

Towards a "Social Clause" Within the Hemispheric Economic Integration Processes (NAFTA, MERCOSUR, FTAA)

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The document offers a particular process through which a social clause on core labour standards would be realised in North America. The particular process offered is a joint venture between the OAS and the ILO as a first step towards the eventual establishment of an hemispheric organisation that would secure the observance and promotion of ILO conventions by nations in the hemisphere. The document recognises the difficulties in pursuing labour standards in a non-protectionist way because of the view that labour standards obstruct market processes. While higher labour standards could end the "race to the bottom," it emphasises the need to be realistic about searching for a common acceptable floor rather than an ideal ceiling, especially since higher labour standards can also do more harm than good, such as resulting in higher unemployment and lower per capita income. In essence, a "social clause" on labour standards requires that parties take a leadership role in establishing and applying ethical business principles, in setting up a code of ethics and apply these ethical principles in all of their relations, including with local communities, to improve the lives of employees and customers, to provide the highest quality products and services and to contribute to the social well-being and improvement of the countries in which their businesses operate. The core values reflected in this "social clause" include dignity, openness, honesty, fairness, social justice, equality and mutual respect. Its guiding principles include freedom of association and protection of the right to organise, the right to collective bargaining, the right to strike, prohibition of forced labour, restrictions on the employment of children and young persons, elimination of employment discrimination, equal pay for women and men. Enforcement measures of the "social clause" include intergovernmental co-operation, publication and dissemination of the standards to business communities, bi-annual reports on the implementation of the standards to be reviewed by a Committee of Experts, which would submit its conclusions and recommendations to a Joint OAS-ILO Committee for Labour Rights and Social Development, which will then publish a general report.