Revitalising 2.0: building back better and healthier

Mr. Richard Jones, Head of Policy and Regulatory Engagement
Dr. Ivan Williams Jimenez, Policy Development Manager
Mrs. Marijana Zivkovic Mtegha, Strategic Engagement Manager

Institution of Occupational Safety and Health
Policy Brief
4,096 Words

Keywords: building back better, occupational safety and health, sustainability.

A contribution to the Policy Hackathon on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements

Disclaimer: The author declares that this paper is his/her own autonomous work and that all the sources used have been correctly cited and listed as references. This paper represents the sole opinions of the author and it is under his/her responsibility to ensure its authenticity. Any errors or inaccuracies are the fault of the author. This paper does not purport to represent the views or the official policy of any member of the Policy Hackathon organizing and participating institutions.
Highlights

This policy brief highlights how well-managed work and good occupational safety and health (OSH) can support a timely response and recovery from crises or pandemic; the provision of goods and services; and delivery of the United Nations Sustainable Development Goals (SDGs). It also shows how designing-in good OSH can reduce human, economic and societal costs and mean that organisations, communities and regions can all revitalise and ‘build back better and healthier’ (Revitalise 2.0).

The paper highlights support and evidence on the need for, and benefits of, effective OSH provisions within trade policy and agreements, with key points as follows:

- There should be rebuilding of economies and societies to achieve the SDGs, with all crisis measures respecting key principles, such as decent work conditions and human rights (source OECD).
- OSH is a vital part of SDGs, directly relating to 41 of the targets in 11 of the 17 Goals.
- The average return on prevention for OSH interventions has been estimated at 2.2:1 and for workplace mental health 4.2:1 (sources ISSA and Stevenson / Farmer).
- Trade Agreements (TAs) subject to labour provisions increase trade on average equal to, or slightly better than, those without them (source ILO).
- Incentive-based labour provisions under the European Union Generalised Scheme of Preferences are believed to have helped achieve progress in El Salvador and Cambodian textile sector (source ILO).
- Exports of low-income countries benefit from improvement of labour conditions in North-South TAs, with stronger impact where accompanied by deeper cooperation (source Carrère et al).
- Given the crucial role of government capacity to monitor rights and conditions for labour-market outcomes, trade-related provisions could be seen as one way to “boost the benefits of growth, minimise costs and tackle inequalities” (source ILO).
- Supporting impetus for regulatory harmonisation in trade-related labour and OSH practices, legally binding instruments, are now proposed for transnational corporations and other business enterprises on human rights (sources UN and European Parliament).
- Cooperation and capacity-building contribute to delivery of the OSH provisions (sources USMCA, CPTPP, Model proposal, Republics of Chile and Turkey FTA, US-Jordan FTA).
- Civil society involvement is important for helping monitor the OSH provisions (sources Investment Court System, ILO and Model proposal).

To facilitate discussion and progress, the brief recommends and offers suggested draft text for trade agreements covering epidemics and pandemics, including parties’ commitment to the principles of the ILO guidelines on OSH management systems and the international standard ISO 45001, together with those of ISO 20400 on sustainable procurement; providing disease prevention controls and training; keeping one another informed about potential outbreaks; and cooperating with corporate, national and regional plans to support socially responsible trade in the prevention, outbreak and recovery stages of communicable disease.

It concludes that, to support socially responsible trade and sustainability, general elements of trade agreements should include a minimum level of OSH regulations; upward harmonisation of regulatory standards and practice; effective enforcement of regulations; implementation of international standards; provision of OSH assistance, capacity-building and cooperation; and OSH risk management, transparency and civil society involvement.
This policy brief also provides an Annex listing selected trade agreements, schemes and proposed models with brief descriptors and extracts from their labour and OSH provisions, which helped inform this document, together with the cited references.

Introduction

This paper presents the case that the major and protracted socioeconomic disruption caused by global crises and the imperative to recover and learn from them, underscores the growing impetus to make occupational safety and health (OSH) and the UN’s Sustainable Development Goals (SDGs) central to trade policies and recovery plans. OSH is a vital part of SDGs, directly relating to 41 of the targets in 11 of the 17 Goals and is particularly relevant to Goal 3 (*Ensure healthy lives and promote wellbeing for all at all ages*) and Goal 8 (*Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*). Specifically, the briefing shows how work and workplaces worldwide can act as focal points for building back better and healthier after disasters (also referred to here as ‘Revitalising 2.0’).

Today’s trade landscape is ever-more complex and interconnected, with around 70% of international trade involving global value chains (GVCs), which means services, raw materials, parts and components crossing borders multiple times before incorporation into final products for worldwide export. Following COVID-19, the World Trade Organisation (WTO) has estimated that world trade is expected to fall by between 13 and 32% in 2020, exceeding the decline caused by the global financial crisis in 2008-9. Added to this, the Global Health Security Index recently assessed that 195 countries have weak health security systems, finding no country fully prepared for pandemic.

In addition to the health emergency, the International Labour Organization (ILO) highlights that the crisis has brought an economic and labour market shock affecting both supply (goods and services) and demand (consumption and investment). Meanwhile, as part of the worldwide effort to control spread, it has also been estimated that 2.7 billion workers have been affected by lockdowns. Unemployment is anticipated to grow, with the Organisation for Economic Co-operation and Development (OECD) estimating that for OECD countries it will climb to 9.2% in 2020, or if there is a second wave of COVID-19, to 10%, together with predicted drops in gross domestic product.

For developing countries, the pandemic comes in addition to pre-existing problems, such as food or security crises, under-funded healthcare systems and the impacts of climate change. Exports in developing-Asia are down, as is growth in Africa. Initial estimates suggest that global poverty may increase by up to half a billion people. OECD urges the rebuilding of better economies and societies to achieve the SDGs, with all crisis measures respecting key principles, such as decent work conditions and human rights. Also, that official development assistance is increased, with a ‘new development model’ for resilience and sustainability.

---

1 Use of this name refers back to the 2000 UK Government 10-year strategy ‘Revitalising health and safety strategy statement’, which aimed to set an improvement agenda for the then new millennium and can now be considered ‘Revitalise 1.0’.
Background

Historically, free trade agreements (FTAs) primarily sought to remove barriers to trade, covering social issue like OSH only indirectly, if at all. While ILO instruments are embedded in two-thirds of labour provisions in trade agreements, the vast majority are to the ILO Declaration on Fundamental Rights Principles and Rights at Work (1998) and only 15% refer to the ILO fundamental conventions, for which parties can rely on the ILO supervisory body reports.\(^8\) Fundamental rights are essential, as poor working conditions and ill-treatment at work, including factors such as poor pay and discrimination, can lead to excessive hours, fatigue and mental and physical harm. Protecting human rights at work is clearly integral to workers’ wellbeing and ability to fulfil their potential, which importantly also requires safe and healthy working conditions.

In recent decades, the importance of labour provisions and social clauses has been increasingly recognised and according to the ILO, 77 trade agreements (TAs) in 2016 included labour provisions, with 63.6% of these occurring since 2008. Research by ILO also indicates that agreements subject to labour provisions increase trade on average equal to, or slightly better than, those without them.\(^8\) Notably, the Association of Southeast Asian Nations (ASEAN) Economic Community, formed in 2015, seeks to promote freer flow of investment, goods and services, and skilled labour movement in the region. And in support of this, it reports working on minimising trade barriers through harmonising standards, such as on OSH, in line with ILO’s standards.\(^10\) The ILO highlights studies arguing that labour-market outcomes depend on institutional factors, such as government capacity to monitor rights and conditions and that, in this regard, trade-related labour provisions could be seen as one way to “boost the benefits of growth, minimise costs and tackle inequalities.”\(^11\)

The labour standards included in TAs cover a broad range from basic human rights to provisions on working conditions and pay and frameworks for cooperation. Europe’s FTAs are notable for referencing community law, rather than national law, as other FTAs have done. This includes the Framework Directive covering OSH and related directives on issues such as dangerous substances. USA labour provisions have evolved significantly since the North American Free Trade Agreement (NAFTA), renegotiated and renamed the US-Mexico-Canada agreement (USMCA) with integral chapters and more enforcement. Labour obligations, including OSH, are now important elements of USA FTA negotiations and trade preference programmes. Outside USA, there is a labour chapter within a new eleven-nation Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) agreed in 2018. CPTPP is referred to by the Center for Strategic & International Studies as the ‘next generation’ in trade agreements.\(^12\)

Further to this, the briefing provides a summary review of selected trade agreements, schemes and proposed models in respect to their labour, decent work and OSH provisions in the Annex. Many of the examples help demonstrate the increasing role that protection of human rights and OSH play in trade agreements, with emphasis on ensuring that growth in trade never comes at the expense of worker protection and also on working cooperatively on OSH. These include: the European Union, USMCA, CPTPP, and the US-Jordan and Republics of Chile and Turkey FTAs.
Incentives and cooperation

It has been argued that to improve the effectiveness of Labour Provisions in trade agreements, they should include binding labour development plans linked to economic incentives (rather than sanctions), with implementation monitored by civil society. Incentive-based labour provisions under the EU Generalized System of Preferences is believed to have helped achieve progress in El Salvador and researchers believe a similar incentivising approach led to improved working conditions in the Cambodian textile sector.\textsuperscript{8}

This principle of cooperation is supported by the Carrère \textit{et al} study of 437 TAs into whether labour clauses (LCs) in FTAs provide worker protection or protectionism, which reported that exports of low-income countries benefit from the improvement of labour conditions in North-South trade agreements, with the impact stronger when accompanied by deeper cooperation. Carrère concludes that “\textit{Contrary to what is sometimes suggested low-income countries should not fear the introduction of LC as a protectionist tool in trade agreements, as they help rather than hinder their market access to high-income countries. And high-income countries should embrace LCs with deep cooperation mechanisms since the greater trade they engender is likely to be associated with "fairest trade", thereby helping to level the playing field for workers and businesses at home.}”\textsuperscript{13}

In order to protect workers from COVID-19, those providing essential goods and services have assessed and controlled the risks of significant exposure, considering any vulnerability factors. Responsible employers have communicated and implemented control measures, prioritising the most effective. These have included social distancing, improved hygiene and good ventilation, together with appropriate personal protective equipment and face coverings. Training and signage have helped remind workers of the arrangements, including that any workers who have symptoms should not come to the workplace. Such employers have also factored in the effects on workers of home working, travel restrictions, child-care disruption and lockdowns.

However, unfortunately, without proper explanation, for some, OSH COVID-19 measures can be perceived as adversely affecting production capacity and costs, including from reduced labour mobility.\textsuperscript{14} So, it is important that struggling organisations are given government and supply chain support and that good communication ensures the many enabling benefits of effective OSH are understood as boosting both public health and economic prosperity. That is, OSH is recognised as an investment in a successful present and future, not a cost. Where this may not have been the case and OSH has not been effectively managed, there have been outbreaks of COVID-19, such as in meat processing plants in the UK, Germany, France, Spain and USA.\textsuperscript{15}

As well as preventing the spread of communicable diseases, the many benefits of OSH can include improving morale, as well as reducing absenteeism and employee turnover rates, and also cutting downtime and the costs of business disruption due to incidents.\textsuperscript{16} Experiences include, for example, that the majority of certificated organisations responding to the British Standards Institute found the new occupational health and safety management system standard (ISO 45001) has helped them comply with regulations, manage business risk, inspire trust in their business and help protect their organisation.\textsuperscript{17} While more generally, studies have concluded that good work is good for health and wellbeing\textsuperscript{18} and positive feelings about work have been linked to increased productivity, profitability and both customer and worker loyalty.\textsuperscript{19}
Immediate risks and solutions

As already noted, pandemics bring many risks in addition to health, such as those to trade and employment. These include production capacity and global supply chain disruption; threats to employment, including in the informal economy; demand-slumps caused by lockdowns limiting trade, travel and investment; bottlenecks caused by lack of convergence and interoperability of standards and certifications; and lower trade investment from other countries.

In the immediate crisis, OECD has highlighted actions to help keep the trade flowing. These include speeded-up border checks for medicinal products and food; minimising the need for physical interaction between customs and other border officials and traders at borders (via digitalisation of processes where feasible); and efforts to boost international cooperation on risk management to facilitate movement of goods, together with continued help for lower-income countries. These can support trade and supplies by ensuring better protection and provision for frontline staff.

During the current pandemic, OECD also advises that firms and governments develop better understanding of the strengths and vulnerabilities of key supply chains and consideration of trade and investment policy to support building resilience. It recommends that government support during COVID-19 should adopt transparent, non-discriminatory, timebound measures. Again, supply chain management and the protection of vulnerable workers, for example migrant workers in dormitories, is essential for disease-control and continued operations.

Across the world, national lockdowns and stay-at-home orders have meant that many workers have started, continued or increased working from home, making use of technology to support office activities. The International Standard on OHSMS, ISO 45001 requires that for hazard identification, organisations consider workers at locations not under the direct control of the organisation, such as those working from home.

Under UK health and safety law, employers need to do what is reasonably practicable to reduce health and safety risks and this includes where workers work from home. While under the European Framework Directive 89/391/EEC, Article 6, employers in Member States must be alert to the need to adjust their health and safety measures to take account of changing circumstances, such as pandemic and other crises and also, aim to improve existing situations. The OSH risks associated with homeworking and remote working are well-known and include musculoskeletal disorders and psychosocial risks, including from isolation and disruption of work-life balance. The Framework Directive requires employers to assess such risks and take appropriate action, including providing adequate training.

Trade policies and agreements should include contingency for pandemic and other crises and commitment to manage any related OSH risks to workers, whether this is to frontline staff or those working from home, quarantined or furloughed or others adversely affected by international restrictions, such as those working at sea. As an estimated 80% of global trade is via maritime transport systems, it is important that seafarers are treated as key workers during pandemics and that safe crew changes can take place to protect their wellbeing. Such contingency will help prevent injury and illness and maintain productivity and morale.
Longer-term risks and solutions

It has been reported that absence of OSH infrastructure worsens the impact of pandemics and that trade agreements should be restructured to prioritise OSH commitments. So, as well as immediate short-term public policy responses to protect lives and jobs today, longer-term strategies are required to revitalise and build back better and healthier, avoiding recessions, ill health and unemployment and creating vibrant economies and societies.

Training and skills need to be developed for a post COVID-19 labour market. This means seizing the opportunity to build OSH capacity, design-in OSH and develop risk intelligence life-skills for future generations and sustainable trade and employment. Training can positively impact performance and research in the construction sector has shown that companies with OSH professionals who trained staff in OSH, had lower accident frequency rates (AFR). Also, that companies with higher OSH training and/or qualifications for line managers were associated with the lowest AFR averages and that these were eight times lower than in those organisations with the lowest level of qualifications.

As well as national measures to ensure supply, OECD reports potential scope for international agreement to provide greater certainty in key supplies in international markets and build confidence about trade flows to support future pandemic management. And the World Health Organisation (WHO) advocates a new ‘emergency global supply chain system’ to provide countries with essential supplies. It also seeks to identify gaps in independent procurement capacity and a ‘hub and spoke’ global logistics distribution chain for cargo and humanitarian responders. WHO believes there is an opportunity to emerge with stronger health systems and global collaboration to face the next health threat.

As mentioned earlier, the inclusion of labour provisions in trade is a growing current trend and is notable in the USMCA and, more recently, in the EU-Vietnam trade and investment agreements. For the latter, it is intended they will promote sustainable development on both sides, with strong commitments to the ILO Conventions on fundamental rights at work and high standards of labour protection. Importantly, the EU aims to secure such agreements with the whole ASEAN region.

Further to the impetus for regulatory harmonisation in trade-related labour and OSH practices, at an international level, a legally binding instrument on transnational corporations and other business enterprises with respect to human rights and decent work is being discussed and prioritised. At the European level, legislation will be introduced in 2021 to make human rights due diligence mandatory for EU companies. The nature of these future mandatory instruments could help improve prioritisation of human rights, labour and OSH provisions in trade and investment.
Conclusions and recommendations

In order to protect trade during global crises, national and regional trade policies and agreements must protect the greatest source of value creation – the world’s workforce. Ensuring a healthy working environment saves lives and livelihoods and maintains productivity, reliability and flexibility to meet changes in demand. In addition, designing-in health and safety at the concept stage of major infrastructure developments and project investments can lead to many socioeconomic benefits, as typified by the successful London 2012 Olympic Park development, which was built on time, on budget and without fatality. Given their potential impacts on wider society, it is recommended that public investment and national trade and development decisions and policy implementation, involve relevant stakeholder groups, including civil society.

In addition to the humanitarian and legal imperatives, there is also an economic case for effective OSH management. *Occupational health: The global evidence and value* concluded that, despite limitations on available research, the overall health-related impact and return on investment of well-designed occupational health programmes is positive for a wide variety of interventions in different countries. And the study *Calculating the international return on prevention for companies* estimated an average return on prevention of 2.2:1, based on subjective assessments given in interviews with companies in 19 different countries. In terms of workplace mental health interventions, the Stevenson-Farmer review of mental health and employers highlights the return on investment as positive, with an average return of 4.2:1.

As part of ‘building back better and healthier’ (Revitalise 2.0), trade policy and agreements with a focus on sustainable development can raise standards and facilitate responsible trade. ILO Conventions and OSH management principles are important basic requirements for all future trade and investment policy, which needs to support OSH capacity and emergency plans as assurance against supply chain disruption, as well as facilitators of the green economy, modern infrastructure and new health and social care systems.

It is therefore recommended that the principles of the ILO guidelines on OSH management systems and the international standard ISO 45001 are used by organisations, governments, regions and investors to support responsible and sustainable trade. These include leadership and worker involvement, OSH risk assessment and control, competent OSH assistance, supply chain management and emergency planning. This can all help ensure that trade in essential goods and services can be safely maintained during a crisis (robustness) and also that there is speedy and safe resumption of operations post-disaster (resilience).

In addition, to meet the needs of GVCs, it is recommended that the principles from the standard on sustainable procurement (ISO 20400) are incorporated too. These include accountability, transparency, respect for human rights and ethical behaviour, advocating decent working conditions for suppliers’ employees and purchasing decisions that benefit society as a whole. Elements of effective supply chain management to facilitate safe and healthy operations and minimise unplanned downtime, include requesting supplier risk assessments for workplaces and living arrangements and working with suppliers to improve protections.

An example of an agreement requiring support for suppliers is the ‘Accord on Fire and Building Safety in Bangladesh’, established after the Rana Plaza factory-collapse disaster in
2013. This was a five-year legally binding agreement between global brands and retailers and trade unions, to improve building and fire safety in the Bangladesh readymade garment (RMG) industry. Its requirements included public disclosure of factories, inspection reports and corrective action plans and a commitment by signatory brands to ensure availability of sufficient remediation funds. The ‘Accord’ was extended in 2018 and has now been replaced by a new Transition Accord Agreement, overseen by the RMG Sustainability Council.36

**So, to support socially responsible trade and sustainability, it is recommended that general elements of trade agreements include a minimum level of OSH regulations; upward harmonisation of regulatory standards and practice; effective enforcement of regulations; implementation of international standards; provision of OSH assistance, capacity-building and cooperation; and OSH risk management, transparency and civil society involvement.**

This should entail specific emergency and crisis clauses outlining OSH required at corporate, national and regional levels, to prevent illness and minimise problems such as disrupted supply chains and labour shortages (by providing safe travel, transport and transit of people and goods); panic-buying (through good communication and assured safe supplies); and unmet demand-surges (through well-managed stockpiles and surge capacity).

For epidemics and pandemics, it is recommended that trade deals cover commitment to early warning and contagion prevention systems (use of test, trace and isolate); supply chain mapping and support for vulnerability to infectious disease; and safe working during pandemic and return to work after lockdowns. An example of draft text for trade agreements on this could include:

“To minimise trade disruption caused by disease outbreaks, the parties agree to a) implementing the principles of *ILO-OSH 2001: Guidelines on occupational safety and health management systems*; or *ISO 45001: 2018 Occupational health and safety management systems – Requirements with guidance for use*; and *ISO 20400: 2017 Sustainable procurement – Guidance* b) providing disease prevention controls and training, worker consultation processes, case reporting and investigation and effective emergency procedures c) keeping one another informed about potential outbreaks within relevant territories and supply chains that could adversely affect trade d) cooperating with corporate, national and regional plans to support socially responsible trade during the prevention, outbreak and recovery stages of communicable disease.”

Operational arrangements need to address potential trade-barriers during disease outbreaks, such as prioritised local needs and risk-control opacity; and also deploy potential trade-facilitators across GVCs, such as investment assurance criteria and transparency on OSH. This will require assurance on key elements, including OSH risk management; resourcing of health and social services; adequacy of infrastructure, logistics and transport; and ability to meet demand-surges.

This paper has helped to provide evidence on the need for more emphasis and clarity on how OSH provisions are articulated, regulated and enforced in trade policy and agreements. Ongoing research is recommended to further build the evidence-base and share intelligence on the best improvement options.
In conclusion, supporting responsible trade and sustainability during epidemics, pandemics and other crises requires planning and commitment to effective OSH management throughout operations and supply chains worldwide and that this is reflected in trade policy and agreements. When revitalising strategies and operations and planning the way forward, policymakers, investors and organisations can benefit from the advice of OSH professionals, who can help them to manage their OSH risks, identify workable solutions, train their personnel, improve their performance and transparency and build OSH capacity and cooperation for a safe, healthy and successful future.

Overall, it is recommended that trade policy and agreements include clear OSH requirements as *Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements* and that these also inform all future general trade and development strategies.
References


A. Reuben. Coronavirus: Why have there been so many outbreaks in meat processing plants? London: BBC Reality Check, 23 June 2020. [accessed July 2020]
www.bbc.co.uk/news/53137613


36. Accord on Fire and Building Safety in Bangladesh website https://bangladeshaccord.org/

### Selected trade agreements, scheme or proposed model
(chronologically listed) and brief descriptor / extract

<table>
<thead>
<tr>
<th>Trade agreement, scheme or proposed model</th>
<th>Brief descriptor / extracts on labour and OSH provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>European Economic Area Agreement, Annex XVIII July 2020</strong></td>
<td>European Union (EU) labour law defines the rights and obligations of workers and employers in the workplace, and while not a direct part of the European Economic Area (EEA) fundamental freedoms, accompanies the rules establishing them. It mainly focuses on working conditions, including working time, part-time and fixed-term work, and posting of workers, and information and consultation of workers. <a href="https://www.efta.int/media/documents/legal-texts/eea/the-eea-agreement/Annexes%20to%20the%20Agreement/annex18.pdf">https://www.efta.int/media/documents/legal-texts/eea/the-eea-agreement/Annexes%20to%20the%20Agreement/annex18.pdf</a></td>
</tr>
</tbody>
</table>
| **United States-Mexico-Canada Agreement July 2020** | The United States-Mexico-Canada Agreement (USMCA) aims modernise the North American Free Trade Agreement (NAFTA) and strengthen labour provisions that reflect key elements of the Trans-Pacific Partnership (TPP). It also includes new commitments related to violence against workers, migrant worker protections and discrimination in the workplace, all of which can impact workers health, safety and wellbeing. Examples of the commitments include:  

> "Each Party shall adopt and maintain statutes and regulations, and practices thereunder, governing acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health." and "No Party shall fail to effectively enforce its labor laws through a sustained or recurring course of action or inaction in a manner affecting trade or investment between the Parties after the date of entry into force of this Agreement." It also includes Article 23.4: Non-Derogation:

> "The Parties recognize that it is inappropriate to encourage trade or investment by weakening or reducing the protections afforded in each Party’s labor laws. Accordingly, no Party shall waive or otherwise derogate from, or offer to waive or otherwise derogate from, its statutes or regulations: (a) implementing Article 23.3.1 (Labor Rights), if the waiver or derogation would be inconsistent with a right set out in that paragraph; or (b) implementing Article 23.3.1 or Article 23.3.2 (Labor Rights), if the waiver or derogation would weaken or reduce adherence to a right set out in Article 23.3.1 (Labor Rights), or to a condition of work referred to in Article 23.3.2 (Labor Rights), in a special trade or customs area, such as an export processing zone or foreign trade zone, in the Party’s territory; in a manner affecting trade or investment between the Parties."  

An Annex commits Mexico to legal action to ensure the right to collective bargaining. The Chapter also specifies that parties may... |
<table>
<thead>
<tr>
<th><strong>EU-Vietnam FTA</strong></th>
<th>The European Union-Vietnam Free Trade Agreement (EUVFTA) has emphasis on sustainable development with strong commitments on fundamental labour rights. The EUVFTA requires Vietnam to comply with the International Labour Organization (ILO) core international labour and environmental standards. Vietnam has ratified six of eight ILO standards and the EU seeks full ratification of ILO Convention 105 on the abolition of forced labour and ILO Convention 87 on freedom of association by 2020 and 2023, respectively. The chapter on Trade and Sustainable Development has provisions “…with the two-fold aim of (1) promoting mutual supportiveness between trade and investment, labour, and environmental policies, and (2) ensuring that increased trade and investment do not come at the expense of workers and environmental protection.” It includes obligations from the EU and Vietnam on a core set of labour and environmental issues.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ratified by EU (Feb’20) and by Vietnam (Jun’20), it replaces the bilateral agreements that 21 Member States have with Vietnam.</strong></td>
<td><strong>Expected July / August 2020</strong></td>
</tr>
<tr>
<td><strong>European Union - Mexico agreement (agreed 28 April 2020)</strong></td>
<td>The European Union-Mexico trade agreement is part of a wider Global Agreement, providing a framework for EU-Mexico relations and covers interests beyond trade, including political issues, climate change and human rights. The EU has robust laws on the protection of workers' rights and the EU and Mexico have agreed that the new trade agreement must support existing rights and not lower or dilute them. In the Trade and Sustainable Development (TSD) Chapter, the EU and Mexico agreement sets out common objectives to build free and fair-trading relationships, by combining the values of sustainable development with economics and trade. The TSD Chapter contains a set of binding commitments to protect workers' rights, environmental and climate protection, based on the International Labour Organization (ILO) Conventions and the Multilateral Environmental Agreements (MEAs). These commitments include obligations to implement the fundamental ILO standards such as freedom of association and effective recognition of the right to collective bargaining, elimination of all forms of forced and compulsory labour, abolition of child labour, and elimination of discrimination in respect of employment and occupation. These are complemented by a resolve to promote the ILO Decent Work agenda, including on occupational health and safety, working conditions, and labour inspection.</td>
</tr>
<tr>
<td><strong>Comprehensive and Progressive Agreement for</strong></td>
<td>The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is the replacement for the Trans-Pacific Partnership (TPP) agreement, after the USA withdrew. It came into force on 30 December 2018 and has 11 signatories to the 30 Chapter</td>
</tr>
</tbody>
</table>
### Trans-Pacific Partnership 2018

agreement, Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. Though its text remains similar to TPP, CPTPP is dubbed by some commentators as the ‘next generation trade agreement’, and also calls for “…domestic adoption of internationally agreed-upon labor laws and environmental commitments.” The labour chapter includes: “acceptable conditions of work with respect to minimum wages⁴, hours of work, and occupational safety and health”; and “Each Party shall adopt and maintain statutes and regulations, and practices thereunder, governing acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.”; and it lists areas of cooperation, which may include issues such as: “work-life balance”, “occupational safety and health”, and “protection of vulnerable workers, including migrant workers, and low-waged, casual or contingent workers.”

https://www.csis.org/analysis/cptpp-almost-one-year-later

### Model Labour Chapter for European Union Trade Agreements by P.T. Stoll, H. Gött and P. Abel, 2016

This paper on a Model Labour Chapter for European Union Trade Agreements (Stoll et al) presents what its authors describe as “a progressive and ambitious approach to secure and enhance the protection of workers in future EU FTAs.” It improves focus on cooperation in Free Trade Agreements (FTAs), including capacity-building, technical assistance for developing partners and action to achieve decent work for all. It suggests two dispute routes: inter-state settlement between parties; and allowing workers, employers or civil society organisation to directly enforce the agreed labour standards (a new collective complaint procedure). The chapter draws on existing EU FTAs, EU textual proposals, Comprehensive Economic and Trade Agreement (Canada-Europe), Transatlantic Trade and Investment Partnership and Trans-Pacific Partnership texts, ILO and Council of Europe conventions. It aims to address any previous shortcomings, while retaining progress. The proposed OSH clauses are:

1. The Parties underline their commitment to ensure and promote occupational safety and health, and recognise the importance of international rules and agreements in this area, such as ILO Conventions 155 and 187 and other instruments of the International Labour Organization relevant to the promotional framework for occupational safety and health, the UN Universal Declaration of Human Rights of 1948 and the UN International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights of 1966.

2. Accordingly, in line with the ILO Decent Work Agenda, as expressed in the ILO Declaration on Social Justice for a Fair Globalisation of 2008, and in conformity with its other international commitments, each Party shall protect health and safety at work, including 18 through relevant policies, systems and programmes, the fostering and promotion of a preventive safety and health culture and the adoption of risk-based and precautionary approaches.
3. In particular, each Party shall ensure that its labour law and practices embody and provide protection for working conditions that respect the health and safety of workers, including by formulating and implementing policies that promote principles aimed at preventing accidents and injuries that arise out of or in the course of work, and that are aimed at developing a preventive safety and health culture where the principle of prevention is accorded the highest priority.

4. The Parties shall exchange information and cooperate, as appropriate, on occupational safety and health worldwide, including through the promotion of comprehensive approaches in this regard. They shall promote worldwide implementation of the principles underlying paragraphs 1, 2 and 3, in particular through promoting adherence to relevant international instruments, including with regard to ratification where appropriate, as well as participation in relevant international processes and initiatives.

Comments: Art. X.13 is based on language in Art. 23.3 CETA and the TTIP Proposal. It requires the Parties to provide for decent occupational safety and health in accordance with pertinent international standards, aiming at a preventive culture.


Canada-Korea Free Trade Agreement, Chapter Eighteen: Labour, 2014

The Canada-Korea Free Trade Agreement includes Article 18.2: General Obligations as follows:

“Affirming full respect for each Party’s Constitution and labour law and recognising the right of each Party to establish its own labour standards in its territory, adopt or modify accordingly its labour law, and set its priorities in the execution of its labour policies, each Party shall ensure that its labour law embodies and provides protection for the principles concerning the following internationally recognised labour rights:

(a) freedom of association and the effective recognition of the right to collective bargaining;
(b) the elimination of all forms of forced or compulsory labour;
(c) the effective abolition of child labour and a prohibition on the worst forms of child labour;
(d) the elimination of discrimination in respect of employment and occupation;
(e) acceptable minimum employment standards, such as minimum wages and overtime pay, for wage earners, including those not covered by collective agreements;
(f) the prevention of occupational injuries and illnesses;
(g) compensation in cases of occupational injuries or illnesses; and
(h) non-discrimination in respect of working conditions for migrant workers.”
| European Union Generalised Scheme of Preferences 2014 | The European Union Generalised Scheme of Preferences (GSP), under the 2012 GSP Regulation, aims to help developing countries to create jobs based on international values and principles, including labour and human rights. It also offers ‘GSP+’ incentive scheme for vulnerable low / lower-middle income countries that implement 27 international conventions related to human and labour rights, environmental protection and good governance. The GSP Regulations (2012) brought in reforms to the scheme and came into force in 2014 for 10 years. The EU continuously monitors GSP+ beneficiary countries for implementation of these 27 and publishes a 2-yearly progress report. This monitoring involves various stakeholder groups, including civil society. In 2018, this found the GSP scheme had incentivised beneficiary countries to adhere to fundamental labour and human rights (though the temporary withdrawal mechanism has not been used). It concluded that overall, the EU GSP can be considered a facilitator of such adherence, but does note concerningly, instances of labour rights violations. The report makes improvement recommendations including: an updated list of required conventions; more effective use of temporary preference withdrawal; and increased transparency of monitoring. | ![Image](https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/korea-coree/fta-ale/18.aspx?lang=eng) |
| Agreement on free trade and economic partnership Between Japan and the Swiss Confederation 2009 | The Japan and the Swiss Confederation agreement includes the provision in Article 101 (p.77) on Health, Safety and Environmental Measures, as follows: “The Parties recognise that it is inappropriate to encourage investment activities by relaxing domestic health, safety or environmental measures or lowering labour standards. To this effect, each Party should not waive or otherwise derogate from such measures and standards as an encouragement for establishment, acquisition or expansion of investments in its Area.” | ![Image](https://trade.ec.europa.eu/doclib/docs/2018/october/tradoc_157434.pdf) ![Image](https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1500986680646&uri=CELEX:32012R0978) |
| Free Trade Agreement between the Republic of Chile and the Republic of Turkey 2009 | The Free Trade Agreement between the Republics of Chile and Turkey includes a section (Article 37) on Cooperation, as follows: “7. The objectives of both Parties in Labor Cooperation will be to promote decent work, sound labor policies and practices of each Party’s labor systems, improve the capacities and capabilities of the Parties and the development and management of human capital for enhanced employability, business excellence and greater productivity for the benefit of workers and employers, in the context of strengthening trade and investment relations between them. The | ![Image](https://www.mofa.go.jp/region/europe/switzerland/epa0902/agreement.pdf) [https://www.mofa.go.jp/region/europe/switzerland/epa0902/agreement.pdf](https://www.mofa.go.jp/region/europe/switzerland/epa0902/agreement.pdf) |
Parties reaffirm their obligations as members of the International Labor Organization (ILO) and their commitments under the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up (1998). Each Party shall strive to ensure that the principles embodied in such declaration and the internationally recognized labor rights are included and protected by its domestic laws and agree to cooperate on labor and employment matters of mutual interest and benefit, through jointly decided activities which may refer, among others, to:

a) decent work, including its dimensions of employment, labor standards, social protection and social dialogue;
b) compliance and enforcement systems and management of labor disputes; and
c) employment systems, human capital development, training and employability.

The Parties recognize that it is inappropriate to encourage trade or investment by weakening or reducing the protections afforded in domestic labor laws. Accordingly, a Party shall not fail to effectively enforce its labor laws, in a manner affecting trade between the Parties.”

The Comprehensive and Economic Trade Agreement (CETA) between Canada and Europe includes Article 23.3, Multilateral labour standards and agreements, which, as well as requiring each party to ensure its labour law and practices protect fundamental principles and rights at work, requires the following:

2. Each Party shall ensure that its labour law and practices promote the following objectives included in the ILO Decent Work Agenda, and in accordance with the ILO Declaration on Social Justice for a Fair Globalization of 2008 adopted by the International Labour Conference at its 97th Session, and other international commitments: health and safety at work, including the prevention of occupational injury or illness and compensation in cases of such injury or illness;

3. Pursuant to subparagraph 2(a), each Party shall ensure that its labour law and practices embody and provide protection for working conditions that respect the health and safety of workers, including by formulating policies that promote basic principles aimed at preventing accidents and injuries that arise out of or in the course of work, and that are aimed at developing a preventative safety and health culture where the principle of prevention is accorded the highest priority. When preparing and implementing measures aimed at health protection and safety at work, each Party shall take into account existing relevant scientific and technical information and related international standards, guidelines or recommendations, if the measures may affect trade or investment between the Parties. The Parties acknowledge that in case of existing or potential hazards or
conditions that could reasonably be expected to cause injury or illness to a natural person, a Party shall not use the lack of full scientific certainty as a reason to postpone cost-effective protective measures.

And Article 23.4, Upholding levels of protection, as follows:

“1. The Parties recognise that it is inappropriate to encourage trade or investment by weakening or reducing the levels of protection afforded in their labour law and standards.

2. A Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, its labour law and standards, to encourage trade or the establishment, acquisition, expansion or retention of an investment in its territory.

3. A Party shall not, through a sustained or recurring course of action or inaction, fail to effectively enforce its labour law and standards to encourage trade or investment.”


In 2016, the European Commission replaced the Investor-state dispute settlement (ISDS) system with the Investment Court System (ICS), intended to be fair, effective and transparent, which it states, among other factors, “Makes clear that governments preserve their right to regulate and to achieve legitimate policy objectives, such as public health, safety, environment, public morals and the promotion and protection of cultural diversity.” CETA can only enter fully into force once ratified by all Member States and concluded by the Council, and on conclusion of this process, the ICS system becomes operational.


| The Dominican Republic-Central America FTA 2004 | The Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) is the first FTA between the United States and a group of smaller developing economies: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, as well as the Dominican Republic. The agreement contains twenty-two chapters, one of which is an extensive labour chapter (Chapter 16). As well as fundamental rights and their effective application, this chapter covers occupational safety and health-related elements, including:

“working conditions: mechanisms for supervising compliance with statutes and regulations pertaining to hours of work, minimum wages and overtime, occupational safety and health, and employment conditions;”

The U.S.-Jordan Free Trade Agreement (2001) contained labor provisions within the agreement itself, which also became a template for future FTAs and negotiating objectives in the Trade Promotion Authority (TPA-2002) authorization, under which 7 US FTAs were negotiated. This was further strengthened by the TPA-2015. Both parties of the U.S.-Jordan FTA committed to resolve disputes outside of dispute settlement.  
https://fas.org/sgp/crs/misc/IF10046.pdf

Article 6 (Labor)

1. The Parties reaffirm their obligations as members of the International Labor Organization (“ILO”) and their commitments under the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up. The Parties shall strive to ensure that such labor principles and the internationally recognized labor rights set forth in paragraph 6 are recognized and protected by domestic law.

2. The Parties recognize that it is inappropriate to encourage trade by relaxing domestic labor laws. Accordingly, each Party shall strive to ensure that it does not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such laws as an encouragement for trade with the other Party.

3. Recognizing the right of each Party to establish its own domestic labor standards, and to adopt or modify accordingly its labor laws and regulations, each Party shall strive to ensure that its laws provide for labor standards consistent with the internationally recognized labor rights set forth in paragraph 6 and shall strive to improve those standards in that light.

4. (a) A Party shall not fail to effectively enforce its labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between the Parties, after the date of entry into force of this Agreement.  
(b) The Parties recognize that each Party retains the right to exercise discretion with respect to investigatory, prosecutorial, regulatory, and compliance matters and to make decisions regarding the allocation of resources to enforcement with respect to other labor matters determined to have higher priorities. Accordingly, the Parties understand that a Party is in compliance with subparagraph (a) where a course of action or inaction reflects a reasonable exercise of such discretion, or results from a bona fide decision regarding the allocation of resources.

5. The Parties recognize that cooperation between them provides enhanced opportunities to improve labor standards. The Joint Committee established under Article 15 shall, during its regular sessions, consider any such opportunity identified by a Party.
6. For purposes of this Article, “labor laws” means statutes and regulations, or provisions thereof, that are directly related to the following internationally recognized labor rights:

(a) the right of association;
(b) the right to organize and bargain collectively;
(c) a prohibition on the use of any form of forced or compulsory labor;
(d) a minimum age for the employment of children; and
(e) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.”