

**ADDRESSING CONCERNS ABOUT
PROTECTION FOR
WORKERS' RIGHTS**

JASON BUNTIN

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

ADDRESSING CONCERNS ABOUT PROTECTION FOR WORKERS' RIGHTS

TABLE OF CONTENTS

Scenario	Page 3
PART I - Definition	
White Paper.....	Page 4
Background.....	Page 5
Defining Areas for Action	Page 10
Developing a Comprehensive Strategy.....	Page 18
PART II - Implementation	
Legislative Strategy.....	Page 20
Confidential Oral Briefing.....	Page 22
Sample Letter to Minority Leader.....	Page 23
Sample Testimony.....	Page 24
Potential Q & A.....	Page 27
Media Strategy.....	Page 29
Sample Media Advisory.....	Page 32
Sample Press Statement.....	Page 33
Exhibits.....	Page 36
Interest Charts.....	Page 43

ADDRESSING CONCERNS ABOUT PROTECTION FOR WORKERS' RIGHTS

SCENARIO

For the purposes of this project, I assume the fictitious role of Special Advisor to the President of the United States. The President has asked me to develop a comprehensive strategy for addressing labor issues in order to enable the AFL-CIO and House Democrats to support, or at least end their opposition to, renewed trade negotiating authority. The strategy will also have to take into account the interests of the Republican-controlled Congress.

ISSUE

Thus far, the Administration has failed to form a consensus on legislation for renewed trade negotiating authority, and this failure is due, in part, to organized labor's (the AFL-CIO's) and House Democrats' opposition to the proposed legislation. In their view, the legislation does not adequately address protection for workers' rights. Indeed, the Republican-controlled House Ways and Means Committee's and Senate Finance Committee's legislative proposals addressed workers' rights issues even less than the Administration's original proposal.

The President will need "fast-track" negotiating authority to achieve his trade objectives; he will need to address labor's (and House Democrats') concerns if his to get such authority.

ADDRESSING CONCERNS ABOUT PROTECTION FOR WORKERS' RIGHTS

WHITE PAPER

International trade creates much-needed jobs, stimulates the economy, and raises the standard of living for American families. More than ever before, trade and trade negotiations are affecting the everyday lives of Americans, and as a result, trade negotiations have become a subject of public debate across the country. Economic change associated with trade is creating new political resistance to competition and trade-enhancing reforms.

Labor's opposition to renewed trade negotiating authority is based on two fears. First, labor fears that, by maintaining low labor standards, some of our trading partners deny their citizens basic rights and gain an unfair advantage in our market. Second, labor fears that as trade increases, more American workers will lose their jobs to cheap overseas labor.

This situation calls for bold leadership to keep our economy open and to keep trade expanding; it also requires that we address the economic and social dislocations that inevitably result from trade. Otherwise, the public will continue to believe that trade liberalization implies a downward leveling of pay, and political support for trade initiatives will be further weakened.

To date, no agreement has been reached on how best to address the issue of protection for workers rights. Partisan divisions and lingering distrust over this politically charged issue have frayed the bipartisan coalition of moderate Democrats and Republicans that has traditionally supported trade liberalization. Discussions of a possible link between labor standards and international trade are often reduced to a debate on the single issue of trade sanctions as a weapon for enforcing respect for a given level of labor standards. Such a narrow focus gives only a partial view of the problem. It would prove more fruitful to concentrate on other approaches that, although less dramatic, will multiply the options for addressing labor's concerns.

A menu of potential responses to labor standards abuses, varying in both the nature and severity of their effects, might include:

- Establishing a "global social label" to guarantee that internationally-traded goods are produced under humane conditions;
- Strictly interpreting the factors that affect a country's designation under the Generalized System of Preferences program;
- Raising questions concerning labor standards during the proceedings of the WTO Trade Policy Review Body;

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

- Establishing a working party in the WTO to examine the relationship of internationally recognized workers' rights to the WTO's articles, objectives, and related instruments;
- Achieving agreement within the OECD that there is a mutually supportive relationship between core labor standards, economic development, and trade;
- Increasing technical assistance to clear the path for improvements in working conditions;
- Adopting a Declaration on Core Labor Standards that recognizes the consensus that the international community has reached regarding the special significance of fundamental workers' rights;
- Developing strengthened ILO supervisory mechanisms to monitor universal compliance with the ILO Conventions; and
- Pursuing a campaign to encourage all countries to ratify the seven core ILO Conventions on workers' rights.

Obviously, the purpose of any intervention must be to bring about change in countries where labor standards are inadequate. The goal is not to use our trade laws to punish foreign governments. Rather it is to ensure that our trading partners enforce their domestic labor laws and, ultimately, adopt international rules that, fairly applied, will bring about real improvements in working conditions.

The international community cannot attempt to mandate levels of appropriate working hours, minimum wages, benefits, or health and safety standards—particularly levels that match those of the United States and other industrialized countries. However, it is appropriate to expect labor standards to improve as economies develop; as countries grow richer, they are better able to improve living and working conditions. Free trade offers both a means for developing countries to amass wealth and a means for workers in developed countries to benefit from this rising wealth. Countries with rising mass living standards offer growing markets for other countries' exports and thus all countries have an economic stake in broadly shared prosperity abroad. Free trade is a means, not an end. The end is rising living standards worldwide.

Background

TRADE NEGOTIATING AUTHORITY

The U.S. Constitution assigns the power to regulate foreign commerce to Congress, which has historically exercised that power through legislation that regulates imports of goods, services, and investment into the United States. However, beginning with the Reciprocal Trade Agreements Act of 1934, Congress began delegating authority to the President to proclaim changes in U.S. tariffs, within prescribed limits, based on the

results of mutually beneficial trade agreements concluded with our foreign trading partners.

Under this arrangement, Congress set the overall objectives of a negotiation but offered the President and our trading partners the assurance that, if a negotiated tariff agreement was consistent with the objectives and conditions set by Congress, the agreement would be implemented in U.S. law. Under this arrangement, U.S. negotiators achieved significant reductions in tariffs abroad, as well as significant reductions in U.S. tariffs.

However, as tariff levels fell, particularly after the Kennedy Round of GATT tariff negotiations concluded in 1967, it became clear that future rounds of trade talks would focus on non-tariff measures—measures that would require changes in U.S. law. This posed a problem. Congress recognized that, as a practical matter, the President would be unable to conclude future trade agreements unless he could assure negotiating partners that Congress would not amend an agreement after it was signed. Yet Congress was not willing to give the President authority to revise U.S. domestic law by proclamation in the manner it had delegated the authority to proclaim tariff changes.

To solve the problem, Congress established what have become known as “fast-track procedures” for implementing trade agreements. Introduced in the Trade Act of 1974, the procedures preserve Congress’ constitutional authority to regulate foreign commerce yet also offer the President and our trading partners the assurance that Congress will wholly accept or reject a signed trade agreement via a simple up-or-down vote within a certain time period.

Under fast-track procedures, Congress sets the President’s negotiating objectives just as it did under the Reciprocal Trade Agreements Act of 1934. Subsequently, the President is obliged to:

- Consult with Congress and the private sector on the nature and scope of an accord throughout its negotiation;
- Notify Congress of the intent to enter into an agreement;
- Notify Congress about how a pact met negotiating objectives set by Congress; and
- Work with Congress to develop legislation needed to implement an agreement in U.S. law.

Congress has preserved this basic structure both times it renewed fast-track trade negotiating authority. The authority was renewed for eight years by the trade Agreements Act of 1979 and for five years in the Omnibus Trade and Competitiveness Act of 1988. In 1993, Congress extended the authority granted by the 1988 Act for an additional six months in order to complete the Uruguay Round of multilateral trade negotiations. The last grant of trade negotiating authority under these procedures expired in December 1993.

THE CASE FOR RENEWED AUTHORITY

In making the case for renewed negotiating authority, the President has emphasized the importance of trade to the future of American workers, businesses, and families, as well as to the overall health of the U.S. economy. The value of U.S. trade equaled 32 percent of GDP in 1997, up from 25 percent in 1992 and 13 percent in 1970. The Administration notes that exports support almost 12.1 million U.S. jobs, which pay an average of 13 to 16 percent more than the overall U.S. average. Since 1993, exports have accounted for more than one-third of U.S. economic growth. In order to maintain economic growth and continue to increase employment opportunities, foreign markets will need to be further opened to U.S. goods, services, investment, and technology.

The Administration has highlighted the fact that in almost every region of the world, governments are pursuing strategic trade policies and, in some cases, preferential trade arrangements that may prove detrimental to U.S. interests. The United States can only redress these growing trade setbacks by concluding similar bilateral and regional agreements and negotiating new multilateral agreements that level the trade playing field. To do this, as well as to continue to lead other nations in reducing trade barriers and expanding trade around the world, the President must obtain renewed trade negotiating authority.

TRADE POLICY AGENDA

In March 1998, the President transmitted to Congress the *1998 Trade Policy Agenda*. The report describes the Administration's trade policy priorities for the year ahead and demonstrates the importance of renewed trade negotiating authority. Priorities include the following:

- **Global Agenda** - Within the WTO, the United States hopes to negotiate agreements in major areas such as intellectual property rights, government procurement, agriculture, and services, as well as emerging issues such as electronic commerce and biotechnology.
- **FTAA Negotiations** - Western Hemisphere leaders will meet in April to move the FTAA from its preparatory phase into formal negotiations. The United States is committed to a comprehensive FTAA. It is committed to making "concrete progress" toward this goal by the end of the century (as stipulated in the Miami Summit mandate) and to concluding the negotiations by 2005. The United States is also committed to negotiating a comprehensive free trade agreement with Chile as a logical step toward achieving the FTAA.

- **The Asia Pacific Region** - The Administration places a high priority on fulfilling the mandate of APEC Leaders to open world markets in fifteen key sectors, with nine to be negotiated in 1998. APEC leaders also endorsed the ITA II, which covers additional technology-related products, non-tariff barriers to technology trade, and further work on biotechnology.
- **U.S.-EU Trade Initiative** - The United States and the EU are examining areas for future market opening under the Transatlantic Agenda. Although the Administration does not intend to create a U.S.-EU free trade area, officials will investigate prospects for further reducing trade barriers to goods, services, and agriculture.
- **Africa** - Through a combination of bilateral, regional and multilateral initiatives, the United States will work to open African markets to foreign trade and investment.

TRADE NEGOTIATING OBJECTIVES

The Administration's "Export Expansion and Reciprocal Trade Agreements Act of 1997" (Exhibit 2), the House Ways and Means Committee's "Reciprocal Trade Agreement Authorities Act of 1997" (Exhibit 3), and the Finance Committee's "Reciprocal Trade Agreements Act of 1997" (Exhibit 4), all contain similar trade negotiating objectives. The congressional proposals, however, deviated from the Administration's proposal on protection for workers' rights.

The AFL-CIO and House Democrats are opposed to legislation for renewed trade negotiating authority unless their concerns about protection for workers' rights are addressed. The AFL-CIO has stated that it is not opposed to trade agreements in general, but that it merely seeks respect for workers' rights and labor standards, including that our trading partners enforce their own domestic labor laws. AFL-CIO leaders have stated that they seek higher standards of living for all workers and want to raise living standards around the world.

The AFL-CIO argues that negotiating authority legislation must include binding promises that the United States will use trade sanctions to force developing nations to improve their treatment of workers and to protect the environment. It claims that unless the United States is willing to use sanctions, American workers will be forced into a "race to the bottom" through competition with developing countries that do not have the labor laws and environmental protections of the United States.

The President has said that the United States should seek to advance worker and environmental standards around the world and that such standards should be a part of the U.S. trade agenda. The President's original proposal for renewed negotiating authority attempted to address protection for workers' rights by including as a trade negotiating objective the promotion of internationally recognized workers' rights (as defined in

Section 507 (4) of the Trade Act of 1974, as amended – Exhibit 1). As negotiated with the Republican-controlled House Ways and Means and Senate Finance committees, however, the final proposal did not directly address protection for workers' rights.

COVERAGE OF FAST-TRACK PROCEDURES

Free-trade purists oppose any reference to labor standards in renewed trade negotiating authority. Although some Republican members of the House Ways and Means and Senate Finance committees have recognized the need to develop a mechanism for addressing protection for workers' rights, they contend that such concerns are best addressed through increased economic growth resulting from liberalized trade and through trade adjustment assistance. They do not agree that trade negotiations are an appropriate vehicle for addressing labor issues, and they oppose using trade sanctions for non-trade issues. They argue that the objectives of renewed trade negotiating authority should be limited to commerce and should be unencumbered by requirements to advance social agenda objectives.¹

Republicans contend that only issues directly related to trade should be covered by fast-track procedures. They claim that "directly related to trade" includes those particular aspects of practices and policies regarding labor, environment, and other matters that serve as trade barriers or distort trade. Both the House Ways and Means Committee's "Reciprocal Trade Agreement Authorities Act of 1997" and the Finance Committee's "Reciprocal Trade Agreements Act of 1997" contain provisions to address foreign government practices that discriminate against U.S. goods, services, and investment abroad. Both proposals also target practices that lower or deviate from existing regulatory standards in order to attract investment.

The Senate Finance bill includes regulatory competition as a negotiating objective. The House Ways and Means Committee argued that if another country uses labor or environmental restrictions to limit trade improperly, the United States should then respond in trade terms.

CHANGES TO U.S. LAW

Republicans and the U.S. business community also argue that fast-track procedures should not cover proposals that might require change U.S. labor law, and they are opposed to trade agreements that provide for international enforcement of U.S. health, safety, labor, or environmental standards. The Senate Finance Committee emphasized

¹ Despite Republican opposition to including labor issues in trade negotiations, the Omnibus Trade and Competitiveness Act of 1988 included the promotion of "respect for worker rights" as a principal trade negotiating objective, and House Resolution 146 (May 23, 1991) extended fast-track procedures based on President Bush's May 1, 1991 commitments to Congress regarding the NAFTA, which included a commitment to address concerns with respect to workers' rights.

that making the promotion of respect for workers' rights an international economic policy objective does not authorize the use of fast-track procedures to modify U.S. law. The Committee also emphasized that including regulatory competition as a trade-negotiating objective:

- Should not be construed to permit any provision that would restrict the autonomy of the United States in setting health, safety, labor, environmental, or other regulatory standards to be covered by fast-track procedures, and
- Would not authorize the imposition of any limit on the sovereign right of individual U.S. states to establish their own levels of health, safety, labor, environmental, land use, tax, or other regulatory standards as they deem appropriate.

PRESENT SITUATION

During fall 1997, the Senate voted (with majorities on both sides of the aisle) to proceed to debate the Finance Committee's proposal for renewed negotiating authority. However, the President decided to ask that the Ways and Means Committee's proposal not be put to a vote in the House when it became clear that he would not be able to secure the support of enough House Democrats.

In his State of the Union address, the President noted that he would ask again for renewed negotiating authority. However, the President's top economic and foreign policy aides have concluded that it would be all but impossible to get congressional approval for both IMF funding and trade negotiating authority.

Defining Areas for Action

The Administration has outlined 11 areas where action can be taken to help protect workers' rights and thereby alleviate House Democrats' concerns while also taking into account the interests of the Republican-controlled Congress. To assure Democrats that these actions are fully implemented, the President should also establish a "blue-ribbon commission" to report on progress made in each of the action areas. Composed of representatives from organized labor, the business and human rights communities, and Congress, the commission's work would help establish a common ground for restoring the bipartisan coalition of moderate Democrats and Republicans that has traditionally supported trade liberalization.

The 11 areas for action are:

1. Global Social Label

The President could lead efforts to establish a new, voluntary system of "social labeling" to guarantee that all internationally traded goods are produced under humane conditions.

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

The objectives of a social label program are similar to the objectives of the President's Apparel Industry Partnership (AIP).²

A "global social label" would be granted on a voluntary basis to individual countries or firms. To use the label on all its products, a country would have to comply with a set of fundamental principles, ensure basic rights, and accept objective and independent international review of national labor laws and practices. This approach is appealing for both economic and moral reasons. It would also provide an objective international assessment of individual countries' labor rights records.

Although the ILO has proposed that a global social label be defined in an international labor instrument, the United States could administer such a program by adapting the work already accomplished by the AIP or through legislation.

Senator Tom Harkin (D-IA) and Representative George Miller (D-CA) already have introduced legislation to institute a voluntary labeling system for internationally traded goods produced under humane conditions. Although this legislation concerned abusive and exploitative child labor, it could be expanded to address fundamental workers' rights.

2. Generalized System of Preferences and *Country Reports on Economic Policy and Trade Practices*

The President could ensure stricter enforcement of the "Factors Affecting Country Designation" under the Generalized System of Preferences (GSP).

² In August 1996, President Clinton invited key U.S. companies to work with human rights, labor, religious, and consumer groups to devise ways to inform consumers that the products they purchase were made under good working conditions. In April 1997, the AIP finished the first part of its work by completing a model workplace Code of Conduct based on ILO standards. The Code is a broad set of principles that participating companies agree to abide by and enforce among their contracting factories. The standards include prohibitions against child, forced, and bonded labor; caps on weekly and hourly work; provisions for freedom of association; fair wages and collective bargaining; and a variety of other standards.

All participating industry members likewise agreed to incorporate both internal (company specific), as well as external (independent organization) monitoring systems to ensure compliance with the Code. The agreement provides specific principles to guide the monitoring mechanisms. Several companies already have begun to incorporate many of the principles in their internal and external monitoring practices.

In the second phase of its work, the AIP is working to develop an association that will facilitate the operation of the Code and monitoring principles. Partnership members are developing criteria for companies that wish to join the AIP; developing standards and procedures for the qualification of external monitors; and identifying ways to inform consumers about the AIP. The AIP is expected to finish its work this year.

The GSP program rests on the premise that creating trade opportunities for developing countries is an effective, cost-efficient means of supporting broad-based economic development and sustaining the momentum behind economic reform and liberalization. Under GSP, specified products imported from more than 140 designated developing countries and territories receive duty-free or preferential duty treatment.

GSP is also designed to encourage beneficiary countries to ensure their citizens enjoy internationally recognized worker rights, among other objectives. Section 502 (c)(7) of the Trade Act of 1974, as amended (Exhibit 5), states that in determining whether to grant GSP status to any country, the President shall take into account “whether or not such country has taken or is taking steps to afford to workers in that country (including any designated zone in that country) internationally recognized worker rights.”

The Office of the United States Trade Representative, which is responsible for administering the program, has initiated GSP eligibility reviews of certain countries after receiving petitions from the AFL-CIO alleging that these countries were not assuring internationally recognized worker rights. The President could ensure that these reviews are strict and thorough.³

In addition to GSP eligibility reviews, Section 2202 of the Omnibus Trade and Competitiveness Act of 1988 requires the Secretary of State to prepare annual *Country Reports on Economic Policy and Trade Practices* for countries with GSP status. Each report contains a section on worker rights, subsections *a* through *e* of which outline the country’s laws and practices with respect to internationally recognized worker rights. The subsections are abridged versions of Section 6 in the *Country Reports on Human Rights Practices*, which Section 505(c) of the Trade Act of 1974, as amended, requires the Secretary of State to prepare annually. These reports assess key internationally recognized worker rights, including the right of association; the right to organize and bargain collectively; prohibitions on forced or compulsory labor; minimum age requirements for employment of children; and acceptable work conditions.

3. WTO Trade Policy Review Body (TPRB)

The President could lead efforts to ensure that labor standards are more fully considered during Trade Policy Review Body proceedings. At the 1996 WTO Ministerial in

³ The GSP program technically expired on May 31, 1997. The Administration has proposed a multi-year reauthorization of the program, which Congress generally supports. However, under the current “pay-as-you-go” budget procedures, reauthorization is dependent upon the Administration’s ability to identify budgetary spending cuts to offset tariff revenues lost under the program (losses that could amount to several billion dollars).

Lapses in authorization of the GSP program are detrimental to the program’s objectives. Lapses not only reduce the program’s value as a development tool but also reduce opportunities to encourage beneficiaries to guarantee all workers internationally recognized worker rights.

Singapore, trade ministers renewed their “commitment to the observance of internationally recognized core labor standards.” Ministers went on to state that “we believe that economic growth and development fostered by increased trade and further trade liberalization contribute to the promotion of these standards.” Considering these statements, the U.S. delegation has made observations and raised questions concerning labor standards for all WTO members that underwent reviews in 1997. In some cases, U.S. interventions were critical of members’ policies; in others, the United States complimented the country on its good record.

4. The Uruguay Round Agreements Act

Consistent with the provisions of Section 131 of the Uruguay Round Agreements Act, the President could continue to work with like-minded countries to generate support for observance of internationally recognized core labor standards and build on progress made at the 1996 WTO Ministerial. Section 131 (Exhibit 6) mandates that the President seek the establishment in the WTO of a working party to examine the relationship of internationally recognized worker rights to the articles, objectives, and related instruments of the WTO. The United States’ objectives for the working party are to:

- Explore the linkage between international trade and internationally recognized worker rights, as defined in section 502(a)(4) of the Trade Act of 1974, taking into account differences in development among countries;
- Examine the effects of international trade on the systematic denial of such rights;
- Consider ways to address such effects; and
- Develop methods to coordinate the working party’s work program with the ILO.

The President is also required to report to Congress on the progress made in establishing the working party and on U.S. objectives with respect to the working party’s work program.

5. Technical Cooperation

To clear the path to improvement of protection for workers' rights, the President could lead efforts to increase technical assistance for developing countries. The ILO currently devotes more than half its resources to technical cooperation and vocational and management training, including training on "conditions of work and life." Currently, its services vary widely and are geared to address host nations' more pressing needs.

6. The OECD

The President could continue to work on reaching agreement within the OECD that there is a mutually supportive relationship between core labor standards and economic development and trade.

At the May 1996 OECD Ministerial, the OECD Secretariat released a report on *Trade, Employment, and Labor Standards*. The United States actively participated in developing this report and considered it important background for the 1996 WTO Ministerial discussion of the declaration on the relationship between trade and labor standards.

The basis for the report was work jointly undertaken by two OECD bodies: the Trade Committee and the Committee on Employment, Labor, and Social Affairs. The report examined the relationship between freedom of association, economic development and trade. It endorsed the proposition that core labor standards can also contribute to the achievement of better working conditions.

The report concluded that a mutually reinforcing relationship exists between core labor standards and trade liberalization. It refuted the long-standing argument that adherence to such standards negatively affects the economic performance of developing countries. Indeed, the report found that core labor standards reinforce long-term development prospects. The report also called for the ILO to take the lead in promoting core labor standards worldwide.

In October 1997, labor ministers from the twenty-nine OECD countries met to discuss options for addressing labor market problems in their respective countries. The ministers reaffirmed their governments' commitment to observe internationally recognized labor standards. They also stated that they looked forward to the outcome of work currently underway in the ILO.

7. Declaration on Core Labor Standards

The President could lead efforts to adopt an International Declaration on Core Labor Standards to strengthen the ILO Constitution principles. The Declaration could recognize

the consensus that the international community has reached regarding the special significance of several fundamental rights. It could also include a follow-up mechanism, through which all the members of the ILO—and more generally the national and international public—would gain an overall and objective view of efforts made by each country to turn the economic benefits from trade liberalization to good account in terms of social progress.

During 1997, the United States attempted to forge an international consensus for adoption of just such a declaration and follow-up mechanism. In November 1997, the ILO's Governing Body agreed to put the issue on the agenda for the June 1998 International Labor Conference.

The goal of the Declaration would be to reaffirm the meaning and scope of the commitments to which all ILO member states have subscribed when they voluntarily accepted the ILO Constitution. It would recognize that acceptance of the basic values set out in the Constitution and the Declaration of Philadelphia implies a commitment by members to strive toward achieving them.

The Declaration should explain that its aim is not, and cannot be, to increase the legal obligations of the members. Rather, the aim is to acknowledge members' commitment, by virtue of their adherence to the ILO Constitution, to work toward eliminating situations incompatible with the fundamental rights mentioned in the Declaration. The ILO's concomitant obligation would be to design the most suitable and effective promotional procedures for assisting members in attaining this objective, even where they have not yet ratified the Conventions concerned.

8. Monitoring Mechanisms

The President also could lead efforts to develop strengthened mechanisms to monitor universal compliance with the International Declaration on Core Labor Standards. Although each country is free to fix the level and substance of its social protection based on its level of development and its values and preferences, some fundamental workers' rights should be unconditionally recognized, no matter a country's situation.

The international community has reached consensus regarding the special significance of several fundamental rights. The next step is to devise a way for the international community to review the implementation of these principles.

Since a commitment to social progress is inherent in a country's membership in the ILO, it should be feasible to establish a mechanism for examining and comparing the efforts made by various members to meet this commitment and to share the benefits and burdens of liberalization. Although the function of this mechanism would not be punitive, it could help shed light on any lapses in effort. It might also be a useful means of

identifying solutions that enable members to more effectively pursue the twin objectives of economic liberalization and social progress.

The ILO already has a monitoring mechanism for reviewing a country's compliance with Conventions it has ratified. The big issue is how the international community can supervise countries that have not ratified the Conventions.

One approach would be to raise the question of whether, even in the absence of ratification of the relevant Conventions, all member countries, by virtue of their acceptance of the Constitution, are not bound to a minimum of obligations with respect to fundamental rights. ILO members' adherence to minimum obligations regarding freedom of association is already monitored by virtue of a special procedure under which governments or workers' and employers' organizations may submit complaints concerning a country's violations of freedom of association—irrespective of whether or not that country has ratified the Conventions on freedom of association. This concept could be extended to the other core ILO Conventions on workers' rights.

The Workers' group of the ILO's Governing Body has agreed to suspend its demand for discussions on mandatory trade sanctions linked to a social clause, if, among other things, the Governing Body examines the possibility of introducing special procedures (similar to those for freedom of association) for forced labor and discrimination. The Governing Body has already started its work on such procedures, but the Governments and Employers groups have not yet endorsed the idea.

9. Tripartite Advisory Panel on International Labor Standards (TAPILS)

As a leader among nations, the President could set an example by working toward U.S. ratification of all the core ILO Conventions on workers' rights. Although U.S. laws and regulations equal or exceed the requirements of these Conventions, the United States has only ratified one of them, Convention 105 on abolition of forced labor. The U.S. Tripartite Advisory Panel on International Labor Standards (TAPILS) has reviewed Convention 111 on discrimination in employment and occupation, and it should be sent to the Senate soon. However, the President could pursue a campaign to ratify all of the seven core ILO Conventions on workers' rights (Exhibit 7) that it has not yet ratified.

10. Trade Adjustment Assistance

The President could lead efforts to pass legislation to expand the Trade Adjustment Assistance program, similar to legislation originally proposed by Senate Finance Committee Chairman Bill Roth (R-DE) in the "NAFTA Worker Adjustment Assistance Act." The legislation proposed by Senator Roth would:

- Revise provisions under the TAA program concerning reemployment assistance to include labor market information, job development, and job search and placement services;
- Make funds available to states to provide such services;
- Increase the funds available for training under such a program; and
- Establish a standardized reporting system to determine the effectiveness of state-run programs.

The TAA program provides worker assistance through Title II of the 1974 Trade Act. Assistance includes trade adjustment allowances, training, job search and relocation allowances, and reemployment services for workers adversely affected by increased imports. For workers to be certified as eligible to apply for TAA, the Secretary of Labor must determine that:

- Workers in a firm have become or are threatened to become totally or partially separated;
- The firm's sales or production have decreased absolutely; and
- Increases in like or directly competitive imported products contributed importantly to the total or partial separation and to the decline in the firm's sales or production.

The President could lead efforts to increase funding for worker training and increase the chances that workers will be certified as eligible to apply for TAA.

11. The North American Agreement on Labor Cooperation (NAALC)

The President could lead efforts to strengthen the North American Agreement on Labor Cooperation (NAALC), which the United States, Mexico, and Canada negotiated to supplement the North American Free Trade Agreement. Although these efforts would only apply to protection for workers' rights among these three countries, such efforts would address an issue about which the AFL-CIO and House Democrats have expressed the greatest concern.

The main objective of the NAALC is to improve working conditions and living standards in these three countries as NAFTA promotes more free trade and closer economic ties among them. The NAALC's preferred approach for reaching this objective is to increase cooperative efforts, including information exchange, technical assistance, and consultations.

The NAALC provides oversight mechanisms to ensure that all three countries enforce their domestic labor laws. Rather than focusing on punishment through trade sanctions, the mechanisms promote better public understanding of labor laws and enhance the transparency of enforcement.

The NAALC obligates each signatory to:

- Promote compliance with and effectively enforce its labor laws through appropriate government action;
- Ensure that its labor laws, regulations, procedures, and administrative rulings of general application are promptly published or otherwise made available to the public; and
- Ensure that legally recognized interested parties have appropriate access to administrative, judicial, quasi-judicial, or labor tribunals for labor law enforcement and that enforcement proceedings are fair, equitable, and transparent.

Developing a Comprehensive Strategy

LEADERSHIP. This one word describes how the Administration can overcome public and congressional concerns about protection for workers' rights while continuing to lead other nations in reducing trade barriers and expanding world trade.

We must use the bully pulpit of the Presidency to its utmost capacity to address public concerns and ensure that the beneficial effects of trade liberalization are not lost. The President, as well as every other member of the Administration, must lead efforts to address the economic and social adjustments that accompany trade liberalization.

We must recognize the need to address concerns about protection for workers' rights in order to move forward on the President's Trade Policy Agenda. Although we have not yet been able to agree on how this issue can be best addressed, we need to find a process that will ensure further progress over time.

A comprehensive strategy for addressing concerns about protection for workers' rights also requires strong congressional support on both sides of the aisle; we want to ensure that our efforts are not perceived as a partisan effort.

Our strategy includes a list of "areas for action" to address these concerns in a way that accounts for the interests of the Republican-controlled Congress and the U.S. business community. These areas for action will serve as confidence building measures and can help establish a common ground that can restore the bipartisan coalition of moderate Democrats and Republicans that has traditionally supported trade liberalization.

THE STRATEGY

In order to secure the support of House Democrats for a renewal of fast track negotiating authority, I have developed a comprehensive strategy to address the concerns of the AFL-CIO and House Democrats about protection for workers' rights, including a legislative strategy and a media strategy.

The legislative strategy includes:

- Sending letters from the President to the House and Senate leadership;
- Testifying before the House Committee on Ways and Means and the Senate Committee on Finance;
- Lobbying those members, particularly the Democrats, that opposed the committees' proposals for renewed negotiating authority (the emphasis should be on reaffirm our commitment to working with Congress to confront public fears about trade liberalization so that the United States can continue to lead other nations in reducing trade barriers and expanding trade around the world);
- Enlisting the support of members with extensive experience with labor issues; and
- Establishing a "blue-ribbon commission" composed of representatives from organized labor, the business and human rights communities, and Congress to report on the status of implementation of each of the areas for action.

The Administration needs to remain aware that the areas for action could raise concerns among conservatives. Those areas most likely to raise concern are the ILO-related actions: adopting a Declaration on Core Labor Standards, developing strengthened ILO supervisory mechanisms, or pursuing a campaign for ratification of the seven core ILO Conventions on workers' rights.

The media strategy provides a plan for using the media to inform the public about the Administration's actions to protect workers' rights. Media activities might include:

- A press conference on April 17, 1998;
- A Presidential address to organized labor about our strategy;
- Public affairs television show appearances by the United States Trade Representative and the Secretary of Labor;
- Morning television talk show appearances by the First Lady;
- Op-ed articles and newspaper/magazine advertisements; and
- Television advertisements.

A sample media advisory, press statement, and sample Q&A for the press conference are all found in the exhibits section of this paper.

ADDRESSING CONCERNS ABOUT PROTECTION FOR WORKERS' RIGHTS

LEGISLATIVE STRATEGY

- The President should send a letter to the House and Senate leadership describing the Administration's strategy for addressing concerns about protection for workers' rights.
- Appropriate officials should testify before the House Committee on Ways and Means and the Senate Committee on Finance to urge the committees to support our strategy and help ensure that the United States can continue to lead other nations in reducing trade barriers and expanding trade around the world.
- Lobbying efforts should focus on the Democrats but take into account the interests of the Republican opposition.
- Special efforts should be made to enlist the support of members with extensive experience with labor issues, specifically the ranking Democrat on the Senate Finance Committee, Daniel Moynihan, who wrote his doctoral thesis on the ILO.
- Special efforts also should be made to assuage concerns that conservatives are likely to have over those areas for action that involved the ILO: adopting a Declaration on Core Labor Standards; developing strengthened ILO supervisory mechanisms; and pursuing a campaign for ratification of all seven core ILO Conventions on workers' rights.

Lobbying efforts should focus on the following key members of congress:

House of Representatives:

Office of the Speaker,
Newt Gingrich (GA)
Majority Leader, Dick Armey (TX)
Majority Whip
Republican Conf., John Boehner (OH)
Republican Policy Committee,
Christopher Cox (CA)

Minority Leader,
Richard Gephardt (MO)
Democratic Caucus
Democratic Leadership

Senate:

Majority Leader, Trent Lott (MS)
Majority Whip, Don Nickles (OK)
Republican Policy Committee,
Larry Craig (ID)

Democratic Leader,
Thomas Daschle (SD)
Democratic Whip, Wendell Ford (KY)
Democratic Policy Committee,
Thomas Daschle

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

Voting records for the Reciprocal Trade Agreement Authorities Act of 1997

House. The Ways and Means Committee –24 yeas; 14 nays. 12 Democrats and 2 Republicans opposed the bill (*in italics*).

Republicans:

Bill Archer (TX), Chairman
 Philip M. Crane (IL)
 Bill Thomas (CA)
 E. Clay Shaw Jr. (FL)
 Nancy L. Johnson (CT)
 Jim Bunning (KY)
 Amo Houghton (NY)
 Wally Herger (CA)
 Jim McCrery (LA)
 Dave Camp (MI)
 Jim Ramstad (MN)
 Jim Nussle (IA)
 Sam Johnson (TX)
 Jennifer Dunn (WA)
 Mac Collins (GA)
 Rob Portman (OH)
Philip S. English (PA)
 John Ensign (NV)
 Jon Christensen (NE)
 Wes Watkins (OK)
 J.D. Hayworth (AZ)
Jerry Weller (IL)
 Lenny Hulshof (MO)

Democrats:

Charles B. Rangel (NY)
Fortney Pete Stark (CA)
 Robert T. Matsui (CA)
Barbara B. Kennelly (CT)
William J. Coyne (PA)
 Sander Levin (MI) Nay
Benjamin L. Cardin (MD)
 Jim McDermott (WA)
Gerald D. Kleczka (WI)
John Lewis (GA)
Richard E. Neal (MA)
Michael R. McNulty (NY)
 William J. Jefferson (LA)
 John S. Tanner (TN)
Xavier Becerra (CA)
Karen L. Thurman (FL)

Senate. The full Senate voted to proceed to consider the Finance Committee’s “Reciprocal Trade Agreements Act of 1997” (S. 1269) by a roll call of 68 yeas to 31 nays. Among Finance Committee members, 2 Democrats and no Republicans opposed (*in italics*).

Republicans:

William V. Roth, Jr. (DE), Chairman
 John H. Chafee (RI)
 Charles E. Grassley (IA)
 Orrin G. Hatch (UT)
 Alfonse M. D’Amato (NY)
 Frank H. Murkowski (AK)
 Don Nickles (OK)
 Phil Gramm (TX)
 Trent Lott (MS)
 James Jeffords (VT)
 Connie Mack (FL)

Democrats:

Daniel Patrick Moynihan (NY)
 Max Baucus (MT)
 John D. Rockefeller IV (WV)
 John B. Breaux (LA)
Kent Conrad (ND)
 Bob Graham (FL)
Carol Moseley-Braun (IL)
 Richard Bryan (NV)
 Bob Kerrey (NE)

ADDRESSING CONCERNS ABOUT PROTECTION FOR WORKERS' RIGHTS**CONFIDENTIAL ORAL BRIEFING**

In order to move forward on the President's Trade Policy Agenda, we must recognize the need to address concerns about protection for workers' rights. Labor's concerns are not the only reason the Administration has been unable to develop a consensus on legislation for renewed trade negotiating authority. Nonetheless, the President will be unable to obtain such authority without addressing these concerns.

We must ensure that our efforts are not perceived as a partisan effort. A comprehensive strategy for addressing concerns about protection for workers' rights requires strong congressional support on both sides of the aisle. In order to restore the bipartisan coalition of moderate Democrats and Republicans that has traditionally supported trade liberalization, we must take into account the interests of the Republican-controlled Congress and the U.S. business community.

We must isolate extremists on both sides of the issue who will try to make this an election issue. In order to ensure that House Democratic Leader Richard Gephardt does not make this a partisan or electoral issue, I have drafted a letter inviting him to work with the President in developing bipartisan support for our strategy. I have also invited Mr. Gephardt to serve on the "blue-ribbon commission" that will report on the status of implementation for each of the areas for action. Draft text follows on the next page.

SAMPLE LETTER TO MINORITY LEADER

April 17, 1998

The Honorable Richard Gephardt
United States House of Representatives

Dear Representative Gephardt:

As we have discussed many times, I am concerned about my Administration's lack of trade negotiating authority, which I believe is vital not only for assuring the future economic prosperity of American workers, businesses, and families but also to maintaining the leadership position of the United States in the global economy.

Everyone involved in the debate over renewed negotiating authority has recognized the need to address protection for workers' rights, among other issues. Workers' rights are, without doubt, of utmost importance to me. However, to make any headway on this issue and other international economic issues, it is critically important that we restore the bipartisan support for trade liberalization that dates back more than six decades. I hope you will work with me in forging a bipartisan consensus that will strengthen the leadership position of the United States in the global economy.

My staff has developed a comprehensive strategy to address concerns about protection for workers' rights that includes a list of "areas for action." Additionally, I plan to establish a "blue-ribbon commission," composed of representatives from organized labor, the business and human rights communities, and Congress, to report on the status of implementation of each of these areas for action. I invite you to serve on this commission.

I believe our strategy for addressing labor's concerns can re-establish a common ground on important trade issues. I look forward to working with you to develop support for this strategy.

Sincerely,

President William J. Clinton

ADDRESSING CONCERNS ABOUT PROTECTION FOR WORKERS' RIGHTS**SAMPLE TESTIMONY**

**Testimony of
Special Advisor to the President Jason Buntin
Addressing Concerns About Protection for Workers' Rights
House Ways and Means Committee
April 17, 1998**

Thank you, Mr. Chairman and Members of the Committee. I am pleased to appear before you today to discuss the Administration's strategy for addressing concerns about protection for workers' rights.

As you know, international trade creates much-needed jobs, stimulates the economy, and raises the standard of living for American families. More than ever before, trade and trade negotiations are affecting the everyday lives of Americans, and as a result, trade negotiations have become a subject of public debate across the country. Economic change associated with trade is creating new political resistance to competition and trade-enhancing reforms.

Labor's opposition to renewed trade negotiating authority is based on two fears. First, labor fears that, by maintaining low labor standards, some of our trading partners deny their citizens basic rights and gain an unfair advantage in our market. Second, labor fears that as trade increases, more American workers will lose their jobs to cheap overseas labor.

This situation calls for bold leadership to keep our economy open and keep trade expanding; it requires that we address the economic and social dislocations that inevitably result from trade. Otherwise, the public will continue to believe that trade liberalization implies a downward leveling of pay, and political support for trade agreements will be further weakened. To ensure that the beneficial effects of trade liberalization are not lost, we must confront these fears.

Everyone involved in the debate over renewed trade negotiating authority has recognized the need to address protection for workers' rights, among other issues. However, we have not been able to agree on how this issue is best addressed.

Partisan divisions and lingering distrust over this politically charged issue have frayed the bipartisan coalition of moderate Democrats and Republicans that has traditionally supported trade liberalization. Congressional passage of legislation for renewed trade

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

negotiating authority will require considerable political skill and a willingness to find common ground on this and other contentious issues. We need to find a process that will ensure further progress on this issue over time.

Discussions of a possible link between labor standards and international trade are often reduced to a debate on a single, blunt solution: trade sanctions. Such a narrow focus gives only a partial view of the problem, and it foregoes consideration of other approaches that may be less dramatic but can create new options for addressing this problem.

A menu of potential responses to labor standards abuses, varying in both the nature and severity of their effects, might include:

- Establishing a “global social label” to guarantee that internationally-traded goods are produced under humane conditions;
- Strictly interpreting the factors that affect a country’s designation under the Generalized System of Preferences program;
- Raising questions concerning labor standards during the proceedings of the WTO Trade Policy Review Body; and
- Establishing a working party in the WTO to examine the relationship of internationally recognized workers’ rights to the articles, objectives, and related instruments of the WTO.

Obviously, the purpose of any intervention must be to bring about change in nations where labor standards are inadequate. The goal is not to use our trade laws to punish foreign governments. Rather it is to ensure that our trading partners enforce their domestic labor laws and, ultimately, adopt international rules that, fairly applied, will bring about real change.

The international community cannot attempt to mandate levels of appropriate working hours, minimum wages, benefits, or health and safety standards—particularly levels that match those of the United States and other industrialized countries. However, it is appropriate to expect labor standards to improve as economies develop; as countries grow richer, they are better able to improve living and working conditions. Free trade offers both a means for developing countries to amass wealth and a means for workers in developed countries to benefit from this rising wealth. Countries with rising mass living standards offer growing markets for other countries’ exports. Thus, all countries have in economic stake in broadly shared prosperity abroad. Free trade is a means, not an end. The end is rising living standards worldwide.

Although international trade provides many benefits to society, many Americans believe trade liberalization will increase unemployment. To ensure that the benefits of trade are not lost, we must address public fears.

We all recognize the need to address these concerns, despite partisan divisions on how this can best be accomplished. We must develop a process to ensure further progress on this issue over time.

This situation calls for bold leadership. I hope you will join me in confronting public fears about trade liberalization so that the United States can continue to lead other nations in reducing trade barriers and expanding trade around the world.

ADDRESSING CONCERNS ABOUT PROTECTION FOR WORKERS' RIGHTS

POTENTIAL QUESTIONS AND ANSWERS

What efforts are you making to obtain broad-based support for your “areas of action?”

The Administration will:

- Conduct press conferences;
- Meet with organized labor to explain our strategy;
- Appear on public affairs television shows to tell the public about our strategy;
- Testify before the House Committee on Ways and Means and the Senate Committee on Finance;
- Work with those members of Congress, particularly Democrats, who opposed the committees' proposals for renewed negotiating authority;
- Enlist the support of members of Congress with extensive experience with labor issues; and
- Expand the dialogue and build new relationships with organized labor groups and the human rights community;

How can House Democrats support your middle-of-the-road “areas for action” when they have taken such an extreme stance in demanding that trade sanctions be used to address protection for workers' rights?

These “areas for action” identify areas where the Administration, with the support of Congress, can begin to address concerns about protection for workers' rights without resorting to trade sanctions. Because these options are cooperative in nature rather than punitive, we believe they will actually be more effective than unilateral trade sanction in achieving our objectives. However, as the Uruguay Round Agreements Act mandates, the President will continue to work with like-minded countries to generate support for observance of internationally recognized core labor standards. He will continue to seek the establishment of a WTO working party to examine the relationship of internationally recognized worker rights to the articles, objectives, and related instruments of the WTO.

Does the President need congressional approval for the “areas for action” or are they actions the President can take unilaterally?

Although most of the “areas for action” are within the realm of presidential authority, we are committed to working with Congress on developing broad-based support for these options.

Do you expect Republicans and the U.S. business community to present strong opposition to your “areas for action?”

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

Although we do not believe our “areas for action” will generate strong opposition, we are aware that options involving the ILO could raise concerns among Republicans and the U.S. business community. We are committed to working with all members of Congress as well as the business community to develop broad-based support for our actions.

Will the President take the lead on this issue or merely turn in another lackluster performance as he did with fast track in the Fall?

The President recognizes the need to address concerns about protection for workers’ rights and is willing to use the bully pulpit of the Presidency to address these concerns. The President, as well as every other member of the Administration, will lead this historic effort to address the economic and social adjustments that accompany trade liberalization.

If the “global social label” is voluntary, how many countries do you anticipate would participate in this program?

Although the “global social label” would be voluntary, consumers are exerting pressure for protection of workers’ rights with their wallets, and developing countries have begun to respond. For example, Pakistan has begun to take address the issue of child labor in the production of soccer balls because of consumer and legislative pressure.

Consumers are also exerting pressure on individual firms, as well as whole industries. Nike and other members of the President’s Apparel Industry Partnership have made significant efforts to address concerns about protection for workers’ rights.

Firms, industries, and countries have responded with greater interest to voluntary rather than coercive programs. They prefer to play a significant role in developing and establishing labor rights programs rather than have an outside party such as the U.S. Congress legislate the details of such a program. However, our Congress has demonstrated that it will take such a role if firms do not act on their own.

Will a “global social label” impose higher transaction costs on companies that buy from participating countries?

As consumers have become more concerned about protections for workers’ rights, they have also demonstrated a willingness to pay that “little bit extra” that may accompany increased protections. Again, the “global social label” would be voluntary, providing consumers the opportunity to vote with their wallets.

ADDRESSING CONCERNS ABOUT PROTECTION FOR WORKERS' RIGHTS

MEDIA STRATEGY

GOALS AND INTERESTS

Thus far, the Administration has failed to develop a consensus on legislation for renewed trade negotiating authority. In order to move this issue forward, the Administration will have to develop a comprehensive strategy to address the concerns of the AFL-CIO and House Democrats about protection for workers' rights—a strategy that also accounts for the interests of the Republican-controlled Congress. The media will be crucial to our efforts to tell the public about our strategy and develop a national consensus on renewed trade negotiating authority.

THE FACTS

International trade creates much-needed jobs, stimulates the economy, and raises the standard of living for American families. More than ever before, trade and trade negotiations are affecting the everyday lives of Americans, and as a result, trade negotiations have become a subject of public debate across the country. Economic change associated with trade is creating new political resistance to competition and trade-enhancing reforms.

Opposition to renewed trade negotiating authority is based on two fears. First, labor fears that, by maintaining low labor standards, some of our trading partners deny their citizens basic rights and gain an unfair advantage in our market. Second, labor fears that as trade increases, more American workers will lose their jobs to cheap overseas labor.

This situation calls for bold leadership to keep our economy open and to keep trade expanding; it requires that we address the economic and social dislocations that inevitably result from trade.

If we do not address these fears, the public will continue to believe that trade liberalization implies a downward leveling of pay, and political support for trade agreements will be further weakened. We must ensure that the beneficial effects of trade liberalization are not lost to fear.

Everyone involved in the debate over renewed trade negotiating authority has recognized the need to address protection for workers' rights, among other issues. However, we have not been able to agree on how this issue is best addressed.

Partisan divisions and lingering distrust over this politically charged issue have frayed the bipartisan coalition of moderate Democrats and Republicans that has traditionally

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

supported trade liberalization. Congressional passage of legislation for renewed trade negotiating authority will require considerable political skill and a willingness to find common ground on this and other contentious issues. We need to find a process that will ensure further progress on this issue over time.

Discussions of a possible link between labor standards and international trade are often reduced to a debate on a single, blunt solution: trade sanctions. Such a narrow focus gives only a partial view of the problem, and it foregoes consideration of other approaches that may be less dramatic but can create new options for addressing this problem. Indeed, we need a menu of potential responses to labor standards abuses, varying in both the nature and severity of their effects. However, the purpose of any intervention must be to bring about change in countries where labor standards are inadequate. The goal is not to use our trade laws to punish foreign governments. Rather it is to ensure that our trading partners enforce their domestic labor laws and, ultimately, adopt international rules that, fairly applied, will bring about real change.

Obviously, the international community cannot attempt to mandate levels of appropriate working hours, minimum wages, benefits, or health and safety standards—particularly levels that match those of the United States and other industrialized countries. However, it is appropriate to expect labor standards to improve as economies develop; as countries grow richer, they are better able to improve living and working conditions. Free trade offers both a means for developing countries to amass wealth and a means for workers in developed countries to benefit from this rising wealth. Countries with rising mass living standards offer growing markets for other countries' exports and thus all countries have an economic stake in broadly shared prosperity abroad. Free trade is a means, not an end. The end is rising living standards worldwide.

STRATEGY COMPONENTS

- A press conference on April 17, 1998;
- A Presidential address to organized labor about our strategy;
- Public affairs television show appearances by the United States Trade Representative and the Secretary of Labor;
- Morning television talk show appearances by the First Lady;
- Op-ed articles and newspaper/magazine advertisements targeting the public, organized labor, and Congress in publications such as the *Washington Post*, *Washington Times*, *Business Journal*, *Journal of Commerce*, *Financial Times*, *Wall Street Journal*, and *New York Times*; and
- Television advertisements in the Washington, D.C. area and nationally;
- Up-to-date information on the White House web site about the Administration's strategy for addressing concerns about protection for workers' rights;

- Conference calls and meetings with members of Congress to reaffirm our commitment to working with them to confront public fears about trade liberalization;
- Public appearances with members of Congress designed to confront public fears;
- Establishment of a “blue-ribbon commission” (which will include representatives from labor and human rights groups) to report on the implementation status of each area for action; and
- Efforts to develop a public consensus on the Administration’s strategy for addressing concerns about protection for workers’ rights.

ADDRESSING CONCERNS ABOUT PROTECTION FOR WORKERS' RIGHTS**SAMPLE MEDIA ADVISORY**

**EXECUTIVE OFFICE OF THE PRESIDENT
1600 PENNSYLVANIA AVENUE
WASHINGTON, D.C.
20500**

**ADDRESSING CONCERNS
ABOUT PROTECTION FOR WORKERS' RIGHTS**

WHAT: White House officials to brief the press on the Administration's strategy for addressing concerns about protection for workers' rights.

WHEN: Friday, April 17, 1998
9:00 a.m. - 10:00 a.m.

WHERE: The East Room of the White House

WHO: Jason Buntin
Special Advisor to the President

Madeleine Albright
Secretary of State

Ambassador Charlene Barshefsky
United States Trade Representative

Alexis Herman
Secretary of Labor

CALL (202) XXX-XXXX TO CONFIRM YOUR ATTENDANCE

ADDRESSING CONCERNS ABOUT PROTECTION FOR WORKERS' RIGHTS**SAMPLE PRESS STATEMENT****Press Statement by Jason Buntin, Special Advisor to the President
April 17, 1998**

Thank you for being here this morning. I am Jason Buntin, Special Advisor to the President. I am grateful to be joined by Madeleine Albright, Secretary of State, Ambassador Charlene Barshefsky, United States Trade Representative, and Alexis Herman, Secretary of Labor. We would like to take this opportunity to discuss the Administration's strategy for addressing concerns about protection for workers' rights.

International trade creates much-needed jobs, stimulates the economy, and raises the standard of living for American families. More than ever before, trade and trade negotiations are affecting the everyday lives of Americans, and as a result, trade negotiations have become a subject of public debate across the country. Economic change associated with trade is creating new political resistance to competition and trade-enhancing reforms.

Opposition to renewed trade negotiating authority is based on two fears. First, labor fears that, by maintaining low labor standards, some of our trading partners deny their citizens basic rights and gain an unfair advantage in our market. Second, labor fears that as trade increases, more American workers will lose their jobs to cheap overseas labor.

This situation calls for bold leadership to keep our economy open and to keep trade expanding; it requires that we address the economic and social dislocations that inevitably result from trade.

The President recognizes that many Americans believe that free trade agreements cost U.S. jobs. People are anxious that they will not be able to compete with cheap labor from foreign countries. If we do not address these fears, the public will continue to believe that trade liberalization implies a downward leveling of pay, thereby further weakening political support for trade agreements. To ensure that the beneficial effects of trade liberalization are not lost, we must confront these fears.

Everyone involved in the debate over renewed trade negotiating authority has recognized the need to address protection for workers' rights, among other issues. However, we have not been able to agree on how this issue is best addressed.

Partisan divisions and lingering distrust over this politically charged issue have frayed the bipartisan coalition of moderate Democrats and Republicans that has traditionally

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

supported trade liberalization. Congressional passage of legislation for renewed trade negotiating authority will require considerable political skill and a willingness to find common ground on this and other contentious issues. We need to find a process that will ensure further progress on this issue over time.

Discussions of a possible link between labor standards and international trade are often reduced to a debate on a single, blunt solution: trade sanctions. Such a narrow focus gives only a partial view of the problem, and it foregoes consideration of other approaches that may be less dramatic but can create new options for addressing this problem.

A menu of potential responses to labor standards abuses, varying in both the nature and severity of their effects, might include:

- Establishing a “global social label” to guarantee that internationally traded goods are produced under humane conditions;
- Strictly interpreting the factors that affect a country’s designation under the Generalized System of Preferences program;
- Raising questions concerning labor standards during the proceedings of the WTO Trade Policy Review Body; and
- Establishing a working party in the WTO to examine the relationship of internationally recognized workers’ rights to the articles, objectives, and related instruments of the WTO.

Obviously, the purpose of any intervention must be to bring about change in nations where labor standards are inadequate. The goal is not to use our trade laws to punish foreign governments. Rather it is to ensure that our trading partners enforce their domestic labor laws and, ultimately, adopt international rules that, fairly applied, will bring about real change.

The international community cannot attempt to mandate levels of appropriate working hours, minimum wages, benefits, or health and safety standards—particularly levels that match those of the United States and other industrialized countries. However, it is appropriate to expect labor standards to improve as economies develop; as countries grow richer, they are better able to improve living and working conditions. Free trade offers both a means for developing countries to amass wealth and a means for workers in developed countries to benefit from this rising wealth. Countries with rising mass living standards offer growing markets for other countries’ exports and thus all countries have an economic stake in broadly shared prosperity abroad. Free trade is a means, not an end. The end is rising living standards worldwide.

Although international trade provides many benefits to society, many Americans believe trade liberalization will increase unemployment. To ensure that the benefits of trade are not lost, we must address public fears.

We all recognize the need to address these concerns, despite partisan divisions on how this can best be accomplished. We must develop a process to ensure further progress on this issue over time.

This situation calls for bold leadership. The Administration is committed to working with Congress to make sure we confront public fears about trade liberalization so that the United States can continue to lead other nations in reducing trade barriers and expanding trade around the world.

After Secretary Albright, Ambassador Barshefsky, and Secretary Herman have had an opportunity to speak, we will take questions from the press.

Exhibit 1

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988

(b) **PRINCIPAL TRADE NEGOTIATING OBJECTIVES** –

(14) **WORKER RIGHTS** – The principal negotiating objectives of the United States regarding worker rights are –

- (A) to promote respect for worker rights;
- (B) to secure a review of the relationship of worker rights to GATT articles, objectives, and related instruments with a view to ensuring that the benefits of the trading system are available to all workers; and
- (C) to adopt, as a principle of the GATT, that the denial of worker rights should not be a means for a country or its industries to gain competitive advantage in international trade.

Exhibit 2

**EXPORT EXPANSION
AND RECIPROCAL TRADE AGREEMENTS ACT OF 1997**

SEC. 2. TRADE NEGOTIATING OBJECTIVES.

(a) **OVERALL TRADE NEGOTIATING OBJECTIVES** - The overall trade negotiating objectives of the United States for agreements subject to the provisions of section 3 are -
 (5) to address those aspects of foreign government policies and practices regarding labor, the environment, and other matters that are directly related to trade and decrease market opportunities for United States exports or distort United States trade.

(b) **PRINCIPAL TRADE NEGOTIATING OBJECTIVES** -

(7) **WORKER RIGHTS AND ENVIRONMENTAL PROTECTION** - The principal negotiating objectives of the United States regarding worker rights and protection of the environment are, through the WTO -

(A) to promote respect for internationally recognized worker rights, including with regard to child labor;

(B) to secure a review of the relationship of internationally recognized worker rights to the provisions, objectives, and instruments of the WTO with a view to ensuring that the benefits of the trading system are available to all workers;

(C) to adopt, as a principle of the World Trade Organization, that the denial of internationally recognized worker rights should not be a means for a country or its industries to gain competitive advantage in international trade;

The United States will also seek to establish in the International Labor Organization a mechanism for the systematic examination of, reporting on, and accountability for the extent to which member governments promote and enforce core labor standards.

SEC. 7. DEFINITIONS AND CONFORMING AMENDMENTS.

(a) **DEFINITIONS.** - For purposes of this Act:

(1) The term “core labor standards” means -

(A) freedom of association;

(B) the right to organize and bargain collectively;

(C) a prohibition on forced labor;

(D) a prohibition on exploitative child labor; and

(E) a prohibition on discrimination in employment.

(4) The term “internationally recognized worker rights” has the meaning ascribed to that term in section 507(4) of the Trade Act of 1974, as amended.

Exhibit 3

RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT OF 1997
U.S. House of Representatives

SEC.2.TRADE NEGOTIATING OBJECTIVES OF THE UNITED STATES**(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES –**

(7) **LABOR, THE ENVIRONMENT, AND OTHER MATTERS** - The principal negotiating objective of the United States regarding labor, the environment, and other matters is to address the following aspects of foreign government policies and practices regarding labor, the environment, and other matters that are directly related to trade.

(A) To ensure that foreign labor, environmental, health, or safety policies and practices do not arbitrarily or unjustifiably discriminate or serve as disguised barriers to trade.

(B) To ensure that foreign governments do not derogate from or waive existing domestic environmental, health, safety, or labor measures, including measures that deter exploitative child labor, as an encouragement to gain competitive advantage in international trade or investment. Nothing in this subparagraph is intended to address changes to a country's laws that are consistent with sound macroeconomic development.

(c) INTERNATIONAL ECONOMIC POLICY OBJECTIVES -

(1) **IN GENERAL** - The President should take into account the relationship between trade agreements and other important priorities of the United States and seek to ensure that the trade agreements entered into by the United States complement and reinforce other policy goals. The United States priorities in this area include -

(C) promoting respect for worker rights and the rights of children and an understanding of the relationship between trade and worker rights, particularly by working with the International Labor Organization to encourage the observance and enforcement of core labor standards, including the prohibition on exploitative child labor; and

Exhibit 4

THE RECIPROCAL TRADE AGREEMENTS ACT OF 1997
U.S. Senate

SEC.2. TRADE NEGOTIATING OBJECTIVES OF THE UNITED STATES

(b) **PRINCIPAL TRADE NEGOTIATING OBJECTIVES** - The principal trade negotiating objectives of the United States for agreements subject to the provisions of section 3 include the following:

(15) **REGULATORY COMPETITION** - The principal trade negotiating objectives of the United States regarding the use of government regulation or other practices by foreign governments to provide a competitive advantage to their domestic producers, service providers, or investors and thereby reduce market access for United States goods, services, and investment are –

(B) to prevent the use of foreign government regulation and other government practices, including the lowering of, or derogation from, existing labor (including child labor), health and safety, or environmental standards, for the purpose of attracting investment or inhibiting United States exports.

Nothing in subparagraph (B) shall be construed to authorize in an implementing bill, or in an agreement subject to an implementing bill, the inclusion of provisions that would restrict the autonomy of the United States in these areas.

(c) **INTERNATIONAL ECONOMIC POLICY OBJECTIVES DESIGNED TO REINFORCE THE TRADE AGREEMENTS PROCESS-**

(1) **IN GENERAL** - It is the policy of the United States to reinforce the trade agreements process by –

(C) promoting respect for workers' rights, by –

- (i) reviewing the relationship between workers' rights and the operation of international trading systems and specific trade arrangements; and
- (ii) seeking to establish in the ILO a mechanism for the systematic examination of, and reporting on, the extent to which ILO members promote and enforce the freedom of association, the right to organize and bargain collectively, a prohibition on the use of forced labor, a prohibition on exploitative child labor, and a prohibition on discrimination in employment; and

Exhibit 5

GENERALIZED SYSTEM OF PREFERENCES

Title V of the Trade Act of 1974, as amended

SEC.502. DESIGNATION OF BENEFICIARY DEVELOPING COUNTRIES

(b) COUNTRIES INELIGIBLE FOR DESIGNATION. –

(2) OTHER BASES FOR INELIGIBILITY. – The President shall not designate any country a beneficiary developing country under this title if any of the following applies:

(G) Such country 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).

Subparagraphs (D), (E), (F), and (G) shall not prevent the designation of any country as a beneficiary developing country under this title if the President determines that such designation will be in the national economic interest of the United States and reports such determination to the Congress with the reasons therefor.

(c) FACTORS AFFECTING COUNTRY DESIGNATION. – In determining whether to designate any country as a beneficiary developing country under this title, the President shall take into account–

(7) whether or not such country has taken or is taking steps to afford to workers in that country (including any designated zone in that country) internationally recognized worker rights.

SEC.507. DEFINITIONS.

For purposes of this title:

(4) INTERNATIONALLY RECOGNIZED WORKER RIGHTS. – The term “internationally recognized worker rights” includes –

- (A) the right of association;
- (B) the right to organize and bargain collectively;
- (C) a prohibition on the use of any form of forced or compulsory labor;
- (D) a minimum age for the employment of children; and
- (E) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

Exhibit 6

THE URUGUAY ROUND AGREEMENTS ACT
(as amended)

SEC.131. WORKING PARTY ON WORKER RIGHTS

(a) **IN GENERAL.** – The President shall seek the establishment in the GATT 1947, and, upon entry into force of the WTO Agreement with respect to the United States, in the WTO, of a working party to examine the relationship of internationally recognized worker rights, as defined in section 502(a)(4) of the trade Act of 1974, to the articles, objectives, and related instruments of the GATT 1947 and of the WTO, respectively.

(b) **OBJECTIVES OF WORKING PARTY.** – The objectives of the United States for the working party described in subsection (a) are to –

- (1) explore the linkage between international trade and internationally recognized worker rights, as defined in section 502(a)(4) of the Trade Act of 1974, taking into account differences in the level of development among countries;
- (2) examine the effects of international trade of the systematic denial of such rights;
- (3) consider ways to address such effects; and
- (4) develop methods to coordinate the work program of the working party with the ILO.

(c) **REPORT TO CONGRESS .** – The President shall report to the Congress, not later than 1 year after the date of the enactment of this Act, on the progress made in establishing the working party under this section, and on United States objectives with respect to the working party's work program.

Exhibit 7

SEVEN CORE ILO CONVENTIONS ON WORKERS' RIGHTS

Abolition of Forced Labor Convention, 1957 (No. 105); *adopted by the United States*

Discrimination (Employment and Occupation) Convention, 1958 (No. 111); *approved by TAPILS*

Freedom of Association and Protection of the Right to Organize, 1948 (No. 87)

Right to Organize and Collective Bargaining Convention, 1949 (No. 98)

Forced Labor Convention, 1930 (No. 29)

Equal Remuneration Convention, 1951 (No. 100)

Minimum Age Convention, 1973 (No. 138)

ADDRESSING CONCERNS ABOUT PROTECTION FOR WORKERS' RIGHTS

INTEREST CHARTS

To facilitate the development of a negotiating strategy, I have created the attached charts showing the interests of all significant parties to the issue: the White House and the Office of the U.S. Trade Representative, the Republican-controlled Ways and Means and Finance committees, House Democrats, the U.S. business community, and organized labor groups. These charts outline the interests, options, best alternative to a negotiated agreement (BATNA), and objective criteria for each of these parties.

PREFERRED OUTCOME

Address the concerns of House Democrats about protection for workers' rights in a way that will 1) allow Democrats to end their opposition to (if not support) legislation for renewed trade negotiating authority, and 2) take into account the interests of the Republican-controlled Congress.

THE WHITE HOUSE/OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE:

INTERESTS	OPTIONS	BATNA	OBJECTIVE CRITERIA
<p>1998 Trade Policy Agenda;</p> <p>rising living standards;</p> <p>achieve consensus, political support for trade liberalization;</p> <p>listen to concerns; confront fears of trade liberalization;</p> <p>advance worker and environmental standards around the world;</p> <p>expect labor standards to improve as economies develop;</p> <p>advance the global discussion on basic labor standards;</p> <p>respect for basic human rights;</p> <p>avoid protectionist attitudes;</p>	<p>Establish "global social label" to guarantee internationally-traded goods are produced under humane conditions;</p> <p>Strictly enforce the factors affecting country designation for GSP program;</p> <p>Raise questions concerning labor standards during proceedings of Trade Policy Review Body;</p> <p>Establish working party in WTO to examine relationship of internationally recognized worker rights to the articles, objectives, and related instruments of the WTO;</p> <p>Achieve agreement within OECD that there is a mutually supportive relationship between core labor standards and economic development and trade;</p> <p>Increase technical assistance to clear path to improvement;</p> <p>Adopt Declaration on Core Labor Standards;</p> <p>Develop strengthened ILO supervisory mechanisms to monitor universal compliance;</p> <p>Pursue campaign for ratification of all seven core ILO Conventions on workers' rights by all countries;</p> <p>Democratic Agenda: Social Security, health care, Medicare, minimum wage, teachers;</p>	<p>make side deals with legislators on other interests (log-rolling);</p> <p>lead efforts on Democratic Agenda: Social Security, health care, Medicare, minimum wage, teachers;</p> <p>assist Democrats in upcoming elections;</p> <p>withhold support for AFL-CIO's legislative agenda;</p> <p>Establish "global social label" to guarantee internationally-traded goods are produced under humane conditions;</p> <p>Disregard business interests, etc. and strictly enforce the factors affecting country designation for GSP program;</p> <p>Raise questions concerning labor standards during proceedings of Trade Policy Review Body;</p> <p>Achieve agreement within OECD that there is a mutually supportive relationship between core labor standards and economic development and trade;</p> <p>Continue efforts to establish working party in WTO to examine relationship of internationally recognized worker rights to the articles, objectives, and related instruments of the WTO;</p> <p>Adopt Declaration on Core Labor Standards;</p>	<p>The work of the President's Apparel Industry Partnership (AIP);</p> <p>Section 502 of the Trade Act of 1974, as amended (GSP Program);</p> <p>WTO Trade Policy Review Body;</p> <p>Section 131 of the Uruguay Round Agreements Act, as amended;</p> <p>OECD Report: "Trade, Employment, and Labor Standards";</p> <p>Current resource allocations of the ILO for technical assistance;</p> <p>ILO Constitution and 1995 World Summit for Social Development in Copenhagen;</p> <p>Freedom of Association supervisory mechanism;</p> <p>The work of the Tripartite Advisory Panel on International Labor Standards;</p>

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

REPUBLICAN-CONTROLLED WAYS AND MEANS AND FINANCE COMMITTEES:

INTERESTS	OPTIONS	BATNA	OBJECTIVE CRITERIA
<p>free trade purists opposed any reference to labor standards;</p> <p>only issues directly related to trade should be covered by fast-track procedures;</p> <p>opposed to using trade sanctions for non-trade issues;</p> <p>those particular aspects of practices and policies regarding labor, environment, and other matters that are themselves directly related to trade and serve as trade barriers or distortions to trade;</p> <p>Any side agreements that the President may enter, using his executive authorities, with respect to such matters would be subject to normal legislative procedures;</p> <p>opposed to the possibility of lowering U.S. standards;</p> <p>fast-track legislation should not cover proposals that may change U.S. labor law;</p> <p>rising living standards;</p> <p>achieve consensus, political support for trade liberalization;</p> <p>avoid protectionist attitudes;</p> <p>1998 Trade Policy Agenda;</p> <p>listen to concerns; confront fears of trade liberalization;</p>	<p>assist organized labor through Trade Adjustment Assistance and through increased economic growth through liberalized trade;</p> <p>include provisions on the ILO; proffered the ILO's standards and supervisory mechanisms as the way to deal fairly with labor conditions</p> <p>Establish "global social label" to guarantee internationally-traded goods are produced under humane conditions;</p> <p>Strictly enforce the factors affecting country designation for GSP program;</p> <p>Raise questions concerning labor standards during proceedings of Trade Policy Review Body;</p> <p>Establish working party in WTO to examine relationship of internationally recognized worker rights to the articles, objectives, and related instruments of the WTO;</p> <p>Achieve agreement within OECD that there is a mutually supportive relationship between core labor standards and economic development and trade;</p> <p>Increase technical assistance to clear path to improvement;</p> <p>Adopt Declaration on Core Labor Standards;</p> <p>Develop strengthened ILO supervisory mechanisms to monitor universal compliance;</p> <p>Pursue campaign for ratification of all seven core ILO Conventions on workers' rights by all countries;</p>	<p>make side deals with legislators on other interests (log-rolling);</p> <p>maintain opposition to ANY reference to labor standards;</p> <p>attempt to reduce influence of organized labor through restrictions on spending by unions;</p> <p>assist Republicans in upsetting incumbent Democrats in upcoming elections;</p> <p>oppose President's ability to strictly enforce the factors affecting country designation for GSP program;</p> <p>do not allow President to increase technical assistance;</p> <p>oppose strengthened ILO supervisory mechanisms to monitor universal compliance;</p> <p>oppose campaign for ratification of all seven core ILO Conventions on workers' rights by all countries;</p> <p>frustrate Democratic Agenda: Social Security, health care, Medicare, minimum wage, teachers;</p> <p>withhold support for AFL-CIO's legislative agenda;</p>	<p>The work of the President's Apparel Industry Partnership (AIP);</p> <p>Section 502 of the Trade Act of 1974, as amended (GSP Program);</p> <p>WTO Trade Policy Review Body;</p> <p>Section 131 of the Uruguay Round Agreements Act, as amended;</p> <p>OECD Report: "Trade, Employment, and Labor Standards";</p> <p>Current resource allocations of the ILO for technical assistance;</p> <p>ILO Constitution and 1995 World Summit for Social Development in Copenhagen;</p> <p>Freedom of Association supervisory mechanism;</p> <p>The work of the Tripartite Advisory Panel on International Labor Standards;</p>

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

HOUSE DEMOCRATS:

INTERESTS	OPTIONS	BATNA	OBJECTIVE CRITERIA
<p>Our first step in reaching new trade agreements must be to require that all signatories enforce their basic laws;</p> <p>The only truly effective way of dealing with this issue is being able to resort to trade sanctions if all else fails;</p> <p>avoid "race to the bottom";</p> <p>avoid job loss;</p> <p>keep developing nations from lowering labor standards to "win in the global marketplace"</p> <p>enforcement of domestic labor laws by trading partners; respect for worker rights and labor standards;</p> <p>protect workers' interests: better conditions, higher wages, relative job security, health care, pension benefits, safety</p> <p>higher standards of living for all workers; raise living standards around the world</p> <p>core labor standards: freedom of association, the right to organize and bargain collectively, non-discrimination in the workplace, and a prohibition on exploitive child labor and forced labor</p> <p>listen to concerns; confront fears of trade liberalization;</p>	<p>"global social label" to guarantee internationally-traded goods are produced under humane conditions;</p> <p>Strictly enforce the factors affecting country designation for GSP program;</p> <p>Raise questions concerning labor standards during proceedings of Trade Policy Review Body;</p> <p>Working party in WTO;</p> <p>Agreement within OECD that there is a mutually supportive relationship between core labor standards and economic development and trade;</p> <p>Increase technical assistance to clear path to improvement;</p> <p>Declaration on Core Labor Standards;</p> <p>Strengthened ILO supervisory mechanisms to monitor universal compliance;</p> <p>Campaign for ratification of all seven core ILO Conventions on workers' rights by all countries;</p> <p>"Blue 301" – legislation that would allow for trade actions when another country doesn't enforce its labor laws;</p> <p>Minimum international labor standards;</p> <p>respect for core worker standards;</p> <p>strengthening of worker rights and labor standards;</p> <p>harmonize labor standards upwards;</p> <p>Enforce core labor rights with trade sanctions;</p> <p>woo enough Republicans to join Democrats to form a majority;</p> <p>achieve progress on labor through bilateral and regional agreements;</p>	<p>make side deals with legislators on other interests (log-rolling);</p> <p>woo enough Republicans to join Democrats to form a majority;</p> <p>complicate already difficult task of obtaining renewed trade negotiating authority;</p> <p>derail President's Trade Policy Agenda;</p> <p>frustrate Republican Agenda;</p> <p>frustrate Business Agenda;</p> <p>INSIST on addressing labor standards in trade negotiations;</p> <p>support President's efforts to establish "global social label" to guarantee internationally-traded goods are produced under humane conditions;</p> <p>support President's efforts to strictly enforce the factors affecting country designation for GSP program;</p> <p>support President's efforts to raise questions concerning labor standards during proceedings of Trade Policy Review Body;</p> <p>support President's efforts to achieve agreement within OECD that there is a mutually supportive relationship between core labor standards and economic development and trade;</p> <p>support President's efforts to continue efforts to establish working party in WTO to examine relationship of internationally recognized worker rights to the articles, objectives, and related instruments of the WTO;</p> <p>support President's efforts to adopt Declaration on Core Labor Standards;</p>	<p>The work of the President's Apparel Industry Partnership (AIP);</p> <p>Section 502 of the Trade Act of 1974, as amended (GSP Program);</p> <p>WTO Trade Policy Review Body;</p> <p>Section 131 of the Uruguay Round Agreements Act, as amended;</p> <p>OECD Report: "Trade, Employment, and Labor Standards";</p> <p>Current resource allocations of the ILO for technical assistance;</p> <p>ILO Constitution and 1995 World Summit for Social Development in Copenhagen;</p> <p>Freedom of Association supervisory mechanism;</p> <p>The work of the Tripartite Advisory Panel on International Labor Standards;</p>

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

U.S. BUSINESS COMMUNITY:

INTERESTS	OPTIONS	BATNA	OBJECTIVE CRITERIA
<p>free trade purists opposed any reference to labor standards;</p> <p>only issues directly related to trade should be covered by fast-track procedures;</p> <p>opposed to using trade sanctions for non-trade issues;</p> <p>those particular aspects of practices and policies regarding labor, environment, and other matters that are themselves directly related to trade and serve as trade barriers or distortions to trade;</p> <p>Any side agreements that the President may enter, using his executive authorities, with respect to such matters would be subject to normal legislative procedures;</p> <p>opposed to the possibility of lowering U.S. standards;</p> <p>fast-track legislation should not cover proposals that may change U.S. labor law;</p> <p>rising living standards;</p> <p>achieve consensus, political support for trade liberalization;</p> <p>avoid protectionist attitudes;</p> <p>1998 Trade Policy Agenda;</p> <p>listen to concerns; confront fears of trade liberalization;</p>	<p>assist organized labor through Trade Adjustment Assistance and through increased economic growth through liberalized trade;</p> <p>include provisions on the ILO; proffered the ILO's standards and supervisory mechanisms as the way to deal fairly with labor conditions</p> <p>Establish "global social label" to guarantee internationally-traded goods are produced under humane conditions;</p> <p>Strictly enforce the factors affecting country designation for GSP program;</p> <p>Raise questions concerning labor standards during proceedings of Trade Policy Review Body;</p> <p>Establish working party in WTO to examine relationship of internationally recognized worker rights to the articles, objectives, and related instruments of the WTO;</p> <p>Achieve agreement within OECD that there is a mutually supportive relationship between core labor standards and economic development and trade;</p> <p>Increase technical assistance to clear path to improvement;</p> <p>Adopt Declaration on Core Labor Standards;</p> <p>Develop strengthened ILO supervisory mechanisms to monitor universal compliance;</p> <p>Pursue campaign for ratification of all seven core ILO Conventions on workers' rights by all countries;</p>	<p>maintain opposition to ANY reference to labor standards;</p> <p>attempt to reduce influence of organized labor by supporting restrictions on spending by unions;</p> <p>assist Republicans in upsetting incumbent Democrats in upcoming elections;</p> <p>oppose President's ability to strictly enforce the factors affecting country designation for GSP program;</p> <p>oppose increase in technical assistance;</p> <p>oppose strengthened ILO supervisory mechanisms to monitor universal compliance;</p> <p>oppose campaign for ratification of all seven core ILO Conventions on workers' rights by all countries;</p> <p>frustrate Democratic Agenda: Social Security, health care, Medicare, minimum wage, teachers;</p> <p>frustrate AFL-CIO's legislative agenda;</p>	<p>The work of the President's Apparel Industry Partnership (AIP);</p> <p>Section 502 of the Trade Act of 1974, as amended (GSP Program);</p> <p>WTO Trade Policy Review Body;</p> <p>Section 131 of the Uruguay Round Agreements Act, as amended;</p> <p>OECD Report: "Trade, Employment, and Labor Standards";</p> <p>Current resource allocations of the ILO for technical assistance;</p> <p>ILO Constitution and 1995 World Summit for Social Development in Copenhagen;</p> <p>Freedom of Association supervisory mechanism;</p> <p>The work of the Tripartite Advisory Panel on International Labor Standards;</p>

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.

ORGANIZED LABOR GROUPS:

INTERESTS	OPTIONS	BATNA	OBJECTIVE CRITERIA
<p>avoid "race to the bottom";</p> <p>avoid job loss;</p> <p>keep developing nations from lowering labor standards to "win in the global marketplace"</p> <p>enforcement of domestic labor laws by trading partners; respect for worker rights and labor standards;</p> <p>protect workers' interests: better conditions, higher wages, relative job security, health care, pension benefits, safety</p> <p>higher standards of living for all workers; raise living standards around the world</p> <p>core labor standards: freedom of association, the right to organize and bargain collectively, non-discrimination in the workplace, and a prohibition on exploitive child labor and forced labor</p> <p>AFL-CIO's legislative agenda: raise minimum wage; Long term goal: require employers to pay at least 75 percent of health insurance premiums; after years of building support; "how things ought to be"; Support for bills that require employers with more than 50 workers to offer pensions and bar companies from paying part-time workers less an hour than full-time workers for equivalent work</p> <p>listen to concerns; confront fears of trade liberalization;</p>	<p>"global social label" to guarantee internationally-traded goods are produced under humane conditions;</p> <p>Strictly enforce the factors affecting country designation for GSP program;</p> <p>Raise questions concerning labor standards during proceedings of Trade Policy Review Body;</p> <p>Working party in WTO;</p> <p>Agreement within OECD that there is a mutually supportive relationship between core labor standards and economic development and trade;</p> <p>Increase technical assistance to clear path to improvement;</p> <p>Declaration on Core Labor Standards;</p> <p>Strengthened ILO supervisory mechanisms to monitor universal compliance;</p> <p>Campaign for ratification of all seven core ILO Conventions on workers' rights by all countries;</p> <p>Minimum international labor standards;</p> <p>respect for core worker standards;</p> <p>strengthening of worker rights and labor standards;</p> <p>harmonize labor standards upwards;</p> <p>Enforce core labor rights with trade sanctions;</p> <p>threaten to withdraw support in the November elections from any members of Congress who back the President</p> <p>woo enough Republicans to join Democrats to form a majority</p> <p>achieve progress on labor through bilateral and regional agreements</p>	<p>INSIST on addressing labor standards in trade negotiations;</p> <p>complicate already difficult task of obtaining renewed trade negotiating authority;</p> <p>frustrate Republican Agenda;</p> <p>frustrate Business Agenda;</p> <p>assist with Democratic Agenda: Social Security, health care, Medicare, minimum wage, teachers;</p> <p>assist Democrats in upcoming elections;</p> <p>support President's efforts to establish "global social label" to guarantee internationally-traded goods are produced under humane conditions;</p> <p>support President's efforts to strictly enforce the factors affecting country designation for GSP program;</p> <p>support President's efforts to raise questions concerning labor standards during proceedings of Trade Policy Review Body;</p> <p>support President's efforts to achieve agreement within OECD that there is a mutually supportive relationship between core labor standards and economic development and trade;</p> <p>support President's efforts to continue efforts to establish working party in WTO to examine relationship of internationally recognized worker rights to the articles, objectives, and related instruments of the WTO;</p> <p>support President's efforts to adopt Declaration on Core Labor Standards;</p>	<p>The work of the President's Apparel Industry Partnership (AIP);</p> <p>Section 502 of the Trade Act of 1974, as amended (GSP Program);</p> <p>WTO Trade Policy Review Body;</p> <p>Section 131 of the Uruguay Round Agreements Act, as amended;</p> <p>OECD Report: "Trade, Employment, and Labor Standards";</p> <p>Current resource allocations of the ILO for technical assistance;</p> <p>ILO Constitution and 1995 World Summit for Social Development in Copenhagen;</p> <p>Freedom of Association supervisory mechanism;</p> <p>The work of the Tripartite Advisory Panel on International Labor Standards;</p>

This paper was researched and written to fulfill the M.A. project requirement for completing the Monterey Institute of International Studies' Master of Arts in Commercial Diplomacy. It was not commissioned by any government or other organization. The views and analysis presented are those of the student alone. For more information about the Commercial Diplomacy program and the M.A. project requirement, please visit www.commercialdiplomacy.org.