

UNICE COMMENTS ON INTERNATIONAL TRADE AND LABOUR STANDARDS

European business is strongly opposed to abusive exploitation of child labour and forced labour, and supports active promotion of the respect of basic human rights. Adequate solutions need to be found in discussions between industrialised and developing countries to combat the non-respect of the core labour standards throughout the world.

In May 1996, UNICE issued its comments on trade and labour standards. These comments reflected UNICE's views on the debate over whether governments should use trade and investment policies to promote or enforce observance of core labour standards by the possible introduction of a "social clause" in the rules of the World Trade Organisation (WTO) which govern international trade. UNICE rejected the rationale behind the calls for the introduction of such a social clause and the moves to use trade policy to achieve social policy objectives by the possible use of trade sanctions. In UNICE's view such action would have serious negative implications for the multilateral trade system, and consequently damage the situation of the very people which it is trying to improve.

Nevertheless, UNICE also supported further discussion on how to promote universal implementation of basic labour standards more efficiently. UNICE believed that a related aspect of this discussion should focus on identifying abusive working conditions such as intolerable forms of child labour and forced labour. Greater efforts should be made to examine what could be done to generate positive change through co-operation, dialogue and example. UNICE signalled its readiness to continue this debate.

UNICE welcomed the decision taken by the WTO Ministerial meeting in Singapore, which recognised the International Labour Organisation as the competent body to deal with the observance of internationally recognised labour standards. In UNICE's view, the expertise, universal character and tri-partite composition of the ILO provide the necessary elements in taking this important issue forward.

Since the Singapore conference, much attention has been given to strengthening the role the ILO could play in exercising effective supervision of all ILO member states as regards respect of the ILO's fundamental rights Conventions. The decision to develop a Declaration of Principles on fundamental ILO values at the 1998 International Labour Conference is supported by UNICE's

member federations, who are also members of the world-wide International Organisation of Employers (IOE).

Such a Declaration should underline ILO member states commitment to pursuing policies which respect the principles underlying the ILO core Conventions on the following:

- freedom of association and right to collective bargaining;
- non-discrimination in employment;
- abolition of forced labour;
- abolition of intolerable forms of child labour.

UNICE believes that these principles should be considered to apply to **all** countries irrespective of their level of development and that the Declaration should be accompanied by a credible follow-up mechanism.

The adoption of the Declaration and follow-up mechanism should strengthen the ILO's ability to highlight and deal with serious patterns of abuse, thereby fulfilling part of the mandate entrusted to it at Singapore.

UNICE also notes that the ILO has intensified its work on technical programmes on child labour and supports the work being done towards the adoption of a new ILO Convention on the elimination of the most intolerable forms of child labour. It is vital that this work is done in an international forum in order to build an adequate consensus on the correct way to tackle the problem. Any solutions to the problem of child labour should take into account the social and economic situation of the countries concerned.

Codes of Conduct

UNICE stresses the many positive efforts made by companies to confront legitimate concerns about social issues. In its position paper of May 1996, UNICE stated that one way of responding to concerns over abusive working conditions would be for companies to make their labour practices better known.

A number of respected companies or sector alliances have adopted codes of conduct which set out the practices which they are implementing in the area of labour standards. UNICE considers that such codes, if well defined and properly applied, can play a positive role. However, it points out that, by its very nature, a code of conduct is the expression of the voluntary commitment of the company. Accordingly, the code cannot be imposed or enforced by third parties if it is not to lose all the attached value of responsible commitment. Each company deploys the means of action most appropriate to its own individual situation: it is free to adopt a code of conduct and, if it does, it is up to the company to define the content of its commitment.

Companies contemplating adopting a code of conduct should consider the following factors:

- The code's content should be clear and precise, and the aims should be realistic and measurable.

- Consideration should be given to the consequences of implementing the code, particularly as regards the situation of those who may be dependent on the company for a livelihood.
- Communication of the code and its aims to all members of the workforce is essential, and top management commitment to ensuring its implementation is vital.
- Thought should be given by the company to enforcement, monitoring and audit compliance with the code, including the possibility of external audit procedures.

Voluntary codes of conduct constitute one way for companies to address the issue of labour standards, but all effective means of action should be considered. To respond to the demands of a changing global market, UNICE believes that companies should also continue to develop best practices which respond to the demands of a more sophisticated public and an equitable market.

UNICE will continue to follow this debate and wishes to play an active part in contributing to progress in this area.

