

Chapter 7

Worker Rights

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The linkage of trade policy and worker rights began with the enactment of the Caribbean Basin Initiative legislation in 1983. Congress later included worker rights provisions in legislation authorizing the Generalized System of Preferences (GSP), the Overseas Private Investment Corporation (OPIC), and U.S. participation in the Multilateral Investment Guarantee Agency (MIGA) of the World Bank. Most recently Congress, in the Omnibus Trade Bill of 1988, provided that linkage between labor standards and trade must be a principal U.S. negotiating goal in the current Uruguay Round of the GATT and that the denial of internationally recognized worker rights constitutes an unfair trade practice.

The rights and standards enunciated in these laws include: (1) the right to organize and bargain collectively; (2) the right of free association; (3) freedom from forced labor; (4) child labor protections; (5) safe working conditions; and (6) minimum wages. In interpreting these rights and standards, the Commission believes that worker rights (items 1-3) are universal, regardless of development levels. Labor standards (items 4-6), while also essential, can be viewed in the context of the development level of the exporting country. Workers in developing countries naturally seek the ability to exercise basic rights and freedoms in order to improve their conditions of work and overall living standards.

It is too soon to assess the impact of many of these provisions. Nevertheless, the Commission believes it is most appropriate to use trade laws to promote worker rights around the world. The AFL-CIO has made use of the worker rights provisions, particularly with regard to the GSP. Labor complaints have resulted in the loss of GSP benefits by several countries, while other countries took remedial measures to prevent such loss. Organized labor firmly believes that the inclusion of worker rights provisions in U.S. trade laws represent a major victory by establishing the terms of debate with exporting countries.

Consistent with U.S. law, the Commission supports linking trade benefits to respect for worker rights. It agrees that worker rights provisions are an essential component of an effective development strategy. In order to promote greater respect for worker rights in exporting countries, such provisions should be included in GATT negotiations and Congress should condition foreign assistance on observance of labor standards by recipient countries.

Further, U.S. and international development agencies and financial institutions should become more actively involved in promoting labor welfare. Specifically, these entities should develop appropriate mechanisms to assess systematically the impact of a country's labor policies on the development process.