

**Friedrich Ebert Stiftung (FES) session at the WTO Public Forum 2007 on
The role of Social Standards in Promoting Fair Trade**

WTO, 5 October 2007, 14:15-16:15 hours, Room F

Panelists:

Moderator: *Steffen Grammling* (Program Officer, FES Geneva Office)

Speakers:

- *Cleopatra Domba-Henry* (Director, International Labour Standards, ILO)
- *Veronica Nilsson* (Senior Policy Advisor, Trade Union Advisory Committee, OECD)
- *Auret van Heerden* (President, Fair Labor Association)
- *Claribel David* (Vice-President, International Fair Trade Association)

Relevance of the topic:

The relationship between social standards and international trade has been discussed heatedly from different angles, such as the economic rationale, social dimension, moral imperative and character as universally recognized human rights. Social standards concern policy-makers, business leaders, trade unions, civil society groups, scientists and international organizations. Consumers are becoming increasingly aware of their power to influence production processes by their purchasing decisions. Enterprises originating in developed – but also developing – countries realized that they can no longer ignore the consumer concerns and have to implement corporate social responsibility measures in order to sell their products, particularly when exported into developed countries' markets.

At the WTO Singapore Ministerial meeting in 1996, WTO member states made clear that labour standards should not be misused for protectionist purposes and that the ILO should be the competent body to set and deal with these standards. Independent from this decision, social standards have – implemented even on a voluntary basis – the potential for promoting fairer trade by improving the situation of the producers, which is particularly important in developing countries. Due to the lack of progress at public level, a number of voluntary initiatives emerged that monitor and certify enterprises, which committed themselves to comply with certain social standards. One step further go “fair trade initiatives” that try to improve the situation of producers directly by collecting a “premium” and guaranteeing minimum prices above the world market level.

Objectives of the session:

The session seeks to contribute to make trade work better for development by highlighting the role of social standards and aims in particular

- (i) to provide new insights into the relationship between social standards and international trade;
- (ii) to identify good practices that show how social standards can promote fair trade and how they can be implemented effectively on a voluntary basis; and
- (iii) to explore forms of increased coherence between international organizations in the context of social standards.