



Recommendation 1308 (1996)¹

World Trade Organisation and social rights

Parliamentary Assembly

1. The Assembly regrets that the globalisation of trade, acknowledged by the setting up of the World Trade Organisation (WTO) in the place of GATT, has not been accompanied by provisions guaranteeing fundamental social rights.
2. It is, however, convinced that economic development and social development must go hand in hand and that, sooner or later, ignoring social rights will inhibit economic development; to think that development will be speeded up if social rights are put off until later is a mistake.
3. It notes that social rights are part and parcel of the rights of the individual and as such must be recognised regardless of a country's stage of development.
4. The Assembly believes that it is not possible to exclude labour standards - and only such standards - from current international trade negotiations when the scope of the negotiations has been enlarged to include even such questions as protection of intellectual property and the co-existence of trade and environmental policies.
5. The basic labour standards upon which both developed and developing countries agree concern freedom of association, the right to collective bargaining, the prohibition of slavery and forced labour, equality of remuneration, non-discrimination and the minimum age for employment, all rights guaranteed by the European Convention on Human Rights and the European Social Charter.
6. The Assembly stresses that, in laying down these minimum social standards, the aim is not to introduce protectionist measures in favour of developed economies but to foster a fairer distribution of the increased profits achieved by the opening up of markets and the dismantling of trade barriers, to all people in all parts of the world.
7. If the tendency to growth and higher benefits generated by free trade do not profit all sectors of the population throughout the world to the same extent, not only will the principle of free trade be quite fundamentally called into question in the future, but world peace will be threatened, and there will be a growing danger that the gulf between the prospects of the poorest and the richest will widen yet further.
8. The Assembly is convinced that mutual accusations of social dumping on the one side and veiled protectionism on the other side are not only sterile and hardly likely to foster trust, but quite fundamentally question the legitimacy of the liberalisation of world trade as a whole, and also serve as a potential source of encouragement to protectionist and even xenophobic and other politically dangerous trends in different countries and continents.
9. The Assembly would like to point out that, historically, social progress in one or another state has always been the fruit of a difficult - sometimes characterised by duress and hardship - but always successful combination of economic progress and the further extension and development of social legislation in favour of the weaker and less privileged members of society. This trading-off process only worked because most workers were citizens who, through universal suffrage, were able to exert political pressure on governments and economic policy-makers to achieve the concessions and agreements required. For the time being,

1. See [Doc. 7682](#), report of the Social, Health and Family Affairs Committee, rapporteur: Mr Gross. Text adopted by the Standing Committee, acting on behalf of the Assembly, on 7 November 1996.



however, the prerequisites for a corresponding transnational legislative framework are on the whole lacking, which is why the guarantee and respect of minimum social and civilising standards in world trade must no longer be laid down unilaterally or bilaterally, but above all multilaterally, in agreements such as those of WTO.

10. The Assembly is convinced that this is the only means, on the one hand, of avoiding a situation in which social standards, predominantly enshrined in national legislation, would be eroded in individual states and regions, particularly those which are the most developed in the face of transnational trade, global integration of the money market and a world market with no barriers. On the other hand, it will in this way also be possible to ensure that minimum social standards for protecting children from exploitation, and the right of workers to organise and to negotiate wage levels and labour relations in partnership with management are not denied to the most underprivileged sectors of the world's population in the less developed countries.

11. As regards the ministerial conference in Singapore in December 1996, to discuss the future of WTO, the Assembly urges the Committee of Ministers to invite governments of member states to take steps to:

11.1. encourage all WTO members to strive to make the inclusion of social clauses in WTO agreements a focal point of both the conference agenda and reform efforts in the coming years;

11.2. press all treaty partners engaged in world trade to refrain from pursuing short-term commercial benefits at the cost of minimum social standards to help the poorest sectors of the population, and instead to strive for development that is both sustainable in social terms and ensures that workers receive a fairer share of the higher profits generated by more intensive trade;

11.3. secure agreement in Singapore for the setting up at least of a working group to consider possible ways of enshrining a social clause in WTO and seek new consensus on that issue in the coming years;

11.4. enter into specific talks with the governments of countries which are radically opposed to the inclusion of social clauses, in order to convince them of the potential dangers of their stance and foster the necessary learning process, possibly with offers of special assistance in the social and political spheres.