

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

The process of the Free Trade Area for the Americas (FTAA) is going ahead since the 1994 Miami Summit of the Americas. Meanwhile, NAFTA, MERCOSUR and the other Southern Economic integration projects (such as the Andean Pact and CARICOM) are growing and giving birth to bilateral free trade agreements. As to the core labor rights or standards, NAFTA has its own Labor Agreement (NAALC). MERCOSUR has not already its own Charter of Fundamental Rights. Then, the question is: **Is there a scenario of hemispheric economic integration that could ensure to set up a Charter of Core Labor Standards (or "Social Clause") for the Americas?** Now, there is no indication that core labor standards will be safeguarded throughout the FTAA, so that in 2005, when the "real" negotiations for a free trade agreement for the Americas could perhaps begin, would it be strategically better to let to the FTAA process the "caring for core labor standards"? Or, would it be more relevant to give this task to an eventual **"Joint OAS-ILO Committee for Labor Rights and Social Development"**? This paper will try to give the context of such basic questions, as well as the guidelines for an eventual Social Clause.

### Chapter 1. Labor Rights in NAFTA, MERCOSUR and FTAA.

#### a) NAFTA

On January 1st, 1994, NAFTA took effect. The Labor Agreement (NAALC) was added to NAFTA by the Americans in order to resolve the conflicts or tensions with the "American Federation of Labor and Congress of Industrial Organizations". The AFL-CIO believed that NAFTA would lead to job losses in U.S., since American companies would migrate some of their operations or plants in Mexico and would create a "race to the bottom" as to U.S. wages. On October 4, 1992, during a campaign speech (Student Center, North Carolina State University) the Governor Clinton first indicated his will to negotiate side agreements on environmental and labor issues if elected President. Indeed, the AFL-CIO was part of the Democratic