Basic information

1996/2160(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
The trading system and internationally recognized labour standards **Subject** 4.15.12 Workers protection and rights, labour law 5.03 Global economy and globalisation 6.20.01 Agreements and relations in the context of the World Trade Organization (WTO)	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	RELA External Economic Relations	SAINJON André (ARE)	25/09/1996
Council of the European Union			

Key events

Date	Event	Reference	Summary
24/07/1996	Non-legislative basic document published	COM(1996)0402	Summary
20/09/1996	Committee referral announced in Parliament		
10/11/1998	Vote in committee		Summary
10/11/1998	Committee report tabled for plenary	A4-0423/1998	
12/01/1999	Debate in Parliament		
13/01/1999	End of procedure in Parliament		
14/04/1999	Final act published in Official Journal		

Technical information

Procedure reference	1996/2160(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	RELA/4/08150

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0423/1998 OJ C 379 07.12.1998, p. 0006	10/11/1998	
Text adopted by Parliament, single reading		T4-0016/1999 OJ C 104 14.04.1999, p. 0037-0063	13/01/1999	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1996)0402	24/07/1996	Summary

The trading system and internationally recognized labour standards

1996/2160(COS) - 24/07/1996 - Non-legislative basic document

OBJECTIVE: The communication explores the prospects for a discussion within the WTO on the recognition of basic labour standards at international level while taking into account a respect for the comparative advantage derived by the developing countries arising from their access to large low-wage workforces. SUBSTANCE: The Commission document emphasizes the fact that the European public is becoming more and more concerned by the threat to employment in Europe of competition from countries where labour standards are very low. Banking largely on the role and efficiency of the WTO (World Trade Organization) in this area, the communication foresees a return to protectionism if nothing is done to regulate basic labour standards at the minimum level. Those standards are 'core' standards which are universally recognized covering aspects connected with human rights: - freedom of association and collective bargaining, - non-discrimination in employment, - prohibition of forced labour and slavery, - prohibition of child labour. According to the Commission, the objective is not to reduce the legitimate competitive advantage of low-wage economies (and thereby to create new indirect trade barriers) but rather to create the conditions which are essential for the promotion of the growth of internal demand and improving working conditions in those countries. To that end, the Commission proposes that the question be addressed within the framework of the WTO, the only international institution it deems capable of imposing a consensus on this matter at world level, using support of ILO (International Labour Organization) in this area. The Commission takes the view that the WTO has a genuine role to play in this area to further both the development of free trade and promote social progress in such countries as an indivisible entity. The avenue of approach should therefore be the development of trade within an open non-discriminatory multilateral system, rather than trade restrictions. In conclusion, the Commission proposes the incorporation of social issues in the WTO's work programme and that this matter should become a clear objective of the Union. It therefore proposes the setting up of a separate working party within the WTO in order to make compliance with fundamental labour standards implicitly obligatory for all members of the ILO, whether or not they have ratified existing international conventions.

The trading system and internationally recognized labour standards

1996/2160(COS) - 13/01/1999 - Text adopted by Parliament, single reading

The report drafted by André SAINJON (F, ERA) on the communication from the Commission to the Council on the trading system and internationally recognised labour standards was approved with a number of amendments. These related to the paragraph relating to the UK, recognising "the fact that the United Kingdom has now accepted the Social Charter including recommendations for the protection of young people at work." The Parliament requests the creation of a code of conduct for multinationals which should be based on the ILO declaration of fundamental principles and other minimum applicable international standards and could be ratified at will by European multinational undertakings. It would not at present be accompanied by sanctions but undertakings entering into such a commitment would have their nam mentioned in the Official Journal of the European Communities and on the Commission's Internet site. The Parliament calls on the Commission to work in close partnership with representatives of business, trade unions and NGOs from North and South in developing and implementing these proposals. The report calls for a dialogue within the World Trade Organisation (WTO) to establish measures that will ensure the respect of fundamental social rights by all member countries signing multilateral trade agreements. The Parliament calls on the Commission, within the framework of the accession negotiations, to take account of the state of ratification of the conventions forming part of the ILO Declaration on fundamental principles. It also calls on the Commission and the Council to give greater political support to the ILO and make every effort to establish real coordination between the WTO and the ILO. It insists that in due course, all members of the WTO should ratify the ILO Declaration on fundamental principles and that this matter should be considered when a common document is drawn up by the two organisations. The Parliament welcomes the adoption by the Council of a Regulation introducing special incentive arrangements into the Community Generalised Scheme of Tariff Preferences (GSP) and calls on the Council to apply these arrangements without discrimination to all developing countrieswhich benefit from tariff preferences including those which currently benefit from a zero rate and the Andean

and Central American countries. The report also considers it essential that a social clause be included not only in the trade and cooperation agreements concluded by the EU with third countries but also in all financing conventions between the Commission and European undertakings benefiting from the various instruments to encourage investment in third countries. At the same time, the Parliament deplores the unacceptable levels of child labour which have developed in some EU Member States. It cites estimates by child welfare organisations that 4 out of 10 British children between the ages of 11 and 16 and 2 out of 3 between the ages of 15 and 16 are working, often outside the authorised hours and under unacceptable conditions. In the Parliament's view, combatting child labour should be the focus of a European initiative which would help to provide educational and vocational training opportunities for boys and girls. Within thisframework, the Parliament calls on the Commission to consider the criteria for intervention, the procedure for granting, and the amount of, such aid and the financing criteria. This initiative would be financed by appropriations from the Community budget and by contributions from public, private, trade union, trade and charity organisations in the EU Member States. The Parliament finally calls on the Commission to submit by January 2000 concrete proposals for the implementation of the principles laid down in this resolution.