

Student Note

RE-NEGOTIATING TRADE AND LABOR STANDARDS IN A POST HONG KONG SCENARIO

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ABSTRACT

This paper analyses the various contours of the trade-labor linkage in the context of the rapid growth of the world trading system, and argues for a multifaceted approach in order to improve global labor conditions. At present, labor standards are outside the purview of the WTO regime. However, ever since the Havana Charter, a large section of the developed countries opine that the WTO ought to encompass labor standards within its regulatory framework. Their primary argument rests on the premise that core labor standards are already enshrined within the WTO framework, in the Preamble, Article XX and Article XXIX. Moreover, they argue that express incorporation would go a long way in strengthening the world trading system as well as the currently "toothless" ILO. Of great concern is their fear that developing countries would be able to significantly reduce the cost of their goods by deliberate attempts to lower labor conditions. On the other hand, developing countries staunchly oppose any form of incorporation, arguing that it would lead to a large monetary burden, disruption of export opportunities and convulsion of the WTO system. It is necessary, however, to proceed with caution. In its ever widening scope, the WTO is certain to have profound effects on global labor standards. However, while attempting to include them within its ambit, the WTO must not lose sight of its core ideals.

KEYWORDS: *Labor Standards, Social Clause, International Trade and Labor, Comparative Advantage, Prison Labor, Linkage, Human Rights*