



# The missing link

There is an age old problem. Not all workers enjoy certain basic rights. The trade union movement wants to change that. Over the years, unions have used all means available to make this happen.

Still, there are pockets where workers are not even allowed to organise in unions – especially public sector workers. In lots of countries, workers cannot bargain collectively. Discrimination is rampant in the workplace. Forced labour, prison labour and child labour still flourish.

The trade union movement wants to be able to put an end to all this. And not just

unions. Many governments, international bodies, NGOs and individuals would sign on to this any day. The question is: how to go about it?

One idea is to link a government's adherence to certain basic labour standards to its rights in the global trading system which are guaranteed in the WTO. This should be seen as an extension of a system already in place: the pressures the International Labour Organisation (a UN agency) can put on a government that violates one or more of the most basic labour standards. This pressure – essentially shame - is very often not enough.

PSI and the rest of the international trade union movement believe that labour standards and trade can be linked in some way in order to put an end to the problem.

This pamphlet has been written largely to be used in discussions with people who oppose the idea of such a linkage or who have heard negative things about what trade unions are seeking to establish.

It explains what the trade union movement is really after and exposes which rumours are simply not true.

Some may find it surprising. You?

## The basic facts

When talking about labour standards and trade, unions agree that **setting** and **monitoring** labour standards is the prerogative of the ILO but that other international organisations or bodies, for example the World Trade Organisation, could help **enforcing** them. It is equally important that governments should be prevented from **supporting** labour standards when they speak and vote at the ILO and **turning their back** on workers when they attend meetings of other bodies.

- ➔ Unions do not believe that the WTO has any role in setting labour standards or in determining whether any country has violated them.
- ➔ Unions absolutely oppose the use of labour standards for protectionist purposes.
- ➔ Unions favour a process that involves incentives, assistance and support for governments which want to achieve a better performance on labour standards.
- ➔ Unions oppose a process which imposes automatic sanctions for single violations of labour standards.
- ➔ Unions have determined that their first priority at the WTO is a twin one: promote the development agenda and, at the same time, the linkage of trade to core labour standards (see page 4).

## The confused debate:

The debates on the issue of linking labour standards and trade are often confused because some people think that trade unions are calling for things which they are NOT.

### **“Unions are trying to impose sanctions on countries which do not apply core labour standards”**

This is not true. The international trade union movement has made it crystal clear that it sees the use of incentives and assistance as the best way to help countries meet their obligations.

The process for getting this done would involve the ILO using its normal and agreed procedures for investigating a complaint on violation of core labour standards, offering technical and programme advice to a government over a period of years and monitoring progress. It should be noted that a typical ILO investigation can take several years, especially if the ILO has had difficulty in getting the co-operation of a government which is not keen to alter its behaviour – sometimes as long as seven years.

After the ILO had investigated the case, WTO procedures would be followed.

Now, precisely what those WTO procedures might be is where we are open to discussion.

[For example, wording for Article XX of the General Agreement on Tariffs and Trade is currently being explored. The text would ensure that any WTO disputes settlement disciplines based on such language must and can be a last resort against only the recalcitrant. This could then be the basis for the kind of action which the GATT allows to protect public morals, life and health, to outlaw prison labour products and related special circumstances.]

### **“People who call for core labour standards are acting out of protectionist interests”**

This is not true. The length of the ILO procedures means that no protectionist is going to be interested in this because it will take years to get anywhere. Protectionists want action now. The international trade union movement is neither protectionist nor focussed on sanctions.

### **“Only unions and governments in the North call for core labour standards to be applied”**

This is not true. The experience of the International Confederation of Free Trade Unions and the International Trade Secretariats (all with affiliates in 140-150 countries), is that

# what is NOT true

unionists from the South to the North are overwhelmingly in support of these claims and so are many governments.

## **“Disrespect for core labour standards will lead to competition for Northern workers’ jobs by workers from the South”**

This is not true. In fact, it has little to do with North-South competition. The need for international guarantees of core labour standards is most acute in developing countries. Governments, workers and employers who respect these standards and are winning/attracting trade and investment should not lose out to other developing countries, such as China, which violate core labour standards and so can out-compete the ‘good’ developing countries.

It is true, however, that many employers in Northern countries use the threat – and sometimes act on it – of relocating to countries with poorer labour standards and conditions as a means to force unions to make serious bargaining concessions.

## **“Child labour cannot be tackled without risking further impoverishment of the child’s family”**

This is not true. In the work that the ILO, many governments and the international trade union movement have done on the issue of child labour, all stress three things: that the children should be at school; that parents should be financially compensated for the loss of child-labour income and the extra costs of sending children to school; and that the parents ought to have preference to the jobs that their children had, with full trade union rights.

## **“This has no gender angle and would do nothing to help women workers”**

This is not true. Discrimination and equal remuneration are among the main core labour standards. Upholding those standards world-wide would do an immense amount to help women workers assert their rights and improve their situation.

## **“Linking labour standards and trade would only increase the power of the WTO”**

This is not true. The international trade union movement is trying to **limit** the power of the international trading system to undermine core labour standards, not to extend the powers of the WTO.

The ILO should handle labour standards issues and the WTO should bow to the mandate and expertise of the ILO and not try to override or undermine ILO standards.

## **Are unions stupid?**

Is the international trade union movement naïve?

Would a piece of text in some WTO treaty solve the problems of violation of workers’ rights, jobless growth, and mass unemployment?

Of course not, but the questions ignore the millions of trade unionists who have campaigned and struggled for decades on these issues and often put their lives on the line in the process.

Remember: there is no single step which will make a paradise on earth for workers!

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## Different kinds of labour standards

The unions' objective is changed behaviour in which governments respect the internationally recognised rights of workers. This approach should be based on governments, employers and trade unions working together to achieve that objective, as is the way the ILO operates.

There is a difference between 'labour law' and 'international labour standards'.

Labour law can and should be set by individual countries and will be content-and-culture specific (but may well be based on international labour standards).

International labour standards, or labour standards for short, are set by the International Labour Organisation where governments are all treated equally: developing countries can actually outvote developed countries - and workers and employers also have voting rights.

ILO standards are often an expression of the vast bulk of all the interested parties on how workers should be treated. These standards are not foisted on to the developing world by others.

There is also a difference between labour standards in general and the so-called 'core labour standards'.

While general labour standards can cover anything and everything (there are over 180 ILO Conventions), many of them are specific to an industry, a sector or a category of workers or problems and so may or may not be useful/necessary in all countries or for all people.

Many people think that international labour standards set minimum wages or specify social security schemes. They don't.

International labour standards normally set basic principles for the various parties to use but it is often accepted that the application of some standards will differ from country to country.

The international labour standards that are being discussed in the debates on trade and labour standards are not the nitty-gritty ones that would make a difference to a national

economy, or which depend on its resources or level of development (such as specific safety equipment or the level of the minimum wage or the kind of social insurance scheme which should be implemented).

No, the human rights core labour standards under discussion are applicable to any and all human beings anywhere simply because they are human beings.

The core labour standards (freedom of association, the rights to organise and bargain collectively, the right to work free from discrimination in employment, pay and conditions, the right not to be forced to work involuntarily, as a prisoner or as a child) are matters of basic human rights: any country which doesn't believe in these shouldn't be a member of the ILO. Some would argue that the distinction is between those rights which people have as of right - not something which governments should be able to give, take or constrain - and those rights which will change over time and from circumstance to circumstance and over which honest people could disagree. The core labour standards fall into the first category.

These basic rights form part of the ILO's 1998 *'Declaration on Fundamental Principles and Rights at Work and its Follow-up'* and were voted for by governments, employers and workers from around the world. No government voted against the Declaration. The demand which workers and their trade unions raise around the world is that these core standards must be respected, especially by governments which want to be part of the international community.

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