, CBI. This is a dichotomous measure coded by the authors.

UN Voting Affinity: This variable measures the similarity in voting at the United Nations between the United States and the selected country. The values for the affinity data range from -1 (least similar interests) to 1 (most similar interests). Available at
http://thedata.harvard.edu/dvn/dv/Voeten

**U.S Foreign Aid (Current US$):** Commitment amount of official development assistance from the United States that has been agreed upon to be provided for the duration of the project, often disbursed over the following years. This variable is taken from AidData. Available at http://aiddata.org/aiddata-raw. We use the logarithmic transformation of this variable.

**U.S. Foreign Direct Investment:** This variable measures the total dollar amount of U.S. foreign direct investment in a particular country. U.S. investment direct abroad is defined as either ownership or control of at least 10 percent or more of foreign business enterprise. The data comes in the form of historical-cost position, which measures FDI in terms of the book value of the investment, which in most cases is the initial acquisition price. This variable was taken from the Bureau of Economic Analysis. Available at http://www.bea.gov/international/index.htm#bop. We use the logarithmic transformation of this variable.

**U.S. Military Aid:** This variable measures all military assistance obligations that the U.S. made to a particular country for a given year. The data is in historical or actual dollars. This was taken from the U.S. Overseas Loans and Grants. Available at http://gbk.eads.usaidallnet.gov. We use the logarithmic transformation of this variable.

**U.S. GSP IMPORTS:** This variable measures the total U.S. imports from each GSP beneficiary member, in current U.S. dollars. The data are available only from 1996 to 2011. This variable is taken from the USITC database. Available at http://dataweb.usitc.gov. We use the logarithmic transformation of this variable.

**US Presidential Ideology:** Codes for Democrat (1) or Republican (0) US executives, for each year. This measure was coded by the authors.

**Workers’ Rights:** This variable indicates the extent to which workers enjoy a variety of internationally recognized rights at work including freedom of association, right to bargain collectively with their employers, prohibition on the use of any form of forced or compulsory labor, a minimum age for the employment of children, acceptable conditions of work with respect to minimum wages, hours or work and occupational safety and health. A score of 0 indicates that workers’ rights were severely restricted; a score of 1 indicates that workers’ rights were somewhat restricted; and a score of 2 indicates that worker’s rights were fully protected during the year in question. This variable was taken from the Cingranelli-Richards Human Rights Database. Available at http://www.humanrightsdata.org
References


Anton Strezhnev; Erik Voeten, 2013, "United Nations General Assembly Voting Data", http://hdl.handle.net/1902.1/12379 UNF:5s7mORK1ZZ6/P3AR5Fokkw==


Hainmueller, Jens, Michael Hiscox and Sandra Sequeira. 2011. “Consumer Demand for the Fair Trade Label: Evidence from a Field Experiment.” Manuscript, Department of Political Science, MIT.


