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A3-0007/94

## REPORT

of the Committee on External Economic Relations

on the introduction of a social clause in the unilateral and  
multilateral trading system

Rapporteur: Mr André SAINJON

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- \* Consultation procedure  
simple majority
- \*\*i Cooperation procedure (first reading)  
simple majority
- \*\*ii Cooperation procedure (second reading)  
simple majority to approve the common position  
absolute majority of Parliament's component Members to reject or amend the common position
- \*\*\* Assent procedure  
absolute majority of Parliament's component Members to give assent  
except for simple majority under Articles 8a, 105, 106, 130d and 228 EC

- \*\*\*i Codecision procedure (first reading)  
simple majority
- \*\*\*ii Codecision procedure (second reading)  
simple majority to approve the common position  
absolute majority of Parliament's component Members either to adopt a declaration of intent  
to reject the common position, or to amend or confirm the rejection of the common position
- \*\*\*iii Codecision procedure (third reading)  
simple majority to approve the joint text  
absolute majority of Parliament's component Members to reject the Council text

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At the sitting of 11 February 1993 the President of the European Parliament announced that he had referred the motion for a resolution by Mr Suárez González on social clauses in the international multilateral trading system, pursuant to Rule 45 of the Rules of Procedure, to the Committee on External Economic Relations as the committee responsible and to the Committee on Social Affairs, Employment and the Working Environment for its opinion.

At its meeting of 16 February 1993 the Committee on External Economic Relations decided to draw up a report and appointed Mr Sainjon rapporteur.

At its meeting of 5 November 1993 it decided to include in the report the following motion for a resolution which had been referred to it:

B3-1352/93 by Mr Staes on a ban on imports of goods produced with child labour; announced at sitting of 28 October 1993; responsible: Committee on External Economic Relations; opinion: Committee on Foreign Affairs and Security.

At its meetings of 29 March, 20 July, 13 October, 4 and 22 November 1993 and 4 January 1994 it considered the draft report.

At the last meeting it adopted the motion for a resolution unopposed with 3 abstentions.

The following took part in the vote: De Clercq, chairman; Cano Pinto and Stavrou, vice-chairmen; Sainjon, rapporteur; Balfe (for Dido), Benoit, Ceyrac, Chanterie (pursuant to Rule 138(2)), Ib Christensen, De Vries, Guermeur (for Guillaume), Miranda de Lage, Moorhouse, Peijs, Price, Sonneveld (for Suarez Gonzalez) and Visser (for Rossetti).

The opinion of the Committee on Social Affairs, Employment and the Working Environment will be published separately.

The report was tabled on 6 January 1994.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

A

MOTION FOR A RESOLUTION

Resolution on the introduction of a social clause in the unilateral and multilateral trading system

The European Parliament,

- having regard to its resolutions of 28 October 1993 (paragraph 12)<sup>1</sup>, 9 September 1986 (paragraphs 64 and 65)<sup>2</sup>, 18 November 1988 (paragraph 77)<sup>3</sup>, 11 October 1990 (paragraph 52)<sup>4</sup> and 30 September 1993<sup>5</sup>, wishing to guarantee minimum standards with regard to freedom of association, free collective bargaining, working hours, the minimum age for employment, industrial safety and inspection of working conditions,
  - having regard to the International Labour Organization (ILO) conventions as a whole,
  - having regard to the Vienna Declaration and the Action Programme adopted by the World Conference on Human Rights on 25 June 1993,
  - having regard to the motion for a resolution tabled by Mr Suárez González on social clauses in the international multilateral trading system (B3-1673/92),
  - having regard to the motion for a resolution by Mr Staes on a ban on imports of goods produced with child labour (B3-1352/93),
  - having regard to Rule 45 of the Rules of Procedure,
  - having regard to the report by the Committee on External Economic Relations and the opinion of the Committee on Social Affairs, Employment and the Working Environment (A3-0007/94),
- A. mindful of the globalization of international economic activity and the resultant far-reaching changes in the international division of labour,
- B. whereas international trade should be a special means of introducing social innovation that would permit greater respect for workers' rights,
- C. whereas those who set GATT up recognized the principles of comparative advantage and so did not become involved in the field of fair working standards,

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<sup>1</sup> PV of 28 October 1993

<sup>2</sup> OJ No. C 255, 13.10.1986, p. 69

<sup>3</sup> OJ No. C 326, 19.12.1988, p. 315

<sup>4</sup> OJ No. C 284, 11.12.1990, p. 152

<sup>5</sup> PV of 30 September 1993

- D. mindful of the millions of children reduced to slavery throughout the world making goods at derisory prices, in violation of basic human rights,
  - E. whereas serious violations of ILO Conventions also occur in the Member States of the European Union, particularly in the numerous clandestine workplaces (especially in the textiles industry), where illegal immigrants often work under appalling conditions, without social protection and in return for minimum wages,
  - F. whereas the Community, which remains one of the most powerful economic and trading blocs in the world, should set an example both to developed countries and to developing countries with regard to respect for labour rights,
  - G. mindful of the tens of thousands of prisoners throughout the world who are exploited and even tortured in veritable factories, part of whose output is intended for the West,
  - H. mindful of the indispensable role played by the trade unions with regard to respect for workers' rights throughout the world,
  - I. mindful of the essential work which the ILO has carried out over the past 75 years, within the limits of its powers, in the field of workers' rights,
  - J. whereas the goals of social justice and fair competition can only be achieved on the basis of a code of minimum working standards linked to the agreements governing international trade,
  - K. whereas on several occasions in the past Parliament has called for the introduction of a social clause in international trade,
1. Believes that it is vitally important that a number of ILO conventions be observed by all Member States and third countries in all circumstances, particularly the conventions restricting the use of child labour (Nos. 5 and 138), those prohibiting forced labour (Nos. 29 and 105) and those guaranteeing the right to join trade unions and the right to engage in collective bargaining (Nos. 87 and 98);
  2. Considers it essential that a social clause designed to combat child and forced labour and to encourage trade union freedoms and the freedom to engage in collective bargaining on the basis of the ILO conventions mentioned above be introduced in the multilateral and unilateral framework (GSP) of international trade, and that, in doing so, account be taken of the importance of national and regional characteristics and of the diversity of historical, cultural and religious backgrounds;
  3. Expresses the hope that the introduction of a social clause in international trade will not become a means of increased protectionism directed against developing countries but that, on the contrary, it will become a factor in the struggle against underdevelopment and violations of human rights;
  4. Expresses the hope that, following negotiations between the two sides of industry, foreign investment by companies will permit not only the transfer of new technologies and management skills but also, and above all, social innovations based on the clause referred to above;

5. Calls therefore for importing companies and their associated distribution circuits likewise to cease social dumping practices and ensure strict observance of the ILO Conventions referred to in paragraph 1; calls upon the Commission to study corrective measures in this context;
6. Considers it essential that the Declaration of the Ministerial Conference closing the Uruguay Round in Marrakesh contains, as a priority objective, a commitment to look into the introduction of a social clause in multilateral trade regulations at the future World Trade Organization (WTO);
7. Calls for Article XX(e) of GATT to be changed by introducing a ban on child and forced labour and the right to join trade unions and engage in collective bargaining; accordingly, considers it essential that a code be negotiated between all the Contracting Parties to determine the way in which these principles can be implemented in practice;
8. Considers it important that such a code should include a clause concerning mandatory consultation within the future World Trade Organization and, until that institution is set up, between the European Union and the countries concerned before measures to deal with a suspected violation are considered; regards it as essential, moreover, that the code make provision for an appeals and/or arbitration procedure;
9. Emphasizes the importance of reactivating Article XX(e) of the GATT;
10. Proposes that the ILO, while retaining its independence, be involved in monitoring respect for workers' rights in conjunction with the future World Trade Organization;
11. Calls on the Commission to introduce a social incentive clause as a means of combating underdevelopment in the new ten-year arrangement for the Community's System of Generalized Preferences;
12. Calls for a financial instrument to be set up following the 1994 annual GSP renewal to permit the implementation of action programmes to encourage the education of children, literacy and the establishment of medical provisions for children who have suffered as a result of bad working conditions and to provide aid for the reintegration of political prisoners and for the setting up of free trade unions and the encouragement of trade union activities;
13. Believes that the links between the European Union and the ILO should be strengthened through joint activities such as the pilot IPECL programme (International Programme on Elimination of Child Labour);
14. Calls upon the Commission to consider ways of guaranteeing respect for labour rights and how monitoring could be carried out;
15. Instructs the Commission to make specific proposals to the Council and Parliament before 31 December 1994 based on the principles stated in this resolution;
16. Instructs its President to forward this resolution to the Council, the Commission, the governments of the Member States, the ILO and the GATT Secretariat.

EXPLANATORY STATEMENTI. INTRODUCTION

1. The international division of labour has undergone profound changes over the last two decades as a result of the economic crisis and the impact of the new technological environment.

European citizens who, over a number of decades, had grown accustomed to considering Europe as counterbalancing the United States' economic power in the Atlantic system, now see the European economy beset by a serious recession, massive job losses and a loss of competitiveness in relation to Japan and certain newly industrialized countries in South-East Asia.

In an increasingly multipolar world economy, this weakness is particularly noticeable in new technology sectors and in highly labour-intensive industries (textile, clothing, footwear, leather, toys and assembling and testing of electronic products)<sup>1</sup>.

2. The most striking features of the 'new international division of labour' in the world economy are:

- the relocation of a growing proportion of industrial production and services which are displaced under the control of multinational companies towards new centres with low labour costs in developing countries;
- the gradual liberalization of international trade in goods and the 'deregulation of financial markets' - whose corollary is the liberalization of capital movements - are at the root of a 'new wave of globalization or internationalization of production';
- the globalization of economic activity has brought about a substantial change in competition between multinational companies. In addition to the growing number of cooperation agreements and strategic alliances established in response to fierce competition, new industrial organization systems such as 'flexible specialization'<sup>2</sup> are being set up.

3. Trade disputes between the three protagonists in the 'economic triangle' may strengthen the basic trend towards regionalization of world trade, which has been noticeable in recent years. At present, the total trade in goods within the three major regional units amounts to \$US 1 000-1 500 billion, which is still below the figure for inter-regional trade (some \$1 500 billion). Nevertheless, the importance which intra-industrial trade between the Community

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<sup>1</sup> Direct foreign investments are aimed mainly at such countries as Malaysia, Singapore, Hong-Kong, Taiwan, Korea, and the 'Maquiladoras' sector in Mexico.

<sup>2</sup> In this new type of industrial specialization, the companies' closeness to each other and to suppliers and customers, as well as falling variable labour costs as a proportion of production costs, have encouraged industrialists to aim production at national and regional markets. This is the opposite of the trend towards relocation of production, based on 'social dumping'.

and the countries of Central and Eastern Europe is taking on in certain products (more than half the Community's exports in textile products are re-exported to the Community after being processed in the countries of Central and Eastern Europe) shows how important industrial relocation has already become between Community Europe and Eastern Europe.

4. What repercussions will the new international division of labour have on the international competitiveness of European economies?

At present, the practice of relocation towards developing countries with low labour costs has taken on worrying proportions for Community countries in certain industrial and service sectors<sup>3</sup>.

This explains why relocation is a source of serious concern at national level, especially during periods of acute recession and growing unemployment. The debate which arose in France as a result of the publication of the ARTHUIS report and the renegotiation of the free trade agreement between the United States, Canada and Mexico show how important it is to tackle the adverse effects of relocation. We shall look more closely at the social aspects of the problem, in other words the unfair 'social dumping' practices, which are based on a lack of respect for certain human rights in the workplace and violate human dignity.

5. It should, nevertheless, be pointed out that the debate on the introduction of a social clause in international trade should not be used as an excuse for greater protectionism against developing countries.

However, respect for certain minimum social conditions is an essential requirement based on the principle of equal treatment, which should govern international trade.

## II. THE NEED TO DEFINE A CODE OF MINIMUM SOCIAL STANDARDS IN INTERNATIONAL TRADE

6. The problem of 'fair labour standards' was already at the heart of the debate when the International Labour Organization (ILO) was set up in 1919. Its constitution appeared in Chapter XIII of the Treaty of Versailles, supplemented by the Philadelphia Declaration, drawn up by the allies in 1944 in a post-war perspective; it explicitly referred to the obligation on the members of the international community to maintain fair competition in their mutual relations, based on a number of rules in the social field<sup>4</sup>.

As regards international trade, recognition of the rules of comparative advantages and the aim of encouraging economic development through trade (which, in historical terms, was the basis for the development of capitalism in Europe) led the founders of GATT not to intervene with respect to 'fair labour standards'. In cases of 'social dumping', there is the possibility in GATT of

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<sup>3</sup> The European Community seems particularly vulnerable to two types of competition: from countries with productive and cheap labour forces and from Japanese and South Korean producers who have achieved high quality, flexibility and productivity standards.

<sup>4</sup> F. BLANCHARD: 'La clause sociale et l'OIT', Le Monde, 29 June 1993.



applying import restrictions with regard to 'prison labour' (Article 20(e)). This provision has as yet never been used by the European Community<sup>5</sup>.

7. The difficulties currently experienced by Western economies, the rise in unemployment and the fierce competition from countries in South-East Asia affecting labour intensive European industries have led to protectionist attitudes and measures based on inappropriate trade policy instruments. This is illustrated by the confusion between the terms 'dumping' and 'social dumping'. Dumping is a deliberately anti-competitive measure taken by companies, which is punishable under international law (Article VI of GATT). Social dumping, on the other hand, results from an actual differential in labour unit-costs between certain geographical areas, which is part of the theory of comparative advantages arising from the current organization of the market economy at international level.

The aim of this report is precisely to make a few suggestions on how to link a 'code of minimum labour standards' to international trade agreements so as to achieve the objectives of social justice and fair competition.

In this connection, the main objective is to safeguard the operation of the world market by preserving fair competition against measures which exploit workers and are thus contrary to acceptable moral standards.

How should the limits of this code of minimum labour standards be defined?

What should be its content in the ILO framework?

8. It is not easy to define the limits of a 'code of minimum labour standards'. The International Labour Code, drawn up during the seventy five years of the ILO's existence, in the form of conventions and recommendations, provides a fairly ambitious basis for this protection.

Certain European states, which have generally been willing to ratify the conventions, have inexplicably failed to take action in certain areas, e.g. with regard to child labour.

The rapporteur considers that all Member States should comply with a minimum number of ILO conventions in all circumstances. This applies to the conventions restricting the use of child labour (in particular, Conventions Nos. 5 and 138), the conventions prohibiting forced labour (Conventions Nos. 29 and 105) and the conventions which would make it possible to create the necessary conditions for the establishment of a fair wage, especially the rights of trade unions and collective bargaining (Conventions Nos. 87 and 98). These conventions highlight some of the most blatant violations of human rights in the field of employment.

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<sup>5</sup> Forced labour is a common practice in the People's Republic of China. According to information received by Amnesty International, many Chinese prisoners are held in labour camps and forced to work for long hours in particularly difficult and dangerous conditions. Moreover, the People's Republic of China is very active in trade but is not yet a member of GATT. The rapporteur believes that the GATT contracting parties, and in particular the Community, should make strict application of this provision a precondition for China's membership of GATT.

9. The ILO report on the international labour situation once again highlights the scandalous problem of child labour, the existence of hidden forms of slavery and the serious risks facing trade unionists<sup>6</sup>.

The exploitation of children at work is one of the most worrying aspects of human rights violations in the workplace. There are no precise details of the number of children at work, but according to United Nations estimates, the number of children at work in the world - most of them in the developing countries - is between 100 and 200 million.

According to the 1992 ILO Annual Report Asia has some of the highest figures relating to child labour: up to 11% of the total labour force in certain countries. The highest figure is probably in India: around 45 million children are reckoned to be working in carpet, match or cigarette factories. In Africa a fifth of all children are employed, representing 17% of the total labour force. In Latin America, the most urbanized region of the Third World, children are employed mainly in towns and, in certain countries, the proportion of children at work could well be as much as 26%.

10. In developing countries, child labour is widespread for a variety of reasons. This exploitation is in fact an inherent feature of socio-economic and cultural structures. Another important reason for reorienting our aid policy is the lack of schools and extracurricular educational facilities. Indicators relating to living standards and schooling show a significant correlation between the two factors, as shown in the tables attached to the 1992 UNDP Annual Report.

In view of the socio-economic and cultural constraints, a realistic approach would be to implement the 'code of minimum social standards' gradually by adapting the practical arrangements and time-limits to the specific situation in each country.

11. Your rapporteur believes that foreign investments in the exporting sectors of developing countries should serve as a model. Exports obviously play a vital role in the modernization of developing countries and are undoubtedly the best means of transferring new technologies and management techniques. However, direct foreign investments should also represent the principal means of allowing 'social innovation' and respect for human rights in the workplace to penetrate all areas of the economies of those countries.

This role could be taken up jointly by foreign industrialists and public authorities as part of a new international partnership. International trade would thus take on a new dimension, namely that of spearheading the universal application of a code of minimum social standards in the workplace. There are a number of encouraging examples in this respect, such as the agreement signed in December 1983 between Migros, the Swiss retail cooperative, and Del Monte,

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<sup>6</sup> The 1992 ILO Annual Report states that complaints referred to the ILO Committee on Trade Union Freedom show that hundreds of trade unionists have been murdered in the world in 1991 and 1992, that many thousands have been imprisoned and that dozens more have been dismissed as a result of their trade union activities.

its Philippine pineapple supplier<sup>7</sup>. Another recent example of how to combat 'social dumping' measures was given by Levis. In collaboration with local trade unions, this company imposes stringent rules relating to child labour and forced labour on its subcontractors and has, for example, decided to stop doing business with China.

### III. HOW CAN THE UNILATERAL AND MULTILATERAL TRADE SYSTEM CONTRIBUTE TO THE APPLICATION OF THE SOCIAL CLAUSE?

12. A number of bilateral and multilateral product agreements already contain explicit references to labour standards (e.g. the 1979 international agreement on natural rubber and the 1981 and 1987 agreements on tin and sugar, respectively). The rapporteur nevertheless considers that these provisions are still at an 'embryonic' stage and that further consideration should be given to the practical aspects of introducing the social clause into the Generalized System of Preferences (GSP) and GATT should be looked at in greater detail.

#### A. Social clause and GSP

13. The first means of creating a practical link between fair working conditions and international trade regulations would be to introduce a social clause into the GSP rules. This would make it possible to adjust or revise the preferential treatment applied in respect of customs duties or import quotas to countries which failed to comply with these minimum standards.

The GSP, which is an autonomous arrangement granted unilaterally, provides more scope for encouraging respect for the fundamental rights of workers and preventing unfair competition in world trade than multilateral agreements. Obviously, the implementation of this type of system, which would enable competition from certain countries which failed to comply with social clause provisions to be eliminated unilaterally, should not be used for protectionist purposes.

14. The concept of the Generalized System of Preferences was devised in 1969. Its main aim was to promote the industrialization of developing countries by giving them a special means of access to the markets of industrialized countries. A clause condemning child labour and forced labour and promoting trade union freedom and collective bargaining could only help to achieve the original objective of the GSP, which was to raise workers' living standards and improve their living conditions.

The Community was the first organization to use this system as early as 1971. The European Community's GSP has since then been revised on a ten-yearly or annual basis. The initial ten-yearly revision was implemented on 1 January 1981, and was followed by a more limited revision half-way through the revision period, on 1 January 1986. The new ten-yearly revision, which should normally

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<sup>7</sup> The relevant clause stated that the supplier guaranteed Migros that workers' conditions of production would be above-average in social and economic terms. It is very interesting to note that a check was kept. In 1987, a committee, made up of a Swiss member of parliament and an American law professor, visited the Philippines to check local conditions and reported that the clause had been complied with.

have entered into force on 1 January 1991, was postponed on 1 January 1992 and again on 1 January 1993. The Commission intends to launch a new GSP by the end of this year.

15. Three options are under consideration, with regard to the introduction of a social clause into the GSP:

(a) 'Negative clause': suspension of GSP arrangements

The Community would offer all developing countries trade preferences without discrimination on a bilateral basis, provided they applied a code of minimum labour standards. Suspending the GSP arrangements (eliminating the preferential margins) or, possibly reducing the margins for countries which deliberately violate this code would place this system on a clearly conditional footing. The United States has in fact used this type of social clause. In 1984, the US Congress introduced labour standards into the law governing the Generalized System of Preferences (Title V of the Trade Act of 1974).

Application of the above clause raises the problem of compatibility with the 'enabling clause', allowing a derogation from the most-favoured nation clause and the setting-up of a non-reciprocal and non-discriminatory generalized system of preferences.

(b) 'Incentive or positive clause'

Under this type of clause a higher degree of preference would be granted to countries benefiting from the GSP and complying with the above mentioned labour conventions. They could thus be allowed to benefit from an extension of preferential margins on their products.

It is also possible to strengthen the 'incentive clause' so that the Community encourages schooling and training of children (e.g. on the basis of the ILO's international programme on the abolition of child labour); literacy campaigns in cooperation with UNICEF; the introduction of medical care for children subjected to poor working conditions, in cooperation with the WHO; aid to deprived large families; aid to the rehabilitation of political prisoners; aid to the creation of free trade unions and the promotion of trade union activities; etc.<sup>8</sup>.

Serious consideration needs to be given to the funding of these measures. Nevertheless, there are various possibilities, (e.g. under the forthcoming renewal of the Community GSP, certain countries will no longer benefit from the system, others will be allocated a lower minimum threshold; hence the possibility of setting up a financial reserve to fund these measures).

Outside the GATT context some economic circles are calling for the imposition of extra customs duties, in addition to the consolidated GATT

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<sup>8</sup> Kerala (a southern Indian state) is a good example: this state, which is one of the poorest in the country, has focused on educating its young people and has spent more than twice the national average on such measures. All children of primary school age attend on a regular basis and 88% of the 12 - 18 age group have enrolled at a secondary school. As a result, less than 3% of children are employed, whilst the proportion of children at work in other less poor states is, in some cases, over 40% (example quoted by Mr Claude Dumont, head of the ILO's working conditions department).

duties. Briefly, the aim would be to establish tariffs putting imports from developing countries and national products on the same footing, in the event of infringement. Such a step would obviously be at variance with GATT rules (on retaliatory measures).

16. In the rapporteur's view, the European Community, as the repository of a long humanist tradition, should encourage more widespread respect for human rights in the world. It should therefore only adopt an incentive social clause in the forthcoming revision of its GSP. It is worth noting in this connection that there is at present some doubt as to the scope of preferential margins in the new Community GSP. The adjustment of the GSP for certain products will in fact be determined by the scope of agreements to be concluded within the Uruguay Round.

#### B. The social clause and GATT

17. GATT, which is the only virtually universal trade agreement on manufactured products, is the appropriate institutional framework for incorporating labour standards into the multilateral trade system, as a means of protection against human rights violations in the work place and a guarantee of fair competition.

From its inception, in the 1948 Havana Charter, the idea of introducing the principle of 'maintaining reasonable labour standards' in international trade negotiations was raised. However, previous attempts to initiate discussions on a link between trade and human rights have failed. Proposals to this effect<sup>9</sup> met with little enthusiasm outside the trade union movement and the governments of certain industrialized countries.

18. The rapporteur believes that the time has now come to reopen the debate on the social clause and to make this one of the key issues in the next round of GATT negotiations. The aim is not, as certain developing countries with high growth rates might fear, to force them to raise their wage and social protection levels up to our standards, but to abolish practices involving inhuman and intolerable exploitation of workers.

In this context, the rapporteur is convinced that a satisfactory solution could be found by amending Article XX(e) to include a ban on child labour and forced labour and the right to trade union freedom and collective bargaining. The practical implementing procedures could be negotiated by the Contracting Parties and be set out in a code annexed to GATT. In this connection, steps should be taken to strengthen the supervisory powers of the International Labour Office and to promote its on-the-spot technical assistance activities in developing countries.

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<sup>9</sup> One of these proposals was that the general safeguard clause (Article XIX) of GATT should include a social clause to enable governments to apply selective import restrictions to countries which failed to comply with minimum labour standards.

MOTION FOR A RESOLUTION (B3-1673/92) pursuant to Rule 45 of the Rules of Procedure by Mr SUAREZ GONZALEZ on social clauses in the international multilateral trading system

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The European Parliament,

- A. having regard to its resolutions of 9 September 1986 (paragraphs 64 and 65) and 11 October 1990 (paragraph 52) on multilateral negotiations in the context of GATT,
- B. having regard to the conventions drawn up by the International Labour Organization (ILO),
- C. whereas one of the comparative advantages of the developing countries is their cheap labour force,
- D. whereas the unacceptable and particularly harsh working conditions in some developing countries are an affront to human dignity,
- E. whereas this situation could have a negative impact on world trade,
  1. Considers that, in order to safeguard fair competition, it is both advisable and necessary to include minimum social standards (in the form of social clauses) in the international multilateral trading system, based on the ILO conventions;
  2. Stresses, nevertheless, that such clauses should not be used to further protectionist goals, particularly by the industrialized nations;
  3. Instructs its committee responsible for matters connected with the international multilateral trading system to study this matter in depth.

MOTION FOR A RESOLUTION (B3-1352/93) pursuant to Rule 45 of the Rules of Procedure by Mr STAES on a ban on imports of goods produced with child labour

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The European Parliament,

- A. having regard to the UN Convention on the Rights of the Child which protects children against economic exploitation,
- B. noting that in many third world countries, and amongst them India, child labour is taking on enormous proportions,
- C. noting that approximately 300 000 children in India are working in the carpet industry in inhuman conditions: far too low wages, far too long working hours, poorly lit and poorly ventilated workplaces,
- D. noting that 95% of Indian carpets are exported, the European Community being an important customer,

Decides

- 1. to lodge a complaint against the abuse of children in the Indian carpet industry and to urge Member States to do the same;
- 2. to draw the Indian Government's attention to the fact that this child slavery is incompatible with the UN Convention on the Rights of the Child;
- 3. to ask the Commission to draw up a guarantee label system for products not manufactured by children and impose a ban on imports into Europe of carpets and other products made in such inhuman conditions unless they bear the label;
- 4. to ask the Commission to submit at long last the necessary proposals to tackle the root of the problem, i.e. the wholesale poverty found in many third world countries.

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