

The WTO's dispute settlement procedures need to be opened up for public information and involvement. The relevant civil society groups concerned by any dispute settlement process should be able to engage in direct participation in the procedures. There should be a swift public release of the findings and conclusions of disputes settlement procedures.

Developing countries, too, find it hard to participate in the WTO system. A much more generous financial commitment is needed from the industrialised country members of the WTO to enable developing countries to better participate in the process. A package of financial, technical and legal assistance needs to be made available to developing countries, especially the least developed, to assist them in capacity-building so as to maximise the benefits of their participation in the global trading system. Many developing country members of the WTO should also be provided further assistance to help them to take a full part in the technical negotiations involved in areas such as intellectual property rights and investment measures.

The global economy needs global rules. Although it could be a powerful mechanism for dynamic development, it can also lead to the exclusion and marginalisation of millions of ordinary citizens. Achieving progress on development, environment, gender, transparency and international workers' rights and trade is one of the keys to the future of the world trading system.

PART III

THE PROPOSAL FOR A WORKERS' RIGHTS CLAUSE

WHY DEVELOPING COUNTRIES WOULD BENEFIT MOST FROM RESPECTING WORKERS' RIGHTS

The accusation most commonly leveled against those campaigning for linking trade and workers' rights is that it is an attack on the up-and-coming developing countries by the hidebound economies of the West.

However, competition is not simply between developing countries and industrialized countries. Low-wage economies are in direct competition not with countries producing high value-added goods, but with other low-wage countries. And the labour on the other side of the border will always be cheaper.

The world's financiers have developed an investment strategy where out of \$100 billion for all the developing world, China alone gets \$38 billion and all of Africa gets just \$5 billion. The attractions of China are obvious. There, the labour isn't just cheap; some of it is free. The country has a vast network of labour camps. Whole factories are being run by the army. Who can compete with that?

Developing countries struggling to emerge from economic crisis, many of which have governments which would genuinely wish to raise working and living conditions, are in a difficult position to compete with other countries with development models based on Export Processing Zones – where cheap labour, use of young female workers and, often, lack of union rights are among the main selling points. Unfettered competition leads to a race to the bottom. Without a mechanism to link core labour standards to the world trading system such as a workers' rights clause, this is the shape of things to come for low-wage economies.

Many developing countries aren't even at the starting gate. Countries in sub-Saharan Africa and Latin America are still struggling to emerge from the economic crisis of the 1980s and have so far been excluded from the benefits of globalization.

Those who have aren't getting the return they deserve. Around the world, income and wage inequalities continue to expand with societies polarized between those who have the wealth or skill to gain from global integration and those who remain trapped in poverty without productive employment or basic labour standards.

Apart from a handful of countries, the investments made in Export Processing Zones have generally failed to spill over into the rest of the economy.

THE ICFTU ASIA PACIFIC LABOUR NETWORK

The ICFTU/APLN was established in 1995 to support and promote the work of trade unions of the Asia Pacific Economic Cooperation (APEC) region in their dialogue with governments, business and other groups involved in the APEC process. Its aim is to achieve an improvement of the conditions of work and life of the citizens of this populous region. The APLN consists of all the affiliates of the ICFTU in APEC countries, together with the ITS, TUAC and the ICTU regional organisations ICFTU/APRO and ICFTU/ORIT.

Since its creation, the ICFTU Asia Pacific Labour Network has held meetings with the Prime Ministers or Presidents of all the countries which have hosted the APEC Leaders' Meetings; Japan (1995), the Philippines (1996), Canada, (1997), Malaysia (1998) and New Zealand (1999). At the same time the trade union centres affiliated to the ICFTU/APLN have lobbied strenuously for recognition of the need to tackle inequality (both within countries and within the region as a whole), a wide distribution of the benefits of growth, employment creation, broad-based participation and gender perspectives.

The work of the ICFTU/APLN was thrown into sharp relief by the 1997 environmental disaster in Indonesia and Malaysia, and more importantly by the 1998 economic and social crises in the region. These are examples of reckless industrial development in a lawless free market, which could have been avoided if the countries involved had the kind of checks and balances that follow from allowing democratic and trade union organizations to have some say in how the economy is run. During the 1997 meeting APEC leaders had appeared to have learnt the lesson of the importance of building popular support and addressing equity concerns for economic cooperation in the regions, but the trade unions felt that APEC Leaders missed a vital opportunity at the 1998 Summit in Kuala Lumpur. Instead of learning the lessons of the economic and financial crisis, and recognising the need for democratic consultation for restoring social development and economic growth, social concerns were hardly mentioned in the Leaders' declaration, and there was no mention of consultation with trade unions or any other members of civil society.

The APEC process needs opening up so that the labour movement and civil society can take part in decisions on the economic future of countries on the Asia-Pacific rim. A workers' rights clause would make such an opening up inevitable.

Anyone from a developing country who harbours doubts about this should look at what has happened in the merchant shipping sector since the Flag of Convenience system started. The system allows shipowners to register their vessels in countries which allow low wages and standards. Flags of convenience exist specifically for the purpose of enabling shipping companies to avoid national taxation, social, safety and environmental legislation, and they have resulted in an industry which is largely outside the influence of national legislation. By providing OECD country shipowners with easy access to exploited labour they have also seriously impeded the development of effective domestically owned shipping industries in most developing coun-

tries. The system has undermined safety standards at sea, and it has kept wages in the industry down. But while it has undoubtedly helped the shareholders of many of the world's shipping fleets, it has bought no long-term benefits to the countries that have sought to exploit it for obvious reasons: first, European seafarers were cheaper than American; then Asians were cheaper than Europeans; now Eastern Europeans are cheaper than some Asians, and some Asians are cheaper than other Asians...

And there are some developing countries which have never bought in to the model of progress through exploitation. Mauritius, which has used its Export Processing Zones to develop an impressive industrial base, has emphasized the improvement of skills and working conditions of its workforce. A Director of a Mauritian promotional agency for the zones has stated: "It is not our aim to attract foreign investors with cheap labour. In the long term, it is always counter-productive, because unskilled workers produce goods with no value added which do not sell well on the export market". In Mauritius too, however, trade unions continue to be excluded from most EPZs because unions are denied access to the workplace premises by the employers. This is particularly regrettable because the experience in those EPZs in Mauritius where there are unions is that employers and unions in EPZs are quite able to forge a mutually rewarding long-term relationship, to the benefit of the workers and of higher productivity.

The Philippines is another country where there have been some positive experiences of unions organising, against immense odds, within free trade zones. In November 1998, another union agreement was signed in the economic zone of Victoria Wave near Manila City.

International rules which protect workers rights help governments which do respect workers rights, against those which don't. Without an international framework of rules governments which allow their workers to be exploited will, in effect, be rewarded. For example the carpet industry in Nepal has been severely affected by competition from India, where carpets are produced with a high degree of child labour, and are cheaper.

PROMOTING PRODUCTIVITY AND ENCOURAGING COLLECTIVE BARGAINING

Much of the concern about a workers' rights clause is the result of a misunderstanding about what a workers' rights clause is and how it would work. A workers' rights clause is protective – it will help protect workers and children from exploitation – but it is not protectionist. Its aim is not to undermine economic competition, but to

enhance it by removing unfair advantages. It will not restrict free trade, but will bring more people into the global economy. And it will work to close, rather than to widen, the gap between the developing and the developed world.

The aim of a workers' rights clause is to ensure that companies which trade agree to abide by seven basic rights, and these rights proposed by the international trade union movement are among the most highly ratified of the International Labour Office (ILO). Six of the seven have been ratified by over 120 states. Universal adherence to these would not alter developing countries' legitimate comparative advantage but prevent the most extreme forms of cut-throat competition and exploitation.

What is crucial about the rights to organise and bargain is that they are enabling rights. They give workers and employers the means to negotiate improvements in wages and working conditions as trade and development expand.

In those negotiations, workers would obviously take note of how their employer was doing and how much their country could afford; negotiations don't take place in an economic vacuum. Unlike fly-by-night transnationals who are only interested in making cheap goods for a quick profit, workers have a long-term interest in their country's prosperity. They would expect a fair share when things are going well; and if they were allowed a genuine say in economic policy, they would be more likely to accept and carry out difficult decisions when there were problems.

There is no possibility that a workers' rights clause would bring about an international minimum wage that will drive the industries in poor countries to bankruptcy; split the world market into two camps and undermine global free trade. No one can seriously suggest that giving workers in the developing world the basic rights enshrined in a workers' clause will lead to their wage costs spiraling up to European levels. It just won't happen. Developing countries will still be able to enjoy comparative advantages from their abundant supply of labour. All that will happen is that governments will not be able to keep these costs down by oppressing their workers; and transnational corporations will not be able to bully countries into competitive repression.

In any event, it is not true that low wages will give countries a guaranteed competitive edge. Labour costs obviously figure in the final price of any product entering the world market. The exact weight of labour costs, however, depends on productivity; a poor country with low per capita income and low wages may still not have much competitive advantage on world markets because of low productivity.

Likewise high wages matched by high productivity may make the output of rich countries very competitive.

The best way for developing countries to guarantee prosperity is to base their economies on high productivity and high skills; and the best way to do this is to allow workers and employers to set high standards, and fair wage levels. It makes sense that as trade and productivity grows, wages and other conditions of work also rise as national conditions permit, rather than be kept down by exploitation and repression.

THE OECD AND KOREA

The observance of core labour standards has now become a key issue in OECD membership negotiations, thanks to the efforts of TUAC, the Trade Union Advisory Committee to the OECD. But the controversy surrounding the Republic of Korea's membership highlights the need for strict enforcement mechanisms as proposed for a workers' rights clause.

On December 12 1996, Korea was admitted as an OECD member after committing itself to bring its labour laws in line with international standards. Korea had already made similar commitments when it joined the ILO just a few years previously.

Immediately after joining, in a breathtaking display of contempt for the OECD and the ILO, the Korean National Assembly met in secret and passed new draconian labour laws that would make the KTUC union centre illegal until the year 2000. The meeting took ten minutes. It was held at six o'clock in the morning. No opposition members were present.

The ICFTU and TUAC and their Korean affiliates, the FKTCU and KTUC, together with ITS, launched an immediate solidarity campaign. There was a call for a general strike, a wave of demonstrations shook the country and arrest warrants were issued for senior trade union leaders. Three trade union solidarity missions visited Korea and massive letter writing and intensive lobbying campaigns with the OECD, European Union and international financial institutions were initiated.

In March 1997 and again in January 1999, Korea made some changes to the draft legislation but the current law still falls far short of international standards. Since November 1997, labour market developments in Korea have been dominated by the impact of the economic and financial crisis. The effects of the deep economic recession, economic restructuring, Chaebol reform and reduction of employment protection have produced an explosive atmosphere, which resulted in industrial disputes in the autumn of 1998 and again in 1999. As of 5 June 1999 there were 61 trade unionists imprisoned for trade union activity, 51 of whom had been imprisoned this year.

Korea is abusing its own workers and making a mockery of those countries who have played by the OECD's rules to become and remain members. International solidarity efforts co-ordinated by the ICFTU, TUAC and ITS have had a major impact but the Korean workers' quest for freedom of association continues. The international community itself needs the power to take action against governments who flout the law. A workers' rights clause would give them that power.

Cheap labour is not all that developing countries have to offer the world. Not only is that an insulting picture of their economies; it is also inaccurate. To take just one example, India turns out 250,000 science graduates a year. Many of the world's leading companies are hiring Indian computer programmers to write their software and to process their data. Cost is a factor; but so are skill-levels. This is the kind of competition developing countries will have to offer in the information age. A workers' rights clause will give them the space to do that by easing the constant downward pressure on standards brought about by the present system.

It is surprising that the arguments against workers' rights in the WTO are being put forward with such fervour by governments in the developing world; and it is interesting that this view is not shared by the citizens of these countries. Workers in the developing world make up some of the most committed members of trade union organizations; their women workers are among the most passionate advocates of equal treatment; and the campaign against child labour and forced labour has strong roots in the developing countries.

Countries that take the high road to development will become more efficient, more competitive and more prosperous as long as their efforts are not undermined by countries who try to cut corners by exploiting their citizens. A workers' rights clause will help close off the short cuts.

RESISTING PRESSURE ON NATIONAL SOVEREIGNTY

Another concern is that pushing for workers' rights which have universal application will weaken the national sovereignty of developing countries; and it will undermine their national culture by imposing "Western values" on traditional societies. But the notion that a workers' rights clause would violate national sovereignty is simply not true. In today's global economic environment, national sovereignty is, anyway, something of a myth.

How much national sovereignty does a country have when it dare not protect its own citizens' trade union rights for fear that foreign investors will shut down their factories and pull out? How much power does it have when it feels compelled to put areas of its own territory off-limits to its own laws in Export Processing Zones? What's left of parliamentary accountability when citizens going into those zones have to surrender their rights in order to get a job in their own country?

The real beneficiaries of the current world trading system are not the developing countries, but the transnational corporations - TNCs. Out

of the 100 top economies in the world, only 49 are countries. The rest are TNCs.

The combined sales of the world's top 200 corporations surpass the combined economies of 182 countries - every country on earth minus the nine biggest. Annual sales by the foreign affiliates of transnational corporations of \$7 trillion now exceed total exports of \$6 trillion. These corporations have almost twice the economic clout of the poorest four-fifths of humanity. They control well over a quarter of the world's economic activity. But nobody effectively controls them other than their management - often not even their shareholders.

A SOCIAL DIMENSION TO FREE TRADE IN THE AMERICAS

The ICFTU regional organization for the Americas ICFTU/ORIT has been intensifying its work in the context of the Free Trade Area of the Americas (FTAA) over the years since the inception of the FTAA in 1994. Parallel trade union summits have been held on the occasion of the FTAA Summits in Denver (US) in 1995, Cartagena (Colombia) in 1996 and Belo Horizonte (Brazil) in 1997. In 1996 the ICFTU/ORIT created a working party on "Hemispheric Integration in the context of Globalization". ICFTU/ORIT and its affiliates have been calling for the FTAA member states to set up an FTAA working party on labour issues as well as a Labour Forum as an official consultative body. Trade unionists, who held an alternative forum on the eve of the 1998 Summit of the Organisation of American States (OAS) in Santiago Chile, felt that Summit proposals to introduce a vast free trade zone between all the countries, by the year 2005 did not pay enough attention to workers' fundamental labour rights. ICFTU/ORIT is holding a major conference to coincide with the FTAA Summit at the end of October 1999 in Toronto.

Trade unionists from Latin America, Spain and Portugal have also been critical of the FTAA because its remit does not include the concerns of civil society, and so presented proposals to the Ibero American Summit which met in Lisbon in October 1998 for setting up a formal structure for social dialogue between unions and employers, so that business development have a social dimension. This was followed by a major ICFTU/ORIT Conference of European, Latin American and Caribbean trade unions, held in Rio de Janeiro in May 1999.

Many of these increasingly powerful and mobile TNCs can play one country off against another in search of the best deal. The long-term value of the kind of investment some of them are offering is questionable; they will pull out at the slightest economic shock or change in the regulatory environment; and they are unlikely to develop strong links with the rest of the economy. This problem is especially acute in low-skill industries such as garments and footwear, where exit costs are low.

Unregulated, the labour market in the global economy will become nothing more than a vast shopping mall for the TNCs, with countries forced to cut their costs to bargain-basement levels.

The reality is that much sovereignty has already been surrendered and policy is being shaped to an increasing extent by the demands of the global market. The issue is not whether but how policy will be determined internationally - by the market alone or with some real participation from representative institutions.

A workers' rights clause will help bring the TNCs under the rule of law. It will create an environment where countries can compete without fear, and where companies can invest for the long term. A workers' rights clause would provide something of a counterweight to the enormous economic muscle of TNCs.

A workers' rights clause would be based on core labour standards, and enforced within countries in the same way. This would put sovereignty back where it belongs: with the people, rather than with the TNCs or with the repressive governments which are often ready to sacrifice the interests of their own people for the sake of profits.

A workers' rights clause would give countries a powerful weapon with which to assert their independence against the pressures of international trade and investment.

PROTECTING WOMEN'S RIGHTS THROUGH THE WTO

Often the expansion of trade is based on access to low wage female labour. Historically trade liberalisation in the least developed countries has tended to increase women's employment in labour intensive industries like manufacturing of electronics, clothing and textiles. Manufacturing plants are often located in special Export Processing Zones, where standards of health and safety are low, working hours are extremely long and workers have no rights to organise.

The ICFTU recently sent a researcher to study the flower producing export sectors in Colombia and Uganda. Here, flower workers suffered miscarriages and had been blinded because of the use of toxic chemicals - banned in industrialised countries and shipped abroad - in flower sprays. Garment workers in Bangladesh suffer gastric ulcers, backaches, eyestrain and urinary infections because of their poor working conditions, which include long hours, poor working conditions, and lack of adequate sanitary facilities.

Women in maquiladoras in Central America are forced to give details of the types of contraception they were using, and the timing of their

menstrual cycles. Minimum wage laws and other labour laws do not cover these areas.

Sub-contracting is a typical strategy which multinational and national corporations use because they can avoid being directly responsible for the workers, since they can get out of paying health insurance or other benefits. Subcontracting makes it very difficult for women to organise on their own as they are not allowed to organise into unions. Thereby, trade liberalisation may bring greater pay inequality between men and women, and increasingly dangerous working conditions for women.

At present economic liberalisation tends to consider most social regulation as "trade barriers", but the WTO could help to protect women's rights. It could begin to develop a statistical data baseline so that the effects of trade liberalisation on women's well-being could be monitored over a number of years.

AFRICAN TRADE UNIONS FOR THE WORKERS' RIGHTS CLAUSE

African trade unions have demonstrated strong support for a workers' rights clause, recently at the May 1997 Congress of the ICFTU African Regional Organization (ICFTU/AFRO) held in Dakar (Senegal) which adopted a strong statement calling for a workers' rights clause in the WTO. Subsequently, the seminar of the Organization for African Trade Union Unity (OATUU) on globalization and labour standards, held in Tunis (6-8 September 1997) stated that, "the participants confirm and support the implementation of a social clause which has to be consolidated through links between the requirements of the respect of the core standards of ILO and the mechanisms and agreements which should regulate international trade."

More recently, ICFTU/AFRO has held major pan-African conferences in Nairobi (March 1998) and sub-regional meeting for Southern and Eastern Africa (Johannesburg, March 1999), North Africa (Tunis, July 1999) and West and Central Africa (Accra, October 1999) which have seen further support for a workers' rights clause and discussion of how to advance the debate in the different countries concerned.

Many ICFTU/AFRO affiliates have been campaigning for a workers' rights clause for very many years. These efforts have borne fruit in a number of cases where African governments have agreed to their arguments. At the ILO Conference, the proposal to advance the debate on international labour standards and trade has been supported by seven African governments: South Africa, Mauritius, Malawi, Tunisia, Madagascar, Gabon and Senegal. At the World Summit for Social Development (Copenhagen, March 1995), President Nelson Mandela expressed South Africa's full support for the workers' rights clause.

Through the introduction of a workers' rights clause the WTO could ensure that non-discrimination and equal pay was built into the world trading system. In countries where there are no laws to make sure women workers are treated equally to men, it would result in legislation to make sure that multinational corporations as well as domestic employers were required to apply ILO Convention 100 on Equal Remuneration, and Convention 111 on discrimination in employment.

TACKLING CHILD LABOUR IN A WORKERS' RIGHTS CLAUSE

According to even the most conservative estimates there are now 250 million children working who should be given the chance to go to school and who should be replaced in the workforce with adults. Of these nearly half work full time, and at least 60 million children are engaged in extremely hazardous work.

There is a serious danger that if urgent and concerted action is not taken, child labour will become a permanent part of the global economy, as multinational companies, usually using complex subcontracting arrangements, profit from child labour and other labour rights violations. With the entry of new countries into the world economy child labour is resurfacing in industrialised countries, as well as increasing in the transition economies, especially in the CIS and Central and Eastern Europe.

So far, the WTO has not felt that it was within its remit to look at the inter-relationship between trade and child labour, even though at least 15 million children are producing goods for international markets, in agriculture and in industrial production. The WTO could begin work now by joining with the ILO to link programmes of assistance to measures to end child labour through WTO action on the basis of ILO Convention 138 (minimum age of employment) and the new Convention 182 (on the Worst Forms of Child Labour). With a workers' rights clause which outlawed child labour no country could be more competitive in one field than another country which did not use child labour.

Some developing country governments have consistently used the argument in the WTO that Convention 138 sets unattainable targets for poor countries. However, Convention 138 has now been ratified by over 60 countries including many developing countries such as Malaysia, Zambia, Niger and Uruguay. The Convention says that countries must implement a policy to bring about the effective abolition of child labour and that countries will set their minimum age for employment at the age of at least 14 years. It adds that countries can if necessary exclude certain branches or activities, provided that they submit regular reports on their programmes to apply the Convention there.

The trade union movement is campaigning world-wide for the ratification and implementation of the new ILO Convention 182 which will require immediate action on the Worst Forms of Child Labour, and which targets the most hazardous and exploitative forms and sets clear requirements for action. It provides important support to the existing main ILO Convention 138 on the minimum age for employment.

CHILD LABOUR IN A WORKERS' RIGHTS CLAUSE

The ICFTU would expect a workers' rights clause to lead all governments to undertake genuine efforts to address child labour. A three-pronged approach to the elimination of child labour is needed. Laws need to be adopted and implemented to ensure that children who should in their own, their families' and the nation's interest be at school, are not at work; the priority must be to get rid of the most blatant forms of commercial exploitation of children. The availability of school places needs to be increased. The problem of family poverty which can drive parents to send or even sell their children for work needs to be addressed, in part through guaranteeing trade union rights so that workers can bargain for a higher wage.

The ICFTU has drawn up a Five Point Child Labour Charter.

Stolen Future: The Charter describes the employment of children as a stolen future, where whole generations are being deprived of their place in the society of the 21st Century. If the recruitment of child workers ended now, child labour will disappear in a decade.

Education For All: Without an education, children become locked into a life-long cycle of poverty. At the start of the 3rd millennium, getting all children into school is still one of the great challenges, for Governments and the international community.

No More Exploitation: Those who gain from child labour must be stopped and must help undo the damage they have done, by paying for the rehabilitation and education of the child workers. National and international laws against child labour must be enforced.

Economic Security: Child labour can only be ended when adults have decent jobs and social support. National governments and the international institutions need to do much more to ensure that adults can go to work and children can go to school.

Rights for Children and Rights for Adults: Child labour is usually found where adults' rights are also violated. Child labour can only be ended when universal human and trade union rights are respected.

Everyone Has a Part To Play: Governments, consumers, employers, trade unions, non-government organisations, religious groups, teachers, students and the general public, working together, can end child labour.

ILO ADOPTS NEW CHILD LABOUR CONVENTION

In June 1999, the International Labour Conference adopted a new Convention (number 182) and Recommendation which call on governments to work together to "take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour".

The treaty aims to eliminate the use of under-18s in forced labour, including the forced recruitment of children in armed conflict, the sale and trafficking of children, debt bondage, prostitution, drug trafficking, pornography and hazardous work.

The Convention comes into force one year after its ratification by at least two States, and is expected to become one of the "core" ILO standards.

Trade unionists who had been instrumental in discussions on the new Convention warned governments that they would not hesitate to use the complaints procedure in the surveillance mechanisms for the Convention's application.

The new Convention, along with the full application of Convention 138, provides the basis for a genuine international effort to rid the world of the scourge of child labour.

THE WTO WORKING ALONGSIDE THE ILO?

The ICFTU's conception of the operation of workers' rights in the international trading system is that the ILO should be brought in to work with the WTO. This uses the established competence of an existing specialised international agency, which is also the only UN agency which is tripartite.

Both the WTO and the ILO proceed by consensus. This can mean that they move slowly at times; but it also means that they move very surely – and that their legitimacy is unquestionable. The WTO negotiations have a timetable designed to take account of the needs of ministers to report back to their citizens, and to consult all their constituents. Throughout the ILO's 80-year history, it has developed standards which are elaborated through a two-year process of discussion and adopted by a full Conference of all its 180-odd member-states.

In June 1998, the International Labour Conference adopted the ILO Declaration on Fundamental Principles and Rights at Work. This Declaration was strongly supported by trade unions, employers and governments. It makes clear that all ILO member states have an obligation to respect a number of fundamental rights including the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimina-

tion of discrimination in respect of employment and occupation. These are the same fundamental rights which should be incorporated in a workers' rights clause.

The Declaration makes it clear that the ILO must help its members to attain these objectives and must encourage other international organisations to support its efforts. Its follow-up mechanisms give it new powers to supervise member states' performance in respecting these rights. For the first time the ILO will be able to examine the fundamental rights situation in all countries - even if they have not ratified the relevant ILO Conventions.

On this basis, each year the ILO will publish a Global Report setting out a comprehensive review of one of the fundamental rights. This could provide a good basis for the the WTO and the ILO to work together.

At the same time, the experience of many years has made it clear that in addition to such follow-up at the ILO, the international trading community needs to devise procedures to resolve the question of what to do about countries which continually disregard recommendations from the ILO concerning their respect for core labour standards.

Such countries are, in effect, "free riders" on a world trading system where the majority of countries do respect labour standards. Gross and persistent abuse of labour standards is a form of trade restriction. It creates resistance to trade barriers and it inhibits the spreading of the potential benefits of open trade. The international community has to come up with an effective and enforceable way of getting the ILO's core labour standards respected by all the world's trading partners. As trade tensions increase with countries world-wide facing pressure to increase their exports in the aftermath of the Asian crisis, the issue of labour standards is a priority issue for the next trade round.

However, trade unions do not have a seat at the trade negotiations and we need to seek the support of governments. The ICFTU, its affiliates, and its regional organizations are making every effort to get governments to examine and discuss our proposals. Some who have done so have been convinced, others need to be.

The idea of a WTO working group to examine the case for such a clause, has been supported at various times by governments from Argentina, Honduras, Venezuela, Barbados, Chile, Mauritius, Senegal, Gabon and Tunisia, in addition to virtually all the industrialised countries.

WORKING TOGETHER, THE WTO AND THE ILO COULD GET COUNTRIES TO RESPECT WORKERS' RIGHTS

The aim behind a workers' rights clause is to ensure that the promotion of free trade goes hand in hand with the improvement of workers' rights. Implementation should therefore be a joint operation between the World Trade Organization (WTO) and the ILO. The ILO has obvious competence in setting standards and in supervising their application; and the WTO would make sure that failure to enforce the basic standards does not lead to unfair competition.

Our proposal is that a joint WTO/ILO Advisory Body could be set up to oversee the implementation of a workers' rights clause. This body would have the authority to undertake periodic reviews of how countries were applying the principles enshrined in a workers' rights clause; or to step in if there was a well-justified complaint.

This side of the operation would be the particular responsibility of the ILO team on the joint advisory body; the ILO already does much of this anyway, although there would be a need to reinforce its existing procedures.

The reviews would typically show either that the standards were being followed – in which case, no further action would be needed – or that the country concerned was in breach of its obligations, and certain changes in labour law and/or practice were necessary.

In the latter case, the ILO report would make recommendations to the country concerned on these changes and, if necessary, offer technical assistance and make additional resources available to help countries put things right.

The government of the offending country would then have a period of time in which to change its ways. We are suggesting two years, following which there would be a second report. This second report would typically reach one of three conclusions. It could show that the country was applying the standards; or that while the problem had not yet been solved, progress was being made; or that the government had failed to co-operate with the ILO and that the standards were still not being met.

So what exactly are the rights which would be included in a workers' rights clause? The clause contains seven of the most universally ratified conventions, universal standards applicable for all countries whatever their level of development. How they are translated into law and practice can vary according to the institutions and customs of the country concerned. The ILO in its supervision of

the standards does not attempt to impose a global harmonization of labour laws; it examines whether the effect of laws and practice achieve the objective of ensuring that the principles are applied.

WHAT ARE THE CORE RIGHTS IN THE WORKERS' RIGHTS CAMPAIGN

Convention 87:	Freedom of Association and Protection of the Right to Organise
Convention 98:	The Right to Organise and to Collective Bargaining
Convention 100:	Equal Remuneration
Convention 111:	Discrimination (Employment and Occupation)
Convention 138:	Minimum Age for Employment
Convention 29:	Forced Labour
Convention 105:	Abolition of Forced labour

In terms of implementation, the ILO and not the WTO would be responsible for reviewing the respect for the core ILO Conventions concerned. The impartiality of the ILO and its expertise on international labour conventions in law and practice is beyond question. Because the ILO would have a key role in any workers' rights clause, that would give trade unions a right to launch complaints and representations about the violation of workers' rights.

In addition, practical measures are needed for strengthening co-operation between the ILO and the WTO. The ILO should have observer status in WTO General Council meetings, working parties and committees. It should provide its expertise on core labour standards and employment-related considerations as part of the WTO's trade policy reviews, meaning that the ILO should effectively take over the work of producing reports on core labour standards for the WTO's Trade Policy Reviews which the ICFTU is doing at the moment.

The WTO, in conjunction with the ILO, needs to undertake social impact assessments of the results of trade policy. For example the WTO and ILO should collaborate on a gender impact assessment of the effects of trade policy on women workers; collect gender disaggregated data as a statistical baseline to follow future years; and promote gender aware and sensitive policies, including technical assistance that promotes technological and skill upgrading opportunities for women and legislation and positive action programmes to ensure that effect is given to international conventions on non-discrimination and equal remuneration.

HOW INTERNATIONAL PROCEDURES WOULD DEAL WITH WORKERS' RIGHTS TRANSPARENTLY AND EQUITABLY

This is a crucial question at the heart of a workers' rights clause. If a workers' rights clause is to command respect, it must be open and transparent; and it must be strictly and fairly enforced. It must not be seen as a stick with which aggressive countries can beat their commercial competitors; nor must it be seen as simply a pious declaration to which countries and corporations need only pay lip service.

For many countries and many companies, it will be business as usual. No country which is keeping to its legal obligations under the UN Charter and which is applying the core conventions of the ILO has anything to fear from a workers' rights clause.

When it came to deciding on the appropriate measures, the WTO should have a range of options which could be escalated over time if the government carried on offending. A first step might be to suspend the countries' right of access to the WTO's new binding rules for dispute resolution.

The procedure places the emphasis on helping countries reach the required standard, rather than on punishing each and every failure. Trade measures are only used as a last resort, and even there, the measures would initially be quite mild. If, on the other hand, there are countries which are wilfully profiting from repression; these countries have to know that at some stage, there will be measures taken to stop such actions.

This step-by-step procedure has all the elements of clarity, predictability and objectivity that an effective multilateral system requires. It builds on the established competence of an existing specialised international agency – the ILO. It also provides enough time for problems to be solved by dialogue. It avoids the danger of the big players trying to dictate terms for market access to small countries. And it is even-handed; because it refers to universal standards, all countries would be subject to equally close scrutiny. Fully transparent procedures would be used which would leave no opening for misuse for protectionist purposes.

One of the complaints by some of the opponents of a workers' rights clause has been that of this type of review places more emphasis on punishment than on assistance. On the contrary, experience of the WTO system has shown that it is not an organisation which likes to work by sanctioning country's behaviour. It works by suggesting measures to be followed to amend laws. Exactly what our procedure is suggesting!

RESOLVING TRADE TENSIONS IN A CONSTRUCTIVE WAY

It is increasingly clear that popular support for trade liberalisation through the WTO in many countries is extremely fragile. Evidence of rising social inequalities mounts and the pace of adjustment in employment accelerates, particularly in the wake of the steep devaluations that have taken place due to the Asian economic and financial crisis.

We believe that a workers' rights clause will reinforce the global economy. The universal application of basic labour standards will help to ensure a more balanced expansion of world trade and a smoother process of adjustment to changes in the global division of labour. High-wage countries would still face the challenge of competition from low-wage countries. But that competition would at least be based on a broader-based expansion of markets and the knowledge that the women and men who work in competitor countries were not being exploited or abused, and weren't being forced to subsidize the TNCs.

And a workers' rights clause would make it impossible for some irresponsible TNCs to leap from country to country in search of a government prepared to violate workers' rights. If there was no reason to move on, they might stick around. This would encourage a more sustainable process of foreign investment which would bring increased benefits to the host country, and long-term, stable profits to the investor.

INITIATIVES TO SUPPORT DEVELOPING COUNTRIES

The International Labour Office (ILO)'s International Programme on the Elimination of Child labour (IPEC) has been operating over 150 projects in more than two dozen countries.

In the Philippines thirty six action programmes and 19 mini programmes were implemented during the period 95 - 97. half of them with working children and their families.

In Latin America governments, employers, workers organisations and NGOs have signed up to programmes to eliminate child labour throughout the production process of their operations. In Brazil there has been special programmes in the charcoal yards of Mato Grosso do Sul, in the sugar-cane industry in Rio de Janeiro, and sisal production in Bahia to remove children from hazardous work.

THE WTO IS THE ALTERNATIVE TO UNILATERALISM

Many people in the industrialised world blame competition from cheap manufactured goods from the developing countries for job losses. This is increasing the support for populist demands for protection in one form or another. If unemployment worsens, there is like-

ly to be increased public pressure to restrict the flow of what are perceived to be “unfairly” produced goods. Whether these allegations have an economic basis or not, they pose a serious threat to the world trading system.

Recent years have seen an increase in national or regional laws linking trade to labour rights and in codes of conduct in particular companies or sectors. While being an important response to the lack of a multilateral alternative, it is high time for the WTO, together with the ILO, to create a multilateral framework for core labour standards in the international trading system.

All women are entitled to equal treatment; all children should be protected from child labour; all workers must be allowed to join trade unions, and must be free from the threat of forced labour (often described as a contemporary form of slavery). To argue that the rights of workers in developing countries are inferior to the rights of workers in the industrialized countries is to promote global economic apartheid. It will divide the world as surely as a workers' rights clause will unite it.

To argue that the principles themselves are “Western values” is offensive and dangerous. It splits the world's workers into first- and second-class citizens. It legitimizes the notion that workers in the “West” are more “advanced” than workers in the developing world, while the people in the developing world neither need nor deserve any protection of their basic rights.

A workers' rights clause could rein in unilateral measures and provide a more open and fair means for settling disputes. It could resolve rather than increase protectionist tendencies and help keep markets open by sharing out the benefits of trade more fairly. By guaranteeing fair trade, a workers' rights clause would promote open trade.

PART IV

THE CAMPAIGN FOR WORKERS' RIGHTS IN INTERNATIONAL TRADE AGREEMENTS

INTRODUCTION

Ever since world trade began, merchants have dreamt of a borderless economy around which goods and capital could flow without let or hindrance; a free-market Shangri-La, uncluttered by rules or restrictions. Political and technological changes are at last making that dream a reality. We are living in the global village with its own global market-place. According to the free market acolytes, the role of governments and international institutions now is to refine and accelerate the process of globalization by removing all the remaining barriers to trade. Anything else is irrelevant; it has no place on the world's economic agenda.

That might be how some people like to tell it; but it's not how it is. In fact, the kind of concerns being raised by the trade unions have been connected with the whole globalization project from the very beginning. They were raised during the attempt to set up the International Trade Organization at the end of the Second World War; and while it is true that the international business community managed to sideline them during the years of the GATT, they have remained central to wider attempts to create an international community – as opposed to an international shopping mall. More and more people are beginning to see that globalization will fail if it has no social dimension.

THE HAVANA CHARTER

Between 1946 and 1948, the United Nations held a conference on Trade and Employment. The agenda was ambitious. The aim was to create a third institution along with the World Bank and the International Monetary Fund that would handle international economic co-operation. More than 50 countries were involved. The new institution was to be a specialist United Nations agency known as the International Trade Organization (ITO). Its charter would cover employment rules, commodity agreements, restrictive business practices, international investments and services. Known as the Havana Charter, this draft document included a workers' rights clause that specifically linked economic progress and trade liberalization to fair labour standards. The text read as follows:

1. The Members recognize...that all countries have a common interest in the achievement and maintenance of fair labour standards related to productivity, and thus in the improvement of