

How Are International Labor Standards Advanced?

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The global trade regime is facing intense criticism for its association with sweatshop conditions of work and terms of employment. Groups that considered intolerable the absence of labor concerns in the World Trade Organization's decision-making paralyzed the Seattle meeting of the WTO and have slowed the meetings of other inter-governmental trade and financial organizations. Organized labor in the United States is increasingly assertive. First and third world governments disagree vehemently over whether labor conditions should be related to trade agreements. First and third world labor organizations are often even more divided. At issue is not only the future of trade relations. Also at stake is the future of economic development models that are based on growth through trade. How effective international labor standards become, or do not become, more broadly respected will provide clear indications of how, and how selectively, other rights will be respected in this era of rapidly increasing international economic interdependence.

Thanks largely to labor historians, we know about the attitudes, alliances, and policies that allowed for labor standards to be established nationally. We know, for example, how the freedom from child labor was won in the countries where this standard is effectively obeyed and enforced.¹ We know comparatively little about how labor standards are established internationally. Some argue that protectionist national interests, such as those of leading firms and organizations representing privileged workers, advance international labor standards.² Others argue

¹ See Walter Trattner, *Crusade for the Children: A History of the National Child Labor Committee and Child Labor Reform in America*, Chicago: Chicago University Press, 1970 and Myron Weiner, *The Child and the State in India: Child Labor and Education Policy in Comparative Perspective*, Princeton: Princeton University Press, 1991, 109-179.

² See Robert Cox, "Labor and Hegemony: The Relationship between the International Labor Organization and the United States," *International Organization*, 31, Summer 1977, 385-424.

that transnational human rights campaigns and social movement activism can promote labor standards.³

There has been considerable work, largely written by trade economists, over the inadvisability of attaching labor clauses to trade agreements.⁴ There is also a large body of policy-focused studies, finding that the impact of unregulated trade on labor standards is negative, that labor standards can be included fairly in trade agreements, and that they could contribute to economic and human development.⁵

The former perspective has the decided *advantage* of the liberal vision of the Scottish enlightenment. Would it not be less annoying, more efficient, and better for the development of our individual talents, asks Adam Smith, to get the statesman off our backs and to allow us economic agents – the butcher, the baker, the brewer – to interact without rules, other than those generated by commerce? The heuristic advantage of that liberal vision, which is now somewhat presented as an argument for "free trade," is that it immediately makes irrelevant the difficult questions that democracies must entertain: What kind of society do we want to create? The great *disadvantage* of the "free trade" perspective is that it is utopian. Norms are only exogenous to trade, and thus a market distortion, if one makes the unreal assumption that economic interaction could be "arranged" without rules. Rules of trade and other forms of economic engagement, albeit not always conceded to by governments with complete and equal free will, are not external to economic interaction. The rules that governments stipulate for trade across their borders *are* inherent to trade.

Only if one accepts this contention – that norms are inherent to economic interaction – one can entertain seriously the question that makes

³ See Thomas Risse, Stephen Ropp, and Kathryn Sikkink, *The Power of Human Rights: International Norms and Domestic Change*, Cambridge: Cambridge University Press, 1999.

⁴ See Kym Anderson, "Social Policy Determinants of Economic Integration: Environmental and Labour Standards," NBER Working Paper 5702, Cambridge: National Bureau of Economic Research, 1996; Stephen Golub, "International Labor Standards and International Trade," IMF Working Paper, WP/93/37, Washington D.C.: International Monetary Fund, April 1997; Keith Maskus, "Should International Labor Standards be Imposed through International Trade Policy," Policy Research Working Paper 1817, Washington, D.C.: World Bank, Development Research Group, August 1997; and Martin Rama and Guido Tabellini, "Lobbying by Capital and Labor Over Trade and Labor Market Policies," *European Economic Review*, 42: 7, July 1998, 295-1316.

⁵ Pharis Harvey, "Labor Rights and International Trade," Statement to the U.S. House of Representatives, Committee on Foreign Affairs, 6 March 1991; Terry Collingsworth, William Goold, and Pharis Harvey, "Time for a Global New Deal," *Foreign Affairs*, January/February, 1994, 8-13; Lance Compa, "Labor Rights and Labor Standards in International Trade," *Law and Policy in International Business*, 25: 1, (1993), 165-191; Jerome Levinson, "Certifying International Worker Rights: A Practical Alternative," Briefing Paper, Economic Policy Institute, May 1999.

"free-trade" proponents bristle: How do governmental and non-governmental actors, in the United States and elsewhere, advance international labor standards? We'll consider four issues: (1) U.S. trade penalties for labor standards violators, (2) non-governmental networks which support trade-based international labor standards, (3) inter-governmental action on linking trade to the promotion of labor standards, and (4) industrializing countries' responses to increasing international concern over international labor standards.

TABLE 1: Four Considerations

- (1) U.S. trade penalties for ILS violators
- (2) Non-governmental networks which support trade-based ILS
- (3) Inter-governmental action on linking trade to ILS
- (4) Advanced capitalist governments' responses to ILS concerns

Labor clauses are strongly opposed by most industrializing country governments, but international labor standards *are* being raised. Organized labor, worker rights organizations, and governments in industrialized countries have raised international labor standards in some industries and in many lower income, industrializing countries. Even the current U.S. administration – which is explicitly opposed to linking trade access to improvement in the observation of higher labor standards – has promoted labor standards through trade agreements. The motivation and rationale for these initiatives are questionable – and we will return to this question toward the end of this paper. But would any serious student of improvement in international labor standards not agree that U.S. executive branch reviews and threats of trade sanctions are the single most effective means by which to promote international labor standards? A dissenter might rightly point out that U.S. executive branch action is a necessary but not sufficient grounds for the promotion of labor standards internationally. Arguably, non-governmental organizations need to mobilize or advocate to engage the executive branch process. But "aggressive unilateralism," as Jagdish Bhagwati calls it, is demonstrably effective in raising labor standards internally.⁶

Since the middle of the 19th century, and with greater clarity since the founding of the International Labor Organization, or ILO, at the Paris Peace Conference in 1919, labor standards have been framed so as to discourage substandard working conditions and terms of employment. The business, labor, and governmental representatives that constitute the ILO

⁶ This paper focuses on the United States, although the European Union's action on core labor standards would support the argument here.

have framed and adopted dozens of conventions, a number of which are now internationally recognized to constitute five core labor standards.

TABLE 2: Five Core International Labor Standards

Standard	ILO Conventions	Basis for the Standard
1. Freedom from Forced Labor	29 (1930) & 105 (1957)	Freedom of Contact
2. Freedom to Form Trade Unions	87 (1948) & 98 (1949)	Freedom of Association
3. Freedom to Bargain Collectively	98 (1949)	Freedom of Association
4. Freedom from Workplace Discrimination	100 (1951) & 111 (1958)	Equality of Individuals
5. Freedom from Child Labor	138 (1973) & 182 (1999)	Sanctity of Childhood

Note: On average, each ILO member state has signed and ratified 6.5 of these 8 conventions. Sixty-eight of the 175 ILO member states have ratified all eight conventions. The United States has ratified only conventions 105 and 182.

Most of these standards are based on internationally recognized fundamental human rights, such as the freedom to express one's beliefs, the freedom to associate, and the freedom not to work. Interestingly, the standard that has received the most attention, that relating to freedom from child labor, is based not on a fundamental civil or political right, but rather on the more recent, European notion that the innocence of childhood should be protected. Accordingly, the freedom from child labor belongs to a later generation of ILO activity than the other fundamental labor standards.

I distinguish between four types of actors and assess their characteristic strategies and the effectiveness of these strategies: (1) Inter-governmental actors, such as the WTO and International Monetary Fund (IMF); (2) transnational non-governmental organizations, such as the International Confederation of Free Trade Unions and the March Against Child Labor; (3) national non-governmental organizations, such as the American Federation of Labor-Confederation of Industrial Organizations, or AFL-CIO, and the Soccer Industry Council of America; and (4) national

governmental agencies, such as the Office of the U.S. Trade Representative and the Offices of U.S. Congresspersons.

TABLE 3: Four Types of Actors and Characteristic Strategies

(1) Inter-Governmental
(e.g., WTO and IMF)

Conventions and Judgments

(2) Transnational Non-Governmental
(e.g., ICF"TU and March Against Child Labor)

Advocacy Campaigns and Consumer Boycotts
(often leading to Corporate Codes of Conduct)

(3) National Non-Governmental
(e.g., AFL-CIO and Soccer Industry Council of America)

Electoral Campaigns, Election Financing, and Political
Lobbying

(4) National Governmental
(e.g., Office of the US Trade Representative and US Congresspersons)

Labor Clauses in Trade Agreements and Trade Sanctions
or Threats thereof

Each type of actor tends to deploy characteristic strategies. Inter-governmental actors tend to frame conventions and offer judgments.⁷ Transnational non-governmental organizations tend to organize advocacy campaigns, including consumer boycotts and corporate codes of conduct. National non-governmental organizations apply pressure on legislatures. Governmental agencies may include labor clauses in trade agreements or initiate trade sanctions. Which of these actors and methods of operation, or combination thereof, are most effective?

First, let's consider the likelihood that Inter-governmental action will promote the linkage of trade to international labor standards. How effective have the IMF, the World Bank, the WTO, and other inter-governmental organizations been in advancing such standards?

⁷ As there is no effective inter-governmental agency for uniform enforcement of these decisions, whether these judgments are obeyed depends on the inclination of the national governments involved.

Inter-governmental Action: No Consensus, No Action

The thinking or initiatives of inter-governmental organizations in promoting labor standards internationally will not take up much of our time because there is very little thinking and few initiatives here. Inter-governmental agencies, such as the WTO and the IMF, are largely influenced by the interest of investment capital and are thus broadly opposed to the inclusion of labor issues in trade agreements. The WTO, true to its founding by trade ministers in Marrakech, remains of the opinion that work conditions and terms of employment are not "trade related issues" and thus fall outside of the mandate of the WTO.

It ought to be noted that the one inter-governmental organization that advocates international labor standards, the ILO, is not only an inter-governmental organization. The ILO is a special agency of the United Nations Organization, an inter-governmental organization, but it is also a tripartite organization controlled by representatives of business, labor, and governments. As such, the ILO straddles our organizational categories, simultaneously a non-governmental and governmental organization.

A proposal to involve the ILO and WTO in the promotion of international labor standards was advocated energetically by international trade union secretariats (now called Global Union Federations), including the International Confederation of Free Trade Unions, the World Confederation of Labour, and the European Trade Union Confederation. These jointly proposed, several years ago, that "the contracting parties [of the WTO] agree to take steps to ensure the observance of... minimum labour standards."⁸ A Joint Advisory Committee of the ILO and WTO would be formed to supervise efforts to assist countries in meeting the five core international labor standards. The Joint Advisory Committee, with assistance from standing ILO committees, would review complaints against governments that fail to meet these standards, recommend measures to correct these violations, and provide technical assistance through the ILO. Subsequent Joint Advisory Committee reviews would either withdraw the complaint, grant additional time for recommended measures to be taken, or impose trade penalties.⁹ Comparatively speaking, the ICFTU proposed mechanism is not particularly coercive. Indeed, it closely parallels the ILO's tripartite mechanism, relying largely on the articulation of a consensus between labor, business, and government, a complaint

⁸ ETUC, "The Social Dimensions of International Trade: Joint Statement by World and European Trade Union Confederations ICFTU, WCL, and ETUC," press release, Brussels, February 1994.

⁹ The proposal is discussed in "The World Trade Organization and the Social Clause," *International Labour Review*, 133: 3, (1994).

mechanism, followed by independent reviews and technical assistance. The WTO, however, true to its position that conditions of work and terms of service under which products are produced and by which they traded are not trade related, will not even consider the proposal.

What then is the evidence that international labor standards are being advanced through transnational non-governmental action? Here we look at relations between South Asian and North American labor organizations.

Transnational Non-governmental Action: North-South Disputes

According to some, the most vocal critics of the GATT in the United States were an "improbable alliances of environmentalists and labor unions; farmers and public health activists; [and] advocates for human rights, women's rights, and Third World development," not trade unions.¹⁰

Many labor and social activists have called for just such a coalition of tradition social organizations and new social movements to advocate the linking of trade to labor conditions in future trade and investment agreements, such as the Free Trade Area of the Americas. The mobilization of diverse social groups in Canada, the United States, and Mexico in opposition to NAFTA, which was a few votes from being defeated in the U.S. Congress, is held out as an example of successful North-South social movement organizing. Under the banner of social movement unionism, the New Left strategy calls for

a regional alliance of workers, farmers, women, the urban poor, environmentalists, indigenous people, and peace activists (to mention just some of the key groups), for the purpose of creating both a new vision of the future (built on principles of regional solidarity) and a common struggle for realizing it.¹¹

Among the multitude of social, political, material, ideological, and gender conflicts that these groups need to overcome to prepare the basis of such an alliance is the conflict over the place of international labor standards in trade agreements.

Labor activists in industrialized and industrializing countries who are normally allied in their belief that international capital should be made more socially accountable are sharply divided over linking labor standards

¹⁰ Jeremy Brecher and Tim Costello, *Global Village or Global Pillage: Economic Reconstruction from the Bottom Up*, Boston: South End Press, 1994, 6.

¹¹ Martin Hart-Landsburg, "Post-NAFTA Politics: Learning from Asia," *Monthly Review*, 46: 2, June 1994, 14.

to trade. Among the staunchest critics of the reach and unaccountability of international capital is the Malaysia based Third World Network. The Third World Network has taken the position that the promotion of international labor standards by some governments and labor organizations in the industrialized West is intended to shift the blame for unemployment from global technological change to the cheap labor cost of workers in the South.¹² Any action to promote international labor standards, the Network argues, will only be used by protectionist interests to the disadvantage of the industrializing world. This position is based on the conviction that the WTO is an instrument for the continued subjugation of industrializing countries, not an instrument to promote fair trade.¹³ The Third World Network's position pits social activists in the industrializing world against those labor activists in the industrialized world who do not take a position against trade itself, but rather against abysmal labor standards.

Karamat Ali, a Pakistani trade unionist, nicely articulates the position against labor clauses.

The U.S. Generalized System of Preferences had been institutionalized since the early 1980s. [In Pakistan, w]e were under a brutal military dictatorship... until 1988. All basic rights were being violated... It was not only labour. Human rights were not available to anyone. But nobody thought of lodging a complaint against Pakistan... It is only in the 1990s that people thought of lodging complaints.... What is the explanation for ignoring what was happening for eleven long years of military rule? Political preferences... The experience has been that complaints were lodged, without exception, against developing countries that needed to be pressurized... for political reasons, not out of concern for labour rights.... Labour standards in trade agreements will always have the possibility of being used to put pressure on intransigent governments for political purposes. Workers in developing countries have no say in when and where a complaint is to be

¹² Martin Khor, Director of the Third World Network, argues that there is no economic logic, other than the calculation that it will advantage developed countries, to designating intellectual property rights, government subsidies, and import tariffs as trade-related but bans on the transfer of technology, monopolization of markets, restrictive business practices, and the concentration of capital as not trade-related. Martin Khor, "Why GATT and the WTO should not deal with Labour Standards," mimeo, 8 April 1994.

¹³ Chakravarthi Raghavan, *Recolonization: GATT, the Uruguay Round, and the Third World*, Penang: Third World Network, 1990.

lodged, how the proceedings will develop, and whether these proceedings will in the end benefit them or not.¹⁴

Ali, like many other trade unionists throughout South Asia, sees labor clauses as another weapon in the arsenal of industrialized country governments and the international financial institutions, which have "launched an attack on the hard-won rights of workers and unions."¹⁵ The position against international labor standards holds that any mechanisms linked to trade will be used against industrializing countries by already industrialized countries. If workers have any say in the adjudication of questionable labor practices, it follows that it will only be workers from industrialized countries.

Most corporate codes of conduct, a transnational non-governmental initiative to raise international labor standards, have not been effective in changing labor practices.¹⁶ The exceptions to the trend, however, are noteworthy. The district of Sialkot in Punjab, with a population of just over 500,000 souls, produces 35 million soccer balls annually. The residents of Sialkot produce 80% of the world's hand stitched leather soccer balls. Sialkot has been making sporting goods for more than 100 years. Most of the children in the industry do attend school and most made good money stitching cricket balls and soccer balls or cutting and carving hockey sticks and tennis rackets while learning skills that would sustain them for a lifetime. In 1995, one U.S. television network aired a program showing children stitching soccer balls in Sialkot. The Soccer Industry Council of America, fearing consumer outrage, within days, leapt into action. They contacted dozens of international human rights lawyers and labor rights experts and paid us for our opinions on children's working conditions in Sialkot and how to improve them. The Soccer Industry Council of America flew consultants into Sialkot and moved tens of thousands of predominantly home-based children in the industry out of work. I mention the Soccer Industry Council of America's operation because it indicates how effective corporations and labor activists can be. At the same time, it indicates how easy it is to focus on the children whose work is least exploitative.

¹⁴ interview by the author, Karachi, 11 December 1995. The interview and other perspectives on the international labor standards debate appears in *New Political Economy*, 1: 2, (June 1996).

¹⁵ "Meeting of Worker Leaders from Common Multinational Corporations in South Asia held at New Delhi, 26th - 28th March 1992," (mimeograph), 1.

¹⁶ Junya Yimprasert and Christopher Candland, "Can Corporate Codes of Conduct Promote Labor Standards?: Evidence from Thai Footwear and Apparel Industries," Hong Kong: Asia Monitor Research Center, 2000.

Consumer labeling has also seen some success. The RUGMARK campaign, especially well known in Northern European countries, which certifies that carpets are made without child labor has already had an effect on the prevalence of child labor in the Pakistani and Indian carpet making industry. The RUGMARK campaign leads us to an important observation. India's increased economic interdependence has had positive consequences for the nature of production and labor conditions in some industries. But these improvements have been concentrated in export industries, such as the carpet and sporting-goods industries, where the vulnerability of products to consumer boycotts is high. The establishment of norms will vary considerably by industry. While it is possible to raise labor conditions in export-oriented industries, the great majority of violations of international labor standards occur in the countryside and in the towns that have no direct connection to an exporter. Children work in brick making, in power-loom textile production, in mining and construction, in repair shops and in stores, in match and fireworks factories, and in the sex industry. These are not export industries, although they may contribute to the export sector. The majority of Indian children are employed as "household" labor. Further, girls will be more difficult to reach than boys. Girls more often work as unpaid family laborers and domestic helpers. Laws to ban and monitor the removal of children from the official labor force are unlikely to have a positive impact on working girls where their labor is not generally considered to be a form of work. It is a far more daunting challenge to eradicate labor rights violations in these and other mostly domestically-oriented industries than to ensure that a multinational company practices good labor standards, even among its own far-flung suppliers.

Consumer boycotts, education and advocacy campaigns, and other strategies of non-governmental organizations are a significant and important agent in the promotion of labor standards internationally. But these largely serve as stimulants for public consciousness, which itself is important. But the major player in advancing labor standards internationally is the government in advanced capitalist economies.

Given that the disagreements between, and among, industrialized and industrializing country trade unions, make international labor solidarity difficult, and that corporate codes of conduct and consumer campaigns have been limited and partial, what is the evidence that international labor standards are being advanced through the action of national legislatures?

National Governmental Action: Aggressive Unilateralism

International labor standards may be promoted through four legislative instruments of U.S. trade law.¹⁷ The pursuit of international labor standards through these instruments has been criticized as aggressively unilateral and contrary to principles of international law.¹⁸ According to Philip Alston,

the form in which the standards are stated is so bald and inadequate as to have the effect of providing a carte blanche to the relevant U.S. government agencies, thereby enabling them to opt for whatever standards they choose to set in any given situation.¹⁹

As the worker rights provisions of U.S. trade law require a finding by the executive branch, U.S. trade law on labor standards is more likely to be used for foreign policy objectives than for the principled promotion of international labor standards. The first countries to lose U.S. Generalized System of Preferences status on account of their neglect for workers' rights were Paraguay, Nicaragua, and Romania. These were not the countries with the world's worst records on labor rights, but were rather those that were targeted for foreign policy reasons by the Reagan Administration in 1987. The attachment of labor conditions to U.S. trade law brings with it the danger that it may be used as a weapon of foreign policy by the executive branch, rather than as instruments for promoting international labor standards. Like other human rights provisions of U.S. law, the legal mechanism for promoting international standards have been compromised by political consideration that have little to do with the respect for human rights.

There is not time for a careful discussion of the countries and industries in which labor standards have been improved by threat of U.S. trade sanctions. Governments in Guatemala, India, Indonesia, Pakistan, and Sri Lanka, to name a few, have answered U.S. allegations of labor standards violations by passing new or improving existing labor legislation

¹⁷ These are the Caribbean Basin Economic Recovery Act of 1986; the Generalized System of Preferences Renewal Act of 1984; the Overseas Private Investment Corporation Renewal Act of 1985; and the Omnibus Trade and Competitiveness Act of 1988.

¹⁸ Philip Alston borrows the phrase "aggressive unilateralism" from Jagdish Bhagwati and Hugh Patrick's discussion of section 301 of the Omnibus Trade Act of 1988 and argues that it applies as well to the worker rights provisions of U.S. trade laws. See Philip Alston, "Labor Rights Provisions in US Trade Law," *Human Rights Quarterly*, 15: 1, (February 1993), 1-35 and Jagdish Bhagwati and Hugh Patrick, eds., *Aggressive Unilateralism: America's 301 Trade Policy and the World Trading System*, Ann Arbor: University of Michigan Press, 1990.

¹⁹ Alston, *Op Cit.*, 7-8.

and increasing inspection and enforcement. The International Labor Rights Fund petitioned the U.S. Trade Representative to review labor problems in Guatemala, India, Indonesia, Pakistan, and Sri Lanka. The USTR authorized a review. The governments of these countries were informed of problems and, in response, amended the offending parts of their labor law. There is a long history of such aggressive unilateralism raising international standards. When the United Mine Workers of America and the State of Alabama pressured the U.S. Government to ban the import of South African coal in 1974 as it was produced "by indentured labour under penal sanction," the Government of South Africa "repealed several penal provisions from its labour legislation."²⁰

Even the implicit threat of loss of U.S. trade privilege is effective. It was in part in response to the visit to India by U.S. Commerce Secretary Ron Brown, for example, that India's National Commission on Child Labor was established. Senator Harkin's Child Labor Deterrence and Child Labor Free Consumer Information Bills, have not been passed, but has already helped to remove hundreds of thousands of children from factory work. Banana plantations in Guatemala, who are mostly unionized, are better protected than workers in neighboring countries, who are not generally unionized or well protected, why did Bush's Trade Representative review treatment of workers in the Guatemala with a view to denying GSP trade privileges to Guatemala? Is it a coincidence that Guatemalan plantations produce Chiquita bananas, while Ecuador's plantations produce for Dole?

The Bush administration was not predicted to take initiatives on international labor standard. Rather, the Bush administration was outspoken against such "restrictions." Nevertheless, neither the Bush White House nor Republican Senators are predicted to amend the U.S.-Jordan Free Trade Agreement, which the U.S. Senate voted unanimously to approve in September 2001. It is the first U.S. bilateral trade agreement to include labor standards language in the text of the agreement. The Agreement, signed under the Clinton administration on 24 October 2000, is the first U.S. trade agreement to include labor rights provisions in the main body of the agreement. While then House Minority Leader Richard Gephardt (D-Missouri) then referred to the agreement as a model for future agreements, the U.S. Chamber of Commerce vowed to persuade the 107th Congress to remove the labor rights language. " In the wake of the 11 September attacks," quoting Hong Kong's Business Alert, "the US ... moved this bill forward to demonstrate support for a key Middle Eastern ally."²¹ It

²⁰ Steven Charnovitz, "The Influence of International Labour Standards on the World Trading Regime: A Historical Overview," *International Labour Review*, 126: 5, (September-October 1987), 570.

²¹ "Reportedly, key Cabinet members such as then Secretary of State, Colin Powell and then National Security Advisor Condoleezza Rice called upon Senator Phil Gramm (R-TX) to

is only the United States' second bilateral free trade agreement with a state in the Middle East. U.S. Trade Representative has told the U.S. Congress that "in our negotiations for free trade agreements with Chile and Singapore... we will seek... provisions that will advance labor... protections."²² Thus, the promotion of international labor standards in this way is not as partisan as is often thought. The Omnibus Trade Act of 1983, signed into law by then President Reagan, provides organized labor with more leverage on international labor standards than any other piece of U.S. trade legislation.

The U.S. executive branch has avoided the option of building a complaint resolution procedure for labor standards into the international trade regime has been explicitly avoided, while making public pronouncements to the contrary for electoral purposes. The U.S. delegation decided not to raise the issue of international labor standards in WTO meetings. At the Preparatory Committee meetings, no sub-committee or working group on trade and labor standards was formed. The Legal and Institutional Arrangements Sub-committee, the body that might conceivably have addressed labor standards, has not. The U.S. Department of Labor explained that a decision was made at a "high level" not to arouse concerns within the U.S. Congress and the U.S. business community.²³ It was decided that it would be more prudent to work toward a consensus on labor standards within the OECD and the ILO, rather than within the WTO. Why would an administration prefer unilateral pressure through bilateral trade relations to consensual pressure in multilateral arrangements?

Conclusion: Economic Coercion is Unilateral, Uneven, Unfair, and Effective

International labor standards are not likely to become a mandated concern of the WTO or other inter-governmental organizations. Transnational non-governmental action faces fundamental differences over whether trade can be used as vehicle for improvement of labor standards. The chief vehicle for the advance of international labor standards is the conventional mechanism whereby domestic constituencies, such as organized labor and labor rights groups, petition their elected

convince him to remove the hold he had placed on the bill because of the provisions allowing the use of economic sanctions for violations of labour and environmental standards. Gramm and other Republicans stated that they did not see the provisions of the Jordan FTA as setting a precedent on labour and environment while the Democrats viewed it as a possible model for future FTAs." <http://www.tdctrade.com/alert/us0120a.htm>. issue 20, 8 October 2001.

²² Statement of Robert B. Zoellick, U.S. Trade Representative before the Committee on Ways & Means of the U.S. House of Representatives, 7 February 2002.

²³ This is based upon a conversation with officials in the U.S. Department of Labor's Bureau for International Labor Affairs, 16 February 1995.

representatives and use national legislation to investigate and threaten to impose trade penalties.

The aggressive unilateral actions of governments in import consuming, industrialized countries is neither fair nor consensual, but it does force governments in exporting, industrializing countries to improve labor standards. Governments in industrializing countries that are likely targets have protested that families in the industrializing world traditionally rely on their children's labor. While targeted governments protest, they also strengthen their labor laws.

Organized labor in the United States has a clear interest in protecting the labor conditions and terms of employment of its membership against the threat of imports produced by workers without the benefit of such standards. There is another, less obvious, domestic constituency for the promotion of international labor standards. Many U.S. corporations also have an interest in making labor rights become effective standards internationally. U.S. corporations that respect fundamental labor rights do not want to compete with foreign corporation that do not. The popularity of President Clinton's U.S. Apparel Partnership Initiative with U.S. textile manufacturers gives evidence to that assertion.

I'd like to conclude by raising a concern that follows from the observation that international labor standards are raised nationally in advanced capitalist polities. This poses serious challenges to international labor solidarity, the resolution of which lays in the hands of organized labor in targeting countries and has serious negative consequences for labor organizations in targeted countries.