

WORLD TRADE ORGANIZATION

WT/GC/W/383
5 November 1999

(99-4780)

General Council

Original: English

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Proposal for a Joint ILO/WTO Standing Working Forum on Trade, Globalization and Labour Issues

Communication from the European Communities

The following communication, dated 30 October 1999, has been received by the Director-General from the EC Commissioner for Trade, Mr. Pascal Lamy.

The question of core labour rights has been at the forefront of recent discussions in the EU Council. This discussion led to an EU position which the Council of Ministers has endorsed on 23 October 1999. In this letter, I wish to convey to you the operational conclusions and objectives which I draw from this.

The relationship between trade liberalization and, in more widespread respects, core labour standards is one that has attracted much public interest. The EU has sought to promote these standards through an incentive-based approach, under its system of generalised preferences. During the forthcoming review of the "enabling clause" and its re-negotiation we wish to achieve support within the WTO for this type of incentive-based approach for the promotion of core labour standards. We fully expect that the decisions to be adopted by Ministers at Seattle will allow this to happen.

At Singapore, in December 1996, the WTO Ministerial Conference identified the ILO as the competent body to set and deal with core labour standards. In June 1998, the International Labour Conference adopted a Declaration on Fundamental Principles and Rights at Work, committing the organisation's 174 member states to respect the principles inherent in seven core labour standards and promoting their universal application. In June 1999, further successes were achieved with the adoption of a Convention and Recommendation banning the worst forms of child labour. The EU strongly welcomes this substantial progress achieved in the ILO and fully recognizes that it is, and must remain, the relevant body to make progress in this area.

In this regard, the EU notes that the Singapore Ministerial Declaration also referred to co-operation between the ILO and the WTO Secretariat without prejudice to the distinctive rules and responsibilities of each institution.

Today the EU would like to make this co-operation more operational. We propose that ILO and WTO organise a joint ILO/WTO Standing Working Forum on trade, globalization and labour issues, to promote a better understanding of the issues involved through a substantive dialogue between all interested parties, including governments, employers, trade unions and other international organisations. This dialogue should include an examination of the relationship between trade policy,

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trade liberalisation, development and core labour standards and it should explicitly exclude any issue related to trade sanctions.

I should be grateful if you would circulate this letter to the Members of the WTO and to start consultations with the Members with a view to the creation of this joint ILO/WTO forum, the elaboration of the necessary rules of procedure and the definition of an appropriate agenda. We would very much wish to see the third Ministerial Conference of the WTO adopt a decision to establish such a working forum jointly with the ILO.

The EU intends to host, no later than the year 2001, a ministerial-level meeting which would examine the work done in the joint standing working forum and more appropriate conclusions.
