Introduction

I would like to start by expressing my appreciation to the Research Institute for European Affairs, Vienna University of Economics and Business Administration and the Federal Economic Chamber of Austria for their invitation to contribute a paper and to participate in this Conference. For me it is a privilege to participate in this meeting and I look forward to our discussions.

I think the idea that the regulatory framework of globalization should have a set of universally agreed human rights regarding working conditions or labor standards is by now widely shared, and this is, in itself, a remarkable feature of the new realities in the global economy. However, the question of whether, and if so, how to link labor provisions with trade agreements has been and remains one of the most controversial.

The paper I prepared for this Conference has five main parts, and I would also like to follow this structure and divide my intervention today in five parts:

1) First, as background I would like to comment on some fundamental issues about the relationship between global governance and development.

2) Second, some comments on the evolution of international regulation of labor issues

3) Third, I am going to enumerate and briefly assess the main arguments in favor of including labor provisions in trade agreements.

4) Fourth, I would like to review the main reasons why most developing countries are opposed to link trade agreements with labor standards, particularly if it involves restrictions to market access

5) And finally, I am going to look into three recent models of labor cooperation agreements negotiated on the side of trade agreements in the Americas. There are some lessons to be learned from them.
I. Global Governance and Development

So let me start by reminding you of some of the fundamental questions that are being posed about globalization, and which are relevant to the trade-labor interface, indeed that provide the background for the central concerns of this conference:

- First, is it correct that global trade and market governance have developed more quickly than global social governance? Is there an imbalance between the economic and social pillars of the global governance system?

- Second, if globalization is a strongly technology-driven process, and we are going to have more globalization whether we like it or not, then what are the appropriate rules and institutions for international governance? And who defines these rules? And how participatory is the process, both in terms of nation states and in terms of sectors or NGOs within nations?

- Third, what should be the role of the WTO in international governance vis-à-vis other international institutions? Specifically, should the WTO agenda be expanded to include new areas of international and domestic regulation such as labor and the environment? Is this expansion of the agenda in the WTO and centralization of the power to make and enforce rules desirable? Or is decentralization and specialization in the allocation of power for rule making in functional areas better as a global architecture? As I will explain in a few minutes, in Doha, some of these questions received a very specific answer that should settle some of these issues in the next few years.

For the moment let me just say that these are all legitimate and important questions. However, if the objective is to promote development and design development-friendly international policies, institutions and rules then there is some risk in taking these questions as your starting point. The risk is associated with the fact that there is a certain bias in these questions towards reasoning from the perspective of an industrial country consensus about the modern market economy and its institutions. I think a special effort must be made to have as a starting point a development perspective. This is important because where you stand in terms of the trade-labor nexus depends to an important degree on your views about development and its fundamental determinants.

From a development perspective there are two debates that are particularly relevant.

- One is the issue of the nature of the linkages between increased trade and market access, growth and poverty. Research shows clearly that growth matters for poverty reduction, and that trade matters for growth. Faster growth is associated with faster poverty reduction, and economic contraction is associated with increased poverty. For poverty to increase with economic growth, there would have to be a drastic worsening of income distribution, and this is not generally the case in most countries. But it is also equally clear that growth by itself does not necessarily improve income distribution, and that this requires a complex array of accompanying social policies.1 The point that stands out clearly is that development requires growth and that increased market access and expanded trade is one of the major contributions that the world trading system can make to growth and poverty reduction.

- The second debate is about the role of rules and institutions in development. The international community has re-discovered that institutions matter for development, but what kind of institutions? I think institutionalist economists are right in arguing that the state and
the market can be combined in many different ways, that there are many different models of
the mixed economy that can promote growth. As Dani Rodrik has noted in a recent paper on
Development Strategies for the Next Century: “There is no single mapping between a well-
functioning market and the form of non-market institutions required to sustain it. This finds
reflection in the wide variety of regulatory, stabilizing and legitimizing institutions that we
observe in today’s advanced industrial societies… We need to maintain a healthy skepticism
towards the idea that a specific type of institution – a particular form of corporate governance,
social security system, or labor market legislation, for example- is the only type that is
compatible with a well functioning market.” (Rodrik, 2001, p11) This point about institutional
diversity is a healthy warning against a simplistic importation of international rules and
standards that might not fit the specificities of developing countries.

Let me now turn comment for a couple of minutes on the evolution of international and
regional regulation of labor issues.

II. International and Regional Regulation of Labor Issues

As you know, there is a long tradition of international coordination of labor law around the
ILO. The 1990s saw a growing international consensus on a number of core labor rights that
led to the 1998 ILO Declaration on Fundamental Principles and Rights at Work that binds the
175 ILO members. The core labor rights are:

1. freedom of association and the effective recognition of the right to collective bargaining,
2. the elimination of all forms of forced or compulsory labor,
3. the effective abolition of child labor, and
4. the elimination of discrimination in respect of employment and occupation.”

However, one thing is reaching a consensus based on general rights or values, and quite
another to translate core labor rights into operationally uniform and enforceable labor
standards.

In a recent paper Drusilla Brown (2001) analyzes some of the difficulties of defining common
labor standards as well as the complex relationships between labor standards and economic
efficiency. The author concludes that “Taking steps to reduce forced labor, child labor, and
discriminatory behavior, or to support free association and collective bargaining will often
have a mixture of effects… We cannot make a general statement that universal labor
standards derived from commonly held moral values will always produce positive economic
outcomes. The effect on economic performance and the lives of workers and their families of
legally imposed labor market constraints of the sort contemplated by labor rights activists
cannot be presumed to be positive, but instead must be empirically investigated on a country-
by-country basis.” (p 97). The point here is that although from a rights perspective there is
nearly universal consensus on core labor rights, adopting uniform labor standards in operative
terms is controversial.

As regards labor cooperation programs in the Americas, the thirty-four countries in the
Western Hemisphere have a fairly good record of ratifying ILO conventions (Table 2). The
countries also have a tradition of cooperation on labor issues, which has been strengthened by
the Summit of the Americas process.

Ministers of Labor of the hemisphere meet every two years. At their meeting in Viña del Mar,
Chile, in 1998 the Ministers of Labor agreed on a Plan of Action, and established two working groups: one on Globalization of the Economy and its Social and Labor Dimensions; and another on Modernization of the State and Labor Administration.

Ministers identified priority areas and have a number of initiatives to make progress in each area, including: the role of the Ministries of Labor, employment and the labor market, vocational training, labor relations and basic workers’ rights, social security, health and safety, enforcement of national labor laws and administration of justice in the labor area, and social dialogue.

The Inter-American Conference of Ministers of Labor met again in Washington DC in February 2000 and the last meeting took place last October 17-19 in Ottawa, Canada. In this last meeting Labor Ministers established two working groups: one to examine the labor dimensions of the Summit Process and improve hemispheric cooperation on labor issues. The other group has the objective of strengthening the capacity of labor ministries to enforce labor legislation.

III. Assessment of the Case for Inclusion of Labor Provisions in Trade Agreements

So with these comments and information as a background, let me turn to the question of what are the arguments that have been put forward to justify the inclusion of labor provisions in trade agreements? These arguments can be grouped in four categories: common sense arguments; moral arguments; economic; and institutional arguments.

Common Sense and Trade-Relatedness

The basic common sense argument for linkage says that since trade and labor issues are intimately related, there should be no reason to oppose linkage. Although widely used in political discourse, particularly by trade union leaders, and perhaps appealing to the intuition, this is not a good enough basis to make decisions in this area. For instance, trade and income distribution issues are also related. Should there be an income distribution clause in trade agreements? I think a common sense approach does not take us very far. Now, departure from common sense can take two directions. One is a pragmatic view: trade-related is anything governments decide to define as trade-related. This realpolitik view has some merit, and according to many it was precisely this that led to the inclusion of IPRs in the Uruguay Round. The other direction is analytical and Keith Maskus (2000), for instance, has developed an interesting framework to analyze trade-relatedness.

Moral Arguments

The second category of arguments is moral. The typical moral concern says that: “We should not do business with countries that violate labor or human rights”. This idea poses a complex set of issues. First, I think a distinction should be made between the rationale for sanctions against regimes that systematically violate labor and human rights as a matter of policy, and the rationale for using market access restrictions as a lever or stick to deal with labor standards in the context of economic integration among countries with shared economic and political values but in different stages of development. These are two completely different realities and the corresponding policies should also be different.
Second, if it is accepted that trade is good for growth and living standards, and if the moral concern is about the well being of the majority of the poor in developing countries, then one must conclude that limiting trade does not help people in developing countries, it actually punishes them. This is not an argument against including trade provisions in trade agreements per se, but one against using a trade sanctions approach.

A related consideration is that, in the case of child labor, for example, less than 5% of child laborers in developing countries are employed in export industries, 95% of the problem lies in the non-tradable sectors. Therefore, even if morally well intended, a sanctions approach to compliance with labor standards fails to have any effect on the non-tradable sectors and the general conditions of underdevelopment that are actually at the root of the child labor problem.

**Economic Arguments.**

The third category of concerns behind the pressures to include labor provisions in trade agreements is economic. There are four basic sets of economic issues:

1. The race to the bottom argument,
2. The idea that to compete with countries where low-wages prevail is unfair competition
3. The notion that trade liberalization without harmonization of labor standards is bad for wage dispersion and income distribution in the north, and
4. The concern about job dislocation and displacement produced by competing imports.

Let me briefly comment on each one of these issues.

**Race to the bottom**

The race to the bottom refers to the fear that in the absence of international coordination, countries will have an incentive to lower their own standards to be more attractive to foreign investment or to gain a competitive advantage. Notwithstanding how appealing this argument may look intuitively, there is simply no evidence to support it. A review of the relevant literature suggest the following:

- As regards export performance one of the principal findings of the well-known OECD 1996 study was that there is no evidence that countries with low core labor standards enjoy a better global export-performance than high-standards countries. And the 2000 update of this study states that this finding has not been challenged by new evidence. A study by Aggarwal (1995) concludes that comparisons across more export-oriented and less export-oriented sectors indicate that core labor standards are often lower in less export-oriented or non-trade sectors.
- As regards investment, studies of investment location decisions of multinational companies show that these decisions are influenced by many factors of which critical ones are political and macroeconomic stability, quality of infrastructure, logistics and of labor skills, rather than low quality of labor standards.
- In addition, the 2000 OECD study concludes that: “With the notable exception of China, countries where core labor standards are not respected continue to receive a very small share of global investment flows. There is no evidence that low-standards countries provide a haven for foreign firms.” (OECD, 2000, 13).
- As regards wage levels, the evidence is clear that wages in Export Processing Zones tend to be higher than average wages in the rest of the economy.
Thus, there is no conclusive evidence that export performance or FDI flows are correlated with low labor standards of low wages. In fact, labor standards and wages are higher in export sectors than in non-traded sectors. Even in cases where there might be an incentive to lower standards, democracy, accountability, strong local institutions and international cooperation are probably the best deterrent for any country to engage in such race.

**Low wage competition is unfair competition**

Let me now turn to the idea that to compete based on low-wages is unfair competition. This argument rests on two implicit assumptions: (a) that low-income countries have discretion to define the level of wages, and (b) that a competitive advantage based on low wages is illegitimate and consequently unfair. Neither of these propositions is good economics or is supported by solid evidence.

The level of wages in an economy is determined by the relative factor endowments, the skill profile of the labor force, the general standard of living, technological conditions and the growth of productivity over time. In other words, it is closely linked to the stage of development of a country. So except on the margin, it is not a variable that the government can establish by decree to gain a comparative advantage. Differences in factor endowments and their relative prices have always been part of legitimate advantages in trade. The 2001 Communication from the European Commission on Promoting Core Labor Standards recognizes this by adopting the position that the comparative advantage of countries, particularly low-wage developing countries, must in no way be put into question. (European Commission, 2001).

**Impact of trade with low-wage economies on industrial economies**

The third set of economic concerns is linked to the perception that increased trade with low-wage economies, has contributed to wage dispersion and income inequality in the North, particularly by hurting employment and income of unskilled workers. It is a fact that since the early 1980s the United States has experienced a fall in real wages of the lowest skilled workers, measured either in real terms or relative to wages of high-skilled workers; a fall in the relative employment of less-skilled workers; and, as a result, an increase in the share of total labor income going to high-skilled workers.

Many volumes and papers have been written on these issues. Two main factors are widely cited as possible explanations of these changes: international competition from low-wage countries and skill-biased technological change that has increased the demand for skilled workers. As a recent volume and survey of this literature by the National Bureau of Economic Research concludes: “A large amount of research during the past two decades has sought to evaluate both explanations, with the result that … skill-biased technological change is often thought to be more important”. (Feenstra, 2000, p 3).

A variation of this literature analyses not just the differences in the level of wages but the associated question of whether wages are related to labor standards. No robust relationship is found between labor standards and the level of wages. A recent survey concludes that in general, the link from low labor standards in low-income countries to the wage of unskilled workers in industrialized countries is not strong. (Drusilla Brown, 2001, p 99).

In conclusion, the notion that trade liberalization without harmonization of labor standards is bad for wage dispersion and income distribution in the North, is not well supported by the
available evidence.

Job dislocation and displacement

Finally, as regards the job dislocation effect, it is clear that trade and the shifting pattern of comparative advantage can indeed produce job displacement and dislocation. In fact, from a Schumpeterian perspective this is essential for the process of “creative destruction” that drives a healthy process of economic transformation and provides vitality to capitalist economies. The right response to this effect is not to resist these changes with protectionist responses but rather to facilitate adjustment via trade adjustment assistance policies, including income support, retraining programs, workers relocation and other safety nets mechanisms. Of course, there is a complex political economy dynamics behind any such process and countries must be able to afford these programs. In addition, it must be recognized that the WTO and trade agreements have mechanisms such as transition periods, safeguards against import surges, anti-dumping, and others that can be used to help workers and industries to adapt to the new competitive environment.

Institutional Arguments and Issues

Let me now turn to the institutional argument for including labor provisions in trade agreements and in the WTO. This is eminently pragmatic. It is the idea that the ILO has no “teeth”, that is, no enforcement power, while the WTO and trade agreements do. Several questions emerge here: Is the enforcement capacity of the ILO really as weak as sometimes portrayed, and if so, can it be improved? Can the WTO really be a better enforcer than the ILO? Which institution could be more effective in local-capacity building in this area?

On the first question, the view of the Commission of the European Communities for example, is that “The ILO has in recent years enhanced very substantially its means for promoting respect for core labour standards” (Commission, 2001, p 13). There has been an important clarification in the position of the Commission over the past two years. While in Seattle the Commission seemed to be interested in involving the WTO in Labor issues, the 2001 European Community proposal for promoting labor standards is based on strengthening the ILO’s role.

The EU proposal (Commission, 2001) is quite different from some of the mainstream positions in the U.S. debate on these issues. The proposal has a number of basic tenets:

- rejection of any sanctions-based approaches;
- the principle “that the comparative advantage of countries, particularly low-wage developing countries, must in no way be put into question”;
- the idea that “poverty, poor governance and extensive informal sectors are often the main cause of the weak implementation of core labour standards in developing countries”;
- and the notion that “sustained economic growth can contribute to the respect and effective application of labour standards and of the social regulatory framework and vice versa”.

Based on these premises the EU initiative proposes an approach to promote core labor standards and improve social governance that “comprises instruments and actions within different policy fields”. A central pillar of this integrated strategy is making the ILO a more effective enforcer by giving more weight to observations in reports; giving greater publicity to the supervisory mechanism; improving the effectiveness of complaint procedures; and consideration of positive incentives.
But there are also other elements in the proposal: increased multilateral technical assistance, including the ILO; launching a forum for international dialogue; increasing trade incentives through the generalized system of preferences; addressing the issue in bilateral relations through assistance and capacity strengthening; supporting private and voluntary schemes for the promotion of core labor standards through social labeling and industry codes of conduct.

IV. Why are Most Latin American Countries Opposed to a Sanctions-Based Approach?

Now, why are most LAC countries opposed to include labor provisions in the WTO and in regional trade agreements, particularly under any approach involving trade restrictions or sanctions?

To be brief, let me just enumerate the six types of reasons I identify for this opposition:

1. The fear that such inclusion will distract attention and energies away from the main market access negotiating priorities of developing countries.

2. The perception that beyond the morality-driven human rights groups, the pressures to include labor provisions emanate from politically powerful lobbying groups, concerned about competitiveness, and interested in defending protection and privileges.

3. Various issues related to stage of development differences, particularly the problems with the strict application of uniform labor standards in very different labor market conditions.

4. Questions concerning the logic of trade negotiations, in particular, the fact that given the enormous asymmetries in market size and relative importance as trading partners, only countries with large markets could threaten with credibility and actually produce damage, in many cases disproportionate damage, by closing their markets to others. Thus accepting a link to market access is seen as a way of institutionalising unilateralism in a multilateral context. No win-win outcome is perceived in this.

5. The fifth source of opposition is related to the questions: Are trade sanctions the best way to achieve results in improving labor standards or other social conditions? Are there superior ways? Many see institutional deficiencies as the main obstacle and therefore consider cooperation through technical assistance and capacity building as first-best instruments to achieve results. Institutional deficiencies have been in fact one of the major difficulties for developing countries to implement some aspects of trade agreements, particularly in resource-intensive areas, which suggests that it is not enough to write a trade provision to ensure compliance. As the World Bank Global Economic Prospects Report 2002 points out, trade agreement implementation requires to step up very substantially global cooperation outside of the WTO and outside of trade agreements.

6. Finally, there are arguments related to the architecture of the global trading system that many developing countries share but are part of a much wider debate. Trade negotiators and many experts are concerned about overloading the WTO, in particular, the dispute settlement body with disputes that are rather about labor or environmental issues than about trade. Many believe that the WTO has neither the expertise nor the legitimacy to adjudicate these disputes and that asking it to arbitrate in such matters undermines its credibility and diverts attention
from its first priority, opening-up markets and enforcing free trade rules. I am personally quite
attracted to the idea of having a more decentralized system in the allocation of global
regulatory responsibilities, where each agenda is pursued by a separate responsible agency,
with appropriate coordination between them.

But the point is that for all these reasons the developing countries have been resisting the
inclusion of labor provisions in the WTO and in trade agreements generally, particularly
under any approach involving trade restrictions. The outcome of Doha represents a success
for the developing countries on this issue and a disappointment for certain groups in the US
and the EU.

In Doha the labor and environmental issues took different roads: while there is now a
strengthened mandate to negotiate certain environmental issues, on labor issues in Doha
Ministers reaffirmed the Singapore position that the ILO is the competent body to set and deal
with labor standards and limited themselves to “take note of work under way in the ILO on
the social dimension of globalization” (Doha Declaration, paragraph 8). So it is to be expected
that at least for the next few years, and specifically for this round of multilateral trade
negotiations, the Doha Declaration put to rest the contentious aspects of the trade-labor nexus
issue as a major divider between the developed and developing worlds in multilateral
negotiations.

V. Regional Innovation on Trade and Labor Issues

Given this outcome in Doha, and building on existing trends, however, it is probable that the
labor issue will be retaken at the regional level, particularly at least in the Americas.

Despite general opposition to linking, some countries in Latin America have agreed to include
labor provisions in the regulatory framework of reciprocal trade agreements. Three models of
labor cooperation agreements have emerged in the Americas, all of them in the form of side
agreements to three trade agreements: the NAFTA (1994), the Canada-Chile Agreement
(1996) and the Canada-Costa Rica Agreement (2001). The first two agreements share many
characteristics and procedures; the last one is more unique, simpler and broader at the same
time.

The last section of the paper compares these three labor cooperation agreements (LCA) in
terms of their objectives; scope; cooperation activities; institutional mechanisms; procedures
for consultation, evaluation and dispute resolution; and implementation and enforcement.

Let me mention just a few key points:

1. The objective of all three agreements is the promotion of compliance with and effective
enforcement by each Party of its own labor law, they do not establish minimum or common
standards for domestic law. 3

2. Scope of application is one of the most important differences between these agreements.
The three agreements cover a broad list of labor rights listed in an Annex to each agreement. However, only the political consultations and evaluation process covers this complete list, the independent review panel or “arbitral panel” process for dispute resolution is much more narrower in scope in the North American Agreement on Labor Cooperation (NAALC) and the Canada-Chile LCA. The NAALC and the Canada-Chile agreement limit the scope of the
arbitral panel to the Party’s technical labor standards on occupational safety and health, child labor or minimum wage. In contrast, the “review panel” process of the Canada-Costa Rica LCA has competence to review issues pertaining to all the rights recognized in the ILO Declaration on Fundamental Principles and Rights at Work, 1998, which means that it has competence over a much broader set of issues. In an interview with a high official in the Canadian Ministry of Labor I was told this was one of the main features Canadian Trade Unions had found most attractive in exchange for the NAFTA-minus nature of the Canada-Costa Rica LCA, in that it has no trade-sanctions.

3. The three agreements commit the parties to wide ranging cooperation in specific labor areas and instruct direct coordination between the labor authorities in each party.

4. Another difference is that the NAALC as well as the Canada-Chile Agreement LCA have a long and complex procedure for consultations, evaluations, and resolution of disputes. (Box 1). The Canada-Costa Rica LCA simplifies these procedures. (Box 2).

5. An interesting innovation in the Canada-Costa Rica LCA is that the Panel is asked to “take into account (in its recommendations) the existing differences in the level of development and size of the economies of the Parties”. No such provision is found in the other two agreements.

6. Enforcement is the other major difference between agreements. In the NAALC and the Canada-Chile LCA, the panel may impose a monetary enforcement assessment or fine, no greater than 20 million US dollars in the NAALC and US $ 10 million in the Canada-Chile LCA. In the NAALC where a Party fails to pay the fine, the other Party “may suspend NAFTA benefits in an amount no greater than that sufficient to collect the monetary enforcement assessment”. In the Canada-Chile LCA, in contrast, no suspension of trade benefits –trade sanctions-- is contemplated. Instead jurisdictional procedures ensure the payment of fines. The Canada-Costa Rica LCA has neither monetary enforcement –fines– nor suspension of trade benefits. It is only established that the party “may take reasonable and appropriate measures, exclusive of fines or any measure affecting trade, but including the modification of cooperative activities (art. 12), to encourage the other Party to remedy that persistent pattern, in keeping with the panel’s determinations and recommendations” (Art. 23, 5).

That is, the Canada-Costa Rica agreement introduces a new approach based exclusively on cooperation and technical assistance to promote compliance and effective enforcement of national labor law.

I do not think that these innovations in RTAs in the Americas are necessarily relevant in the multilateral context, particularly in light of the outcome of Doha on labor issues. However, they have been very influential in the debates on Trade Promotion Authority in the US Congress and in the negotiations to create a Free Trade Area of the Americas.

Let me conclude by stressing the broad global consensus that exists around the view that the regulatory framework of globalization should have a set of universally agreed human rights regarding labor conditions. At the global level, the post-Doha agenda settled this issue in favor of allocating global regulatory responsibilities in the ILO. However, as I suggested, how this issue will play out in regional governance, institutions and trade agreements is still an open question.
References


Interamerican Conference of Labor Ministers, Declarations and Plans of Action – see www.oas.org/udse/labor.htm


ECLAC-CEPAL Raul Prebisch Anniversary Conference, August, Santiago, Chile.  
(www.ecla.org/prensa/noticias/comunicados/6/7616/DaniRodrik29-08.pdf)


NOTES:

(*) Director, Trade Section, Organization of American States (jsalazar@oas.org). The views expressed are those of the author and should not be attributed to the Organization of American States or to its member states. This Lecture draws from the paper “Trade, Labor and Global Governance: A Perspective from the Americas”, written jointly with Jorge Mario Martinez.

[1] Two bodies of empirical literature support the general case for the beneficial growth effects trade and economic openness. One is the recent research that provides evidence about the positive relationship between trade and growth. The other is the literature analyzing various integration and trade liberalization scenarios in Latin America using multi-country Computable General Equilibrium (CGE) models. On the former see Levine and Renault (1992), Sachs and Warner (1995), Sala-i-Martin (1997), Frankel and Romer (1999), Irwin and Tervio (2000), Dollar and Kraay (2000). Rodriguez and Rodrik (2000) and Rodrik (2001) are skeptical about the robustness of some of these results regarding the relationship between trade openness and growth. Jones (2000), however, focusing on trade policy variables, concludes that trade restrictions are almost invariably harmful to long-run growth, although the magnitude of the effect is uncertain. For Rodrik “The appropriate conclusion to draw … is not that trade protection should be preferred to trade liberalization as a rule. The point is simply that the benefits of trade openness should not be oversold” (Rodrik, 2001, p 39).

[2] The Doha Declaration contains a mandate to negotiate three specific issues: (1) the relationship between WTO rules and trade obligations set out in multilateral environmental agreements (MEAs); (2) procedures for information exchange between MEA Secretariats and relevant WTO committees, and the criteria for the granting of observer status; and (3) the reduction or elimination of tariff and non-tariff barriers to environmental goods and services. There is also mandated discussion in the Committee on Trade and Environment on: (1) clarifying WTO rules in relation to the effects of environmental measures on market access; environmental provisions under the TRIPS agreement such as the patenting of life forms and the relationship of TRIPS with the U.N. Convention on Biodiversity; and eco-labelling.

[3] The three agreements have an annex where the following labor principles are listed: (1) Freedom of association and protection of the right to organize; (2) The right to bargain collectively; (3) The right to strike; (4) Prohibition of forced labor; (5) Labor protections for children and young persons; (6) Minimum employment standards; (7) Elimination of employment discrimination; (8) Equal pay for women and men; (9) Prevention of occupational injuries and illnesses; (10) Compensation in cases of occupational injuries and illnesses; (11) Protection of migrant workers.