

TRADE AND LABOUR

The issue

Should international trade rules be used to improve working conditions? This is an issue at the heart of the debate over core labour standards in the global trading system.

From time to time since the mid-1990s, the World Trade Organisation has considered the relationship between trade and labour standards. The Doha Declaration, which launched the current round of world trade talks in the Gulf city of Doha in November 2001, notes the primary role of the International Labour Organisation (ILO) in dealing with labour issues and considers that collaboration between the WTO and ILO in this area is important, not least given the role economic growth and development can play in helping to raise core labour standards.

The WTO context

The integration of trade and labour standards is not currently the subject of negotiation at the WTO. This is largely because many developing countries suspect that labour standards would be used as a reason for wealthier countries to protect their own domestic markets from external competition. The lead role of monitoring core labour standards continues to lie with the ILO.

The New Zealand position

Along with its support for the trade and environment agenda, New Zealand has supported the discussions on trade and labour at the WTO. In New Zealand, the Government has formally set out its aim to seek the better integration of trade agreements and labour standards through a Framework for Integrating Labour Standards and Trade Agreements in July 2001. This serves to guide New Zealand's trade policy on these issues in both bilateral and multilateral negotiations.

Underpinning this is a belief that trade is not an end in itself,

and should contribute to improving the conditions in which people work. The Framework reflects the Government's desire to promote opportunities for work in which minimum standards and social values are protected, while avoiding the use of labour standards as a guise for protectionism against fair competition from lower labour cost countries. It also reflects a wish to promote improved labour standards through consensus and cooperation, not coercion.

New Zealand believes that the underlying principles of core labour standards as reflected in the ILO Declaration of Fundamental Principles and Rights at Work, on which there is a high degree of international consensus, provide an appropriate basis for the discussion of labour standards within the framework of trade agreements. These principles are:

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

More generally, New Zealand actively supports greater international dialogue on trade, globalisation, development and labour issues. We see this as an opportunity to debate real issues of substance, and partly also as a confidence-building exercise for developing countries that may be concerned about hidden protectionist agendas.

For a glossary of trade associated words please go to:
http://www.wto.org/english/thewto_e/glossary_e/glossary_e.htm