

BRIEFING

The International Labour Organisation and international trade

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1 Introduction

The ILO is a UN specialised agency. ILO bodies are a tripartite forum for discussion of key social and labour issues.

The International Labour Organisation (ILO) was founded in 1919. After the Second World War, the ILO became the first United Nations specialised agency. ILO bodies consist of representatives of governments, employers and workers from the 186 member states. This structure allows the bodies to be a unique, worldwide, tripartite forum for discussion of key social and labour issues².

2 ILO mission and objectives

The ILO's four strategic objectives are:

- promote and realise fundamental rights at work;
- create opportunities for decent employment and income for men and women;
- enhance the coverage and effectiveness of social protection for all;
- strengthen tripartism and

The organisation's main aims are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.

These aims are described in detail in the ILO's four strategic objectives:

1. [Promote and realise standards and fundamental principles and rights at work;](#)
2. [Create greater opportunities for women and men to decent employment and income;](#)
3. [Enhance the coverage and effectiveness of social protection for all;](#)
4. [Strengthen tripartism and social dialogue](#)³.

¹ This paper was drafted by Jakub PRZETACZNIK under the guidance of Elina VIILUP and with contribution from Francesco TENUITA (intern).

² For example, at the International Labour Conference member states' delegations consist of two government delegates, an employer delegate and a worker delegate; they are accompanied by their respective advisers.

³ <http://www.ilo.org/global/about-the-ilo/mission-and-objectives/lang-en/index.htm>

social dialogue.

The ILO implements its four strategic objectives through

- policy and programme formulation;
- labour standards backed by supervision system;
- an international technical cooperation programme;
- training, education and research.

These aims and objectives are implemented through:

1. Formulation of international policies and programmes to promote basic human rights, improve working and living conditions, and enhance employment opportunities;
2. Creation of international labour standards backed by a unique system to supervise their application;
3. An extensive programme of international technical cooperation formulated and implemented in an active partnership with constituents, to help countries put these policies into practice in an effective manner;
4. Training, education and research activities to help advance all of these efforts⁴.

3 Core labour standards and the Decent Work Agenda

Conventions and recommendations are ILO legal documents.

The ILO's labour standards are created through two types of ILO legal documents – conventions and recommendations. Conventions are legally binding international treaties and recommendations are non-binding guidelines⁵.

There are currently 189 conventions and 204 recommendations⁶.

Core labour standards were set in order to create a hierarchy of ILO conventions.

In order to create a hierarchy of ILO conventions, the ILO approved the Declaration on Fundamental Principles and Rights at Work (ILO Declaration, 1998)⁷. This declaration states that core labour standards consist of the rights described in eight fundamental labour conventions. The rights described in these conventions belong to four rights categories: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation⁸.

The core labour standards support four categories of rights.

The ILO has been very active in promoting its Decent Work Agenda (DWA), with the aim of creating better working conditions to increase people's well-being. The Agenda was launched in 1999 and is being put into practice

The objectives of the Decent Work Agenda are promoting jobs,

⁴ International Labour Organisation, p. 5, http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---webdev/documents/publication/wcms_082361.pdf

⁵ Samira Salem, Faina Rozental, 'Labor standards and trade: a review of recent empirical evidence' (2012).

⁶ <http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:1:0::NO::>, accessed on 12 November 2015.

⁷ S. Salem, F. Rozental (2012), *op. cit.*

⁸ <http://www.ilo.org/declaration/lang--en/index.htm>, accessed on 12 November 2015; the ILO Fundamental Conventions forming the core labour standards cover the following issues: Forced Labour (Convention 29); Freedom of Association (Convention 87); Right to Organise and Collective Bargaining (Convention 98); Equal Remuneration (Convention 100); Abolition of Forced Labour (Convention 105); Non-discrimination (Convention 111); Minimum Age (Convention 138); Worst Forms of Child Labour (Convention 182).

guaranteeing rights at work, extending social protection and promoting social dialogue.

The DWA became a goal of the UN's 2030 Agenda for Sustainable Development.

The EU cooperates with the ILO on both DWA issues and the worldwide ratification process of ILO conventions.

through the implementation of the ILO's four strategic objectives, namely [promoting jobs](#), [guaranteeing rights at work](#), [extending social protection](#) and [promoting social dialogue](#). The fifth cross-cutting objective is gender equality⁹.

The DWA and its above-mentioned components became a goal of the United Nations' 2030 Agenda for Sustainable Development, approved by the UN General Assembly in September 2015¹⁰.

The EU-ILO partnership in the DWA field was widened in 2001 to include policy areas such as EU enlargement, trade and development and external assistance¹¹. Since then, several joint projects have been launched. The TACKLE project, for instance, was funded by the European Commission to fight child labour in 12 countries across Africa, the Caribbean and the Pacific group of states (ACP)¹². This project contributed directly to the ratification of the Worst Forms of Child Labour Convention (No 182) and the Minimum Age for Admission to Employment Convention (No 138) by Sierra Leone in 2011¹³. Other projects, such as the 2006 Maritime Labour Convention and the promotion of the Domestic Workers Convention, also witnessed the EU taking a proactive role in backing ILO-led initiatives¹⁴.

3.1 Labour standards and labour conditions

When backed by enforcement mechanisms, labour standards may improve actual labour conditions.

The question of how labour standards can improve labour conditions is very important in order to properly assess international labour policies. Currently available research suggests that ratification of ILO conventions does not necessarily result in better labour conditions. However, when international trade agreements back labour standards by means of enforcement mechanisms, possibly backed in turn by positive incentives, this may lead to an improvement in labour conditions¹⁵.

⁹ <http://www.ilo.org/global/about-the-ilo/decent-work-agenda/lang--en/index.htm>, accessed on 16 November 2015.

¹⁰ 'Transforming our world: the 2030 Agenda for Sustainable Development' http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E, accessed on 16 November 2015.

¹¹ 'The ILO and the EU, partners for decent work and social justice: Impact of ten years of cooperation', ILO, p. 6, retrieved 26 November 2015, http://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-brussels/documents/publication/wcms_195135.pdf.

¹² More information available at <http://www.ilo.org/ipecc/projects/global/tackle/lang--en/index.htm>.

¹³ 'The ILO and the EU, partners for decent work and social justice', *op. cit.*, p. 10.

¹⁴ More information on EU-ILO decent work cooperation available at http://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-brussels/documents/publication/wcms_195135.pdf.

¹⁵ S. Salem, F. Rozental (2012), *op. cit.*

3.2 ILO standards and the DWA as a reference point for trade negotiators and other international organisations

ILO standards are used by different international organisations.

The ILO standards and the DWA are used as a reference point for many international organisations, including the OECD and G20.

For example, the [OECD Guidelines for multinational enterprises](#) recognise the ILO as ‘the competent body to set and deal with international labour standards, and to promote fundamental rights at work as recognised in its 1998 Declaration on Fundamental Principles and Rights at Work’. It is further clarified that ‘The *Guidelines*, as a non-binding instrument, have a role to play in promoting observance of these standards and principles among multinational enterprises’.

Many international trade agreements also refer to the ILO standards.

The European Commission, while negotiating trade agreements, assesses the impacts of trade initiatives on the implementation of ILO core labour standards and the promotion of the DWA.

The European Commission, while negotiating trade agreements, assesses the impacts of given trade initiatives on both the implementation of ILO core labour standards and the promotion of the Decent Work Agenda. This takes the form of Trade Sustainability Impact Assessments (Trade SIAs). These can contain general remarks, but also sectoral analyses.

This takes the form of Trade Sustainability Impact Assessments (Trade SIAs).

For example, one of the annexes to a Sustainability Impact Assessment on ASEAN (2009) includes a case study on decent work issues in the textile, clothing and footwear sectors.

The European Commission recognises the ILO conventions on core labour standards as part of the human rights normative framework.

In the future, trade-related legislation will also be analysed in accordance with DG Trade’s new internal guidelines on the human rights impacts of trade initiatives. These guidelines state that ‘analysis should be based on the normative framework of human rights’ and they include a list of instruments to be used¹⁶. The fundamental ILO conventions on core labour standards are listed in second place, just after the core UN human rights conventions. This demonstrates that the ILO standards are recognised as being part of the human rights normative framework¹⁷.

4 EU-ILO Annual High-Level Meetings

The main topics of the October 2015 High-Level Meeting were:

- the future of work and how to elaborate policy responses that take into

The Exchange of Letters, as renewed in 2001, provides the basis for the Annual High-Level Meeting between the European Commission and the ILO.

The main topics on the agenda of the 12th High-Level Meeting, which took place in Brussels on 30 September-1 October 2015, were: the future of work and how to elaborate policy responses that take into account the new

¹⁶ E. Viilup, ‘The EU’s Trade Policy: from gender-blind to gender-sensitive?’, [http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/549058/EXPO_IDA\(2015\)549058_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/549058/EXPO_IDA(2015)549058_EN.pdf)

¹⁷ European Commission, ‘[Guidelines on the analysis of human rights impacts in impact assessments for trade-related policy initiatives](#)’ (2 July 2015).

account the new economic system;

- the fragmentation of production processes and new technologies in order to ensure job creation;
- the post-2015 agenda;
- the relationship between labour and trade;
- social dialogue;
- migration;
- forced labour issues.

The EU and the ILO will strengthen cooperation in multilateral forums.

The European Commission and the ILO will explore ways to intensify their cooperation on implementation of fundamental rights at work in the context of trade-related matters, including binding provisions in EU FTAs and in the GSP framework.

Migration and the refugee crisis are high on the EU and the ILO agenda; joint actions may be implemented.

economic system, the fragmentation of production processes and new technologies in order to ensure job creation, the post-2015 agenda, the relationship between labour and trade, social dialogue, migration and forced labour issues. This meeting was organised at Director-General level¹⁸.

The Joint Conclusions of the 12th High-Level Meeting contain 65 points, divided into three parts: General conclusions (4 points), Strategic orientations for ILO-EU cooperation in the global agenda (30 points), Issues addressed in technical meetings (31 points)¹⁹.

The Joint Conclusions recognised the pressing human, economic and social challenges, as well as the opportunities offered by the 2030 Agenda for Sustainable Development. In response to these, the ILO and the EU decided to enhance cooperation at several levels.

This cooperation should include strengthening of EU-ILO coordination in the G20 and other multilateral organisations, as well as within the context of the UN's 2030 Agenda for Sustainable Development, reinforcement of contribution to each other's initiatives and consultation on issues of common interest requiring immediate attention.

Point 25 of the Joint Conclusions declares that the ILO and the European Commission will 'explore ways to intensify their cooperation with respect to the implementation of fundamental principles and rights at work in the context of trade related matters'. This should include 'binding provisions in this area contained in EU Free Trade Agreements and in the GSP framework'.

Other points under the trade section provide for continuation and enhancement, wherever possible, of the exchange of information on the implementation of core labour standards by partner countries, which 'may include ILO providing expertise and technical assistance to support the implementation of core labour standards'. The ILO and the European Commission will explore the possibility of carrying out joint research and capacity-building initiatives on trade and labour issues.

The document states that migration and the refugee crisis are high on the EU and the ILO agenda. In this context, the Joint Conclusions reaffirm a rights-based approach to these problems, and state that the European Commission and the ILO will explore the possibility of implementing joint actions and further cooperation with regard to smuggling of migrants, trafficking in human beings, forced labour, etc.

The technical part of the Joint Conclusions provides specific examples of

¹⁸ EEAS, 12th High Level meeting between the International Labour Office and the European Commission, http://eeas.europa.eu/delegations/un_geneva/press_corner/all_news/news/2015/2015100_6_ilo_en.htm, accessed on 25 November 2015.

¹⁹ http://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-brussels/documents/genericdocument/wcms_431779.pdf

cooperation and a kind of roadmap for the coming year.

These provisions concern six areas:

- informal economy and undeclared work;
- youth unemployment (including cooperation in multilateral fora: 2030 Agenda, G20);
- Occupational Safety and Health (OSH) and working conditions; in this regard:

The EU-ILO roadmap for 2016 includes:

- informal economy and undeclared work;
- youth unemployment;
- Occupational Safety and Health (OSH);
- cooperation in specific country programmes in third countries;
- joint research;
- preparation of international key events (G20, G7, International Labour Conference and others).

- as both organisations run programmes on OSH, the ILO and the EU will 'explore possibilities to work together on OSH in the context of global supply chains, sub-contracting and in emerging economies, promotion of sustainable production practices including better working conditions, in particular in the garment sector',
 - the ILO and the EU will 'cooperate on safer workplaces in the context of the G20, responsible supply chains in the context of the G7 and Vision Zero Fund',
 - the European Commission will prepare the EU's contribution to the ILO general discussion on decent work in global supply chains for the 105th session (2016) of the International Labour Conference (the highest policy body of the ILO);
- specific country programmes (this concerns the continuation, fostering and exploring of new possibilities for cooperation in Bangladesh, Myanmar, Pakistan, Thailand, the Gulf countries, Uzbekistan, Enlargement and Eastern Neighbourhood countries, Southern Neighbourhood countries and Africa);
 - joint research;
 - preparation of forthcoming international key events:
 - the G20, and in particular preparation of the Labour and Employment Ministerial Meetings and the meetings of the Taskforce on Employment,
 - the High-Level Meetings of the Bangladesh Compact and the Myanmar Labour Rights initiatives,
 - the G7 joint employment and development Ministerial Meeting on responsible supply chains in October 2015,
 - the ASEM Labour and Employment Ministerial Meeting in December 2015,
 - preparation of the June 2016 International Labour Conference agenda items on: 1) Global Supply Chains, 2) Employment and Decent Work for Peace and Resilience, 3) Social Justice and 4) Declaration and labour standards,
 - the Union for the Mediterranean Employment and Labour Ministerial Meeting, planned for September 2016.