

# Trade and Labour Rights: A North-South Issue?

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In recent years the international trade union movement has become vocal in advancing the demand that the international community must establish a link between the right of nations to engage in international trade and respect for the basic rights of labour. This is a significant demand because there is a widespread belief, within the broad community and even more so amongst wage earners, that the globalisation of trade and investment is undermining workers' rights. What makes this belief a particularly urgent political issue is the fact that unionists and their allies have shown they have the capacity to respond in a determined manner to any continued denial of what they perceive as their right to "a place at the table" when the rules of international trade and investment are being debated (Mazur 2000). That organised labour has this capacity has been highlighted by the successes unions in the U.S.A. have achieved in the last two years. These gains include the undermining of President Clinton's program for 'fast tracking' international trade treaties, the stalling of the Multilateral Agreement on Investment, and the mobilising of an alliance of unionists, environmentalists, and consumer groups who, in their tens of thousands, marched in protest at the 1999 Seattle WTO Ministerial Conference behind the banner, "Teamsters and Turtles Together at Last".

While the governments of the United States, the European Union, and Japan now acknowledge labour rights are a trade issue most government representatives from the less developed countries reject this perspective. Their rejection tends to be absolute but the aspect of the trade-labour rights demand these government find particularly unacceptable is the suggestion that the World Trade Organisation (WTO) should embrace a sanctions based *social clause*. The latter term refers to the proposal that the WTO should attach a rider to international trade agreements that would obligate signatory governments to respect the "core rights of labour" on pain of losing the benefits of that agreement or suffering trade sanctions (Chin 1998, 17). The term core rights of labour refers to those worker' rights that have been formally recognised by the international community as fundamental human rights. While there is some debate regarding the precise character of these rights there is a broad consensus that a model social clause should be based on and include the following ILO Conventions:

- *Freedom of association and protection of the right to organise* (ILO Convention 87);
- *the right to organise and bargain collectively* (ILO Convention 98);
- *freedom from forced labour* (ILO Conventions 29 and 105);
- *minimum age for the employment of children* (ILO Convention 138);
- *freedom from discrimination* (ILO 138);
- *the right to equal remuneration* (ILO Convention 100).

The aspect of the labour-trade debate discussed in this paper is the claim that the demand for a linkage between trade and worker rights is a form of protectionism advocated by Northerners in order to undermine the capacity of the South to compete on the basis of its abundant supply of low-priced labour. This often repeated charge has been the source of much contention. At the 1994 International Labour Conference, for example, the ILO Secretariate produced a report that aimed merely to facilitate debate on whether or not there should be a linkage between workers rights and trade. Most of the governments of the South responded by making it clear they were outraged that this notion should even be discussed. The subsequent debate was vitriolic and included the tabling of a document by the governments of

ASEAN that demanded that the ILO declare the linking of labour rights to trade a protectionist device promoted by nations that simply did not have the fortitude to take the "hard-headed, painful decisions to resolve the problem of declining competitiveness and chronic unemployment" within their own societies. (ILO, 1994, 4/25).

In the subsequent years the charge that the demand for a formal association between trade and labour is a Northern ploy designed to undermine the competitiveness of the South has been repeated on a vast number of occasions. In this paper it is argued that this assertion is not justified by the available evidence. More specifically, it is argued that:

1. Rather than being simply a North-South issue, views on the labour-trade question divide along class as well as geographic/stage of development lines.
2. Those who claim to speak for the poor of the South often do so without any mandate from labour and often appear to be motivated primarily by a wish to promote a preconceived ideological position.
3. The views of Southern labour are ambiguous though the most substantial study thus far undertaken has found strong support for a labour rights-trade link in the South.
4. Interviews with labour organisers in the South *indicate* support for a labour rights-trade linkage but the nuances of this support remain unclear.

### **Worker Rights and Trade - A North-South or Class Issue?**

While the response of governments of the South to the labour-trade debate has received extensive coverage in the literature what has been accorded less attention is the fact that within the North virulent opposition to the suggestion that there should be any linkage between trade and worker rights has been expressed repeatedly by employer bodies. For example, at the 1994 ILO conference cited above the representative of the International Organisation of Employers denounced the Secretariate for engaging in 'rhetoric based on ideology rather than intellect or empirical evidence' and subsequently declared that should the ILO endorse any link between trade and labour rights the employers would destroy the ILO. That views on the labour-trade issue fall along class lines and hence the issue cannot be seen merely as a North-South question was a key theme of a paper by Nyland and Castle published in the *Journal of Industrial Relations* in 1999. Titled 'The International Labour Organisation and the Australian Contribution to the International Labour Standards Debate', the paper clarified the views of the various contributors to the Australian debate by examining the submissions made to the Tripartite Working Party on labour standards (Duffy Report) released in March 1996. From their study the two authors concluded that while it may be true the labour-trade dispute is partly a North-South issue it is also very much a manifestation of the divergent interests of capital and labour.

The Working Party received 28 submissions which taken together provide a unique compilation of the respective positions embraced by the major Australian parties to the labour-trade debate. The submissions make it clear that while the Australian labour movement wishes to see the introduction of effective multilateral instruments that will prevent social dumping, Australian employers are opposed to all forms of intervention that link workers' rights and trade. The submissions also show that the government instrumentalities were divided along functional lines. Treasury and trade were opposed to any curtailment on investor rights while those departments concerned with the employment relationship and defence took a more generous approach towards labour.

The trade union response to the Working Party was coordinated by the Australian Council of Trade Unions which asked the international organisations to which it is affiliated and its own affiliates to make independent interventions. While there are subtle differences in the submissions received, their essence is captured by the submission provided by the International Confederation of Free Trade Unions. The Confederation began by observing that the core rights of labour can and should be respected by all nations irrespective of economic, cultural, geographic and other considerations. Grave violations of

these standards were claimed to be on the increase due to the struggle of nations to obtain a competitive advantage in the international market place. It was also noted that Australia has much to offer governments and activists seeking to counter this trend because of its considerable experience in the field of industrial relations and because the Australian union movement has a long history of cooperation with its international counterparts. Specific measures urged by the unions included the adoption of enterprise codes of conduct, an expansion of Australia's role in relevant multilateral bodies, increased aid for the development of employee organisations through the region, the use of trade and investment instruments to promote respect for workers' rights, and the provision of assistance that will enable the establishment of modern, democratic industrial relations institutions (Australian Council of Trade Unions 1995).

The submissions provided by the labour organisations make it clear that Australian unions are at one with their counterparts in the other developed nations. Likewise, the submissions received from the employers showed a marked degree of national and international class solidarity. The Chamber of Commerce and Industry, the National Farmers' Federation and the Business Council of Australia all echoed the views of their peers overseas insisting that the main factor upon which nations must rely to raise labour standards is increased per capita output and improved trade performance. Australia's employers also insisted that governments should avoid placing obstacles in the way of rapid economic growth and should allow each nation to adopt the level of standards its 'people' deem appropriate. The fact that these employer bodies enthusiastically support a great number of World Trade Organisation instruments that protect the rights of capital, by establishing basic standards of acceptable behaviour was not mentioned. Nor was mention made of the fact that in many parts of the world the 'people' are simply not allowed to participate in the determination of the labour standards that prevail in their societies. On the other hand, it was conceded that there is a need for a multilateral body charged with establishing and monitoring fundamental labour standards though the employers insisted that the only bodies that should be involved in this process are the International Labour Organisation and the United Nations. Thus the Business Council observed that the "attempt to use other bodies, such as the World Trade Organisation ... confuses roles and distracts each organisation from its charter purpose and mission" and the National Farmers Federation insisted that the demand for such a linkage was a disguised form of protectionism desired by unions in order to impose "rigidities on foreign labour markets as opposed to making our own more flexible." (Business Council of Australia 1995, p.2; National Farmers Federation 1995, p.2) Also rejected by the employers were Codes of Conduct these instruments being considered unacceptable on the grounds that they undermine the competitiveness of Australian exporters and investors, are difficult to enforce, and allow Australian unions an unacceptable role in the setting of employment conditions in other countries.

One conclusion that can justifiably drawn from an examination of the submissions to the Duffy report is that Australians' stance in relation to the labour-trade debate is similar to that manifest in most other OECD nations. Government instrumentalities associated with trade vehemently oppose any link between trade and labour rights while those agencies more actively associated with labour tend to manifest greater sympathy for this type of reform. Also reflecting overseas trends, the views of Australian employers and workers are diametrically opposed with their respective policy positions very much reflecting their respective class positions. A further conclusion that follows from the latter is that it is far too simple to see the trade-labour debate solely in North-South terms. A divergence in views may exist across geographic/stage of development lines but it is clear there is also a marked division of views across the classes that is independent of the North-South divide.

### **Who Speaks for the South?**

A great number of contributors to the labour-trade debate have at one time or another claimed to speak for the poor of the South. Southern Governments have often felt free to do so even when their poor are allowed no effective voice in the determination of government policy. Many non-government activists

have also assumed this right. Thus, Jay Mazur, Chair of the AFL-CIO International Affairs Committee, claims that he advances the "position of labor" when he argues the case for a social clause as if the international labour movement is fully united behind the position of the AFL-CIO (Mazur 2000). While labour activists have taken this licence their opponents have if anything been less restrained in claiming accurately report the views of the South. Maitland (1999), for example, simply asserts the social clause demand is purely a Northern product that enjoys no support amongst the people or the trade unions of the less developed states. Likewise, without offering any empirical support Newland has observed:

Workers in poorer and less-developed nations often view unions based in the advanced industrial countries as defenders of privilege. Their suspicions persist that such unions' insistence on increased wages, conformity with labour standards, and environmental safeguards for Third World workers is simply a disguised form of protectionism, designed to undercut the developing world's main source of comparative advantage: low labour costs (Newland 1999, pp. 56-57).

The commentators who freely advance these views invariably do so without offering any substantial evidence to support their claim that these are the opinions of the people of the South. At most anecdotal evidence is offered or government representatives are cited. Not all of those who promote the South rejects a labour-trade linkage are insensitive to the flimsy evidence upon which they base their case and have sought to shade this fact by the careful use of language and by moral obfuscation. Thus Bhagwati does not claim that his views are those of the poor of the South but rather the opinions of the "developing countries" which, he insists, believe that Northern support for a labour-trade linkage derives from the desire of Northern unionists to protect their jobs from competition from poor countries. The developing countries, he further asserts believe that Northern unionists produce moral arguments to justify a labour-trade linkage because they are aware such claims are effective in the public domain. Seeking to counter their ability to he suggests that in reality the demand is nothing less than an attempt to "secure the 'white man's gain'. Or, to use another metaphor, 'blue protectionism' is breaking out, masked behind a moral force." (Bhagwati 1997, 501)

In advancing the race card in this manner Bhagwati is attempting to seize the moral high ground. This is a difficult task given he is arguing against forms of market intervention designed to promote the right to associate, abolish child exploitation, etc. Consequently, he need to cloud the issue by injecting another moral element into the argument and is clearly hopeful that accusing his opponents of racism is one way this can be done. Likewise, Paul Krugman attempts to give moral justification to his opposition to a labour-trade link by accusing his opponents of the sin of selfishness. The labour-trade demand, he insists, amounts to nothing more than the affluent of the North denying affluence to poor of the South. An example of his argument and of his less than honest manner of promoting his claim to speak for the poor of the South appeared in the *Bangkok Post* on 17<sup>th</sup> February 2000 in an article he titled 'One in the Eye with an American Pie'. The title refers to an incident at the Tenth, United Nations Conference on Trade and Development (UNCTAD) held in Bangkok in February at which an American threw a pie at Michel Camdessus the former Head of the International Monetary Fund. Krugman ignored the fact that at this conference Juan Somavia, the Head of the ILO, warned that there is growing backlash against market liberalisation, in both the North and the South, due to the fact that a "growing number of people across the world are feeling a heightened sense of insecurity and anxiety [that is induced by] social disruptions such as sudden and severe financial crises and abrupt plant closures that so hurt communities" (Somavia 2000). Rather, Krugman zeroed in on the pie incident, asserting the fact that a U.S. citizen would travel to Thailand to protest market liberalism is a classic example of the arrogance of what he termed the "Seattle types", that is those who wish to impose "labour and environmental standards on countries that cannot afford them." (Krugman 2000)

Krugman concluded his article by observing that what the poor of the South do not want is "affluent Westerners telling them ... what a terrible thing the modern world is." In so doing, however, he appears

to be totally unaware of the fact that in publishing this article in a Bangkok newspaper he too was being nothing less than an affluent Westerner telling the people of a country of the South how to perceive the modern world. Moreover, that he accorded only one brief sentence to the fact that there were Thais at the UNTAD demonstrations suggests his decision to focus on the act of the American citizen was nothing less than duplicitous. Indeed, one suspects if his readership had not been able to watch the daily demonstrations on television even this weak concession would not have been forthcoming.

In order to assess the character of those speaking out against the unrestrained market so dear to Krugman I attended one of these demonstrations the day after his article appeared in the Post. What I discovered by this exercise in participatory observation was that the demonstrators were clearly the poor of Thailand and not affluent Westerners none of whom were in attendance. Indeed, there appeared to be an acute shortage of affluent Thais. One document distributed by many of the demonstrators exemplifies the position being advocated. It was produced by two local NGOs, the Civil Society Forum and the Thai Working Group of the Civil Society. They opened their contribution by making explicit the values, aspirations and concerns they shared.

We oppose the promotion and imposition of neoliberal theories and programs incorporating liberalization, selective deregulation, privatization and commercialization of all aspects of human life and endeavors. And we are opposed to the usurping of the roles of national governments and citizens democratic rights by global institutions such as the IMF, World Bank, and the WTO. Instead, we propose the development of a system of global governance that respects local democratic prerogatives and is based on global conventions agreed to at the United Nations. The principles of such a pluralistic and participatory form of international governance must constitute the over-arching principles and regulatory frameworks within which all global, regional, national and local governmental institutions and corporations, and all people, should cooperate. (Civil Society Forum and the Thai Working Group of the Civil Society 2000)

Having presented this declaration the civil society groups proceeded to outline policy proposals in relation to agriculture and food security, debt and reparations, finance, and labour. In relation to the last it was argued that untrammelled market liberalisation is worsening the situation of workers around the world. Consequently, they called on UNCTAD member governments to guarantee the "fundamental labour rights of their citizens" by immediately ratifying and ensuring effective implementation of the core ILO conventions. It was also insisted that labour must be allowed "to play a significant role in designing and deciding on all aspects of trade and development policy" and governments must work to create a new development paradigm that recognises the key role that labour rights can contribute to the growth process.

Three primary conclusions can be derived from the foregoing discussion of those who claim they speak for the South:

1. As with the North, the views of governments do not necessarily represent the opinions of labour;
2. a great many of the participants to the trade-labour debate who claim to speak for the poor do so without a mandate and indeed without any necessary association with the poor of the South;
3. many contributors to the labour-trade debate are more concerned with promoting a preconceived ideological position rather than with clarifying the opinions of labour.

*What then are the Views of Labour in the South?*

The document produced by the civil society groups for the UNCTAD forum insisted that added protection and promotion of the fundamental rights of workers "beyond the existing ILO tripartite system is urgently needed" but did not spell out what this might involve. Nor did their statement clarify what they believed should be the link between trade and labour rights other than to say "we believe that

there should not be discriminatory misuse of labour rights in North-South exchanges for economic advantage." This lack of clarity as to how Southern supporters of labour view the trade-labour issue is far from unusual. That support exists amongst both Northern and Southern unionists for a labour-trade link is indicated by the fact that unions from countries at all levels of economic development have expressed support for a social clause in multinational fora such as the International Labour Conference. Existence of this support is also indicated by the fact that as early as 1992 the fifteenth Regional Conference of the International Confederation of Free Trade Unions - Asian and Pacific Regional Organisation (ICFTU-APRO) issued a statement that included the demand that "ILO standards should be joined to international trading agreements such as the GATT." (ICFTU-APRO 1992, 3). Further, labour leaders from the less developed countries were amongst the unionists who called on the Seattle WTO meeting to accord labour "a seat at the table" (Moberg 2000). However, it is also clear that within the South there is a great deal of concern at what a trade-labour link might involve. The complexity of the issue is indicated by the situation in India where major trade union centres have expressed their opposition to a WTO social clause. Commenting on the diversity of views that have been expressed at Indian union conferences, John has observed:

Some preferred an outright rejection of the proposed link with international trade. Others favoured strategic use of the proposal to demand better standards for workers ... [while some] openly advocated the need for an external pressure to improve the working and living conditions of the workers in the informal sector (John 1996, p. 11).

Thus even those who reject a WTO social clause do not necessarily oppose the demand that multilateral bodies should forge a link between trade and workers' rights. Rather, opposition is often grounded on unionists' belief that the WTO is a body that cannot be trusted because it repeatedly "engenders systematic rights violations" and so they look to other organisations such as the UN (John 1996, p.12)

The most significant large scale study that has sought to go beyond the conflicting anecdotal evidence regarding the views of the South has been published by Michel Egger and Catherine Schümperli in a report titled *Social Clause: Survey Among NGOs and Trade Unions of Europe and the South*, in 1996. The report was the product of two Swiss organisations concerned with social justice, Pain pour le prochain (PPP) and La Déclaration de Berne (DB). These two bodies sought to examine the views of the "South" in relation to a "social clause" in trading agreements by survey the opinions of organisations that actively work with the poor in the South. These views were to be compared with the well documented support for such a clause in Europe. The "South" was defined as Latin America, Asia, and Africa, and Eastern Europe was included in the analysis. The study also included the views of some Western European organisations.

Sixty seven bodies from the South responded: 28 from Latin America; 21 from Asia; 16 from Africa; and 2 from Eastern Europe. 15 organisations from Western Europe (the "North") responded (13 from Switzerland). Of the respondents 76 per cent were religious (26 per cent) or non-religious NGOs (50 per cent), 12 per cent were trade unions, 8.5 per cent were research centres, and 3.5 per cent were other organisations (eg. political parties, etc).

It was found that there was a high level of support for a social clause in both the North and the South. In summary, a large majority (91 per cent) of respondents from the South supported the concept of a social clause, 7 per cent rejected the principle, and 2 per cent did not know or replied in an ambivalent fashion. This was a similar breakdown to the responses of the organisations of the North (94 per cent support). There was slightly less support in Asia, where 86 per cent of organisations supported a social clause.

Reasons given for supporting the clause included:

- It is a necessary safety net and form of regulation in the face of the exploitative potential of increasing trade liberalisation;

- It embodies an ethical concern usually absent from trade and opens the way for “greater fairness and justice in North-South relations”;
- It promotes human rights at work and may mitigate the effects of IMF policy;
- It will strengthen the ILO through the recognition and promotion of its conventions;
- It can strengthen unions and improve their bargaining outcomes;
- It is necessary for the achievement of sustainable development; and
- It is an instructive means of making social partners aware of the implications of international trade.

Supporters recognised the potential for protectionist abuse of the clause but thought this possibility was outweighed by its benefits – it was thought that possible protectionism lay in the use of the clause and was not inherent to it.

The minority of organisations which opposed a social clause based their rejection on:

- The risk of protectionism;
- Illusory implementation through lack of will on the part of governments;
- An inability to take into account regional issues;
- Application is limited to export sectors only, and the formal sector, while most abuse of rights occurs in the informal sector;
- Difficulty in adapting the mechanism to the development level of each country;
- Incapacity of many poor countries to satisfy requirements;
- There should not be a link between trade and labour;
- It represents an attack on national sovereignty; and
- Distrust of international organisations such as the WTO and the ILO.

There was also concern that a social clause would require a great deal of effort by all parties for minimal results while some organisations thought it would be more effective to deal directly with transnational corporations.

A great majority of respondents viewed the selection of core labour rights and the seven conventions to which they relate as appropriate for a social clause. Most popular of the means for implementing a social clause at the multilateral level was a joint ILO/WTO instrument that included sanctions. It was argued that a joint ILO/WTO arrangement would be able to utilise the specialist experience of each body. The ILO would define, promote and direct implementation on the ground, while the WTO would impose sanctions as a last resort. This notion was more popular in the North (60 per cent support) than the South (49 per cent support overall, 33 per cent support in Asia). 25 per cent of organisations from the South supported carriage by the ILO (29 per cent of Asian organisations), compared with 20 per cent of organisations from the North. 21 per cent of Southern organisations supported the formation of a new body (24 per cent of Asian organisations), an idea which was rejected by all the respondents from the North. No organisation from the North or the South supported carriage by the WTO alone because of distrust towards the organisation and the dominance of industrialised countries within its structures.

While a great majority of respondents supported the use of sanctions to enforce a social clause there were differences between the North and the South in terms of the shape those sanctions should take. In the South, 90 per cent of organisations supported sanctions for failure to abide by the principles set out in the social clause while 86 per cent of organisations in the Asian sample support sanctions. Support was slightly higher in the North (93 per cent). Possible “positive” and “negative” sanctions were presented to the respondents. There were significant differences between North and South organisations

with respect to which sanctions were most appropriate. 55 per cent of organisations of the South supported exclusion of offending products (52 per cent in Asia). The next most popular mechanism was the granting of preferential tariffs for abiding by a social clause or the removal of preferences for breaches. Generally the focus was on specific products and there was less support for measures which would affect an entire country. Organisations of the North were supportive of the granting of preferences for industries/countries which abide by a social clause. However, the next most popular mechanism for the North was a general increase in customs tariffs. The report suggested that this difference could reflect a conscious or unconscious protectionist tendency in the North.

Another form of action suggested was the idea of making public development aid dependent on certain conditions if social standards covered by bilateral trade agreements are violated. This action was supported by an overall majority but is more popular in the North (74 per cent support) than the South (64 per cent support). Only 52 per cent of organisations in Asia supported this approach. Generally there was concern that this mechanism should be used with sensitivity and that attention be given to ensuring that the position of the most disadvantaged groups is not further undermined.

When asked about measures necessary to accompany a social clause, the most popular response overall was that Structural Adjustment Programs of the IMF needed to be redefined. The promotion of grassroots movements was supported, as was the promotion of ecologically and socially sound labels and technology transfers. Financial transfers through public development aid was the least popular accompanying measure. Within the South, organisations from Asia were most supportive of measures to promote grassroots organisations and trade unions.

Compared with the rest of the South, Asian organisations were slightly more cautious or ambivalent about the social clause. “No Response” was a more common feature of the Asian returns than others, which may suggest a lack of knowledge or developed opinion on the issue within some organisations. Asian organisations were also slightly less likely to support the concept or believe in its efficacy compared with the average view of the South.<sup>1</sup> They were more likely to believe that other standards should be included in the clause and were slightly less supportive of implementation at the multilateral level being more favourable to a regional approach. Asian organisations were less likely to be supportive of action at the bilateral and private level than their Southern fellow organisations but are still more likely to be supportive than organisations from the North. Although still the most popular option, a joint WTO/ILO implementation body at the multilateral level received weaker support in Asia than in the South generally.

While the vast majority of organisations supported the social clause, in the South there was less confidence in the potential effectiveness of this mechanism. The survey set out the goals which the social clause sought to achieve such as: respect for fundamental workers’ rights; improvement of working conditions for all workers; reinforcement of labour and social security laws; create a sense of responsibility among TNCs regarding their investment decisions; equitable distribution of the fruits of liberalisation, etc. Some 84 per cent of organisations of the South thought the social clause would permit the attainment of these goals, while 94 per cent of organisations of the North believed it would have this effect and only 76 per cent of organisations from Asia thought the social clause would be effective. Reasons given for doubting a social clause would be effective included a lack of political will on the part of local governments, the difficulties involved mobilising grassroots movements; and the tepid enthusiasm with which many multilateral agencies and Northern governments and NGOs promoted the transformation of the economic, political and social, structures of the South.

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<sup>1</sup> The responses of Asian organisations made up 31 per cent of all responses from the South. Therefore the differences between the views of the Asian organisations and the views of the other regions of the South are understated here as the comparison figure includes the views of the Asian organisations.

In response to a question about the appropriate level for the implementation of a social clause, 87 per cent of organisations from both the North and the South supported implementation at the multilateral level. 81 per cent of organisations from Asia supported implementation at the multilateral level. There was greater support in the South than the North for mechanisms at the regional, bilateral and “private” level. Support for a mechanism at the multilateral level was founded on the view that at a time of economic globalisation, respect for workers’ rights becomes a global problem which demands a global response. It was also argued that countries which have not introduced legislation to protect core labour rights will invariably be pressured to do so by such an instrument. However, opponents of implementation at this level argued that a global instrument cannot take into account regional issues, international arrangements will not filter down to the ground, and the South is always the loser in the course of international action because of an imbalance of power.

Once again there was a difference of opinion between the North and the South in respect of bilateral arrangements; they were supported by 63 per cent of organisations from the South (52 per cent of organisations in Asia) but only 47 per cent of Northern organisations supported this approach. Arguments put forward in support of this approach centred on the need to push the issue at all levels, agreements can contain greater detail, and such arrangements indicate political will on the part of governments. Opponents focussed on the inequality of bargaining power between countries and the increased potential for protectionist and discriminatory arrangements.

The levels of action discussed above involve governments which bring with them associated problems relating to the negotiation and implementation of agreements. Another level of action which has been growing in popularity in recent years can be described as “private” action. This action is directed at the actors in commercial arrangements – transnational corporations, producers and consumers – and concerns processes such as labelling and codes of conduct. The responses to the survey indicate both a desire to require TNCs to be involved in solutions to social problems but also a distrust of them. Action at this level was more popular in the South (69 per cent support overall, 62 per cent support in Asia), than the North (60 per cent support). The report comments that this is surprising given that many such initiatives originated in the North. Although the report is not explicit, the implication may be that the results of action at this level have been disappointing, at least in some cases. Having completed in their Egger and Schumperli concluded:

To sum up, the NGOs and trade unions of the South and Eastern Europe which responded to our survey overwhelmingly said yes to the introduction of a social clause in international trade. They consider it an effective means of ensuring respect for workers' fundamental rights and labour conditions. For a majority - often very broad - such a social clause, inseparable from an ecological clause and based mainly on seven key ILO conventions, should be applied at all levels, multilateral, regional, bilateral and private. Particular emphasis, however, was attached to the multilateral level, notably through the creation of a joint ILO/WTO organization. In order to give the social clause a certain reality and effectiveness, most of the organizations recognized the necessity of sanctions, such as denying market access to offending products, and attaching conditions to aid (Egger and Shumperli 1996, 8).

The research reported by Egger and Shumperli is of great value and their efforts at the very least place the onus on those who claim a link between labour rights and trade has no support amongst the poor in the South to present evidence that is equally substantive. However, their work does lie open to the charge and it largely reports the views of Southern NGOs rather than the views of labour. Recognising that this is the case we now turn to the last section of this paper which reports on a study presently being undertaken by the author and by colleagues at Monash and Cardiff University.

*What are the Views of Organised Labour in the North and the South on the Demand for a Trade-labour Linage?*

Beginning in 2000 Nyland, Fairbrother and Griffin have begun a major study that aims to clarify union views on labour-trade debate and determine the validity of the claim that there exist major divisions in the respective views of unions from the more developed/ less developed countries and across occupations. The study seeks to answer five distinct questions:

1. Is the union movements' support for the social clause founded on protectionist or instrumentalist beliefs?
2. Is there a significant division between the trade unions of the north and south as regards the social clause?
3. Do the occupation/industrial divisions within the labour movement influence unionists' views of the social clause demand?
4. Is it the case that some union organisations look to international agencies, such as the WTO, to ensure recognition of labour rights because they have little capacity to enforce respect for labour standards and human rights?
5. How has the international union movement been able to advance a common policy on the social clause in multinational institutions such as the International Labour Conference?

The work undertaken in the South thus far has led the investigators to reach the following *very tentative* conclusions:

- Unions in the South are united in support of core labour rights. The issue is how to achieve those rights;
- A majority of Southern unions in the Asia-Pacific region support a labour-trade linkage but a small number of unions view linkages as protectionist and detrimental to their interests;
- the degree of independence of trade unions from government seems to be an important factor;
- Some unions and at least one International Trade Secretariat do not oppose a trade-labour linkage but argue that (a) this goal is probably unachievable and a campaign is a waste of resources; and/or (b) linkages may undermine domestic trade union activity;
- Geographic patterns are not pronounced in the South though union views in certain key regions remain to be clarified;
- There are differences between the views of ITSs representing the different industries but the reasons for this divergence remain obscure;
- Action on the issue of linkages is coming from the leadership of international trade union organisations, rather than from the grass roots.

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