

**BUILDING  
WORKERS' HUMAN  
RIGHTS INTO  
THE GLOBAL  
TRADING SYSTEM**

1999

**FOREWORD** ..... 5

**PART ONE :**

**THE NEED TO PROMOTE WORKERS' RIGHTS IN INTERNATIONAL TRADE AGREEMENTS**

**BASIC WORKERS' RIGHTS IN THE GLOBAL ECONOMY** ..... 7  
**DEFENDING FUNDAMENTAL TRADE UNION RIGHTS** ..... 7  
**SETTING A MINIMUM AGE FOR EMPLOYMENT** ..... 10  
**ENDING DISCRIMINATION IN EMPLOYMENT** ..... 12  
**FREE TRADE OR SLAVE TRADE?** ..... 14  
**THE HUMAN RIGHTS CASE FOR A WORKERS' RIGHTS CLAUSE** ..... 17

**PART TWO :**

**GLOBALISATION, POVERTY AND DEVELOPMENT**

**COMPLACENCY IN THE FACE OF IMPENDING FINANCIAL MELT-DOWN** ..... 19  
     **ASIA** ..... 19  
     **RUSSIA AND THE CIS** ..... 20  
     **LATIN AMERICA** ..... 21  
     **AFRICA** ..... 22  
**TRADE AND DEVELOPMENT** ..... 23  
**TRADE AND THE ENVIRONMENTAL PERSPECTIVE** ..... 24  
**THE TRADE AND GENDER PERSPECTIVE** ..... 26  
**TRADE AND TRANSPARENCY** ..... 29

**PART THREE :**

**THE PROPOSAL FOR A WORKERS' RIGHTS CLAUSE**

**WHY DEVELOPING COUNTRIES WOULD BENEFIT MOST FROM RESPECTING WORKERS' RIGHTS** ..... 31  
**PROMOTING PRODUCTIVITY AND ENCOURAGING COLLECTIVE BARGAINING** ..... 33  
**RESISTING PRESSURE ON NATIONAL SOVEREIGNTY** ..... 36  
**PROTECTING WOMEN'S RIGHTS THROUGH THE WTO** ..... 38  
**TACKLING CHILD LABOUR IN A WORKERS' RIGHTS CLAUSE** ..... 40  
**THE WTO WORKING ALONGSIDE THE ILO?** ..... 42  
**WORKING TOGETHER THE WTO AND ILO COULD GET COUNTRIES TO RESPECT WORKERS' RIGHTS** ..... 44  
**HOW WTO PROCEDURES WOULD DEAL WITH WORKERS' RIGHTS TRANSPARENTLY AND EQUITABLY** ..... 46  
**RESOLVING TRADE TENSIONS IN A CONSTRUCTIVE WAY** ..... 47  
**THE WTO IS THE ALTERNATIVE TO UNILATERALISM** ..... 47

**PART FOUR :****THE CAMPAIGN FOR WORKERS' RIGHTS IN  
INTERNATIONAL TRADE AGREEMENTS**

<b>INTRODUCTION</b> .....	49
<b>THE HAVANA CHARTER</b> .....	49
<b>GATT – THE PROVISIONAL ITO</b> .....	50
<b>THE WTO – A WINDOW OF OPPORTUNITY?</b> .....	52
<b>THE UN SOCIAL SUMMIT</b> .....	53
<b>FROM COPENHAGEN TO SINGAPORE</b> .....	56
<b>THE SECOND MINISTERIAL CONFERENCE OF THE WTO AND THE ILO DECLARATION</b> .....	57
<b>THE GENERALISED SYSTEMS OF PREFERENCES (GSP)</b> .....	58
THE GSP OF THE UNITED STATES .....	59
THE GSP OF THE EUROPEAN UNION .....	59
<b>THE NAFTA SIDE AGREEMENT ON LABOUR</b> .....	60
<b>INTERNATIONAL COMMODITY AGREEMENTS</b> .....	61
<b>CODES OF CONDUCT</b> .....	61
<b>GUIDELINES FOR THE MULTINATIONAL CORPORATIONS</b> .....	65

**PART FIVE :****THE WAY FORWARD**

<b>THE NEXT STEP</b> .....	67
<b>THE RIGHT TIME FOR WORKERS' RIGHTS</b> .....	67
<b>THE MESSAGE</b> .....	69
<b>BUILDING ALLIANCES</b> .....	69
<b>EMERGING AREAS OF CONSENSUS</b> .....	70
<b>THE ILO</b> .....	72
<b>THE NEED FOR DIALOGUE</b> .....	72
<b>THE NEXT WTO SUMMIT: AN OPPORTUNITY TO MAKE PROGRESS</b> .....	75
<b>CONCLUSION</b> .....	77

<b>GLOSSARY</b> .....	79
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<b>USEFUL ADDRESSES</b> .....	80
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Over the past fifty years, the ICFTU has generally supported the process of reducing trade barriers through the World Trade Organisation (WTO) and its predecessor the GATT, while always emphasising the importance of respect for core labour standards to allow freer trade to result in better working and living standards for the world's work force. However, at the present time popular support for trade liberalisation through the WTO is extremely fragile in many countries as evidence of rising social inequalities mounts and the pace of adjustment in employment accelerates, particularly in the wake of the world economic and financial crisis.

Under such circumstances, the proposals to launch a comprehensive round of trade negotiations at the third WTO Ministerial Conference in Seattle face considerable difficulties. Despite the general support of industrialised country governments, prospects for a new round are far from assured. The majority of governments of developing countries remain unconvinced of the value of a new round. In addition, many trade unions as well as major and influential non-governmental organisations (NGOs) are concerned that trade liberalisation has exacerbated income inequality and undermined democratic decision-making mechanisms by national governments. Many of the organisations which campaigned against the OECD sponsored Multilateral Agreement on Investment (MAI) in 1998 are opposing a new round.

In this booklet you will find the ICFTU's proposals for changing the world economy by giving it a genuine social dimension. It contains an extensive description of the ICFTU proposals for linking basic workers' rights to trade liberalization through a workers' rights clause. We explain the rationale for the proposals and answer the critics, we summarize the history of our campaign and we point to the next steps forward in the run-up to the third WTO Ministerial Conference in the USA in December 1999.

The ICFTU Campaign on Labour Standards and Trade focuses on a short list of basic human rights at work. Aimed at preventing repression, discrimination, forced and child labour, they are fundamental rights which all countries regardless of their level of development can and should apply. With these rights, the cruellest forms of exploitation are addressed and workers have a voice, an opportunity to have their say about their working conditions. It is a simple but powerful demand that anybody who professes to believe in democracy and

human rights can accept. But these rights are all too often abused, and as a result legitimate grievances and aspirations are suppressed.

I hope this booklet will be widely read by trade unionists and all who are interested in ensuring that the world economy is founded on fair rules as well as competition. Our arguments are making headway, even though a lot of work still needs to be done to convince those who have genuine doubts about the workability of our ideas. We must build on and strengthen the acknowledged competence of the International Labour Organization on labour standards as emphasised in the Declaration of Fundamental Principles and Rights at Work adopted by consensus at the 1998 ILO Conference. We must break down the barriers which separate the world of commerce from the everyday concerns of working people.

1999 will be the year when governments prepare for a new round of trade negotiations, which could be decided at the Ministerial Conference in December 1999. They will not get far if they do not take heed of workers' fears that globalization is for a rich few and promises only more insecurity for working people. They will not get far if they do not address the need for the world trading system to promote the development of developing countries and to ensure that world trade is environmentally sustainable. This booklet shows how the international community can begin to respond to the needs and aspirations of hundreds of millions of working people in the developing and the industrialised countries for a say in their future.



Bill Jordan  
General Secretary  
ICFTU

## PART I

### CHAPTER ONE: THE NEED TO UPHOLD WORKERS' RIGHTS IN INTERNATIONAL TRADE AGREEMENTS

#### BASIC WORKERS' RIGHTS IN THE GLOBAL ECONOMY

Until late 1997, trade, investment and economic growth were all booming, according to the world's leading economic institutions the International Monetary Fund (IMF), the OECD and the World Trade Organization (WTO). Globalization of the world economy was stimulating massive investments by transnational corporations (TNCs) which acted as a dynamo to produce more jobs and higher profits worldwide. The onset of the Asian crisis put an end to this illusion. And somehow, the experiences of individual workers never corresponded to this rosy view of world developments. Poverty and inequality had been on the increase in the developing world for a long time and growing insecurity and mass unemployment had scarred the industrialized world for two decades or more.

These contradictions have a simple explanation - we are seeing a worsening of the two-tier economy, with the divisions between rich and poor widening as income distribution worsens everywhere. The world economy is producing wealth and dividends for some but poverty and insecurity for many others.

The recent financial and economic crisis has led to social turmoil in several Asian countries and shown the weakness of simply pursuing economic growth which does not take the needs and demands of civil society into account. It has led to a serious questioning of the process of economic growth without a social dimension.

Yet experience to date shows that the only answer countries can find seems to be more of the same. Governments, made increasingly desperate to increase their countries' exports and attract foreign investment after the Asian crisis, are finding themselves in a buyers' market dominated by companies who can name their price. And that price all too often includes cheap labour, low standards and no trade unions. Too much of global competition seems to take the form of governments competing for the attention of companies, rather than enterprises competing for the attention of consumers.

#### DEFENDING FUNDAMENTAL TRADE UNION RIGHTS

The most recent edition of the ICFTU's Annual Survey of Trade Union Rights shows that 132 trade unionists were murdered in 1998. There

is no doubt that many of these murders took place as a result of governments' failure to protect trade union rights and, in some cases, with the tacit agreement of certain governments. Trade unionists in Colombia, where 98 of their colleagues were killed during the year, say that the security forces were implicated in many of the killings. They add that violence against union members was never investigated.

The persecution of trade unionists in Colombia is extreme but not unique. It is merely one example of a pattern listed throughout the Survey: workers carrying out normal trade union activities are accused of threatening the country's economic progress, and then find themselves the victims of repression by their own governments, by paramilitary forces or by company thugs. In many countries, the trade union movement's scope of action is being steadily curbed by batteries of new laws, special powers, and so-called "labour code reforms", with trade unionists being treated as criminals and accused of sabotage, subversion, and even terrorism. These accusations are used to justify repressive legislation against trade unions, or the persecution of individual trade unionists. The Survey records over 1650 cases of union members being harassed or injured in 1998, 3660 being arrested, and a massive 21,427 sacked for trade union activities recognized in international law and codified by the International Labour Organization. Each year the numbers of countries violating trade union rights is increasing - the 1998 total stood at 119 countries.

Some countries will not tolerate free trade unions at all. China is now a powerful player on the global economic stage, with many experts predicting it will have the biggest economy in the world within the next 25 years. There are 153 million manufacturing workers in southern China alone powering an economy unencumbered, as the regime would see it, by any kind of independent voice demanding higher standards or fair wages. Many factories in China are run by the army, and the country has an extensive system of forced labour camps where labour is unpaid. It is difficult to see how any other government could compete with that, no matter how tightly it restricted workers' rights.

Yet that is what many governments seem to be doing, especially those who are competing for foreign investment. Throughout the world, governments are investing heavily in Export Processing Zones (EPZ), and touting them as sources of cheap, mainly female labour where unions are often suppressed. Some Asian leaders have tried to portray trade unions as alien institutions that are threatening Asian culture - though this is not a view their citizens seem to agree with, whenever they have the liberty to organize free trade unions. In Central and Eastern Europe, there is widespread hostility to trade unions, with governments designing labour laws so as to frustrate, rather than encourage collective bargaining, and to place limits on trade union activity.

#### THE MALAYSIA REPORT

The ICFTU report on Malaysia's respect of core labour standards made damning reading. It said that Malaysia was using union busting tactics as a clear plank in their export policy. The employment of young women, who could be more easily threatened, and immigrant workers who were badly treated were also aspects of the government strategy.

In 1992, the Prime Minister, Dr Mahathir Mohamad emphasised that the low labour costs in this industry were a comparative advantage for any country wanting to attract foreign investment.

In the electronics industry, which is Malaysia's biggest export industry, accounting for 40% of Malaysia's exports, workers have been denied the right to organise a national union since the early 1970s. Here, the mainly young women workers are employed by companies from Japan, Chinese Taipei, the US and European countries, as well as Malaysia itself. 83% of workers in Malaysia's free trade zones are women, with an average age of 21.7 years. In the main they perform the low-skilled jobs in the zones. Because of their youth, and the lack of trade union support, they can be more easily bullied to accept poor working conditions and low pay.

Motorola, the country's biggest electronics' manufacturer, is reputed to have sent company spies to meetings organised by the Malaysia Trade Union Confederation, and workers were threatened with dismissal if they joined.

Workers in the textile and footwear sector, where 29% of the workers were migrants, sometimes have to work up to 54 hours nonstop to complete orders. Many of these workers complained of exhaustion, lack of sleep, illness and cancerous dyes in the workplace.

Multinational companies use migrant workers as cheap labour. Nike, which operates a "Memorandum of Understanding" and a "Code of Conduct" stating that neither Nike or its subcontractors would on the basis of race or ethnic origin, paid its migrant workers from Bangladesh lower wages and gave them fewer benefits than local workers.

The ICFTU's report made clear that the government was pursuing an export policy, particularly in the electronics industry based on low wages and poor conditions to attract multinationals. And when the government attempted to relax this policy once in the early 1990s, multinational companies threatened to pull out in order to prevent unions. The government hastily reimposed its curbs on union activity.

Malaysia's general non-respect for core labour standards which it had agreed to respect at WTO meetings undermines the credibility of the WTO as a rules-based multilateral market system.

An important part of the explanation for this downward pressure on trade union rights is the global competition for trade and investment. Rather than trade being the well-spring for the improvement of living and working conditions through the resources provided by higher exports, it is all too often the source of misery as governments actually reduce workers' rights out of their belief that minimising labour costs is the best way to attract foreign investment and compete suc-

cessfully with countries such as China. This “beggar-thy-neighbour” competition has effects on all countries, including the industrialized, but it goes without saying that the countries most affected are those developing countries genuinely seeking to protect workers’ human rights and raise basic living standards, for these are the countries most vulnerable at the margin to being forced out of the world market, particularly if multinational companies close down production in order to move to a cheaper location.

It’s hurting, but is it working? Ironically, despite so many governments’ efforts to emulate the EPZ model of development, its long-run success is far from proven. According to the OECD, countries that suppressed union rights did not improve their economic performances in the long term, and “concerns expressed by certain developing countries that core standards would negatively affect their economic performance are unfounded”. The OECD also said that “host countries may be able to enforce core standards without risking negative repercussions on FDI [Foreign Direct Investment] flows”.

The conclusion is irresistible: never was so much inflicted on so many for so little and so needlessly. A workers’ rights clause as suggested by the ICFTU would end this downward spiral in living and working conditions. The international labour standards we propose constitute basic human rights for workers. We do not advocate global minimum wages and working conditions - what we seek to stop is governments trying to gain competitive advantage through the repression, discrimination, and exploitation of workers, and instead to ensure that globalization does result in gains for all workers.

#### SETTING A MINIMUM AGE FOR EMPLOYMENT

Almost every country has laws against child labour, and virtually all have signed the UN Convention on the Rights of the Child, protecting children from exploitation. Many countries respect this Convention as well as ILO Convention 138 on the Minimum Age for Employment and an increasing number are taking steps to enforce their own child labour laws. Some are not, however; and a minority of countries is still prepared to tolerate child labour in the belief that it will give them a competitive edge. Of the 250 million child labourers in the world, at least 15 million are producing goods for international markets, and tens of millions more are making products for sale within the countries where they work.

There is no evidence that child labour does anything other than exploit the children and enrich a handful of unscrupulous employers. The short term gain will easily be outweighed by the long-term damage being done to a country’s skills base if it puts its children in factories

rather than in classrooms. In other words, today’s child labourers are tomorrow’s unskilled and unemployed young workers. Around one billion adults worldwide are today illiterate because they had to work as children instead of going to school.

Opponents of a workers’ rights clause also deploy the same argument in the case of child labour as in the case of free trade unions: they say that child labour is a part of the culture of some countries, and that those who want to get rid of it are trying to impose “Western values”. But child labour is a world-wide problem, as successive reports by the ICFTU and other organisations make clear. It exists throughout Latin America and it exists in North America, Africa, Asia and Europe. There is nothing “cultural” about it. Loving your children and wanting the best for them is not a “Western value”. Families put their children out to work because the family needs their income to survive. In every case investigated by the ICFTU, child labour is found alongside high adult unemployment, low adult wages and violations of union organising rights.

The cruelties inflicted on children who work illegally are well-documented. In Brazil children work in the tin and charcoal industries, where they have to dig by hand for cassiterite, and as debt slaves raking up charcoal. Some of those who have tried to escape have been murdered.

In the Bangladeshi capital, Dhaka, children are locked into garment factories for 10 - 14 hours at a time. Some of them are not even paid, but forced to work for nothing as ‘apprentices’. In Peru, gold prospectors buy child slaves from contractors in the Peruvian Sierra. There are media reports of secret graves of unidentified children in the forests, and children who have escaped tell of the treatment they have received: girls are raped, boys are beaten; they get just one meal a day; there is no medical service and no education; all they do is work. A child from a carpet factory in the Indian state of Rajasthan described the primitive medical care he and his friends received. The employer would put turmeric paste on their fingers if they got cut. Not for any medical reason – but to stop blood dripping on the carpets.

.In the United Kingdom unions found that 20% of 11 year olds and 25% of 12 year olds work, and 1.5 million children are thought to be working illegally.

All these and countless other examples point to a multilateral world problem that cannot be solved by unilateral action alone. This is not to say that specific initiatives have no value; the ICFTU, the International Trade Secretariats, and individual trade unions and

national centres are all involved in and committed to projects designed to stamp out specific instances of child labour. But all these initiatives risk being undermined by the few countries who turn a blind eye to child labour for sake of short-term competitive advantage.

The most effective way to protect children would be through a workers' rights clause that would remove the competitive advantage from using child labour. Countries where no effort is made to stop the abuse and exploitation of children would become outcasts from the world trading system – no more than they deserve - while those who are trying to work their way out of poverty and eliminate child labour at the same time would be given help.

The workers' rights clause would also help eradicate child labour because it would protect and encourage free trade unions. Trade unions have a daily presence at the work place which ensures that child labour will not be used. Exploitation of any sort flourishes where organizing rights and collective bargaining rights are weak.

#### ENDING DISCRIMINATION IN EMPLOYMENT

All over the world, in both industrialized and developing countries, women workers have become the main victims of unemployment; they are often confined to the jobs requiring the lowest skills; and most still do not receive equal pay for work of equal value, or even equal pay for equal work. And most of the workers in the new bastions of the global economy – the informal sector, the export processing zones and home working – are women.

Two ICFTU reports in recent years have logged the growing number of women who are working. Women now make up nearly 50% of the world's labour market, and 35% of union members. Their contribution to the economies of developing countries may be even higher because of under-reporting. In Africa alone, the International Fund for Agricultural Development (IFAD) says that women produce 70 per cent of the food.

Yet they have paid a heavy price to get into the labour market. Many governments, after pressure from trade unions and women's groups, have tried to remove inequalities. But their efforts have been undermined by employers who still see women, especially young women, as a source of cheap labour. Many in developing countries rely on labour-intensive industries with a predominantly female workforce to boost their exports. To keep up with international competition, the average wage paid to these women can be half of what men get. Some countries even boast in advertising aimed at attracting foreign investment about the fact that they employ women workers, pointing out that not

only are the women cheap, but they are more docile and less likely to become trade union activists. Some multinationals, keen to escape higher wages, stricter laws and stronger unions in the industrialized world, have been only too happy to take advantage of such opportunities for exploitation.

The main culprits are the factories in the export processing zones – special zones where foreign companies are offered tax breaks and, in many cases, exemptions from labour laws if they invest. On average, 80 per cent of the workers in these zones are women, and in Panama, nearly 95% of them are women. They are subject to a level of abuse, exploitation and humiliation which would cause a public scandal if it happened in the investor's home country. Working conditions in zones are characterised by bullying, unpaid overtime, and often the requirement that the women must undergo a pregnancy test before being hired. Working hours are long and safety protection is usually poor. The discipline is harsh and arbitrary, and sexual harassment is a common problem. The ICFTU report quotes the case of a young Salvadorian woman who died after an attack of gastro-enteritis for which her employer refused her treatment. Another woman working at a Korean factory in the same country was beaten so badly by a supervisor that she suffered a miscarriage.

These women have been forsaken by their own governments. Once they start work in the zones, they are often beyond the protection of their national laws. Nor do they find it easy to protect themselves. Trade unions are nearly always denied access to the zones, and women who try to join or form unions face, at best, dismissal, and, at worst, persecution. For example, in the San Pedro de Marcoris EPZ in the Dominican Republic, Ingrid Bastado and Carmen Rosaria tried to set up a union in a textile factory. Their initiative did not go unnoticed, as one night they were attacked with clubs, leaving them seriously wounded. Ingrid Bastado was pregnant.

Countries with higher standards cannot hope to compete fairly with the export processing zones. Whatever advantage the zones bring is only temporary: South Korea, for example, once benefited from its low wages, but it soon found itself undercut by workers in countries like Indonesia, China, Sri Lanka or Vietnam. The only real winners in this game are the transnational corporations which can move from country to country as soon as the going gets too expensive.

This is a problem that will have to be tackled internationally by a workers' rights clause. Nearly all the countries in the world have signed up to the ILO convention on discrimination in employment. Nearly all of them were represented at the United Nations Fourth World Women's Conference in Beijing in 1995. There is a clear inter-

national commitment to ending the injustices inflicted on women; and a clear need to end the unfair competition that is threatening to undermine what has already been achieved, and what women in many countries are striving to achieve.

A workers' rights clause would help women to join together in trade unions to protect themselves; and it would make it clear to every country and every transnational corporation that exploiting women was no longer economically viable.

### FREE TRADE OR SLAVE TRADE?

The media image of the global economy is of a technology-driven, high-production free market gearing itself up for the 21st century. But how free is a market that tolerates forced labour?

In August 1998 the International Labour Organisation published a report *Forced Labour in Myanmar (Burma)*. The 400 page report, which was the result of a two year investigation, showed widespread and systematic use of forced labour by Burma's ruling military junta, and concluded that the violations were so serious as to constitute crimes under international law.

The ICFTU and Amnesty International were able to corroborate the report's findings with film footage shot clandestinely inside Burma, which showed children and women unloading heavy sacks of cement from a barge, building roads under soldiers' supervision in Rangoon, working on an irrigation site in Mandalay City, as well as men displaying horrendous scars suffered after extended portering for the army in the Burmese jungle. All people carrying out this work did so as slaves.

The ILO's report also charged that the practice of forced labour often gives 'rise to extortion of money ... threats to the life and security and extrajudicial punishment of those unwilling to comply, which could range from money demands to ... beatings, torture, rape and murder'.

Since 1994, Burma's military dictatorship, the State Law and Order Restoration Council (SLORC) has been building a railway line that will connect the town of Ye in the southern part of Mon state, to Tavoy. The railway will be used to transport troops to and from a pipeline linking huge natural gas deposits in the Gulf of Martaban with customers in Burma and Thailand. The pipeline itself is alleged to have been built under similar conditions. Thousands of villagers have been thrown off their land to make way for the pipeline, and thousands of others have been press-ganged into working on the project. The total value of the project is estimated at over \$12 billion.

Foreign companies involved include the French-based TOTAL-FINA, and the US-based UNOCAL.

The workers are supervised by armed guards. They have to forage for their own food and firewood. Hundreds have died of cholera, and countless others have been beaten and tortured by the guards.

Following the publication of the ILO report, the ICFTU once more called on multinational companies to disinvest from the country as long as the army remained in power, as they could no longer claim ignorance of Burma's disastrous human rights' record.

### PAKISTAN, BURMA AND THE EUROPEAN UNION'S GSP

Pressure by the ICFTU and the ETUC persuaded the European Union to attach a workers' rights clause to its Generalized Scheme of Preferences (GSP), in effect since 1995. This provides further scope for European trade unions to co-operate with trade unions in developing countries on ICFTU campaigns to improve labour rights. In June 1995, the ICFTU and the ETUC, along with the textile workers' international, the ITGLWF and its European section the ETUC/TCL, submitted a complaint under the European GSP over the use of forced labour in Pakistan and Burma. As a result Burma has had its tariff preferences withdrawn

However, the European Commission has not set up a similar investigation into Pakistan, partly because its government has spared to effort to try and block an investigation using a combination of diplomatic pressure and disingenuous responses to the trade union investigations. In February 1998 the same trade unions submitted further filmed evidence of enslaved children working in brick kilns and making carpets in Pakistan, but once again the European Commission has declined to take action, citing evidence of willingness on the part of the Pakistani government to take measures.

These campaigns depend very heavily on the commitment and courage of the unions in the producer countries. The Pakistani trade unions operate under a barrage of restrictive legislation. Trade unionists who have worked to free children from bondage have been attacked, and hospitalised as a result. Because the economic stakes are high, unions face accusations of being wreckers and even traitors. Western countries buy 97 per cent of carpets produced in Pakistan, India, and Nepal. In 1992 and 1993, Pakistani exports to the European Union amounted to about 1.7 million Ecus each year. Textile and clothing imports – both sectors where child labour and bonded labour are widely used – account for over 60 per cent of Pakistan's products that benefited from the GSP. The Pakistani trade unions and their allies in other campaigning organizations are taking on powerful vested interests. They deserve and need the backing of the whole international trade union movement.

The free trade unions in Burma face even harsher opposition. Unions are banned in the country itself. The Federation of Trade Unions of Burma operates underground, working in the border areas, and maintaining a secret network of workplace branches. Its activists are under surveillance by the police and the intelligence services and live in permanent fear of arrest and torture.



### CUTTING UP ROUGH

At least 15 million child labourers worldwide are producing goods and services for international markets, and in Sialkot, Pakistan, 15% of the workers in surgical instruments production are children, in an export industry which earns Sialkot \$61.6 million in export revenue. Over 69 million units<sup>1</sup> of surgical goods are exported from Pakistan every year, mainly to OECD countries, with the USA as the largest importer. The surgical instruments are stamped out of sheets of steel imported from France, the United Kingdom, Germany and Japan.

In May 1998, international trade unions released video evidence showing children crouching in cramped workshops, grinding scissors, and polishing, cutting, and filing other surgical instruments, without any protection.

The child workers, all of whom were boys, said that they had had minimal schooling, and had been working for several years.

International trade unions are working together to fight child labour in this industry. The International Metalworkers' Federation is supporting its Pakistani trade union affiliates in their efforts to organise adult workers in the industry, to bargain for fair wages, and for safe working conditions. In a co-ordinated campaign by the Public Services International (PSI), unions in the health sector are taking the issue up with health purchasing authorities around the world. The PSI is calling on the major companies in the sector to help deal with the problem, and to give preference in supply contracts to local companies which join the effort to stop the exploitation of children. Pakistani trade unions are now taking steps to organise adult workers in the sector and to help rehabilitate the children, working with the ILO and other agencies.

Burma is an extreme case, but it is not the only offender. Forced labour exists in Latin America, Africa, the Middle East and elsewhere in Asia. In 1993, the ILO said that "Pakistan is beset with some of the most critical problems in the world in terms of forced labour". Forced labour is used in several sectors, including the brick kilns (where whole families are enslaved), carpet-weaving, shoe-making and agriculture. The problem is caused by a loan system, known as bonded labour, under which outstanding debts bind the creditor to the debtor. The interest is so high that the debt is passed on through generations, and in fact, is never paid off. The employer gets free labour not just for life but for several lives, with whole families working to repay the debt.

Several of the products made using this kind of labour find their way onto world markets, and it is the international connection that enabled the trade union movement and human rights groups to take action.

In the cases of Burma and Pakistan, the ICFTU, the relevant International Trade Secretariats and the European Trade Union

Confederation (ETUC) have framed complaints about forced labour under the European Union's Generalized System of Preferences (GSP). This allows preferential access to certain goods from developing countries into the EU's markets, and makes such access conditional upon respect for basic workers' rights as set out in ILO conventions. As a result of the trade union complaint, Burma was formally suspended from the European Union's GSP in March 1997.

Withdrawal or the threat of withdrawal of GSP benefits can contribute to eradicating forced labour. But in a global economy, any such system has to have global coverage.

Burma's efforts to secure its membership of the Association of South East Asian Nations (ASEAN) show how international approval does matter to repressive regimes. Other ASEAN countries argued that the SLORC would modify its behaviour after joining the club. But the opposite has happened. The ICFTU says that it has treated its membership as a "license to increase repression", sentencing an activist of the Free Trade Unions of Burma (FTUB) to life imprisonment on trumped-up charges of terrorism and other pro-democracy activists to long jail terms.

A workers' rights clause would turn countries like Burma into outlaw states. But it would have enough flexibility to help countries that were genuinely trying to deal with the problem of forced labour, while removing the economic incentives that make forced labour so attractive to unscrupulous employers and foreign buyers.

### THE HUMAN RIGHTS CASE FOR A WORKERS' RIGHTS CLAUSE

The moral case for a workers' rights clause is unanswerable. Globalization promises a great deal, but delivers insecurity and cruelty to millions. The world cannot tolerate an economic system that depends on repression for profit; that exploits children and young women; and that makes slavery a sound business option. A workers' rights clause would create the potential for a different future, one that creates a basis for really achieving workers' rights and economic development and growth on the basis of respect for human rights and improvement in living and working conditions for all world citizens.

The international community already agrees that the global economy needs global regulation. That is the whole basis for the World Trade Organization; for international standard-setting; for laws banning the manufacture and sale of counterfeit goods and protecting intellectual property; and for the environmental initiatives following on from the Earth Summit. Many of the mechanisms set up to enforce these regulations are expensive for the companies to operate, and operate across the jurisdiction of nation-states.

### ICFTU/SOLIDAR - WORKING TOGETHER ON WORKERS' RIGHTS AND TRADE

In March 1999 the ICFTU and Solidar, the NGO campaigning on labour standards organised a joint signing of a giant "Charter Against Child Labour" at the March session of the European Parliament. Giant copies of the charter in English, French and Spanish were signed by 120 MEPs, from all political parties, and from all 15 countries of the European Union. Pauline Green, the leader of the Parliament's Socialist Group led the signing.

Copies of the charter were given to all those who signed over a two-day period, and this provided a good opportunity to publicise the issue of child labour, and of labour rights in the Parliament.

There seems no justification for global regulation to protect property rights, while claiming that the same type of international regulation cannot operate to protect basic human and trade union rights.

But what of the economic case? What of the accusation that a workers' rights clause is a protectionist device designed to safeguard Western workers from the more competitive and efficient developing countries? This is the argument we confront in Chapter Three. First, we look at some of the other development, environment, democracy and gender issues which have so far been undermined or neglected by the world trading system.

<sup>1</sup> The Asia Pacific Labour Network (APLN), a grouping within the ICFTU represents over 30 million workers throughout Asia-Pacific nations.

## PART II

### THE PROPOSAL FOR A WORKERS' RIGHTS CLAUSE

#### COMPLACENCY IN THE FACE OF IMPENDING FINANCIAL MELT-DOWN

Globalisation isn't all that it was cracked up to be. Most people now agree it has failed to deliver overall benefits for everyone.

The past three years have seen the worst financial crises since the years of Depression in the 1930s. Asia, Russia, and Latin America have or are facing financial crises. Africa is experiencing a fall in growth and a setback to prospects for employment and poverty reduction. Look at what has happened in the name of globalisation.

#### Asia

Asia's economic and social catastrophe began in the summer of 1997, when Thailand had to stop shoring up its currency the baht, against the dollar. As it plunged downwards, the Thai currency dragged those of Indonesia, Malaysia and South Korea with it. The main cause of this crash was the bursting of the speculative bubble precipitated by a lack of transparency and the vested interests of the region's elites. From a financial crisis, it became an economic and a social crisis which engulfed whole swathes of the region's economies, plunging millions of people into abject poverty. The cause of the financial crisis in the region was the single-minded pursuit of financial liberalisation, without a proper regulatory framework to prevent mismanagement, speculation and corruption. This was combined with social neglect and repression of basic human rights, while governments left the responsibility for managing their economies to financial markets.

Thailand, Indonesia, the Republic of Korea, Malaysia, the Philippines and the People's Republic of China have all been affected. In all these countries the most vulnerable are having to suffer the worst effects.

In Thailand and Indonesia, families are sending their children and grandparents to scavenge on rubbish tips, while the adults search for casual labour. A recent World Bank report said that the effect of the crisis had been worse for female workers since they worked in many of the sectors which were dependent on international finance. Women in several sectors were often the first to be thrown out of work, and growing poverty resulted in a disproportionate number of girls being withdrawn from school.