

## Remarks by Steve Charnovitz

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I am delighted to participate in this forum on the World Trade Organization and labor. This evening I would like to bring a historical perspective to our debate.

Eighty years ago, it was 1919. President Woodrow Wilson came to Seattle during his Western Tour to try to generate public support for the League of Nations and for Senate approval of the Treaty of Versailles. The Peace Treaty, as you recall, was stalled in the Senate, and Wilson was worried that the Republicans who controlled the Senate would turn increasingly isolationist and block US participation in the League. Speaking at the Hippodrome and the Arena, Wilson forcefully laid out the case for joining the League of Nations and warned of the dangers of vainly seeking to stay aloof.

One of Wilson's arguments for why the Senate should approve the Treaty was that it would create a new International Labor Organization. The plans for the ILO had been written at the Paris peace conference earlier that year by a special commission headed by Samuel Gompers, the President of the American Federation of Labor.

Wilson, speaking in Seattle, explained it this way: "This great treaty, which we are hesitating to ratify, contains the organization by which the united counsels of mankind shall attempt to lift the levels of labor and see that men who are working with their hands are everywhere treated as they ought to be treated, upon principles of justice and equality."

Specifically, said Wilson, the governments had agreed to maintain fair and humane conditions of labor in their own countries and in all other countries to which their commercial and industrial relations extend.

Behold this moment! Because in 1919, the governments of the world — in Europe, Asia, the Americas, and the Middle East — established the principle

that employment conditions, worker rights, and labor standards were an International issue. They agreed that the time had come to begin propounding international labor law.

Wilson's trip to the West sadly ended with his physical collapse several days after he spoke in Seattle. The United States stayed out the League. But the League and the ILO went forward.

The first ILO Conference was held in 1919 in Washington and approved six treaties on hours of work, unemployment insurance, maternity protection, child labor, and night work of women and children. In case some of you are not familiar with the ILO, I should point out that ILO treaties are written in a unique way not only by government officials but also by the full participation of non-governmental organizations (NGOs) representing employers and workers.

As I hinted a moment ago, it was perceived in 1919 — and I here I quote the treaty — that the failure of any nation to adopt humane conditions of labor is an obstacle in the way of other nations which desire to improve the conditions in their own countries. To address this perceived problem, the original ILO Constitution provided for the use of multilateral economic sanctions against a country that failed to observe a labor convention that it had ratified.

Such economic sanctions were never used however. Because when the ILO established itself and began to draft an international labor code, it came to the conclusion that the best way to raise labor standards was not by threat, but rather by convincing governments, business, and civil society that higher labor standards were in their own interest. No troops, no sanctions. No, the idea was to ascertain the best practices and to promote them voluntarily.

Because business and labor were involved in the ILO from the very beginning, the ILO became an early advocate within the League of Nations for addressing the problem of trade barriers that were impeding economic growth. For example, the ILO was the first to call for what became the World Economic Conference of 1927. After World War II, the ILO was a participant in the UN conference that drafted the General Agreement on Tariffs and Trade and the Charter of the International Trade Organization.

Now as you know, the International Trade Organization never came into being because the US Congress refused to approve membership in it. But at the time the ITO Charter was being written, it was thought that it would operate to oversee world trade relations. Recognizing the connection between labor and

trade, the drafters of the ITO Charter included a specific provision on fair labor standards calling on governments to avoid unfair labor conditions and providing for cooperation between the International Trade Organization and the International Labor Organization. Indeed, after the Charter was written, the Interim International Trade Organization and the ILO drafted a cooperation agreement.

Because these provisions did not appear in the GATT, which was meant to be a temporary commercial agreement, the trading system went forward without the intended provision on labor.

Alas, there are so many decades to talk about, and so little time this evening. So let us fast forward to October 1999. Today, many governments are considering what role the World Trade Organization (the WTO) should have regarding labor standards. There is a wide spectrum of opinion. At one end are people who say in effect that the Paris Peace Conference of 1919 got it wrong. They say that labor rights are not an international issue. They claim that labor rights are merely local or domestic issues. At the other end are people who say in effect that the ILO has gotten it wrong during the past 80 years. They claim that labor standards must be raised not by example but by economic coercion against countries that fail to comply with ILO treaties.

And then of course, there are many people in the middle who are genuinely perplexed about how to promote freedom of association, how to stop forced labor, and how to eliminate exploitative child labor in a world of open economies and competitive pressures.

These issues are not easy. Let me suggest three orienting principles for thinking about the link between trade and labor — a topic that you may be hearing more about in the coming weeks.

First, the ILO is the international agency with the responsibility for raising labor standards. Because international standards are not followed in many countries, governments, business, and civil society need to work together to make the ILO more effective.

Second, the new Seattle trade round can be very helpful in eliminating tariffs and other trade barriers that cause conflict between nations and that dampen economic growth in all countries. More trade and higher economic growth can benefit workers and consumers.

Third, there are surely opportunities for fruitful collaboration between the ILO and the WTO because both agencies share the goal of raising our standards of living worldwide. The need for cooperation between the ILO and the trade regime has not diminished since 1948 when governments first agreed to carry out such cooperation.

The idea that we should operate these two organizations in Geneva and permit them to be on totally separate tracks is, I think, a rather insular, protectionist way of looking at the opportunities of global governance. And yet at this point, the WTO has not even made a decision as to whether to invite the ILO Director-General to attend the Seattle Ministerial.

Adding up these three principles, I think they lead to the following proposition that I would like to put on the table and get your reaction to. It is that respect for individual liberties to trade and respect for the human dignity of workers are in full harmony with each other. Both are basic human rights.

For everyone here tonight, and for the 150 governments that will be in Seattle in 40 days, let me suggest that our challenge is to build upon the work of previous generations who established the ILO and the world trading system. If the WTO Ministerial Conference in Seattle can take giant steps toward emancipating trade and at least small steps toward greater cooperation with the ILO, then the Seattle conference will be remembered as an important moment in our effort to construct better global governance in the 21<sup>st</sup> century.

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