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## International Labor Standards and Decent Work: Perspectives From the Developing World

### Abstract

[Excerpt] It is a very positive development that the world community has now reached agreement on four core labor standards, described further below. The moral force of this agreement will help slow and possibly even reverse the infamous "race to the bottom"—for example, child labor in the carpet industries of India undermining Nepal's efforts to keep its carpet industry free of child labor (Hensman, 2000).

Ironically, some of the loudest and most strident voices against international labor standards come from the poorest parts of the world. My thesis in this chapter is that while *some* of the arguments being voiced against international labor standards have merit, others do not, and so I attempt to differentiate the good from the less good positions.

The paper proceeds as follows. Section II discusses international labor standards as they were and Section III international labor standards as they are. Section IV reviews the positions of developing countries with regard to international labor standards. The conclusions are summed up in Section V.

### Keywords

development, labor standards, employment, unemployment, labor rights

### Disciplines

Growth and Development | International and Comparative Labor Relations | Labor Relations

### Comments

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# International Labor Standards and Decent Work: Perspectives from the Developing World

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GARY S. FIELDS

## I. Introduction

Billions of people in the world live in appalling conditions. The World Bank and the United Nations reckon that three billion people—nearly half of humanity—subsist on less than U.S.\$2.00 per person per day (after adjusting for differences in monetary units using Purchasing Power Parity adjustments). The challenges of economic development are enormous.

The theme of this conference, international labor standards, is one approach that is being taken to try to meet these development challenges.<sup>1</sup> I am and have been a strong supporter of those international labor standards that represent basic human rights in the workplace, not because of the economic effects that they would have (which, by the way, I think are positive) but simply because I believe they are right and that concerned world citizens should try to help the less fortunate among us (Fields, 1990, 1995, 2000).<sup>2</sup> Some kinds of work (slavery, indentured servitude, forced labor, the worst forms of child labor) are an outrage wherever in the world they occur, and they should be prohibited. Certain basic human rights in the workplace should, in my view, be guaranteed to workers—in particular, the right to freedom of association and collective bargaining. Like most other economists, I do not think that it is possible to pass laws or set standards to assure other important and sought-after conditions of work—most important, jobs themselves, earnings levels, and other conditions of employment. These, I believe, can best be achieved through rapid, broad-based economic growth, on which I have written elsewhere (Fields, 2001b).

It is a very positive development that the world community has now reached agreement on four core labor standards, described further below. The moral force of this agreement will help slow and possibly even reverse the infamous “race to the bottom”—for example, child labor in the carpet industries of India undermining Nepal’s efforts to keep its carpet industry free of child labor (Hensman, 2000).

Ironically, some of the loudest and most strident voices against international labor standards come from the poorest parts of the world. My thesis in this chapter is that while *some* of the arguments being voiced against international labor standards have merit, others do not, and so I attempt to differentiate the good from the less good positions.

The paper proceeds as follows. Section II discusses international labor standards as they were and Section III international labor standards as they are. Section IV reviews the positions of developing countries with regard to international labor standards. The conclusions are summed up in Section V.

## II. International Labor Standards: How It Was

Responsibility for international labor standards has traditionally rested with the International Labour Organization (ILO). The ILO, founded in 1919, is the specialized agency of the United Nations which seeks to promote social justice and internationally recognized human and labor rights, thereby improving the situation of human beings in the world of work (Report of the Director General, 1999, p. 5). The ILO’s historical approach to improving workplace standards has been to promote conventions and recommendations for ratification by member countries. These conventions and recommendations cover a wide range of labor standards, including respect of fundamental human rights, protection of wages, employment security, working conditions, labor market and social policies, and industrial relations. At present, there are 184 conventions, 195 recommendations, and 175 member states.

Ratification of labor standards is central to the ILO’s work program. A past Director-General, Michel Hansenne, stated: “One of our major responsibilities, therefore, is to ensure that, once adopted, standards are widely ratified by States which solemnly pledge to apply them. We would be falling far

short of our claim to universality if we were to insist on the universality of standards as a matter of principle without taking the same trouble to make sure that they were universally implemented” (ILO, 1994, pp. 29–30). Similarly, the current Director-General, Juan Somavía, has called for renewing the organization’s work on labor standards by reinvigorating international labor standards, enhancing the ILO’s work on standards, re-evaluating standard-setting, choosing suitable subjects for standards, and reassessing existing conventions (ILO, 1999).

U.S. trade law has for many years maintained the importance of the following internationally recognized workers’ rights:<sup>3</sup>

Freedom of association

The right to organize and bargain collectively

Prohibition of forced or compulsory labor

A minimum age for the employment of children

Guarantee of acceptable working conditions (possibly including maximum hours of work per week, a weekly rest period, limits to work by young persons, a minimum wage, minimum workplace safety and health standards, and elimination of employment discrimination)

Labor conditionality clauses are now attached to the Caribbean Basin Economic Recovery Act (1983), the GSP (Generalized System of Preferences) program (1984), the Overseas Private Investment Corporation (1985), the Multilateral Investment Guarantee Agency (1987), Section 301 of the Omnibus Trade and Competitiveness Act (1988), the Andean Trade Preference Act (1991), and Section 599 of the Foreign Operations Appropriations Act (1992). In the case of the GSP program, the President is authorized to withhold recognition of a country that “has not taken or is not taking steps to afford internationally recognized worker rights to workers in the country (including any designated zone in that country).”<sup>4</sup> In a dozen cases, GSP benefits have been withdrawn or suspended (USGAO, 1994; Van Liemt, 1989; Tsogas, 2001).

Turning to other parts of the world, the Social Charter of the European Union, approved by all member nations except for Britain, specifies an even broader list of worker “rights”:

Freedom of movement

The right to employment and remuneration

- The improvement of living and working conditions
- The right to social protection
- The right to freedom of association and collective bargaining
- The right to vocational training
- The right of men and women to equal treatment
- The right of information, consultation, and participation
- The right to health and safety in the workplace
- The protection of children and adolescents in employment
- The protection of elderly persons
- The protection of persons with disabilities

How well did these far-reaching attempts work? Not at all. Most countries could and did adopt what they wished and ignored what they didn't want. Take the United States as an example. Of the eight conventions that have been designated as fundamental, the United States has ratified precisely two. This does not mean that the United States is hostile to these standards or indifferent to them, but rather that it has found other ways to achieve its desired labor standards. Indeed, in his chapter in this volume, Robert Flanagan presents detailed econometric evidence for the 1980s and 1990s showing that ratifications of labor standards made no statistically significant difference to labor rights and conditions, because these latter are improved by free trade policies and economic growth.

### **III. International Labor Standards: How It Is**

In the mid-1990s, a sea change took place: the "try everything" approach to international labor standards was supplanted by a new, more focused position at the ILO, the Organisation for Economic Co-operation and Development (OECD), and other international agencies.<sup>5</sup> The World Summit on Social Development held in 1995 in Copenhagen defined core labor standards as including the prohibition of forced labor and child labor, freedom of association and the right to organize and bargain collectively, equal remuneration for men and women for work of equal value, and nondiscrimination in employment. What was important about the World Social Summit was not so much what was included but what wasn't: minimum wages, mandated fringe benefits, maximum hours of work, and the like.

Another major milestone was a 1996 OECD study on international trade, employment, and labor standards (OECD, 1996). Two branches of the OECD that had often been working in conflict with each other—the Employment, Labour and Social Affairs Committee and the Trade Committee—agreed upon a set of core labor standards (freedom of association and the right to collective bargaining, elimination of exploitative forms of child labor, the prohibition of forced labor, and nondiscrimination in employment) along with mechanisms to promote those standards worldwide.<sup>6</sup>

The next important event was the December 1996 Singapore ministerial meeting of the World Trade Organization. The member states reiterated their commitment to internationally recognized core labor standards, supported collaboration between the WTO and ILO secretariats, rejected the use of labor standards for protectionist purposes, and recognized the ILO as the competent body for dealing with this issue.

A truly defining moment for international labor standards was the June 1998 International Labor Conference of the ILO, which approved the Declaration on Fundamental Principles and Rights at Work. Because this document is so important to present-day international labor standards, it is reproduced in the appendix to this chapter. The declaration affirmed that all of the member states of the ILO have the responsibility to “promote and to realize, in good faith and in accordance with the Constitution [of the ILO], the principles concerning the fundamental rights,” which include:

- Freedom of association and effective recognition of the right to collective bargaining
- The elimination of all forms of forced or compulsory labor
- The effective abolition of child labor
- The elimination of discrimination in respect of employment and occupation

What was so important was that these core labor standards did not have to be ratified; they were binding on the member countries of the ILO by virtue of the very fact of their membership in the organization.

Since that time, these four core labor standards have been reaffirmed in a variety of fora. In 1999, U.N. Secretary-General Kofi Annan integrated these four core labor standards into a nine-point Global Compact of shared values

and principles that has been endorsed by a wide range of business groups, individual companies, organized labor, and nongovernmental organizations. Then, in August 2000, the member nations of the OECD incorporated these core labor standards into revised *Guidelines for Multinational Enterprises*. In its November 2001 Ministerial meeting at Doha, the WTO reaffirmed its support for core labor standards as laid out in the 1996 Singapore Ministerial. At that time, it also dropped all labor-related issues from its agenda, leaving those to the ILO.

Alas, the international financial institutions—in particular, the World Bank and the International Monetary Fund but also the Asian Development Bank, the Inter-American Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development—have not endorsed or worked actively to support these core labor standards (OECD, 2000, pp. 57–59).<sup>7</sup> The main reason for their reticence, apparently, is opposition to freedom of association and collective bargaining, because of the possible harmful effects that the exercise of these rights might have. These worries can, I submit, be largely overcome by setting up industrial relations systems in ways that prescribe and proscribe what employers and unions must do, may do, and may not do. John Pencavel has written thoughtfully on this (Pencavel, 1997). The failure of the international financial institutions to back core labor standards is a real pity, both because of the implications of their nonsupport for workers in the developing world and because it opens up these organizations to criticism and protests, many of which could be avoided.

Today, the ILO continues to advance core labor standards as a central part of its work program, which has now been reoriented toward the mission of “Decent Work for All.” Under Director-General Juan Somavía, Decent Work aims not just to create jobs for women and men everywhere but also to create jobs of acceptable quality. The ILO aims to redress the so-called Decent Work Deficit by pursuing four strategic objectives: full employment, improved levels of socioeconomic security, universal respect for fundamental principles and rights at work, and the strengthening of social dialogue (ILO, 1999, 2001). Core labor standards fall under the “universal respect for fundamental principles and rights at work.” The ILO’s work program gives priority to these core standards over all others.



I regard Decent Work as a new and welcome redirection of the ILO's efforts and have written more on this in Fields (2001a). Jobs in which core labor standards are not honored cannot be regarded as decent. This is how I define indecent work: work under conditions so odious or harmful that it would be better for people not to work at all than to work under such damaging conditions. In opposing indecent work defined in this way and seeking its elimination, I recognize that the alternative may not be pretty. What would happen to those who are displaced cannot be ignored. If they move into the so-called informal sector and engage in street-vending, petty services, family farming, or microenterprises, it is one thing. But if the alternative is prostitution, picking through garbage dumps, or worse, it is quite another. These fallback options vary from place to place; what they are must be recognized.

Decent Work shifts the focus of the ILO to workplace outcomes: once core labor standards are satisfied, attention shifts to how much work there is, how remunerative and secure is the work, and under what conditions that work is carried out. These criteria raise a genuine development challenge: finding ways to increase employment and wages and pull labor market conditions up through economic growth in order to improve the economic well-being of people around the world and lessen poverty in the world. I urge the ILO, the World Bank, and other national and international development institutions to form a genuine partnership centered on these objectives.

#### **IV. Developing Country Views on International Labor Standards: Perceptions and Reality**

If international labor standards might in fact lead to increased employment, higher earnings levels, and better workplace conditions for the working people of the world, it would be expected that many of the stakeholders in the developing countries—the labor unions, unorganized workers, nongovernmental organizations, and government agencies—and their friends in the developed world would be enthusiastic supporters of standards. Indeed, there are many, many voices in both the developed and developing worlds that are supportive of international labor standards. It goes without saying that labor groups and human rights groups like the International Confederation of Free

Trade Unions, the International Labor Rights Fund, and the OECD's Trade Union Advisory Council support these standards. So too do some labor economists, a very visible and vocal example being Harvard's Richard Freeman (1997). Then there are the former number two officials at the World Bank, Joseph Stiglitz (2000), and the International Monetary Fund, Stanley Fischer (2000). The list of supporters could go on at great length.

The fact that international labor standards are favored by organized labor in the developed countries is often decried as "disguised protectionism" and not very well disguised protectionism at that. In the case of those labor unions and labor ministries in the rich countries that aim to protect their interests against those of developing country workers, the claim of protectionism is a believable one. Sometimes, the protectionist motive is made explicit, as in the suggestion to "raise the cost of doing business in other nations through international organizing, international labor standards, and multinational bargaining campaigns" (Hecker and Hallock, 1991, p. 5) or as in the call by the President of the U.S. labor union UNITE (the Union of Needletrades, Industrial, and Textile Employees), Bruce Raynor, to "protect good union jobs in this country" (Raynor, 2001). Yet, it would surely be unfair to label all those who favor international labor standards (myself among them) as protectionist. In Richard Freeman's words, "Most advocates of standards want what they say they want: to guarantee as far as possible certain basic rights to workers around the world."

There are, however, many opponents of international labor standards. The opposition takes two forms. Some oppose international labor standards per se. Others oppose linking labor standards to international trade.

Let us start with the line of argument about standards per se. Many companies believe that standards will hamper their ability to pursue business objectives. Their opposition to international labor standards comes as no surprise.

Perhaps more surprising is that while most developing countries are on the record as supporting core labor standards, not all do. Here is a vivid and articulate statement of opposition to labor standards coming from Malaysia's Prime Minister:

Western governments openly propose to eliminate the competitive edge of East Asia. The recent proposal for a world-wide minimum wage is a blatant example.

Westerners know that this is the sole comparative advantage of the developing countries. All other comparative advantages (technology, capital, rich domestic markets, legal frameworks, management and marketing networks) are with the developed states. It is obvious that professed concern about workers' welfare is motivated by selfish interest. Sanctimonious pronouncements on humanitarian, democratic and environmental issues are likely to be motivated by a similar selfish desire to put as many obstacles as possible in the way of anyone attempting to catch up and compete with the West. (Mahathir, 1994)

And another by India's Commerce and Industry Minister, Murasoli Maran:

The Western world, the industrialized world, wants to take away our comparative advantage. It is a pernicious way of robbing our comparative advantage. The developing countries consider it as a maneuver by wealthy nations to force our wages up, to undermine our competitiveness. This is the secret. (*New York Times*, December 17, 1999)

In both these cases, the argument concerns the *effect* of standards—in particular, the higher labor costs that they would engender.

In essence, this is a stages-of-development argument. Many developing countries contend that poor labor standards are more a symptom of their lower level of economic development than any deliberate intent or design on their part. An example is a statement by Mr. Supachai Panitchpakdi of Thailand, the Director-General Designate of the WTO, who said: "Sanctions against bad labor practices will almost automatically hit smaller developing nations because they have had bad labor records due to poverty" (*International Herald Tribune*, December 8, 1999). This argument makes sense if the "bad labor records" in question concern workers' earnings or other employment benefits. It makes much less sense in terms of internationally agreed *core* labor standards. As an Indian labor activist, Sujata Gothoskar of Bombay, stated: "With this argument, every struggle by the workers for a better life may be argued as eroding the competitive advantage of our country. Does this not negate the rationale and existence of the trade unions themselves?" (cited in Hensman, 2000).

The stages-of-development argument comes up in another form. Some developing countries argue that given their lower stage of economic development, the rapid economic transformations many are currently undergoing, and the high degree of informality in their labor markets, it would not

be appropriate to apply such aspects of labor rights as are found in Europe—in particular, union representation on boards and other aspects of the European model of labor relations (Salazar-Xirinachs, 1999). Here too, we have an objection that is based on something other than *core* labor standards: the core labor standards concerning freedom of association and collective bargaining do not provide for union membership on boards of companies, works councils, or anything else.

Moving from standards to ways of achieving them, we come to the question of the linkage of trade and labor standards—in particular, the question of trade sanctions for countries that do not abide by internationally agreed labor standards. Many developing country governments fear that if such a linkage is established, their access to world markets may be jeopardized, which, it might be said, is protectionist in its own way. Among the consistent critics of such linkages are the governments of such leading developing countries as India, China, Malaysia, South Africa, Brazil, and Mexico, and the member states of the Association of South-East Asian Nations, the South Asian trade ministers, an association of African nations, the Rio Group of Latin American Nations, and the Organization of American States. For example, India “has all along maintained that it is not against core labor standards in itself, but opposed to its abuse for trade purposes to deny market access to exports from developing countries” (“EU Backtracks,” 2000).

At the WTO ministerial meeting in Seattle in 1999, more than one hundred WTO members from the developing world opposed international labor standards, saying that they can’t afford them. As the *New York Times* noted editorially at the time (December 3, 1999), “There is no easy resolution of this issue, because member nations do not agree on what labor rights provisions should be set.” Since then, the so-called G-15 of developing countries has been formed (members include Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Kenya, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Sri Lanka, Venezuela, and Zimbabwe). This organization has come out strongly against linking core labor standards (and also environmental standards) to global trade.

On this issue of trade sanctions, the debate is strong on both sides.<sup>8</sup> In my judgment, there is a valid reason to worry about trade sanctions and a valid reason not to. The valid reason *to* worry is that U.S. law still carries the pos-

sibility of *unilateral* trade sanctions against countries that are judged (by the United States) to have engaged in an unfair trade practice (against the United States). A reason *not* to worry is that *multilateral* trade sanctions are effectively off the table. Let me say a bit about each.

First, on *unilateral* trade sanctions, U.S. law contains a provision known popularly as “Super 301,” after the section of the U.S. Trade Code to which it refers. Since 1988, “denial of internationally recognized worker rights” has been included among the list of unfair trade practices. For this purpose, the “internationally recognized worker rights” include a “guarantee of acceptable working conditions” including minimum wages, hours of work, and the like. Developing countries are right to be concerned. After all, if tariffs can be imposed unilaterally on imported steel under Section 203 of the Trade Act, as they just were in recent months, what is to prevent the United States from withdrawing GSP benefits from developing countries or imposing other penalties on them under Section 301 of the same act? Jagdish Bhagwati (1995, 1998), Arvind Panagariya (2000), and T. N. Srinivasan (1998) are among the highly vocal critics of the possibility of trade sanctions in U.S. law.

On the other hand, on the issue of *multilateral* trade sanctions, the developing countries need not worry. The simple fact is that labor standards are not now subject to the rules and disciplines imposed by the world’s trading organization, the WTO, and are not likely to be. Although some nations in Europe and North America favor such a linkage, most other countries do not (including, it might be added, the European Union itself).<sup>9</sup> The WTO’s official website sums up the present situation thus:

Most developing countries and many developed nations believe the issue of core labour standards does not belong in the WTO. These member governments see the issue of trade and labour standards as a guise for protectionism in developed-country markets. Developing-country officials have said that efforts to bring labour standards into the WTO represent a smokescreen for undermining the comparative advantage of lower-wage developing countries. Many officials in developing countries argue that better working conditions and improved labour rights arise through economic growth. They say that if the issue of core labour standards became enforceable under WTO rules, any sanctions imposed against countries with lower labour standards would merely perpetuate poverty and delay improvements in workplace standards. (WTO, 2002)

The WTO has not budged from the position it took when it was first created in 1996: that matters of labor standards are best left to the ILO and are outside the purview of the WTO.

Developing countries complain that linking labor standards to trade may be a slippery slope, leading only to further demands from developed countries in the future. Many developing countries, such as India and Brazil, oppose even discussing labor standards within the WTO, because it would be a step toward empowering the WTO to impose sanctions against countries that do not enforce prescribed labor standards. These countries worry that by bringing labor standards and other issues such as environment into the WTO, the organization may be overloaded, thereby being rendered incapable of concentrating on its core mission of liberalizing the world trading system, from which these countries hope to benefit through increased market access.

Returning to the concern of developed countries to get developing countries to do what *we* want *them* to do in the area of labor standards, a more practical approach would be to tie trade agreements with us to the commitment by developing countries to enforce *their own* labor laws. This was done in the case of the recently concluded trade treaty between the United States and Jordan and applies to pending agreements with Chile and Singapore. In other situations, the problem of low labor standards in developing countries is in part one of institutional deficiency rather than any lack of desire to see the standards implemented. Enforcement is itself costly, both in terms of scarce administrative capabilities and in terms of scarce financial resources. It is worth noting in this context that under some interpretations of international law, abridgement of rights including labor rights is acceptable if satisfying the right is too expensive. We can and should be more generous with foreign aid to help bring about such improvements.

## V. Conclusion

First, the old approach to international labor standards involved setting some 184 standards, which the ILO encouraged its 175 member countries around the world to adopt. The United States itself has tried to impose labor standards on its trading partners by threatening trade sanctions against those

trading partners who failed to adhere to the prescribed standards. These measures were viewed, justifiably, as protectionist by developing and developed countries alike.

Second, after a long debate, world opinion has coalesced around the need for and desirability of core labor standards in four areas: freedom of association and effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, and the elimination of discrimination in respect of employment and occupation. Employer, worker, and government representatives in the ILO have issued a Declaration on Fundamental Principles and Rights at Work, according to which acceptance of these standards is binding on the countries of the world by virtue of their membership in the ILO with no ratifications or further action being required. With these core labor standards as base, the ILO has launched a “Decent Work” agenda aimed at securing decent work for women and men everywhere.

Third, many developing countries continue to oppose international labor standards. Their principal points of opposition include losing their comparative advantage, losing the benefits of free trade, and the inappropriateness of imposing demanding standards at their current stage of development. While some of their concerns are warranted, other of these arguments fail to stand up to scrutiny, either because the arguments themselves are not well reasoned or because they reflect a misunderstanding of what core labor standards they are now being asked to abide by. It would appear, therefore, that to an important degree, developing countries’ opposition to international labor standards comes more from what *was* being proposed than from what *is now* on the table. Those in the international community who support more widespread labor standards would do well to avoid such shorthands as “internationally recognized labor standards,” “worker rights,” and the like and instead discuss “the four core labor standards” in general or one of the four in particular.

In conclusion, then, should the developing countries have labor standards that are different from Western or international standards? My answer is, yes and no. The *core* labor standards discussed in this paper—including freedom of association and collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, and the

elimination of discrimination in respect of employment and occupation—are fundamental human rights in the workplace. They should be honored in the developing countries the same as elsewhere. On the other hand, as a practical matter, certain important labor standards—in particular, earnings levels but also minimum wages, maximum hours of work, mandated fringe benefits, occupational safety and health regulations, and the like—must be allowed to *differ* across countries. These latter standards should be determined within countries and not by international mandate.

The developing countries are right in opposing the imposition of standards regarding earnings, hours, benefits, or safety and health before labor market conditions warrant. But such mandates have all but disappeared from serious policy discussion at present, and therefore many arguments now being voiced against labor standards are simply irrelevant. What is relevant is the appallingly high rates of unemployment and underemployment, low levels of earnings, high rates of poverty, and appalling standards of living of literally billions of people in the world. How to achieve economic growth of a type that will remedy these conditions is a matter of great international urgency.

### **Appendix: ILO Declaration on Fundamental Principles and Rights at Work**

86th Session, Geneva, June 1998

Whereas the ILO was founded in the conviction that social justice is essential to universal and lasting peace;

Whereas economic growth is essential but not sufficient to ensure equity, social progress and the eradication of poverty, confirming the need for the ILO to promote strong social policies, justice and democratic institutions;

Whereas the ILO should, now more than ever, draw upon all its standard-setting, technical cooperation and research resources in all its areas of competence, in particular employment, vocational training and working conditions, to ensure that, in the context of a global strategy for economic and social development, economic and social policies are mutually reinforcing components in order to create broad-based sustainable development;

Whereas the ILO should give special attention to the problems of persons with special social needs, particularly the unemployed and migrant workers, and mobilize



and encourage international, regional and national efforts aimed at resolving their problems, and promote effective policies aimed at job creation;

Whereas, in seeking to maintain the link between social progress and economic growth, the guarantee of Fundamental Principles and Rights at Work is of particular significance in that it enables the persons concerned, to claim freely and on the basis of equality of opportunity, their fair share of the wealth which they have helped to generate, and to achieve fully their human potential;

Whereas the ILO is the constitutionally mandated international organization and the competent body to set and deal with international labour standards, and enjoys universal support and acknowledgement in promoting Fundamental Rights at Work as the expression of its constitutional principles;

Whereas it is urgent, in a situation of growing economic interdependence, to reaffirm the immutable nature of the Fundamental Principles and Rights embodied in the Constitution of the Organization and to promote their universal application;

#### The International Labour Conference

##### 1. Recalls:

(a) that in freely joining the ILO, all Members have endorsed the principles and rights set out in its Constitution and in the Declaration of Philadelphia, and have undertaken to work towards attaining the overall objectives of the Organization to the best of their resources and fully in line with their specific circumstances;

(b) that these principles and rights have been expressed and developed in the form of specific rights and obligations in Conventions recognized as fundamental both inside and outside the Organization.

2. Declares that all Members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely:

(a) freedom of association and the effective recognition of the right to collective bargaining;

(b) the elimination of all forms of forced or compulsory labour;

(c) the effective abolition of child labour; and

(d) the elimination of discrimination in respect of employment and occupation.

3. Recognizes the obligation on the Organization to assist its Members, in response to their established and expressed needs, in order to attain these objectives by making full use of its constitutional, operational and budgetary resources, including, by the mobilization of external resources and support, as well as by encouraging other international organizations with which the ILO has established relations, pursuant to article 12 of its Constitution, to support these efforts:

(a) by offering technical cooperation and advisory services to promote the ratification and implementation of the fundamental Conventions;

(b) by assisting those Members not yet in a position to ratify some or all of these Conventions in their efforts to respect, to promote and to realize the principles concerning fundamental rights which are the subject of these Conventions; and

(c) by helping the Members in their efforts to create a climate for economic and social development.

4. Decides that, to give full effect to this Declaration, a promotional follow-up, which is meaningful and effective, shall be implemented in accordance with the measures specified in the annex hereto, which shall be considered as an integral part of this Declaration.

5. Stresses that labour standards should not be used for protectionist trade purposes, and that nothing in this Declaration and its follow-up shall be invoked or otherwise used for such purposes; in addition, the comparative advantage of any country should in no way be called into question by this Declaration and its follow-up.

## Notes

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1. Another approach is broad-based economic growth, on which I have also been working for a long time. For a summary, see Fields (2001b).

2. See also the discussions by Leary (1996) and Swinnerton (1997).

3. See, for example, Lyle (1991), Reich (1994), and Tsogas (2001).

4. At the time that this paper is being written, that particular provision has lapsed, but it is likely to be renewed shortly.

5. Many in the trade union movement and their supporters regard this as a dangerous basket to put all one's eggs in (Turner, Katz, and Hurd, 2001; Compa, 2002).

6. Trade sanctions were mentioned but were neither approved nor disapproved.

7. The World Bank, for instance, states: "There is a case for international concern over core standards"—hardly a ringing endorsement (World Bank, 1995, p. 6).

8. For an eloquent statement in favor of linkage, see Hensman (2000). For an eloquent statement opposed, see Bhagwati (2001).

9. According to Pascal Lamy, the European Commissioner for Trade, "We do not want sanctions. I repeat we do not want sanctions here. We differ from the USA on the issue of core labor standards" (*The Statesman*, Mar. 6, 2000).

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