International Labour Organization

Trade, investment and decent work in Africa

Evidence and stakeholder perspectives

ISBN: 9789220436622 (web PDF)

DOI: https://doi.org/10.54394/00033988

Cover photo: © ILO/Marcel Crozet

Contents

Acknowledgements

This publication was produced as part of the project "Trade and investment arrangements: Implementation and stakeholder engagement for promoting decent work" (IMPLEMENT), funded by the Government of Flanders, Belgium. The report was prepared by the Globalization, Competitiveness and Labour Standards team of the Research and Statistics Department of the ILO, under the responsibility of Caroline Frederickson, the Department Director. The authors of the report are Marva Corley-Coulibaly, Franz Ebert, Sameeksha Matta, Iuliia Privalikhina and Pelin Sekerler Richiardi. We also acknowledge the support of Andrew Allieu, Research Focal Point at the ILO Regional Office for Africa, and the valuable research contributions of Daniel Gay.

We would like to express our sincere gratitude to country focal points Akua Ofori (Ghana), Gerald Tembo and Alberto André Carvalho Francisco (Mozambique), Isaac Kiema Muema and Joyce Macharia (Kenya), Sindile Moitse (South Africa), and Jackie Banya and Evans lwanga (Uganda) for their invaluable contributions in facilitating interaction with the stakeholders. We acknowledge and appreciate the valuable support provided by our colleagues from the Bureau for Employers' Activities and the Bureau for Workers' Activities, on the identification of participants from worker and employer groups.

We would also like to recognize the valuable insights provided by the individuals and organizations that participated in the consultations, particularly: in Ghana, the Ghana Employers' Association, the Ghana Federation of Labour and the Ghana Trades Union Congress; in Kenya, the Central Organization of Trade Unions, the Kenya Export Promotion and Branding Agency, the Federation of Kenya Employers, the Ministry of Labour and Social Protection, and the Tailor and Textile Workers Union; in Mozambique, the Agency for the Promotion of Investments and Exports and the Confederation of Economic Associations; in South Africa, the Congress of South African Trade Unions, the National Economic Development and Labour Council, and the Permanent Mission of South Africa to the United Nations Office in Geneva; and in Uganda, the Central Organisation of Free Trade Unions, the Federation of Uganda Employers, the Ministry of Gender, Labour and Social Development, the Ministry of Trade, Industry and Cooperatives, the National Organisation of Trade Unions, and the Southern and Eastern Africa Trade Information and Negotiations Institute.

An earlier version of this report was presented at a regional tripartite-plus seminar in Cape Town, South Africa, in February 2026, held jointly with our colleagues Karl Pfeffer and Alexio Musindo from the ILO Office in Pretoria. We would like to thank the participants for their insights and suggestions. We also wish to thank our colleagues for their comments and suggestions on an earlier draft of the study: Jens Dyring Christensen, Christoph Ernst and Arianna Rossi.

Special thanks are due to Pelin Sekerler Richiardi for her support in coordinating the publication. We would also like to acknowledge the editorial work of Ben Dupré and the production support provided by our colleague Judy Rafferty (ILO Research and Statistics Department) and the ILO's Publications Production Unit.

List of abbreviations

AfCFTA	African Continental Free Trade Area
AGOA	African Growth and Opportunity Act
BIT	bilateral investment treaty
COMESA	Common Market for Eastern and Southern Africa
DCTS	Developing Countries Trading Scheme
EAC	East African Community
ECOWAS	Economic Community of West African States
EPA	economic partnership agreement
EPZ	export processing zone
EU	European Union
FDI	foreign direct investment
GDP	gross domestic product
GSP	Generalised Scheme of Preferences
MSMEs	micro, small and medium-sized enterprises
NEET	not in employment, education or training
NGO	nongovernmental organization
OSH	occupational safety and health
REC	regional economic community
SACU	Southern African Customs Union
SADC	Southern African Development Community
SMEs	small and medium-sized enterprises
UNCTAD	United Nations Conference on Trade and Development
USMCA	United States–Mexico–Canada Agreement
WTO	World Trade Organization

Executive summary

International trade plays a central role in Africa's economic development, accounting for an average of 60 per cent of gross domestic product (GDP) and supporting around 12 per cent of employment across the continent. Trade flows are projected to expand further, particularly with stronger implementation of the African Continental Free Trade Area (AfCFTA). As trade and investment expand, they have the potential – when supported by the right policies and institutions – to create new opportunities for enterprises to increase competitiveness and productivity and for workers to access jobs and income.

Given the right policies, international trade can accelerate Africa's job growth and development

Historically, international trade has been recognized as a driver of economic progress, innovation and productivity, and has been associated with higher-quality employment and poverty reduction. Similarly, foreign direct investment (FDI) – particularly greenfield investment – can support economic growth, job creation and higher wages. However, these benefits are not automatic or evenly distributed. For firms, especially smaller enterprises, trade can bring heightened competitive pressures and barriers to market access and finance, while workers may face job displacement, adjustment costs and persistent informality.

Over the past two decades, Africa has experienced an overall increase in trade volumes and expanded its participation in selected global supply chains, including agro-processing, textiles and apparel, and services. The AfCFTA, which brings together more than 50 countries, represents a significant step towards a common market across the continent and is expected to boost intraregional trade and strengthen regional supply chains.

Despite periodic volatility, the continent has also continued to attract investment in infrastructure, renewable energy, telecommunications and manufacturing, with several countries emerging as regional investment hubs. Digital services have also positioned a number of African economies as increasingly dynamic players in the global digital economy.

However, Africa's integration into global and regional markets remains limited

Africa's integration into global and regional trade remains relatively limited. The continent accounts for only around 3 per cent of global trade, compared to 43 per cent in Asia and the Pacific and 35 per cent in Europe. Intra-African trade also remains low, representing just 15 per cent of total African trade, compared to 64 per cent both in Asia and the Pacific and in Europe. Moreover, Africa attracts only about 6 per cent of global FDI inflows, underscoring the region's relatively modest share of global investment.

The composition of trade and investment reflects structural imbalances. Exports remain concentrated in low value-added primary commodities, whereas imports are largely composed of higher value-added manufactured goods, contributing to persistent trade deficits in many countries. Although investment inflows are diversifying in some areas, they remain largely concentrated in extractive industries and construction.

Labour markets face significant challenges, including underemployment, informality and skills mismatches

With a median age of 19 years and a working-age population projected to reach 1.6 billion by 2050, Africa is home to one of the youngest and fastest-growing labour forces. This presents a major opportunity to realize a demographic dividend, boosting productivity and innovation, expanding domestic markets, and strengthening the continent's global competitiveness.

At the same time, this demographic dynamism poses substantial challenges. High unemployment – particularly among women and young people – remains a persistent concern. With an unemployment rate of 6.3 per cent, Africa exceeds the global average. The continent has the highest share of male unemployment and the second-largest share of female unemployment in the world. Informality is widespread, affecting all sectors and reaching an average of 85 per cent across the continent. The high prevalence of informality and low-productivity jobs also hints at widespread underemployment. Skills mismatches further constrain the ability of labour markets to absorb young entrants into productive and decent employment opportunities, including those generated by international trade.

Significant labour market challenges also persist in sectors that are deeply integrated into global trade. For example, informal employment remains widespread in export-oriented agricultural supply chains. These sectors are also characterized by low wages, long working hours, inadequate occupational safety and health conditions, and lack of skills development opportunities.

The ILO stakeholder survey reveals novel evidence and perspectives on trade, investment and decent work

Addressing these challenges requires that trade be embedded as an integral part of broader development strategies, closely interlinked with industrial, investment and labour market policies, and supported by strong institutions and effective coordination mechanisms. Equally important is meaningful stakeholder engagement. Workers' and employers' organizations and other actors bring direct insights into the practical constraints and opportunities they face, from skills needs and adjustment pressures to barriers to accessing markets or complying with standards. Incorporating these perspectives helps to ensure that policies are grounded in reality, better targeted and more likely to be implemented effectively. It also strengthens accountability and builds ownership of reforms, which is critical in translating policy commitments into tangible improvements in employment and working conditions.

With this consideration in mind, the ILO's Research and Statistics Department conducted an expert opinion survey among key constituents in five African countries – Ghana, Kenya, Mozambique, South Africa and Uganda. The participants (54 in total) included representatives of governments, employers and workers, as well as members of broader civil society. The information gathered through this survey was complemented by in-depth consultations undertaken with stakeholders.

Many stakeholders associate international trade with both labour market opportunities and challenges

Findings from the survey and follow-up consultations indicate that participants view trade from multiple perspectives. Overall, it is seen as a positive force for employment effects, with around three quarters of respondents identifying job creation as a primary benefit. Stakeholders also highlight productivity gains, skills development, market access and technological advancement as key opportunities. At the same time, employment-related concerns also emerge as a major challenge, reflecting trade's dual nature in both generating and displacing jobs. Moreover, respondents emphasize persistent challenges around employment quality – informality, wages and working conditions – even where employment gains occur.

At the sectoral level, stakeholders find that differences in production structures, international exposure, regulatory intensity, infrastructure and skills requirements create unequal distributional impacts across and within sectors. Agriculture stands out as the sector most strongly associated with both opportunities and risks, with concerns emerging that deeper trade integration can exacerbate informality and wage pressures, particularly for smallholder farmers and agricultural labourers. In contrast, the services sector – tourism, telecommunications and business services – elicits consistently positive assessments, suggesting greater confidence in its ability to compete internationally.

Stakeholders agree on the need for complementary polices to address challenges but diverge on specific measures

Stakeholders widely recognize that complementary policies are essential for trade to generate gains for both workers and enterprises. This is reflected in the finding that over 90 per cent of respondents identify employment policies as central. Social protection (76 per cent) and education and training policies (72 per cent) are also frequently cited, indicating that adjustment support and skills development are seen as critical complements to trade in managing transitions and enabling worker adaptation.

However, stakeholders' views diverge on the prioritization of specific measures. Although there is strong convergence around the central role of employment policies, views on other policies vary. Workers' organizations place strong emphasis on social protection policies (93 per cent) and attach significant importance to education and training policies (86 per cent), highlighting a clear preference for policy responses that both manage adjustment costs and support workers' adaptability. Employers' associations assign relatively greater importance to trade policies (73 per cent) than to social protection or skills policies (both 64 per cent), reflecting a focus on trade policy design and competitiveness. Government respondents show significant support for employment policies (91 per cent), with substantial recognition of the importance of social protection policies (74 per cent) and education and training policies (68 per cent).

Stakeholders perceive FDI and regional integration as important opportunities for the labour market

FDI and trade agreements are widely recognized as critical channels shaping labour market outcomes in Africa – a perspective that is echoed by the stakeholders interviewed.

Over half the survey respondents (56 per cent) regard access to FDI as an opportunity for both workers and enterprises, recognizing its potential to support job creation, productivity growth and technology transfer. However, consultations also reveal some concerns about the capacity of national labour frameworks to uphold labour standards in the face of diverse economic and investment pressures, with some stakeholders pointing to a gap between the legal frameworks and their implementation. To balance investor attraction and labour protection, stakeholders call for strengthened action at both national and regional levels, including better enforcement, coordination and monitoring of existing standards.

Intra- and extraregional trade arrangements, such as trade preference schemes, economic partnership agreements (EPAs) and regional economic communities (RECs), are central to Africa's trade and investment landscape. While these frameworks are generally intended to be complementary, stakeholders point to implementation challenges, including overlapping mandates and limited coordination on trade and labour issues. Although the AfCFTA builds explicitly on eight RECs recognized by the African Union, fragmented coherence across these frameworks remains a concern. At the same time, stakeholders express optimism about the AfCFTA's potential to support regional development and integration, even as questions remain about whether it sufficiently addresses workers' rights and labour protections.

Trade and investment arrangements increasingly incorporate labour-related provisions

A growing number of trade and investment arrangements, both globally and in the African continent, have incorporated labour provisions. Bilateral and regional trade agreements, including those with investment chapters, generally include more comprehensive labour provisions than those found in bilateral investment treaties. African countries are parties to approximately 50 trade agreements in force and reported to the WTO, around 30 per cent of which include labour provisions in one form or another.

These labour commitments typically cover adherence to international labour standards, enforcement of domestic labour laws and selected thematic priorities. While labour provisions can involve a wide range of implementation mechanisms – including sanction-based dispute settlement – in practice, dialogue, cooperation and stakeholder engagement mechanisms have tended to play a more prominent role. Consistent with this experience, existing studies generally find that labour provisions in trade agreements neither divert nor reduce trade.

In addition, certain unilateral trade instruments adopted by economies outside Africa that are important export markets for the continent include a labour dimension. This includes laws prohibiting imports of goods produced with labour rights violations – in particular, forced labour and, in one instance, child labour. Moreover, several African countries benefit from preferential market access under unilateral trade preference schemes, which in some cases are subject to specific labour-related requirements.

Stakeholders recognize some benefits of labour provisions, yet implementation remains uneven

Most respondents to the ILO stakeholder survey view trade and investment agreements with labour provisions as mechanisms to improve national labour frameworks and align them with international standards. This is reflected in the finding that over 80 per cent of respondents highlight improved labour standards and social dialogue as the main benefits of labour provisions.

Nevertheless, stakeholders face several challenges in participating effectively in the implementation of labour provisions. Over 90 per cent of stakeholders face barriers including resource constraints, enforcement gaps and limited stakeholder engagement. Resource constraints emerge as the primary barrier (73 per cent overall) and include – in addition to funding limitations – coordination challenges, insufficient staffing and limited technical capacity.

To improve labour provisions implementation, increased stakeholder engagement is cited as essential by 85 per cent of respondents. While consultation mechanisms vary from institutionalized models to fragmented processes across countries, it has been found that labour provisions translate into tangible labour market improvements more effectively when social dialogue is structured, predictable and informed.

Looking ahead, stakeholders express optimism but remain cautious about the future of trade, investment and decent work

Looking ahead, stakeholders express cautious optimism about the future of trade, investment and decent work. Many see significant potential for expanded trade and regional integration under the AfCFTA, which could drive economic diversification, enterprise development and job creation across the continent. New areas of opportunity – especially digitalization, the expansion of the digital economy and innovation-driven activities – are also seen as opening pathways for more inclusive and productive employment. In this regard, the continent's young and growing population is identified as a key asset, bringing dynamism, entrepreneurship and adaptability to emerging sectors.

Realizing this potential will require sustained efforts to strengthen skills development, support enterprises and promote social dialogue. Ensuring that trade and investment policies are aligned with decent work objectives will be key to translating growth into better jobs and shared prosperity.

Introduction

International trade plays a critical role in Africa as it accounts for a substantial share of the gross domestic product (GDP) in many countries, averaging 60 per cent across the continent. It is also expected to grow further, supported by an improved implementation of the continent-wide African Continental Free Trade Area (AfCFTA) agreement (UNECA 2025a). However, despite the importance of international trade for its economy, Africa's participation in the global market remains modest (around 3 per cent), while intra-African trade is still very limited, at around 15 per cent (UNCTADstat 2025). The region also attracted only 6 per cent of global foreign direct investment (FDI) inflows in 2024. Lack of adequate infrastructure – transport, financial and communication – skills mismatches, commodity-dominant exports and political instability are some of the reasons behind these low levels (Afrexim Bank 2025a; ElGanainy et al. 2023).

International trade has been widely recognized to contribute to economic progress, innovation and productivity (Akcigit and Melitz 2021; ILO 2017a; Ohnsorge and Quaglietti 2023). It has also been associated with positive labour and social outcomes, notably with generating higher-quality employment and contributing to poverty alleviation (Corley-Coulibaly, Sekerler Richiardi and Ebert 2023; ILO 2021a; Matthee, Rankin and Bezuidenhout 2017; World Bank and WTO 2018). Similarly, FDI, especially investment that establishes new operations in a country, has been linked to economic growth (Harms and Méon 2018), job creation (Lakemann et al. 2025) and better wages in host countries (Hale and Xu 2016; Hijzen et al. 2013).

However, gains from trade and investment do not automatically translate into social and economic progress. The effects differ across countries and sectors depending on existing institutions, available resources and capacities. Even within sectors, trade may affect firms and workers unevenly, creating both winners and losers. As a result, while international trade generates economic opportunities, it can also exacerbate inequalities and existing labour market challenges, including informality and deficits in safety and rights (Corley-Coulibaly, Sekerler Richiardi and Ebert 2023; ILO 2021a; Messerschmidt and Janz 2023). Moreover, the changing nature of trade today, driven by both technological advances and a shifting geopolitical landscape, raises important questions about the viability of trade-led growth strategies for developing countries and whether this development path remains relevant (Goldberg and Ruta 2025).

Countries with stronger social and labour institutions and more skilled workforces are generally better positioned to benefit from trade (Amiti and Davis 2011; Milberg and Winkler 2011). However, in many African countries, weaker institutions and persistent labour market challenges, such as informality and significant skill deficits, constrain these benefits and heighten vulnerability to adverse shocks. This is particularly concerning in the current context of geopolitical tensions and trade uncertainty, which is projected to have adverse effects on jobs and increase pressure on already fragile labour markets (ILO 2026).

There is indeed increasing awareness of these challenges within the region. This is reflected in strategy documents such as the "Agenda 2063: The Africa We Want", adopted by the African Union Summit in 2013 (African Union, n.d.). This agenda, while identifying trade as a catalyst for inclusive growth and transformational change for Africa, recognizes labour market and institutional challenges in the continent. Likewise, the Abidjan Declaration, adopted by ILO Member States in 2019, underlines the role of trade in advancing social justice and achieving the 2030 Agenda for Sustainable Development and Agenda 2063, while also acknowledging concerns over shortcomings in the labour markets and rising inequalities (ILO 2019a).

Aligning trade and labour objectives is therefore crucial to fully realizing benefits from trade, which in turn requires a deeper understanding of the trade, investment and labour market nexus. This report seeks to provide such analysis in the context of Africa using evidence on the African trade and labour landscape, as well as original stakeholder data collected by the ILO through a survey and follow-up interviews. To this end, **Part I** first reviews the current trade and labour market situation in the continent, offering insights into overall trends as well as into country specificities (**Chapter 1**). It also discusses labour provisions in trade and investment arrangements both from a broad perspective and specifically in Africa, providing insights into their possible effects (**Chapter 2**). Such provisions have been increasingly used in recent decades as a device to promote labour standards within the trade context.

Part II analyses the findings of the original survey and consultations conducted by the ILO with government, employer and worker representatives and with members of the broader civil society in Africa. This survey investigates how stakeholders perceive the effects of trade and trade policies on labour markets across five countries: Ghana, Kenya, Mozambique, South Africa and Uganda. **Chapter 3** outlines the methodology used for data collection, through the online survey and semi-structured follow-up consultations. Drawing on the findings from these engagements, **Chapter 4** examines stakeholders' perceptions of trade and labour relations, then explores whether these perceptions vary across sectors, and finally identifies policy priorities across different groups.

Chapter 5 turns to trade policies, particularly to labour provisions in trade arrangements, and explores how, according to stakeholders, such policies can support decent work. In this regard, it explores the extent of stakeholder awareness of labour provisions, the different mechanisms of stakeholder engagement across countries, and stakeholders' views on the benefits and challenges of implementing such provisions.

The focus of Part II then moves to stakeholder views on how FDI and regional integration can affect labour markets in Africa. **Chapter 6** first focuses on mixed views about the effects of FDI on labour, highlighting concerns about export processing zones (EPZs), and then explores the perceived implications of regional economic communities (RECs) and the AfCFTA. Finally, **Chapter 7** offers some concluding remarks. Drawing on stakeholder perspectives from across the region, the report aims to inform policymaking and social dialogue on the implementation of trade and investment arrangements in support of decent work outcomes.

Trade, labour and investment landscape in Africa

Part I

© Pexels/Zeal Creative Studio

1. Trade, investment and labour snapshot of Africa

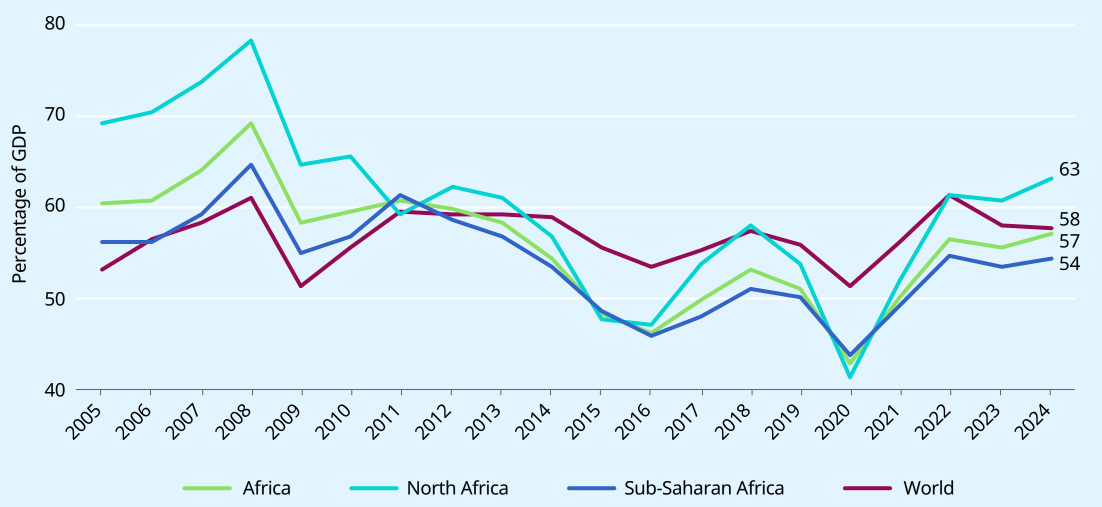
The outcomes of trade for economic development are context-dependent and may vary significantly across economies. In many developing countries, structural constraints limit the extent to which trade benefits are realized. In the current context of heightened trade uncertainty, existing trends and limitations may play an even more significant role.

This chapter provides a brief overview of trade, investment and labour markets in Africa, with the aim of gaining a better understanding of the current challenges and opportunities for the continent. It provides information both on the continent as a whole and on the five countries of interest: Ghana, Kenya, Mozambique, South Africa and Uganda. The analysis shows that, although international trade and foreign investment play a significant role in African economies, the region's integration into global markets remains limited. Moreover, labour markets continue to face major challenges – including high informality, skills gaps and unemployment – which can hinder the potential benefits of trade.

1.1. Trade and investment dynamics

International trade accounts for a substantial portion of Africa's economic activity, with trade openness, measured as exports and imports relative to nominal GDP, standing at 57 per cent in 2024 – a figure near the world average of 58 per cent (**figure 1**). While this rate has slightly declined over the past two decades, trade is expected to become one of the key drivers of GDP growth in the coming years. In addition to increased global demand for African exports (Afrexim Bank 2025a), growth in intra-African trade due to improved implementation of the AfCFTA agreement is expected to drive this trend (UNECA 2025a).

▶ Figure 1. Trade as a percentage of GDP in Africa and the world, 2005–2024



Note: The figures represent the sum of total merchandise trade and total services trade, divided by their respective GDP and multiplied by 100. The underlying data for merchandise trade, services trade and GDP are reported in current-price US dollars (millions).

Source: UNCTADstat.

However, there are significant variations across subregions and individual countries regarding the importance of trade to their economies. Trade openness is highest in North Africa (63 per cent of GDP), while it stands at 54 per cent in Sub-Saharan Africa (**figure 1)**. Among individual countries, this rate reaches as high as 88 per cent in Mozambique, while it is comparatively low in Kenya at 31 per cent and in Uganda at 50 per cent (**table 1**).

▶ Table 1. Income classification and trade profiles of selected countries

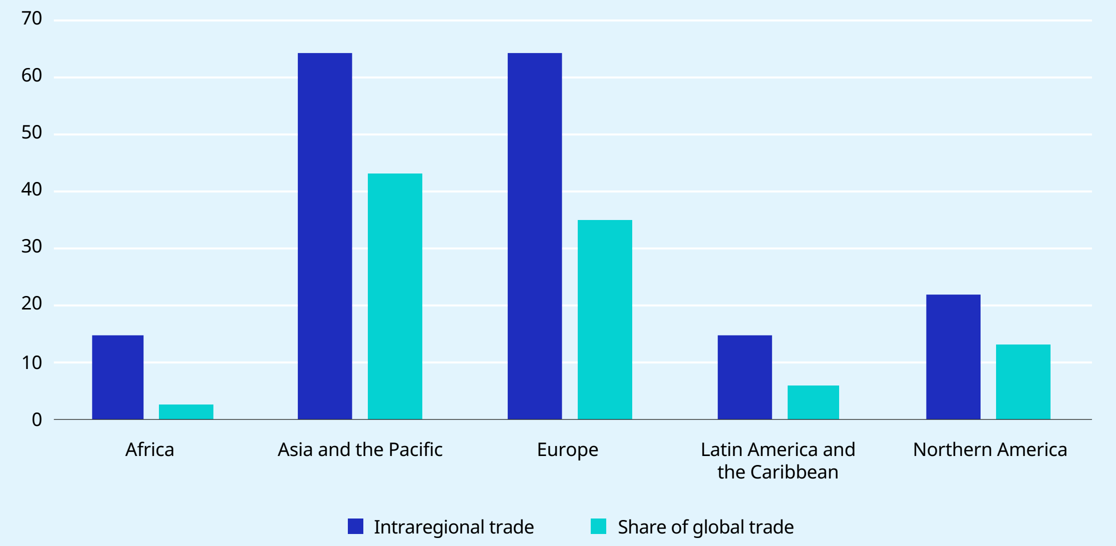
Country	Income group	Trade as % of GDP (2024)	Current account balance, % of GDP (2024)	Major export partners (2023)	Major import partners (2023)	Major exports (2023)	Major imports (2023)
Ghana	LMIC	73	2.2	Switzerland, South Africa, United Arab Emirates, China, India	China, Netherlands (Kingdom of the), India, Russian Federation, United States	Gold, petroleum oils, cocoa beans and cocoa paste, manganese ores	Petroleum oils, cement clinkers, automobiles, processed cereal grains, pesticides
Kenya	LMIC	31	–3.7	Uganda, Pakistan, Netherlands (Kingdom of the), United Republic of Tanzania, United States	China, United Arab Emirates, India, Saudi Arabia, Malaysia	Tea, horticultural products, petroleum oils, coffee, titanium ores	Petroleum oils, crude palm oil, wheat, iron or non-alloy steel, medicaments
Mozambique	LIC	88	–11	India, China, South Africa, Republic of Korea, United Kingdom	South Africa, China, United Arab Emirates, India, Singapore	Coal, liquified natural gas, raw aluminium, electrical energy, coke	Petroleum oils, aluminium fluorides, rice, wheat, crude palm oil
South Africa	UMIC	62	–0.7	China, United States, Germany, Mozambique	China, United States, Germany, India, United Arab Emirates	Coal, gold, diesel-powered trucks, ferrochromium, iron ores	Petroleum oils, bituminous oils, transmission apparatus, stamps and banknotes, electric accumulators
Uganda	LIC	50	–7.4	United Arab Emirates, Kenya, India, South Sudan, Democratic Republic of the Congo	China, United Arab Emirates, United Republic of Tanzania, India, Kenya	Gold, coffee, tiles and ceramics, cocoa beans, petroleum oils	Petroleum oils, gold, medicaments, palm oil (excluding crude)

Note: In 2024 Ghana recorded a current account surplus for the first time in over a decade, driven by increased gold exports amid elevated global gold prices. LMIC = lower-middle-income country; LIC = low-income country; UMIC = upper-middle-income country.

Source: UNCTADstat, World Bank Open Data and World Integrated Trade Solution

Despite the importance of trade in many African economies, Africa's contribution to global trade is marginal, with around 3 per cent in 2024, compared to 43 per cent in Asia and the Pacific and 35 per cent in Europe (**figure 2**). With a rate of 6 per cent, only Latin America and the Caribbean present a level of trade integration similar to that of Africa. Lack of infrastructure (transport, financial and communication), skill shortages and political instability are some of the reasons behind this low level (Afrexim Bank 2025a; ElGanainy et al. 2023). Additionally, intra-African trade accounts for 15 per cent of total African trade, significantly lower than in Europe and Asia and the Pacific (both 64 per cent) but closer to Northern America (22 per cent, excluding Mexico). Latin America and the Caribbean again show a similar pattern to Africa, with intraregional trade also accounting for 15 per cent (UNCTADstat 2025).

▶ **Figure 2. Trade contribution by region, 2024 (percentage)**



Note: The data represent trade (both imports and exports) in merchandise. The United Nations Conference on Trade and Development (UNCTAD) follows the UN Statistics Division's M49 standard to classify regions, according to which the Northern America subregion includes Bermuda, Canada, Greenland, Saint Pierre and Miquelon, and the United States, and excludes Mexico. Internal trade among Canada, Mexico and the United States constituted 49 per cent of total trade in 2023 according to the Observatory of Economic Complexity: USMCA Exports, Imports, and Trade Partners.

Source: UNCTADstat.

Five countries – South Africa, Nigeria, Democratic Republic of the Congo, Mali and Egypt – together represented 40 per cent of intra-African trade in 2024, with South Africa contributing almost half of this share (Afrexim Bank 2025b). South Africa's dominant position is driven by its strong regional linkages through the Southern African Customs Union (SACU) and the Southern African Development Community (SADC), as most of its intra-African trade is concentrated within neighbouring countries in these blocs (Afrexim Bank 2025b; Tralac 2025).

Additionally, Africa's trade is highly concentrated among key partners, with the European Union (EU), China, United States and India accounting for more than half of Africa's total trade (ITC 2025). While the shares of India and China have increased significantly over the last decade (Afrexim Bank 2025b), the EU is still Africa's largest trading partner, with total trade in goods between the two regions valued at €355 (US$384) billion in 2024 (European Council 2026). Over 90 per cent of African exports enter the EU markets duty-free (European Council 2025).

Africa's trade is dominated by high-value imports, notably petroleum products, motor vehicles and medicines (UNCTAD 2025a). At the same time, the region's export activities are mainly composed of unprocessed primary products that are at the lower end of the value chain (UNECA 2024). For example, in Sub-Saharan Africa over half of the global exports are commodity exports such as fuels, stone, glass, metals, minerals and food products, while most of the imports are higher value-added manufactured and finished products (Abdel-Latif, Khandelwal and Zhang 2025). Countries such as Ghana, Mozambique and South Africa also have major exports that are concentrated in raw materials such as metals and minerals (**table 1**). This creates negative trade balances in many countries, with the current account deficit reaching 2.6 per cent in 2024 and projected to increase in 2025 (African Development Bank 2025).

Africa attracted US$97 billion in FDI in 2024, which represented 6 per cent of global FDI and 11 per cent of investment to developing countries. Egypt, Ethiopia, Côte d'Ivoire, Mozambique and Uganda were the major recipient countries while the Kingdom of the Netherlands, United Kingdom, United States, France and China emerged as investors with the largest FDI stock holdings in Africa (UNCTADstat 2025).

FDI inflows to Africa were concentrated in the energy, extractives and construction sectors in terms of both share and growth of investment on the continent. At the same time, digital economy-related sectors are expanding rapidly, supported by commitments to ICT (information and communications technology) infrastructure (UNCTAD 2025b). Between 2020 and 2024, Africa received US$10 billion for new ICT and telecommunications infrastructure projects, largely financed by China, with Nigeria alone accounting for more than 40 per cent of these investments (UNCTAD 2025b).

Overall, FDI to Africa rose by 75 per cent in 2024 compared with the previous year, largely driven by inflows to North Africa. These gains were underpinned by a large-scale construction project in Egypt, which received US$35 billion in FDI from the United Arab Emirates (UNCTAD 2025b). In comparison, Sub-Saharan Africa recorded FDI inflows of US$46 billion for the same year.

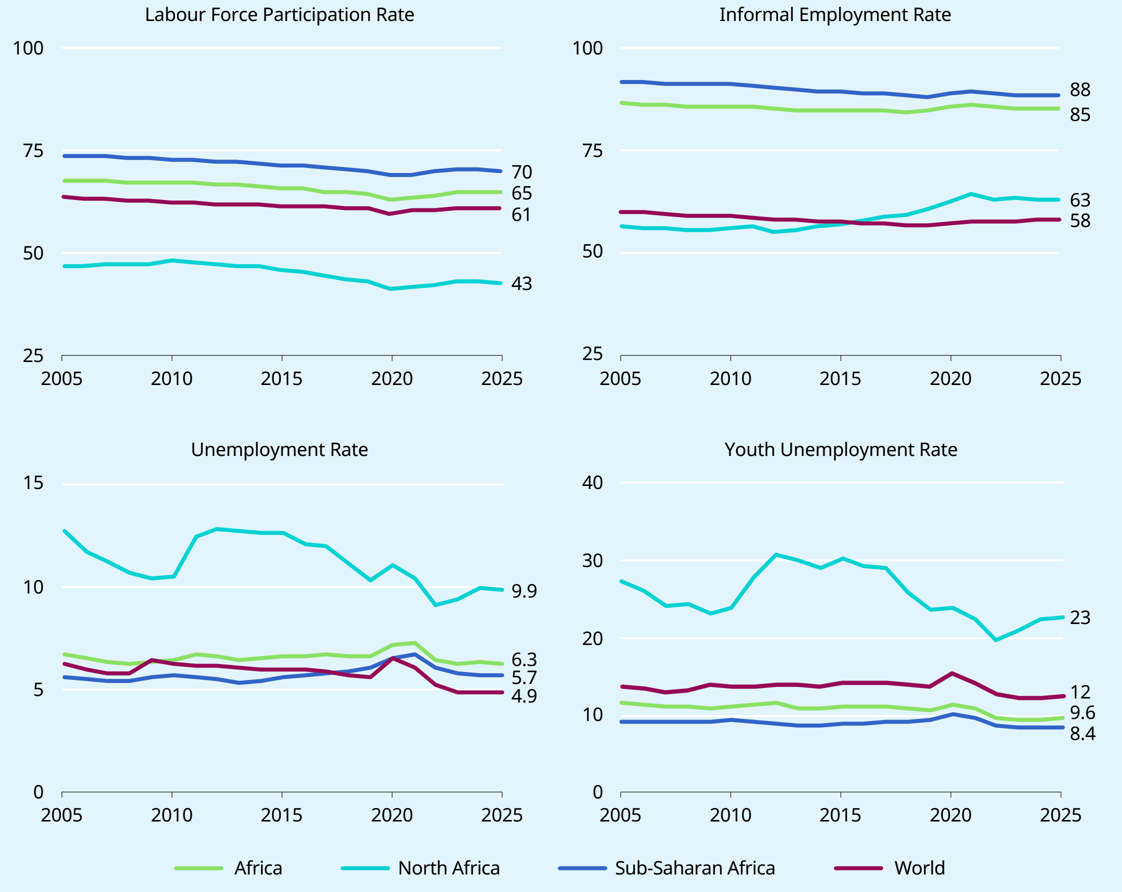
1.2. Labour market outlook and challenges

Africa has a young and expanding workforce. The working-age population in the continent is expected to increase from 883 million in 2024 to 1.6 billion in 2050, making up a quarter of the global working-age population (AUC and OECD 2024). Africa also has the youngest population globally, with a median age of 19 years, in comparison with 30 years in Latin America and the Caribbean, 31 years in Asia, and 42 years in Europe (UNECA 2024). This large cohort of young people is a key demographic that will shape Africa's future labour supply and influence the continent's longterm economic trajectory.

However, labour market conditions across the continent remain challenging. At 6.3 per cent, the unemployment rate in Africa is higher than the world average of 4.9 per cent (**figure 3**). The continent also has the highest share of male unemployment and the second-largest share of female unemployment in the world (UNECA 2025a). Within the continent, the unemployment rate is higher in North Africa (9.9 per cent) than in Sub-Saharan Africa (5.7 per cent) (**figure 3**). Moreover, the labour force participation remains extremely low (43 per cent) compared to Sub-Saharan Africa (70 per cent) and the world average (61 per cent), mostly driven by the low participation of women in the region. The female labour force participation rate stands at 18 per cent in North Africa, considerably less than the world average (49 per cent) and the average in Sub-Saharan Africa (65 per cent) (ILOSTAT 2025).

At the country level, South Africa, with a rate of 32 per cent, presents one of the highest unemployment rates globally (**table 2**). By contrast, in Ghana and Kenya the rates are relatively low at 3.0 and 5.4 per cent, respectively. However, such figures do not fully reflect the reality on the ground, as they can mask deeper labour market challenges. In developing countries, the agricultural and informal sectors are often marked by high levels of underemployment and disguised unemployment, rather than open unemployment. In the absence of adequate support mechanisms, such as unemployment benefits, workers cannot afford to remain unemployed and instead engage in low-productivity or informal work (Golub and Hayat 2014; Herrera and Merceron 2013). Many turn to subsistence farming by necessity, and women tend to work in unpaid family jobs, keeping measured unemployment low but vulnerability high.

▶ Figure 3. Selected labour market indicators in Africa and the world, 2005–2025 (percentage)



Note: The figures are retrieved from ILO modelled estimates November 2025.

Source: ILOSTAT.

▶ Table 2. Labour market indicators in selected countries

Labour market indicator	Age group	Ghana	Kenya	Mozambique	South Africa	Uganda
Working-age population	Youth, adults: 15+	19 million	31 million	17 million	46 million	23 million
Informal employment rate	Youth, adults: 15+	78%	87%	96%	35%	95%
Labour force participation rate	Youth, adults: 15+	59%	67%	79%	56%	80%
Female labour force participation rate	Youth, adults: 15+	55%	63%	77%	50%	76%
Unemployment rate	Youth, adults: 15+	3.0%	5.4%	6.6%	32%	2.7%
Youth unemployment rate	Youth, adults: 15–24	5.8%	15%	12%	60%	4.2%
Youth NEET rate	Youth, adults: 15–24	28%	20%	19%	35%	13%

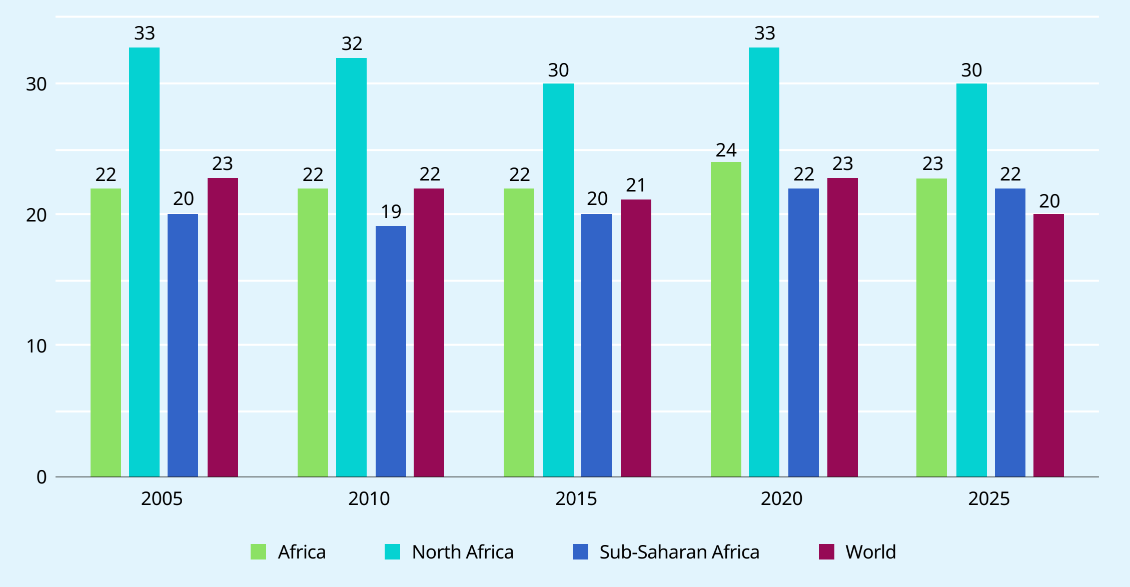
Note: NEET = not in employment, education or training. Informal employment rate figures for Ghana, Kenya and Mozambique correspond to the years 2015, 2019 and 2015, respectively. Working-age population figures correspond to the year 2024 for South Africa, 2022 for Ghana, Kenya and Mozambique, and 2021 for Uganda. The figures for the following indicators are retrieved from ILO modelled estimates November 2025: labour force participation rate, female labour force participation rate, unemployment rate, youth unemployment rate and youth NEET rate.

Source: ILOSTAT.

Additionally, youth employment challenges are particularly pronounced across the continent, with an overall youth unemployment rate of 9.6 per cent, notably reaching 23 per cent in North Africa (**figure 3**). In Sub-Saharan Africa the average rate of youth unemployment (8.4 per cent) is lower than the world average (12 per cent), but as indicated above, this is not necessarily a sign of healthier labour markets as productive and decent jobs are lacking. Three quarters of the working youth between the ages of 25 and 29 in Sub-Saharan Africa were employed in insecure forms of work in 2023 (ILO 2024a). Of the five selected countries, South Africa records an exceptionally high youth unemployment rate of 60 per cent (ILOSTAT 2025).

Beyond unemployment, other issues affect Africa's youth, including high shares of youth not in employment, education, or training (NEET) and a large proportion of children in child labour. At 23 per cent in 2025, the NEET rate in Africa was above the world average (20 per cent) (**figure 4)**. North Africa shows consistently higher NEET rates than Sub-Saharan Africa, with little change since 2005. However, in Sub-Saharan Africa, where some countries, such as Ghana (28 per cent) and South Africa (35 per cent), show high NEET rates, a 2 percentage point increase can be observed between 2005 and 2025. Child labour statistics further highlight that the Sub-Saharan Africa region represents almost two thirds of the global population of child labour (87 million in total), exceeding the combined numbers for the rest of the world (ILO and UNICEF 2025). These figures underscore broader labour market challenges such as insufficient decent work opportunities, persistent skills mismatches, and barriers to education for a growing youth population.

▶ Figure 4. Youth NEET rates in Africa and the world, 2005–2025 (percentage)



Note: The figures are retrieved from ILO modelled estimates, November 2025.

Source: ILOSTAT.

The informal economy remains a dominant feature of labour markets across Africa, with informal employment accounting for over 85 per cent of total employment. Women are disproportionately represented, with an informal employment rate of 90 per cent compared to 84 per cent for men (ILO 2023a). Although the share of informal employment is lower in North Africa, at 63 per cent in 2025, it has increased over the past two decades. In Sub-Saharan Africa informal employment averages 88 per cent, reaching as high as 96 per cent in Mozambique. Most of the existing employment is indeed concentrated in micro and small enterprises, which are generally characterized by low productivity and informality (World Bank 2025a).

The sectoral composition of employment also contributes to high levels of informality, with agriculture remaining the principal driver of informal employment in most developing countries (ILO 2023a). It is also the continent's largest employer, accounting for almost half of employment in Sub-Saharan Africa (**table 3**). In countries such as Mozambique, Kenya and Uganda, the majority of workers earn a livelihood in the sector, many in subsistence farming. In contrast, in South Africa, even though agriculture employs just 5 per cent of the working population, there is a relatively lower, albeit still significant, share of informal employment (35 per cent).

▶ Table 3. Employment share in selected countries by sector, 2025 (percentage)

Country/region	Employment share		
	Agriculture	Industry	Services
Ghana	35	18	47
Kenya	46	12	42
Mozambique	73	6	21
South Africa	5	21	74
Uganda	65	7	28
North Africa	20	26	53
Sub-Saharan Africa	49	12	38
Africa	46	14	40

Notes: The figures are retrieved from ILO modelled estimates, November 2025.
Source: ILOSTAT.

The services sector is also a major employer in many African countries, representing an employment share of 40 per cent overall and more than half in North Africa. In South Africa the figure reaches 74 per cent, and around 50 per cent in Ghana. In Kenya the share of the services sector in employment is slightly lower than the agriculture sector at 42 per cent. In Mozambique and Uganda the share of services is low, at 21 and 28 per cent respectively (**table 3**). The industry sector has the lowest share of employment in the continent, even though its contribution to GDP is higher than agriculture in many countries. Although informality is lower in these two sectors than in agriculture (96 per cent), they nonetheless employ substantial proportions of informal workers – 80 and 73 per cent, respectively (ILO 2025a).

Informal employment is also prevalent in sectors that are highly integrated into global trade, such as cocoa and coffee supply chains (ILO 2025b; Busquet, Bosma and Hummels 2021). Moreover, child labour, low wages, long working hours, occupational safety and health (OSH) hazards, and limited skills development opportunities are common in these sectors (ILO 2023b, 2025b). Informal cross-border trade in Africa also creates significant challenges, especially for women, who are estimated to account for around 70 per cent of such trade. These women are particularly vulnerable to harassment and insecurity at borders. They also often have limited access to education and market information, as well as poor access to finance and border infrastructures (UN Women 2019).

2. Trade and investment arrangements with labour provisions in Africa

Africa's trade and investment governance landscape is characterized by a diverse array of arrangements. This includes trade and investment agreements operating at subregional, regional and cross-regional levels. Intra-African agreements encompass the AfCFTA, with about 50 parties, as well as eight RECs (see **appendix**) and certain other groupings. Additionally, individual countries and country groups have established bilateral agreements with partners within and outside the region. Increasingly, these agreements address trade and investment in an integrated manner – for example, through dedicated investment chapters or, in the case of the AfCFTA, a dedicated investment protocol. At the same time, many African countries are parties to bilateral investment treaties (BITs) that focus specifically on the protection and promotion of foreign investment. Alongside these treaty-based frameworks, African economies are also subject to unilateral trade arrangements adopted by trading partners outside the region, which include preference schemes as well as mechanisms for import restrictions.

A number of these trade and investment arrangements, with and between African countries, include labour provisions. These provisions can involve commitments that address labour standards or working conditions, promote cooperation and compliance with relevant requirements, and provide ways to settle labour-related disputes between the parties.[1] Against this background, the remainder of this chapter examines how trade and investment arrangements have incorporated labour considerations, with particular attention to arrangements that are relevant to the African region.

2.1. Labour provisions in trade and investment agreements

Trade and investment agreements can incorporate labour provisions in different ways, reflecting variations in their scope, normative content and enforcement mechanisms.

BITs, including those involving the African region, tend to contain limited references to labour issues.[2] Empirical research indicates that labour-related elements are significantly less frequent in BITs than in other trade and investment agreements (Marx and Mattioli 2023). Where such elements appear in BITs, they are often confined to the preamble or rather circumscribed provisions,[3] focusing on issues such as the maintenance of domestic labour standards.[4] Some BITs contain language prohibiting the lowering of domestic labour protections to attract investment and encouraging alignment with international standards – often the ILO's 1998 Declaration on Fundamental Principles and Rights at Work – and cooperation

1 More specifically, the ILO defines labour provisions as "(i) any principle or standard or rule (including references to international labour standards), which addresses labour relations, minimum working conditions, terms of employment, and/or other labour issues; (ii) any framework to promote cooperation and/or compliance with standards, through activities, dialogue and/or monitoring of labour issues; and/or (iii) any mechanism to ensure compliance with national labour law and standards set out in the trade agreement, such as through the settlement of labour-related disputes" (ILO 2022).

2 An exception is the Morocco–Nigeria BIT (2016), which includes state obligations regarding the enforcement and maintenance of domestic labour law as well their compliance "with the international human rights agreements to which they are a Party". This agreement also contains obligations on investors, requiring that "[i]nvestors and investments shall act in accordance with core labour standards" as embodied in the ILO's 1998 Declaration on Fundamental Principles and Rights at Work.

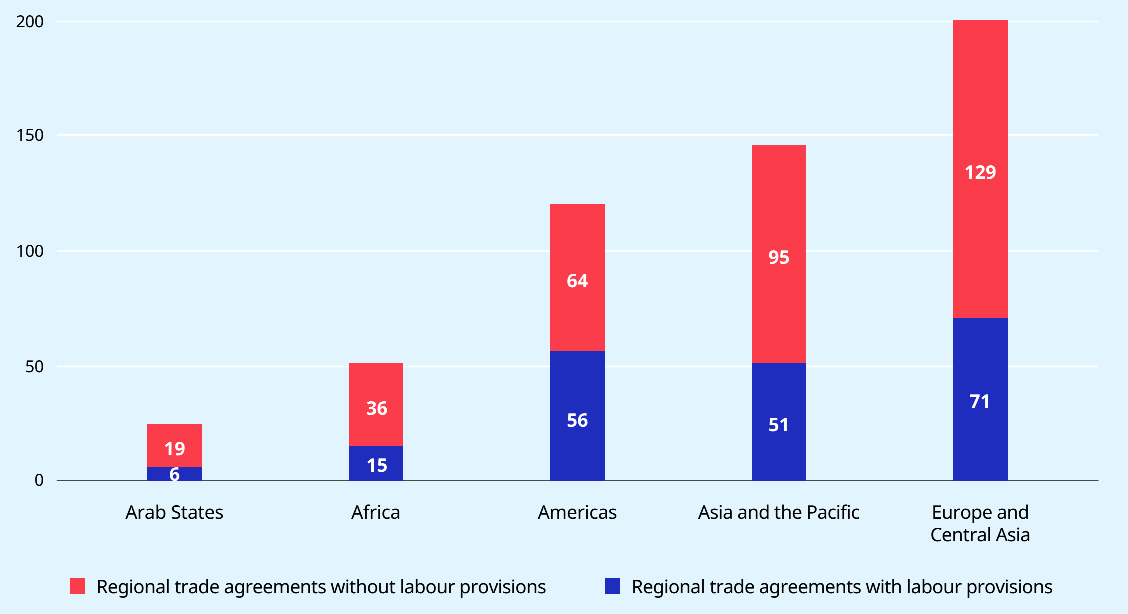
3 Regarding relevant preambular language, see, for example, the Finland–Kenya BIT (2008), the Kenya–Republic of Korea BIT (2014), as well as Mozambique's BITs with Finland (2004) and the Netherlands (Kingdom of the) (2001).

4 See, for example, the Japan–Mozambique (2013) and Japan–Kenya (2016) BITs.

between the parties, among others.[5] However, labour provisions in BITs generally lack robust frameworks for monitoring, cooperation and enforcement, and stakeholders are rarely involved in their implementation. Against this backdrop, there is little evidence that such provisions in investment arrangements have given rise to significant implementation activities (Marx and Mattioli 2023).

More comprehensive labour provisions are often contained in bilateral and regional trade agreements, many of which also contain an investment component. Globally, approximately one third of all trade agreements – 129 out of a total of 383 – that were in force and notified to the World Trade Organization (WTO) in April 2026 included labour provisions.[6] The largest number of agreements involving labour provisions have been concluded by countries in the Europe and Central Asia region, followed by the Americas, while the Arab States account for the smallest number of trade agreements containing labour provisions (**figure 5**). The largest share of trade agreements with labour provisions is found in the Americas (around 47 per cent), compared with only 24 per cent of agreements concluded by countries in the Arab States region.

▶ **Figure 5. Number of trade agreements in force, with and without labour provisions, by region**



Note: All trade agreements notified to the WTO as of April 2026 are included. Agreements between parties in different regions are counted under each region involved.

Source: ILO Labour Provisions in Trade Agreements Hub.

African countries are parties to approximately 50 trade agreements, around 30 per cent of which include labour provisions in one form or another. Of the 15 agreements containing such provisions, five are plurilateral in nature, including the AfCFTA and agreements adopted in the context of Africa's RECs. The remaining agreements with labour provisions are predominantly bilateral in nature and have been concluded between individual African countries and the EU (five agreements), the United Kingdom (four agreements) and the United States (one agreement).

5 See, for example, the Belgium-Luxemburg Economic Union–Mozambique BIT (2006) and the Belgium-Luxemburg Economic Union–Ethiopia BIT (2006).

6 Data are current as of April 2026 and available at the ILO's Labour Provisions in Trade Agreements Hub.

2.1.1. The design of labour provisions

Labour provisions in trade agreements can contain a broad range of substantive commitments. These commitments fall on the parties to the agreements, with the exception of the AfCFTA's Protocol on Investment, which additionally imposes obligations specifically on investors (**box 1**).

▶ Box 1. The African Continental Free Trade Agreement

The Agreement Establishing the African Continental Free Trade Area (AfCFTA) entered into force in 2019.[1] Signed by 54 parties, it is the largest of any trade agreement in terms of signatories; 50 of these had ratified the agreement by February 2026;[2] its aim is to create a single continental market encompassing 1.4 billion people. The AfCFTA's legal architecture includes the agreement and eight protocols, which were negotiated in three phases (MacLeod 2023). It also involves a complex institutional framework with four principal bodies: the Assembly, the Council of Ministers, the Committee of Senior Trade Officials and the Secretariat. The implementation is further supported by National Implementation Committees, which have been created in several AfCFTA countries (Sebahizi et al. 2023).

The AfCFTA's labour provisions are mainly contained in its Protocol on Investment.[3] The Protocol requires the States parties to "ensure environmental, labour and consumer protection, taking into account domestic policies, international best standards and relevant international agreements to which they are parties" (Article 25(1)). Parties are also obligated to "continue to improve" domestic standards (Article 25(1)) and to refrain from "encourag[ing] investment by relaxing and waiving" relevant international or domestic standards (Article 25(2)). Unlike most other trade and investment agreements, the AfCFTA Protocol on Investment additionally establishes obligations for investors. Among other things, the Protocol requires investors to observe the commitments under the ILO's 1998 Declaration on Fundamental Principles and Rights at Work and other ILO labour standards alongside relevant domestic labour laws. The Protocol furthermore contains specific investor obligations regarding both child and forced labour and workplace-related discrimination (Article 33).

[1] Agreement Establishing the African Continental Free Trade Area (2018). [2] See the information provided on the website of the AfCFTA Secretariat. [3] Protocol to the Agreement Establishing the African Continental Free Trade Area on Investment (2023).

Several of these provisions require trading partners to observe specified international minimum standards or to make efforts to improve their domestic standards in light of them.[7] Other obligations include requirements to enforce domestic labour laws and not weaken them to encourage trade or investment (ILO 2016a, 2019c; Marceau, Walker and Oeschger 2023).[8] Additionally, many labour provisions deal with specific thematic areas, such as health and safety at work, forced and child labour, and corporate social responsibility. In this regard, numerous labour provisions refer to ILO instruments as a normative reference point. A particularly prominent example is the ILO's 1998 Declaration on Fundamental Principles and Rights at Work, which is cited in more than two thirds of trade agreements with labour provisions worldwide and in approximately half of those concluded by countries in the African region.[9] Other ILO instruments cited include the fundamental Conventions, the governance (priority) Conventions and other up-to-date Conventions (**table 4**).

7 See, for example, the AfCFTA Protocol on Investment (2023) and the EU–Kenya Economic Partnership Agreement.

8 See, for example, the United States–Morocco Free Trade Agreement.

9 For relevant data, see the ILO's Labour Provisions in Trade Agreements Hub.

▶ **Table 4. Trade agreements with labour provisions concluded by African countries: overview of selected ILO references**

Trade agreement	ILO Fundamental Principles and Rights at Work Declaration (1998)	ILO fundamental Conventions	ILO governance (priority) Conventions	Other up-to-date ILO Conventions
AfCFTA[1]	✓	⊗	⊗	⊗
Common Market for Eastern and Southern Africa (COMESA)	⊗	⊗	⊗	⊗
East African Community (EAC)	⊗	⊗	⊗	⊗
Economic Community of West African States (ECOWAS)	⊗	⊗	⊗	⊗
EU–Algeria	⊗	⊗	⊗	⊗
EU–Kenya	✓	✓	✓	✓
EU–Morocco	⊗	⊗	⊗	⊗
EU–SADC	✓	⊗	⊗	✓
EU–South Africa	⊗	✓	⊗	⊗
SADC[2]	✓	✓	✓	✓
United Kingdom–Eastern and Southern Africa States	✓	⊗	⊗	⊗
United Kingdom–Kenya	✓	⊗	⊗	⊗
United Kingdom–Morocco	⊗	⊗	⊗	⊗
United Kingdom–SACU and Mozambique[3]	⊗	✓	⊗	✓
United States–Morocco[4]	✓	✓	⊗	⊗

Notes: [1] Only the AfCFTA's Protocol on Investment contains a reference to the ILO 1998 Declaration. [2] Only in the Protocol on Employment and Labour to the SADC Agreement is there a reference to the ILO fundamental Conventions. [3] Part II of the United Kingdom–SACU and Mozambique Agreement on Economic and Trade Cooperation, which contains a reference to the ILO fundamental Conventions, is not applicable to South Africa. [4] This reference only extends to the ILO's Worst Forms of Child Labour Convention, 1999 (No. 182).

Source: ILO Labour Provisions in Trade Agreements Hub.

Considerable variation can be observed among labour provisions in trade agreements with respect to their implementation mechanisms. More than 80 per cent of trade agreements with labour provisions provide for some type of mechanism for dialogue and cooperation between the parties.[10] Furthermore, a number of these trade agreements also include some sort of framework for engagement with stakeholders on labour-related issues. This can involve the creation of dedicated bodies for stakeholder participation, for example in the form of domestic advisory groups (Corley-Coulibaly, Grasselli and Postolachi 2023). However, the extent to which such frameworks are institutionalized in practice varies significantly across African countries examined in this report, ranging from the structured accountability mechanisms in place in South Africa to more fragmented consultation models in Kenya and Uganda (see Chapter 4).

Some trade agreements also establish a mechanism for the submission of complaints by stakeholders concerning alleged violations of relevant commitments (Harrison 2019). Such concerns may be raised by one party with another through informal or formal consultations. Where consultations fail to resolve the matter, trade agreements often provide for recourse to arbitral dispute settlement, either under the agreement's general dispute settlement framework or through a dedicated mechanism. The resulting decisions of dispute settlement bodies (often referred to as "panels") may be binding or nonbinding and, in some cases, permit the imposition of sanctions – such as trade measures or monetary fines – as

10 See the data available at the ILO's Labour Provisions in Trade Agreements Hub.

a measure of last resort (Marx, Ebert and Hachez 2017). An important exception is the Rapid Response Labor Mechanism under the United States–Mexico–Canada Agreement (USMCA), which allows sanctions to be applied directly to the facility concerned, rather than solely at the level of the trade partner (Claussen and Bown 2024).

2.1.2. Practical implications

In spite of the proliferation of labour provisions, there have been some concerns about their potential adverse impacts on trade. Some have argued that requirements regarding working rights and conditions in trade agreements would lead to higher costs, disadvantage developing economies and reduce trade (Bhagwati 1995; Dasgupta 2000). However, existing studies generally find that labour provisions in trade agreements neither divert nor reduce trade (Carrère, Olarreaga and Raess 2022; ILO 2016a; LeClercq, Robertson and Samaan 2023; Timini, Cortinovis and Vicente 2022).[11] Indeed, the evidence suggests that labour provisions in trade agreements are sometimes associated with stronger positive effects on trade flows than agreements that do not include such provisions (Carrère, Olarreaga and Raess 2022; Timini, Cortinovis and Vicente 2022).[12] In addition, studies have generally not found evidence to support the argument that labour provisions have been used for protectionist purposes by advanced economies at the expense of developing and emerging economies (Corley-Coulibaly, Grasselli and Postolachi 2023; DiCaprio 2004).

This is consistent with the fact that instances in which trade and investment agreements have resulted in trade restrictions remain rare. While stakeholders have filed numerous complaints alleging violations of labour provisions under several agreements,[13] labour-related disputes that resulted in panel decisions have, to date, arisen under only three of them.[14] These comprise a dispute between the United States and Guatemala under the Dominican Republic–Central America–United States Free Trade Agreement, a dispute between the EU and the Republic of Korea under their bilateral trade agreement, and several disputes between the United States and Mexico under the USMCA. Importantly, no dispute concerning labour provisions under a trade agreement has thus far resulted in sanctions against another party to the agreement.[15]

Instead, in practice, cooperative and dialogue-based activities appear to play a more prominent role. A number of trade agreements have involved significant stakeholder engagement activities, serving as a platform for social dialogue (Corley-Coulibaly, Grasselli and Postolachi 2023). Furthermore, under several trade agreements, labour provisions have been accompanied by substantial technical cooperation aimed at capacity building of local labour institutions and stakeholders (ILO 2013, 2016a). For example, between 2006 and 2021 over 50 projects related to the labour provisions in a trade agreement were implemented in Guatemala, covering areas including labour relations, social dialogue and labour inspection (Corley-Coulibaly, Grasselli and Postolachi 2023). In some cases, these efforts have involved the participation of the ILO in related technical cooperation activities (for an example, see **box 2**), underscoring the role of international institutions in supporting the implementation of labour provisions (ILO 2016a).

11 See, however, Robertson (2021), who finds that labour provisions "that are more likely to eliminate illicit trade, including clauses related to discrimination, protection of working conditions, and third-party monitoring exhibit a negative marginal relationship with trade flows".

12 Notably, Carrère, Olarreaga and Raess (2022) find that labour provisions emphasizing institutional cooperation have positive effects on the exports of low- and middle-income countries with less robust labour standards in the context of North–South Agreements. However, Timini, Cortinovis and Vicente (2022) find that there is considerable variation across economic sectors, types of labour provisions and levels of development among countries.

13 This includes the North American Agreement on Labor Cooperation and its successor, the United States-Mexico Canada Agreement, the Dominican Republic–Central America–United States Free Trade Agreement; Canada–Colombia; EU–Colombia, Ecuador and Peru; United States–Bahrain; United States–Colombia; United States–Peru; and the Comprehensive and Progressive Agreement for Transpacific Partnership; see the data available at the ILO's Labour Provisions in Trade Agreements Hub. Furthermore, under the USMCA about 30 facility-specific submissions had been filed as of June 2026; see USTR (n.d.).

14 See the data available at the ILO's Labour Provisions in Trade Agreements Hub.

15 Under the USMCA Rapid Response Labor Mechanism, certain facility-level trade measures have been imposed on goods produced at the establishments concerned (Claussen and Bown 2024).

▶ Box 2. The Trade for Decent Work project

Trade for Decent Work (T4DW) was launched in 2019 and funded by the European Commission (joined by Finland in 2021). The project initially focused on three Asian countries – Bangladesh, Myanmar and Viet Nam – with respect to which the EU maintained active trade arrangements (Curtis and Echeverría Manrique 2023). The first two were beneficiaries of the Everything But Arms arrangement under the EU's Generalised Scheme of Preferences (GSP), while the latter – benefiting from the standard GSP scheme – was negotiating the EU–Viet Nam Free Trade Agreement. The project was later expanded to several other countries, including five in Africa – Cabo Verde, Côte d'Ivoire, Ghana, Madagascar and Mozambique.

T4DW seeks to strengthen the capacity of the EU's trading partners to embed decent work considerations within their trade and development frameworks. Under T4DW, countries receive support to ratify the ILO fundamental Conventions and to align their labour legislation and implementation practices with these Conventions. The project also places an emphasis on responsible business conduct and promotes initiatives that enhance responsible practices in enterprises. In this regard, numerous capacity-building activities were provided to government institutions, as well as to employers, workers and other relevant stakeholders, both to support legal reforms and to enhance compliance in practice (Curtis and Echeverría Manrique 2023).

2.2. Unilateral arrangements and labour conditionality

In addition to trade and investment agreements, certain unilateral trade instruments contain a labour dimension. These include, in particular, laws prohibiting the importation of goods produced in violation of certain labour rights, as well as trade preference schemes that incorporate labour-related conditionality.

2.2.1. Import ban laws

Several economies have adopted import bans of goods made with certain types of labour rights violations. The first such instrument, adopted by the United States, banned the import of goods made with prison labour in 1890 and goods made with forced labour in 1930 (Charnovitz 1987). In recent years, import bans have become increasingly prominent tools to address forced labour. In the United States, their use expanded after the repeal of the Consumptive Demand Clause in 2016, which had limited enforcement under the 1930 Tariff Act. The US Congress has since introduced additional regimes, including bans on goods made by nationals of the Democratic People's Republic of Korea and those linked to the Xinjiang Uyghur Autonomous Region of China or designated entities (Ebert, Francavilla and Guarcello 2025).[16] In addition, Canada modified its customs regime in 2020 to introduce a ban on imports produced with forced labour, building on an existing prohibition that had previously applied only to goods made with prison labour. This prohibition was further expanded in 2023 to cover goods produced using child labour. Similarly, in 2023, Mexico implemented a ban on imports of goods produced with forced labour through an interministerial agreement. In 2024 the EU adopted a comprehensive prohibition on goods produced with forced labour, encompassing imports, exports and goods produced within the EU for its internal market, which will become applicable at the end of 2027 (Ebert 2026).[17] In 2026 several other countries, including Indonesia, Pakistan and Ecuador, adopted forced labour import ban regulations (Anti-Slavery International 2026).

16 Furthermore, an obligation to adopt forced labour import bans has been inserted into several recently negotiated trade agreements; see, for example, Article 2.9(1) of the Agreement Between the United States of America and Malaysia on Reciprocal Trade; Article 2.7(1) of the Agreement Between the United States of America and the Republic of Guatemala on Reciprocal Trade. Furthermore, on 12 January 2026, the United States initiated an investigation into 60 economies, including Canada, Mexico and the EU, to assess whether they had implemented and effectively enforced import bans on goods produced with forced labour (USTR 2026).

17 See Regulation (EU) 2024/3015 of the European Parliament and of the Council of 27 November 2024 on Prohibiting Products Made with Forced Labour on the Union Market and Amending Directive (EU) 2019/1937.

Given that most import bans are of recent date or not yet applicable, most of the available data regarding their implementation focus on the United States. As of June 2026, the United States customs authorities had 64 import bans in place (USCBP 2026). Of these, five concerned products from African countries: tobacco products from Malawi (since 2019) (USCBP 2019a); rough diamonds from certain diamond fields located in Zimbabwe; gold imports from artisanal small mines located in eastern Democratic Republic of the Congo (since 2019) (USCBP 2019b); frankincense and frankincense-based products by a company based in Somalia (since 2024) (USCBP 2024); and garments, apparel and textiles produced by a Mauritian company (since 2025) (USCBP 2025). In total, the US Government reported 7,325 stopped shipments with a value of about US$164 million between October 2024 and September 2025 (USCBP 2026).

2.2.2. Trade preference schemes

Trade preference schemes are trade arrangements in which one country provides nonreciprocal benefits, such as lower tariffs or quota-free and duty-free market access, to designated beneficiary countries. According to UNCTAD Trade Preferences Outlook (2024), a total of 25 developed and developing countries offer unilateral preference schemes. Of these, three have included labour requirements: the United States, the EU and the United Kingdom.

From the 1980s onwards, the United States began embedding labour-related conditions – covering issues such as child and forced labour, freedom of association and working conditions – into various tariff preference programmes for developing countries (Alston 1993). These included the US Generalized System of Preferences – currently inactive – under which preferential access could be suspended if beneficiary countries failed to comply with the specified labour standards. Additionally, the African Growth and Opportunity Act (AGOA), a regional preference scheme for Sub-Saharan Africa that provides additional trade preferences, includes labour requirements comparable to those in other US preference programmes (Siroën 2013). Established in 2000, AGOA expired in September 2025 and was subsequently reinstated in February 2026, with authorization extended to the end of 2026. As of 2026, 32 African countries were eligible for preferences under AGOA, including Ghana, Kenya, Mozambique and South Africa.[18]

The EU adopted a comparable approach in 1994 by introducing a labour-based suspension clause into its own GSP.[19] Initially confined to concerns related to forced labour and prison labour, this provision was progressively broadened to apply to "serious and systematic violation[s] of principles" of the ILO's eight original fundamental Conventions, as well as additional human rights treaties.[20] This suspension clause also applies to the so-called Everything But Arms scheme, a special arrangement within the EU GSP which provides duty-free and quota-free access to all exports from least developed countries except arms and munitions (Ebert 2009). In 2001 the EU further strengthened the labour component of its GSP through the introduction of a Special Incentive Arrangement, commonly referred to as GSP+. This scheme offers enhanced tariff preferences to eligible developing countries that satisfy defined economic criteria and have ratified a range of labour and human rights, environmental and governance conventions, in addition to certain commitments regarding their implementation (Stolzenberg 2019).

Under the EU GSP, there are 65 beneficiary countries, including 37 African countries, across three tiers of the regime (Standard, Everything But Arms and GSP+). Of the five African countries that are the focus of this report, Kenya is a beneficiary of the Standard preferences under the EU GSP and a partner to an economic partnership agreement (EPA).[21] Mozambique and Uganda are beneficiaries of the EU Everything

18 Information on AGOA is given on the up-to-date US Customs and Border Protection website; see also the 2024 list of AGOA Eligible and Ineligible Countries.

19 The EU GSP, as it currently exists, has been extended until 2027, as reported in 2023 by the Directorate-General for Taxation and Customs Union.

20 Article 19 of Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008.

21 Kenya's EU GSP status is due to expire in January 2027, following the conclusion of an EPA with the EU in 2016; see List of GSP Beneficiary Countries as of 1 January 2025.

But Arms scheme.[22] Ghana's status as a beneficiary under the EU GSP ended in 2019 following its entry into an EPA with the EU (European Commission 2020).

In 2023 the United Kingdom's new Developing Countries Trading Scheme (DCTS) entered into force. Similarly to the EU GSP, this arrangement allows for the suspension of trade preferences under the DCTS in the event of "serious and systematic violations" of the rights embodied in the ILO's original fundamental Conventions and the 2014 Protocol to the ILO Forced Labour Convention, 1930 (No. 29).[23] The United Kingdom's DCTS includes 65 beneficiary countries, of which more than 30 are in Africa, including Mozambique and Uganda.[24]

In addition, the Canadian Government has announced its intention to introduce labour requirements under the General Preferential Tariff Plus. However, this measure was not yet operational at the time of writing.[25]

In the past, several countries saw their trade preferences suspended because of noncompliance with labour requirements under trade preference schemes. Under the EU GSP, Myanmar's trade preferences were suspended in 1997 as a result of forced labour concerns and reinstated in 2013.[26] Similarly, the trade preferences of Belarus were suspended in 2006 based on issues relating to workers' freedom of association.[27] Furthermore, labour rights concerns, notably regarding workers' freedom of association, were among the reasons for the partial withdrawal of Cambodia's trade preferences under the Everything But Arms arrangement in 2020.[28] No labour-related case under the EU GSP involved an African country.

By contrast, under the US trade preference schemes, a number of African countries have had their trade preferences suspended because of labour rights issues. Earlier cases include the Central African Republic (1989; reinstated 1991),[29] Liberia (1990; reinstated 2006) (USTR 2006), Sudan (1991),[30] Syrian Arab Republic (1992),[31] and the Maldives (1995; reinstated 2009).[32,33] More recently, several African countries have seen their trade preferences suspended under AGOA. This encompassed, among others, Eswatini (2015), because of violations of collective labour rights (USTR and DOL 2015), with preferences reinstated in 2018 (USTR 2018a). Mauritania's preferences were suspended in 2018 because of forced labour concerns (USTR 2018b), with reinstatement effective 2024 (USTR 2023). In addition, the preferences of the Central African Republic were suspended in 2024 because of a number of issues including workers' rights (United States, White House 2023).

22 List of GSP Beneficiary Countries as of 1 January 2025.

23 United Kingdom, Trade Preference Scheme (Developing Countries Trading Scheme) Regulations 2023, SI 2023/561.

24 UK Government, Preference Tiers under the Developing Countries Trading Scheme.

25 Government of Canada, Canada's Unilateral Tariff Preference Programs for Imports from Developing Countries.

26 See Regulation (EU) No 607/2013 of the European Parliament and of the Council of 12 June 2013 repealing Council Regulation (EC) No 552/97 temporarily withdrawing access to generalised tariff preferences from Myanmar/Burma.

27 See Council Regulation (EC) No 1933/2006 of 21 December 2006 temporarily withdrawing access to the generalised tariff preferences from the Republic of Belarus.

28 See Commission Delegated Regulation (EU) 2020/550 of 12 February 2020 amending Annexes II and IV to Regulation (EU) No 978/2012 of the European Parliament and of the Council as regards the temporary withdrawal of the arrangements referred to in Article 1(2) of Regulation (EU) No 978/2012 in respect of certain products originating in the Kingdom of Cambodia.

29 See Compa and Vogt (2003); Administration of George H.W. Bush, Letter to Congressional Leaders on Beneficiary Trade Status for the Central African Republic, Paraguay, and Namibia, 4 February 1991.

30 See Proclamation by the President of the United States of America 6282 – To Modify Duty-Free Treatment Under the Generalized System of Preferences, 25 April 1991.

31 See Administration of George H.W. Bush, Memorandum on the Generalized System of Preferences, 15 June 1992.

32 See Administration of William J. Clinton, Proclamation 6813 of July 28, 1995 to Amend the Generalized System of Preferences.

33 See Administration of Barak Obama, Message to the Congress on the Generalized System of Preferences, 23 December 2009.

Stakeholder perspectives on trade, investment and decent work

Part II

© Pexels/Harrun Muhammad

3. Survey methodology

Previous chapters of this report examined broad trends in labour and trade policy. However, a closer look at how these policies are implemented in practice highlights significant knowledge gaps. In particular, there is little information about how ILO constituents perceive the links between trade, investment and labour and how they are involved in the implementation of labour provisions.

To address this gap, the ILO conducted an expert opinion survey in five countries in Africa: Ghana, Kenya, Mozambique, South Africa and Uganda. The participants included the ILO constituents – representatives of governments, employers and workers – but also broader civil society members. The countries were selected to ensure regional representation, taking into account the number of trade agreements they are party to, as well as the presence of ILO country offices or ILO trade-related projects.[34] The survey findings were further complemented by in-depth interviews with stakeholders, who provided more extensive responses to open-ended questions, enabling a more nuanced understanding of national experiences and priorities.

3.1. Design of the stakeholder survey and in-depth interviews

The ILO stakeholder survey gathered insights from individuals with direct experience and knowledge of trade and labour issues. Accordingly, the sampling approach did not rely on a random selection of the general population; instead, it targeted respondents with relevant expertise and professional engagement. Respondents comprised representatives from labour and trade ministries, export and investment promotion agencies, the social partners, nongovernmental organizations (NGOs) and academia. About half the participants had more than ten years of experience in the field.

Potential participants were identified through desk search and in consultation with the relevant ILO field office. In selecting participants, a tripartite balance was sought, with the aim of ensuring comparable representation of government, workers' and employers' representatives. For each country, the cohort consisted of 15 selected participants, including at least three from each group, complemented by NGOs and academia. Because of varying response rates across countries and stakeholder groups, the targeted proportions were adjusted. Nevertheless, representation from all three tripartite constituencies was achieved in every country.

This methodology aligns with practices in trade policy research, which prioritizes capturing specialized knowledge over statistical representativeness, particularly when examining complex policy relationships where institutional experience provides crucial insights (Yildirim et al. 2021). Such an approach is employed in the sustainability impact assessments of the EU, which rely on stakeholder insights through consultations to identify key issues and possible effects of trade agreements (Bauer 2023; European Commission 2026). Another example is a World Economic Forum paper which draws on stakeholder interviews across diverse backgrounds to examine trade and labour policy tools (WEF 2024).

The survey, which was conducted through an online platform, included 42 questions: 37 closed-ended (23 single-answer and 14 multiple-response) and five open-ended. In addition, 20 of the 42 questions included an optional free-text field to elaborate on responses for qualitative insights.[35] The language of the questionnaire was English, except for Mozambique, where the survey was available in Portuguese.

34 Three countries from the initial list were subsequently excluded because of low response rates.

35 The questionnaire and the list of selected participants, representing workers' and employers' organizations, were reviewed by the ILO's Bureau for Workers' Activities and Bureau for Employers' Activities.

The questions were arranged in three groups, capturing information from respondents on the following topics:

1. General information
   - Demographic characteristics and background
   - Involvement in trade agreements
2. Trade and labour market issues
   - Perceptions of trade–labour linkages
   - Perceptions of sectoral impacts of trade
   - Views on complementary policy measures
3. Labour provisions in trade and investment arrangements
   - Awareness of labour provisions and their effects
   - Views on implementation challenges
   - Support needs

To complement the findings from the online survey, the ILO conducted semi-structured follow-up consultations with respondents from each stakeholder group, selected on the basis of their detailed responses to open-ended questions. The objective was to delve deeper into key themes emerging from the quantitative data, to clarify ambiguous responses and to gather additional qualitative insights. The interview guide comprised a common set of standardized questions covering participants' professional backgrounds; perceptions of trade–labour linkages within specific sectors, and their evolution in the current trade environment; engagement in trade and labour-related activities linked to trade agreements; the balance between attracting FDI and labour market outcomes; engagement with the informal economy; and views on the AfCFTA. The guide also included respondent-specific questions, tailored to each participant's survey responses, to explore particular points raised in greater depth. Findings from these consultations were incorporated in the analysis of data.

3.2. Data collection and analysis

A total of 54 stakeholders in Ghana, Kenya, Mozambique, South Africa and Uganda completed the online survey (**table 5**).[36] The highest response rates were in Mozambique, Uganda and Kenya, with the latter two countries selected for in-person consultations based on this indicator and their geographical proximity. The stakeholder distribution shows, as intended, strong tripartite representation, with government, worker and employer representatives comprising 81 per cent of respondents.

▶ Table 5. Response rate by country and stakeholder category

	Total	Government ministries and agencies	Workers' organizations	Employers' associations	Academics/ NGOs/other
Ghana	10	4	2	2	2
Kenya	10	3	3	3	1
Mozambique	14	5	3	2	4
South Africa	7	3	3	1	0
Uganda	13	4	3	3	3
TOTAL	54	19	14	11	10

Source: ILO stakeholder survey on trade and decent work (Africa).

36 The survey was conducted between April and June 2025 through a password-protected online link that was sent individually to participants.

In Ghana, Mozambique and South Africa, consultations were conducted with three respondents per country in one-to-one sessions of approximately 60 minutes. In Uganda and Kenya, in-person consultations were conducted in small group discussions (3–7 people), comprising the original survey participant and colleagues with relevant expertise to enrich the dialogue. In both countries, representatives of trade unions, employers' associations and ministries of labour were interviewed. Additionally, in Uganda, two representatives from NGOs and the trade ministry were consulted, while in Kenya the export promotion agency was also included.

The qualitative component of the survey proved particularly valuable. Nearly half the respondents provided detailed written responses to open-ended questions, often drawing on specific examples from their own countries and institutions. These responses, together with in-depth interviews, helped to explain patterns in the quantitative data and provided concrete policy suggestions that would not have emerged from closed-ended questions alone.

The analysis of the data in this report focuses on key trends, regionally and across countries, and comparisons across the responses of various stakeholder groups. As random statistical sampling is not used, the findings of the survey cannot be generalized to all stakeholders in the selected countries or the region. Reported percentages and patterns should be taken as a description of themes and opinions among particular groups of stakeholder experts.

4. Trade and labour linkages: stakeholder perspectives

This chapter presents stakeholder perspectives on trade and labour linkages, drawing on responses across countries and stakeholder groups to examine the key challenges and opportunities arising from trade liberalization for workers and enterprises. The findings highlight that trade is widely perceived as being strongly linked to positive labour market aspects such as employment creation, productivity and skills development. At the same time, respondents highlight persistent challenges, particularly related to the quality of employment, such as informality, wages and working conditions, even where employment gains occur. In terms of policy responses, stakeholders place strong emphasis on employment policies, alongside social protection, skills development and trade policy, in shaping inclusive and decent work outcomes from trade.

4.1. Labour market implications of trade: opportunities and challenges

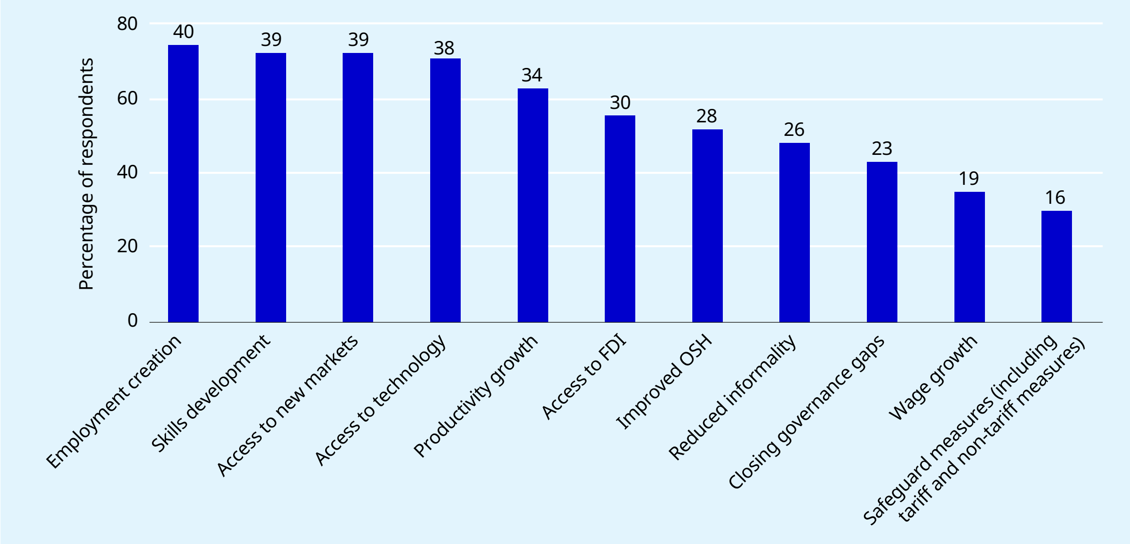
A substantial body of literature identifies international trade as an important driver of growth and productivity (Doan and Long 2019; ILO 2021a; World Bank 2020).[37] Trade expansion can increase labour demand through export growth, raise productivity through facilitation technology transfer, and strengthen human capital formation by raising incentives for skills acquisition and learning by doing. However, the employment and development benefits of trade are not automatic and depend critically on complementary labour market, education and industrial policies.

Responses to the ILO survey largely align with these findings. When asked to identify the main opportunities associated with international trade from a list of options, approximately three quarters (75 per cent) of respondents highlighted employment creation as a primary benefit (**figure 6**). A similar share pointed to skills development, access to new markets and technological advancement as key opportunities. Around 60 per cent of respondents also identified productivity growth as an important trade-related outcome. By contrast, fewer respondents associated trade with improvements in job quality, such as reductions in informality, OSH standards and wage growth, or increased access to FDI, suggesting more cautious expectations in this regard.

When asked to identify the main challenges associated with trade, a large majority of respondents (78 per cent) cited limited employment opportunities as a major concern (**figure 7**). This benefit–challenge paradox reflects the dual nature of trade itself, which can generate employment in some sectors while simultaneously leading to job losses in others (ILO 2021a). Additionally, trade liberalization may trigger skill-biased technological and organizational changes that reshape occupational structures and increase demand for higher-skilled tasks (Kowalski et al. 2015). Although some studies focusing on developing countries find only a limited or context-specific link between trade liberalization and skill-biased outcomes (Goldberg and Pavcnik 2007; Kijima 2006), respondents' perceptions suggest otherwise. Indeed, 68 per cent of respondents identified skills mismatches as a significant challenge, suggesting that workers often lack the competencies required for the jobs being created.

37 For reviews of the literature on this topic, see Lee and Jansen (2007), Newfarmer and Sztajerowska (2012) and Shepherd (2013).

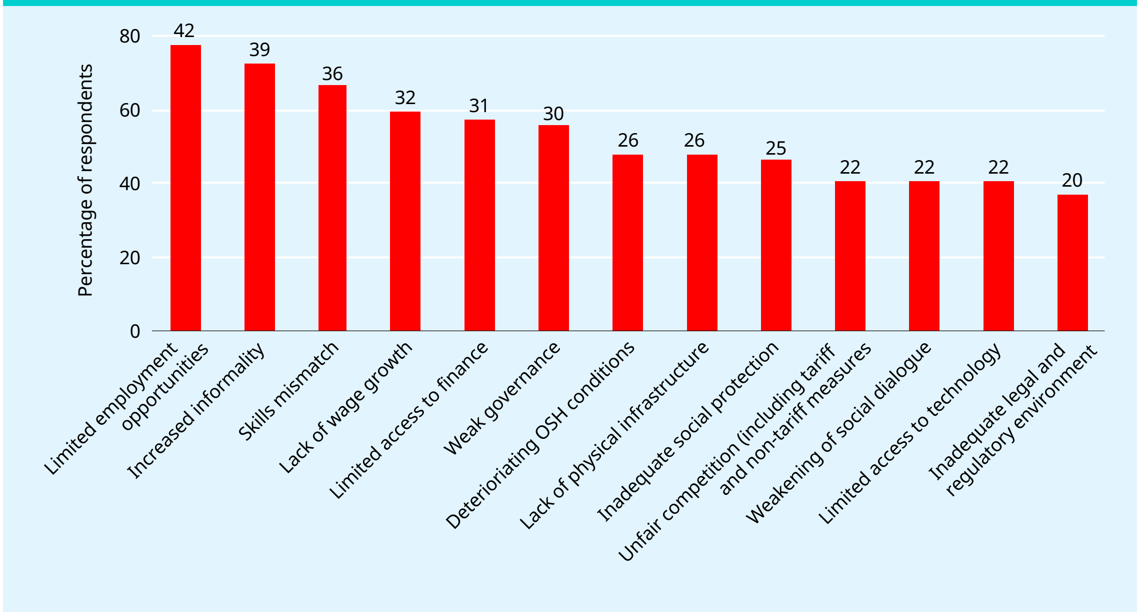
▶ Figure 6. Perceptions of key opportunities associated with trade (number of responses)



Note: The figure above each bar indicates the number of affirmative participant responses.

Source: ILO stakeholder survey on trade and decent work (Africa).

▶ Figure 7. Perceptions of key challenges associated with trade (number of responses)



Note: The figure above each bar indicates the number of affirmative participant responses.

Source: ILO stakeholder survey on trade and decent work (Africa).

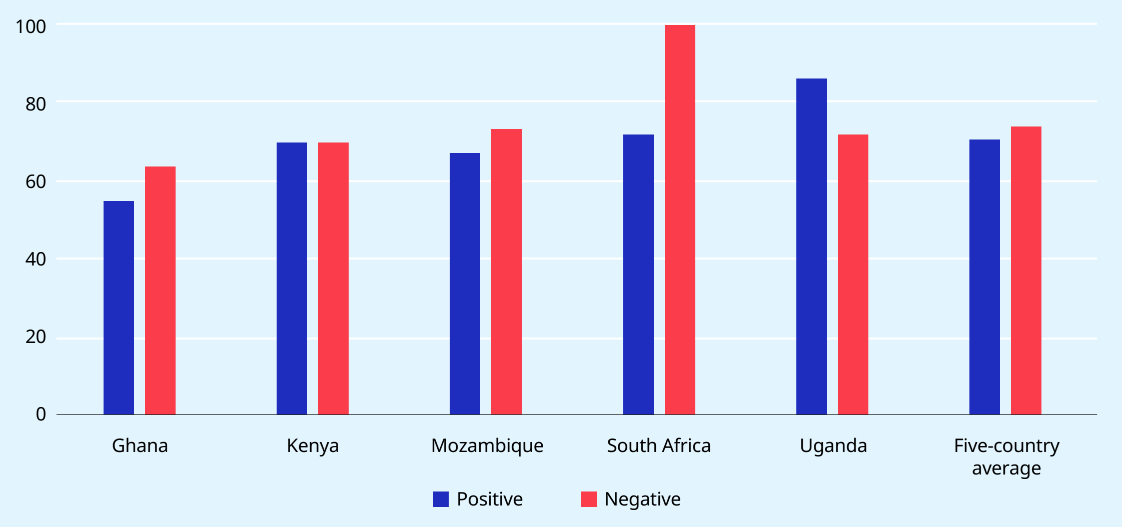
In addition to employment levels and skills, respondents also highlighted broader constraints on firms' capacity to benefit from trade. More than half (57 per cent) highlighted limited access to finance as a major barrier, particularly for micro, small and medium-sized enterprises (MSMEs). This concern is well documented in the empirical literature, which shows that financing constraints significantly limit firms' participation in international trade and global supply chains, especially for smaller enterprises facing higher transaction costs and limited collateral (Ayyagari, Grover Purvis 2011; Lengnick-Hall and Beck 2005; World Bank 2020). In this regard, some respondents pointed to the importance of FDI for addressing the financing gap (see Chapter 6).

Job quality concerns also featured prominently, with 72 per cent of respondents identifying informality and 59 per cent citing stagnant wages as a key challenge linked to trade. Empirical evidence indicates that export-oriented sectors tend to offer relatively higher wages and greater levels of formality (ILO 2026; Taglioni and Winkler 2016). At the same time, there is also substantial evidence that trade integration can contribute to the expansion of low-quality and precarious employment, particularly in labour-intensive manufacturing, agriculture and informal services (ILO 2026; World Bank 2020). These issues, as well as employment creation, skills and firm-level constraints, are examined in the following sections through a comparative analysis that includes additional evidence from stakeholder consultations across the five countries.

4.1.1. Perspectives on trade and employment

Figure 8 presents respondents' perceptions of whether trade has benefits and/or challenges for employment across the five surveyed countries (Ghana, Kenya, Mozambique, South Africa and Uganda). The results are mixed, with many respondents indicating that there are both benefits and challenges. On average, 70 per cent of respondents viewed trade as contributing positively to employment opportunities, while a slightly higher share (74 per cent) reported negative effects. This pattern suggests that, although trade is widely recognized as a driver of job creation, concerns about job losses and displacement remain prominent. The consultations reveal that these concerns stem largely from perceived competitive pressures and uneven employment outcomes across sectors – which (as indicated below) are well supported in the literature.

▶ Figure 8. Share of respondents identifying employment as a benefit and/or challenge associated with international trade (percentage)



Source: ILO stakeholder survey on trade and decent work (Africa).

At the same time, the cross-country averages mask important national differences. Uganda records the highest share of positive perceptions (86 per cent), indicating a relatively strong association between trade and employment opportunities. Yet a substantial share of respondents (71 per cent) also reported negative effects. This duality reflects evidence which shows that trade has supported employment growth in some sectors but that broader job creation remains constrained by firm capabilities, skills gaps and limited access to finance (ILO 2016b, 2024b; WTO 2018). Stakeholder consultations echo this mixed impression. As one Kenyan government official posited, trade-related shocks may lead to short-term job losses but tend to have limited long-term effects on employment: "They are not long. It does not have that negative profound impact on employment … in the long run, it recovers."

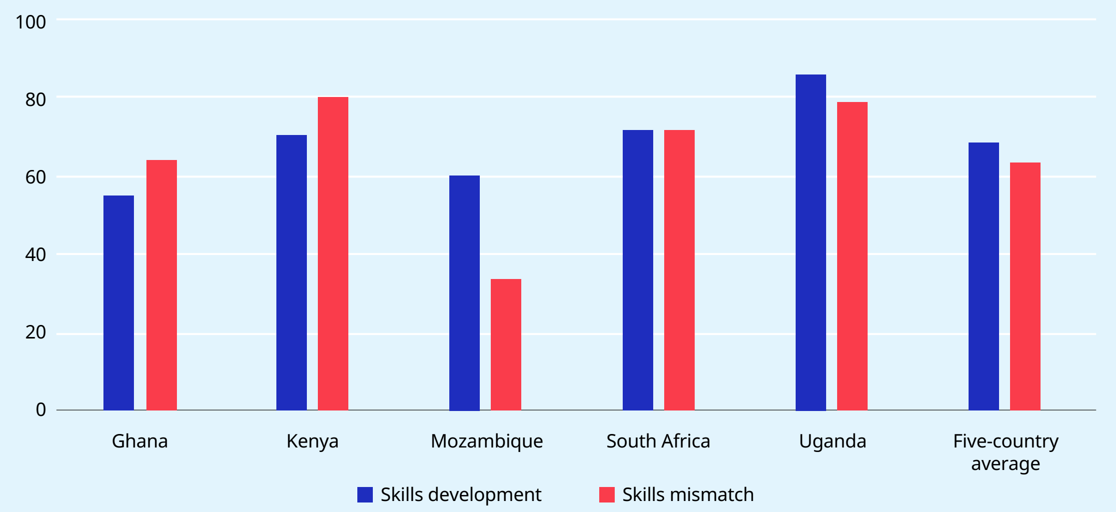
In contrast, South Africa exhibits the strongest negative assessments, with all respondents (100 per cent) reporting adverse employment effects, even though 71 per cent also acknowledged positive impacts. This finding is consistent with evidence of significant labour market adjustment costs associated with trade liberalization and structural change in the country (Sulla and Zikhali 2018). Stakeholder consultations further highlighted concerns about restrictive unilateral tariff measures of 30 per cent imposed by the United States and their sectoral employment implications (South Africa, Department of International Relations and Cooperation 2025). These tariff measures have particularly affected South Africa's automotive, agriculture and textile sectors, which face elevated risks of job losses and declining export competitiveness (Gumede 2025; Torongo 2025). Both a South African workers' representative and a government official emphasized the cascading effects of such measures, with the latter noting that they have "real-world impacts on workers and communities, including job losses and macroeconomic spillovers that made the situation worse than before".

Ghana similarly shows a comparatively lower share of positive perceptions of employment opportunities linked to trade (55 per cent) , with a majority reporting negative effects (64 per cent). A Ghanaian employer representative noted that competitive pressures from large foreign firms can crowd out local small and medium-sized enterprises (SMEs), while skills gaps and uneven technology adoption may displace workers in the short to medium term. Overall, these findings underscore the importance of country-specific labour market conditions and adjustment mechanisms in shaping perceptions of trade-related employment effects.

4.1.2. Perspectives on trade and skills

The results presented in **figure 9** highlight a strong perceived connection between trade, skills development and skills mismatches. Across the five countries, most respondents (68 per cent on average) viewed skills development as a positive outcome of international trade, suggesting that trade expansion can open opportunities for workers to acquire new and higher-value skills. At the same time, a similarly high share (63 per cent) identified skills mismatches associated with trade as a major challenge. As discussed earlier, this duality reflects skill-biased trade effects. While trade expansion increases demand for skilled labour, this demand frequently outstrips the ability of the labour market to adjust, thus increasing skills mismatches.

▶ Figure 9. Share of respondents identifying skills development and skills mismatch as a benefit and/or challenge associated with international trade (percentage)



Source: ILO stakeholder survey on trade and decent work (Africa).

Country-specific patterns illustrate this tension between skills development and skills mismatch. Uganda, for example, reports the highest perceived opportunities for skills development (86 per cent), but also a high incidence of skills mismatch (79 per cent). These perceptions align with evidence documenting persistent skills gaps in growth-oriented sectors (Guloba et al. 2021; ILO 2020a, 2024c). As one Ugandan Ministry of Labour official noted, there remains a “significant skills mismatch in the manufacturing sector”. Kenya shows a similarly pronounced pattern, with 70 per cent of respondents seeing opportunities for skills development and 80 per cent reporting skills mismatches. This corresponds with documented evidence of shortages in technical and vocational skills despite rising demand in trade-exposed sectors (FKE 2023; ILO 2020b). As a Kenyan export promotion official observed, existing skills gaps and resource constraints continue to “slow things down”.

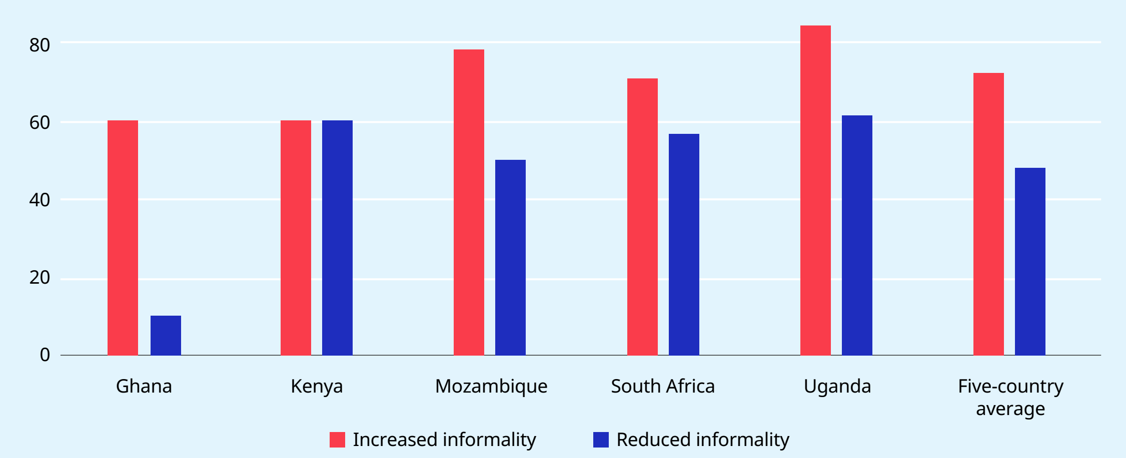
South Africa reports high levels for both indicators, consistent with extensive evidence of structural skills mismatches and limited absorption of low- and medium-skilled workers, particularly in manufacturing and services (Bhorat, Cassim and Tseng 2016). By contrast, Mozambique shows more moderate perceptions of skills development (60 per cent) and comparatively lower reported skills mismatch (33 per cent), possibly reflecting more limited exposure to skill-intensive trade (Cho and Feda 2015). However, a government official from the country noted that, during the country’s gas and oil discoveries, the scale of skills shortages initially led to heavy reliance on foreign expertise while domestic workers underwent training abroad.

Taken together, these patterns indicate that the labour market’s ability to adjust to trade-related shifts in demand depends critically on the underlying skills profile of the labour force.

4.1.3. Perspectives on trade and informality

Respondents also raised concerns about how trade influences informality. Almost three quarters (72 per cent) perceived trade as contributing to higher levels of informal employment, although, in a separate question, nearly half (48 per cent) also identified a potential opportunity for reduced informality **(figure 10)**. These mixed views align with the literature, which finds that the impact of trade on informality can vary widely across contexts. Trade can support formalization through growth of firms, productivity gains and integration into structured supply chains. However, it can also increase informality where competitive pressures are high and regulatory or support capacities are limited (ILO 2023a). In such circumstances, the informal economy often acts as an adjustment mechanism: it absorbs workers displaced from income-competing activities and accommodates firms seeking to reduce costs (Goldberg and Pavcnik 2007; La Porta and Shleifer 2014; Prettner, Bloom and Strulik 2013).

▶ Figure 10. Share of respondents identifying informality dynamics as a benefit and/or challenge associated with international trade (percentage)



Source: ILO stakeholder survey on trade and decent work (Africa).

Country-level patterns reveal notable variation. Uganda reports the highest share of respondents associating trade expansion with increased informality (85 per cent), followed by Mozambique (79 per cent) and South Africa (71 per cent), indicating particularly strong concerns in these contexts. Kenya and Ghana (both 60 per cent) show comparatively lower, though still substantial, shares. Informality remains prevalent across the countries surveyed. Except for South Africa (35 per cent), rates range between 75 and 95 per cent across countries (see section 1.2).

Country experiences help to explain these perceptions. In Mozambique, an economic structure dominated by informal trade and small-scale activities reinforces the role of informality as a key adjustment mechanism in the absence of sufficient formal employment opportunities (Aga et al. 2021; Chivangue and Barros 2017). In South Africa, despite comparatively low overall informality, trade liberalization has been associated with significant labour market adjustment costs at the local level (Erten, Leight and Tregenna 2019), helping to explain the relatively high share of respondents associating trade with informality.

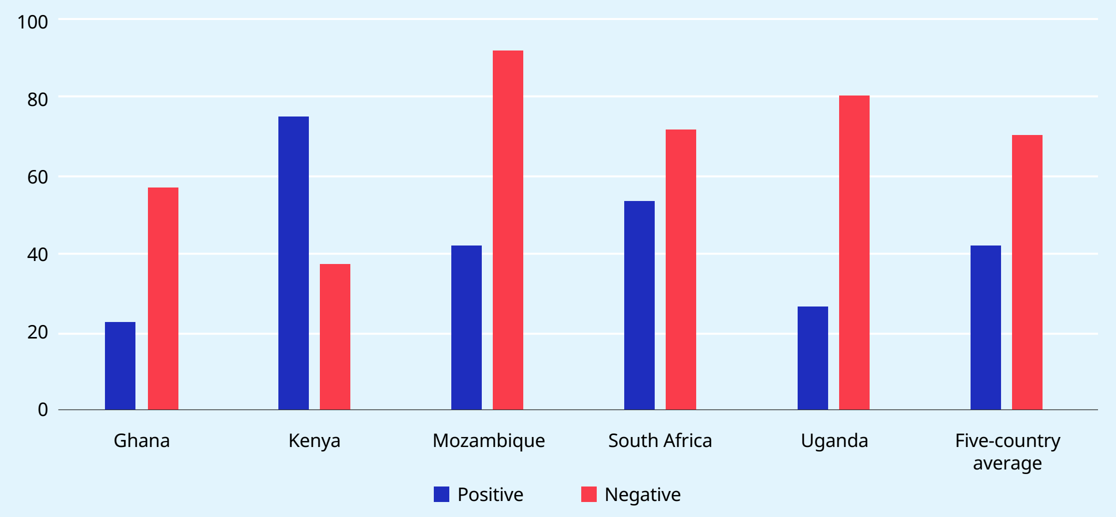
These perceptions were further clarified by the stakeholder consultations, which highlight both the risks of informality and the scope for policy-driven formalization. A South African government official emphasized the need for trade agreements to better integrate informal traders and producers into formal value chains. In Uganda, stakeholders pointed to structural constraints facing informal enterprises, including fragmentation, reliance on intermediaries for market access, and high compliance and logistics costs. At the same time, they stressed that targeted interventions – such as strengthening cooperatives and aligning trade growth with employment and labour standards – can support more inclusive participation in value chains. Overall, these perspectives suggest that the relationship between trade and informality can be engineered by deliberate and complementary labour market, enterprise and trade policies.

4.1.4. Perspectives on trade and wages

Respondents also expressed concerns about the effects of trade on wages. On average, more than half – 56 per cent – associated the challenges of international trade with negative wage impacts. In a separate question, 33 per cent identified wages as being associated with the benefits of trade (**figure 11**). Share of respondents identifying wage dynamics as a benefit and/or challenge associated with international trade (percentage)1). These perceptions are somewhat consistent with broader evidence that finds no uniform relationship between trade and wages. In many developing and emerging economies, competitive pressures often lead firms to adjust wages downwards before making employment-level adjustments (Goldberg and Pavcnik 2016). At the same time, the literature also notes that trade can contribute to wage gains where firms expand, productivity improves, and institutional frameworks support fair wage setting (ILO 2019b). The direction and magnitude of wage effects depend on country-specific labour market institutions and the capacity of firms to move up value chains.

Across countries, perceptions of trade-related wage effects differ markedly. Mozambique (73 per cent) and Uganda (64 per cent) report the strongest negative views of trade-related wage impacts, followed by South Africa (57 per cent). In Uganda, these perceptions correspond with evidence indicating that trade expansion has primarily generated employment in low-productivity activities, with limited wage growth due to weak bargaining power and high rates of informality (Calì 2014; ILO 2024c). Ghana also displays a notable imbalance, with negative perceptions (45 per cent) far outweighing positive ones (18 per cent). This is consistent with country-level studies indicating that trade exposure and sectoral reforms have not resulted in broad-based wage growth, particularly for lower-skilled workers and SMEs facing intensified competition in more open markets (Brafu-Insaidoo 2017). Kenya stands out as an exception: most respondents (60 per cent) cited positive wage impacts, with relatively fewer reporting negative effects (30 per cent), pointing to more favourable wage outcomes or stronger transmission of trade-related gains to earnings.

▶ Figure 11. Share of respondents identifying wage dynamics as a benefit and/or challenge associated with international trade (percentage)



Source: ILO stakeholder survey on trade and decent work (Africa).

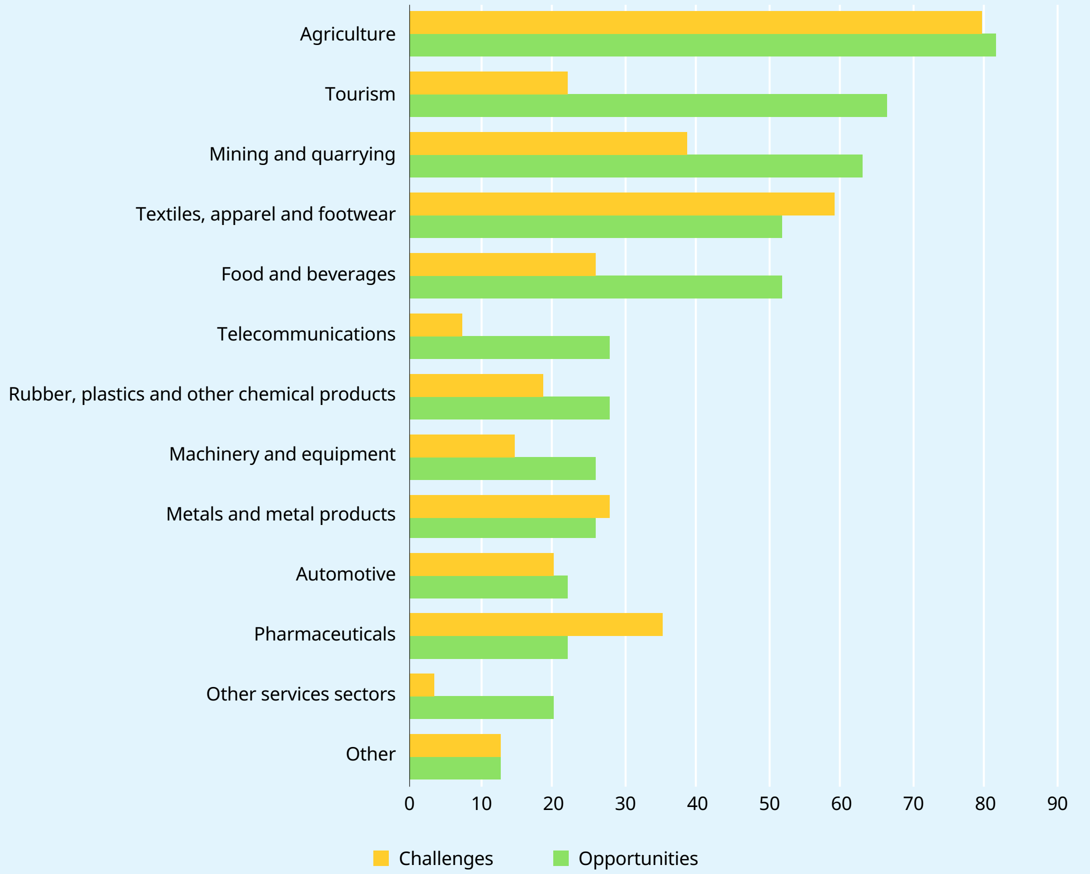
Overall, the stakeholder consultations indicate strong concerns about wage pressures linked to international trade. These pressures are widely perceived to outweigh potential wage gains, particularly in settings with weak labour market institutions. Stakeholders frequently pointed to regulatory shortcomings as a key constraint. In Uganda, for example, an economic policy researcher noted that the country's minimum wage has not been updated since 1984, limiting its relevance in protecting workers in more open markets. In South Africa, a government official highlighted that labour abuses are more common in weakly regulated sectors such as clothing, textiles and agriculture and that the national minimum wage remains below a living wage standard. A workers' representative from Ghana similarly emphasized that trade benefits must be accompanied by adequate wages, social protection and respect for workers' rights. These perspectives illustrate how gaps in wage-setting mechanisms and labour regulation can restrict the extent to which trade-related gains translate into improved earnings for workers.

4.2. Sectoral effects of trade

Trade does not affect all sectors, enterprises or workers in the same way. Differences in production structures, exposure to international competition, regulatory environments, infrastructure and skills requirements mean that trade generates distributional impacts both across and within sectors. As some sectors expand and upgrade, others face displacement risks or deteriorating working conditions, making it critical to identify where support is needed and how workers can transition across sectors and employment forms (ILO 2021b; World Bank 2020).

Figure 12 shows wide variation in how respondents perceive the impacts of international trade across sectors. Agriculture stands out most clearly: 81 per cent of respondents identify it as benefiting from trade, while 80 per cent also view it as the most challenged sector. These contrasting perceptions reflect the coexistence of very different forms of agricultural production. While large-scale commercial operations generate formal employment and can take advantage of export opportunities, the majority of agricultural workers remain in subsistence farming or informal arrangements characterized by low productivity, minimal social protection and limited earning potential (Christiaensen and Maertens 2022).

▶ Figure 12. Sectors identified as benefiting from and/or challenged by international trade (% of respondents)



Source: ILO stakeholder survey on trade and decent work (Africa).

Stakeholder consultations highlight widespread concerns that deeper trade integration may intensify informality and wage pressures for smallholder farmers and agricultural labourers. These concerns are especially evident in Ghana, where smallholder farmers dominate the agricultural landscape, accounting for nearly 57 per cent of cultivated parcels smaller than 0.8 hectares and producing most of the country's food. However, Ghana's major export commodities – such as cocoa, rubber, palm oil, bananas and pineapples – are largely produced by midsized family farms and large-scale commercial plantations, rather than the smallest producers (UNEP 2021; World Bank 2025a). Representatives from the Ghana Employers Association noted that fragmented supply chains and gaps in labour standards compliance further limit smallholders' ability to benefit from export-oriented trade.

Similar dynamics are observed in Uganda, where an employers' representative noted that agriculture remains largely subsistence-based and fragmented, with intermediaries capturing a significant share of value and limiting returns to producers and workers. Consultations with the Ministry of Trade also highlight compliance with standards as a binding constraint: basic practices, such as drying cereals on bare ground, create contamination risks, resulting in failure to meet export specifications.

Respondents identified tourism, mining and quarrying, and food and beverages as clear net beneficiaries of trade. Tourism received the strongest positive assessments, with 67 per cent viewing it as gaining from trade openness and only 22 per cent citing significant challenges. These perceptions are consistent with broader evidence showing rapid tourism expansion in East Africa over the past decade, driven by regional integration and rising international demand (UNWTO 2023). Services more broadly

– especially tourism, telecommunications and business services – received the most consistently positive assessments across all countries. But some subregional variation remains: East African respondents emphasized strong tourism performance, while South African stakeholders highlighted advanced business services, consistent with South Africa’s role as the regional financial hub. These patterns align with national ambitions, as illustrated by a Ugandan Ministry of Trade official who pointed to the Tenfold Growth Strategy, which seeks to increase trade from US$53 billion to US$500 billion by 2040, with tourism positioned as a central pillar (Uganda, Ministry of Finance, Planning and Economic Development 2025).

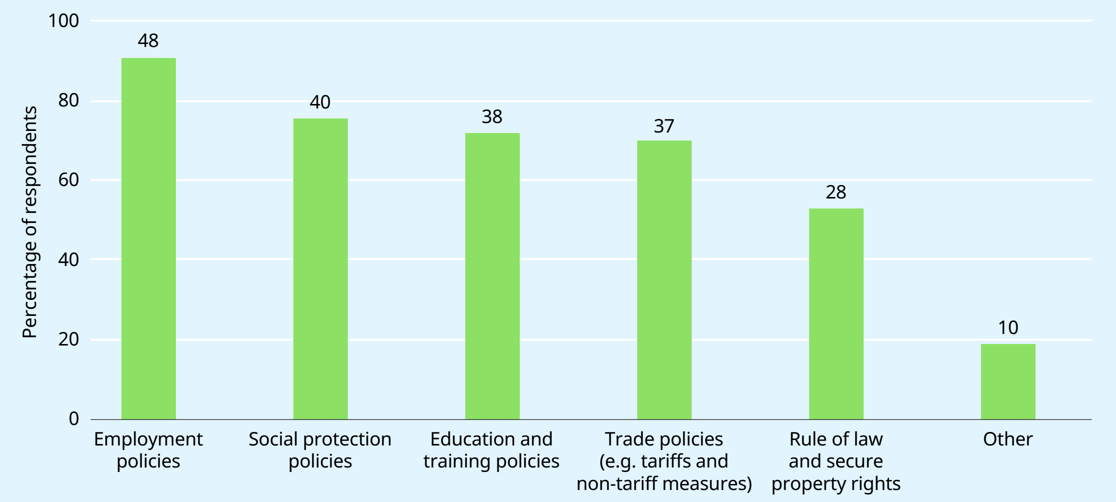
On average, perceptions were more mixed in manufacturing and technology-intensive sectors. Textiles, apparel and footwear are seen as facing substantial challenges (59 per cent), which slightly outweighs perceived benefits (52 per cent) and reflects strong competitive pressures despite export opportunities. A respondent from Ghana noted that trade liberalization had “led to downward pressure on wages and working conditions” in sectors exposed to global competition, including agriculture and textiles, contributing to “job losses, informality and weak enforcement of labour standards, all of which disproportionately affect low-skilled workers”. Pharmaceuticals were likewise seen as encountering more challenges (35 per cent) than benefits (22 per cent). At the same time, consultations indicate that higher-skill, capital- and knowledge-intensive activities – such as automotive, machinery and equipment, metals, pharmaceuticals, logistics and digital services – are generally associated with more positive trade outcomes, such as market access, foreign investment, productivity gains and skills development. As one South African business representative emphasized, these sectors – including pharmaceuticals, where recent ILO analysis highlights significant potential for decent job creation and upgrading opportunities (De Gobbi 2022) – are among the main beneficiaries of trade, with tangible implications for employment and skills development.

Overall, these perceptions suggest that, while international trade is broadly viewed as offering substantial opportunities, the benefits and adjustment costs are unevenly spread across sectors. This highlights the importance of complementary policies – in particular, those related to transitions to formalization, skills development, productivity upgrading and infrastructure development – to support inclusive employment outcomes. Stakeholders in landlocked economies such as Uganda emphasize transport and logistics constraints across tradable sectors, while those in coastal economies point to sector-specific infrastructure bottlenecks, including ports for manufacturing and mining and telecommunications for services.

4.3. Policy priorities to strengthen trade–labour linkages

The effectiveness of trade in generating positive outcomes for workers and enterprises relies heavily on complementary domestic policies. This perspective is consistent with global analyses showing that trade benefits are maximized, and their distribution made more inclusive, when supported by well-designed labour market, social and productivity-enhancing policies (WTO 2024). The perspectives reported here therefore offer insight into how respondents prioritize different policy levers in shaping labour market and enterprise outcomes in the context of trade. **Figure 13** shows that employment policies are most widely regarded as effective, with 89 per cent of respondents identifying them as central to ensuring that trade generates positive outcomes for workers and enterprises. This strong emphasis indicates broad agreement that job creation strategies, sound labour market institutions and active labour market policies are the primary channels through which trade gains are translated into employment outcomes. Social protection policies (74 per cent) and education and training policies (70 per cent) also receive substantial support, reflecting a shared view that adjustment assistance and skills development are essential complements to trade, particularly in helping workers manage transitions and respond to shifting labour demand patterns.

▶ **Figure 13. Policy preferences for trade–labour integration (number of responses)**



Note: The figure above each bar indicates the number of affirmative participant responses.

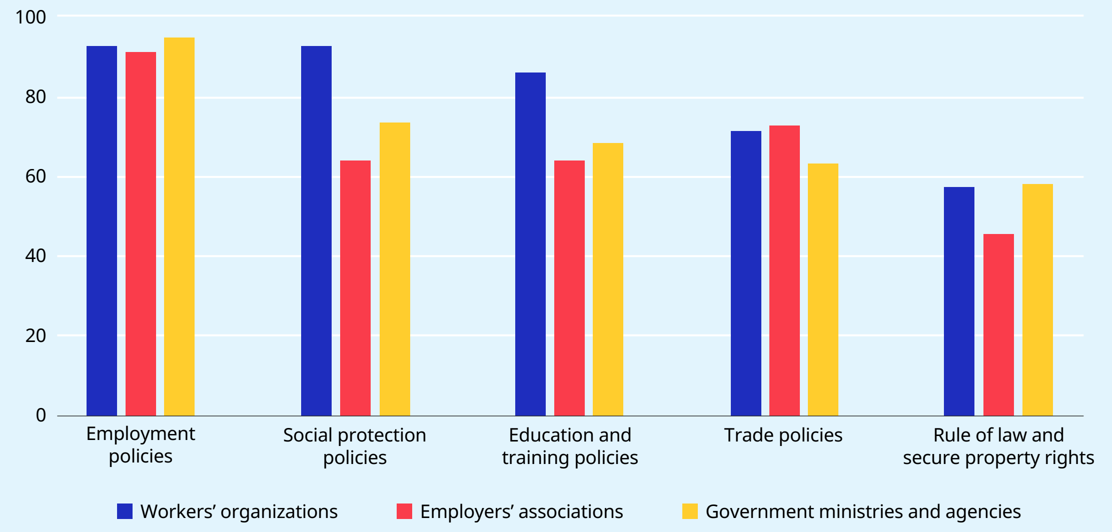
Source: ILO stakeholder survey on trade and decent work (Africa).

A substantial share of respondents (69 per cent) also identify trade policies themselves as effective, suggesting recognition that the design of tariffs and non-tariff measures, such as labour provisions, can influence employment and enterprise outcomes directly. By contrast, rule of law and secure property rights are cited less frequently (52 per cent), while few respondents emphasize other policy areas (19 per cent), pointing to a broad convergence around the core policy mix outlined above.

Country-level responses reveal both convergence and divergence in these priorities. There is strong alignment around the importance of employment policies, which receive consistently high ratings ranging from 70 per cent in Ghana to 100 per cent in Mozambique and Uganda. Social protection and education and training policies also attract strong support in Kenya (90 per cent and 70 per cent, respectively), Uganda (85 per cent for both), Mozambique (79 per cent for both) and South Africa (71 per cent for both). By contrast, respondents from Ghana assign markedly lower importance to these two policy areas (40 per cent for each), suggesting notable cross-country differences in perceived adjustment and skills needs. Views on trade policies can vary even more sharply, from 90 per cent in Ghana and Kenya to 43 per cent in Mozambique and 62 per cent in Uganda, indicating differing assessments of the direct role that trade policy design plays in shaping labour market outcomes. Rule of law and secure property rights are consistently rated lower across countries, ranging from 38 per cent in Uganda to 60 per cent in Ghana and Kenya; this suggests that they are regarded as important enabling conditions but less central to the immediate labour market effects of trade.

Differences also emerge across stakeholder groups, although there is broad convergence around the central role of employment policies. **Figure 14** shows very strong support for employment policies among workers' organizations (93 per cent), employers' associations (91 per cent) and government ministries and agencies (95 per cent). Workers' organizations put equally strong emphasis on social protection policies (93 per cent) and place significant importance on education and training policies (86 per cent), signalling a clear preference for policy responses that both mitigate adjustment costs and enhance workers' adaptability. Employers' associations, while strongly supportive of employment policies, place relatively greater weight on trade policies themselves (73 per cent) than on social protection or education and training policies (both 64 per cent), reflecting a greater focus on trade design and competitiveness. Government respondents pair strong support for employment policies with broad recognition of the importance of social protection (74 per cent) and education and training policies (68 per cent). Across all three groups, rule of law and secure property rights consistently receive lower ratings, suggesting that they are viewed as important enabling conditions but less directly linked to the immediate labour market effects of trade.

▶ Figure 14. Policy preferences for trade–labour integration, by stakeholder group (percentage)



Source: ILO stakeholder survey on trade and decent work (Africa).

Stakeholder consultations provide more nuanced insights into cross-cutting challenges related to skills, formalization and regulatory effectiveness. In Ghana, an employer representative stressed the need for policies that upgrade skills while balancing technological adoption with employment considerations. Formalization also emerged as a recurring theme across several countries. A Mozambican NGO representative stressed that progressive approaches – such as simplified registration, streamlined licensing, and improved access to social and labour protection – are essential for ensuring that trade, including cross-border trade, translates into decent work. Kenyan government officials similarly highlighted ongoing efforts to support SMEs and the informal sector, recognizing their importance to employment generation and the need for gradual formalization pathways.

Across countries, respondents consistently pointed to regulatory gaps and weak enforcement as a binding constraint. In Uganda, a labour advocate argued that "stronger labour laws" are a prerequisite for ensuring that trade supports decent work. A Ghanaian trade union representative pointed to weak enforcement and frequent noncompliance by multinational enterprises. Kenyan employers and trade unions likewise noted that, although labour laws exist, monitoring systems are weak and regulations are often outdated or poorly enforced. In Mozambique, stakeholders acknowledged recent reforms to labour legislation, but a labour advocate emphasized that implementation – rather than the existence of legal frameworks – is the central challenge, citing corruption and political interests as key obstacles.

5. Labour provisions: implementation and challenges

This chapter examines stakeholder perspectives on the perceived and actual labour market effects of trade and investment arrangements that include labour provisions. Stakeholders highlighted the role of such provisions in aligning labour standards, supporting domestic labour law reforms, and fostering social dialogue on trade and labour issues. At the same time, they noted that gaps in stakeholder engagement, limited resources and knowledge and weaknesses in labour law enforcement continue to constrain effective implementation. The challenges hinder the extent to which labour provisions translate into tangible improvements for workers and enterprises.

5.1. Stakeholder awareness of labour provisions

While labour provisions in trade arrangements represent an important tool for protecting labour rights and promoting decent work in the context of expanding global trade, there is a general lack of comprehensive knowledge of their content, scope and implementation mechanisms among governments, the social partners and civil society actors. This awareness gap is one that the ILO's Labour Provisions in Trade Agreements Hub was created to address (Corley-Coulibaly, Postolachi and Tesfay 2021).

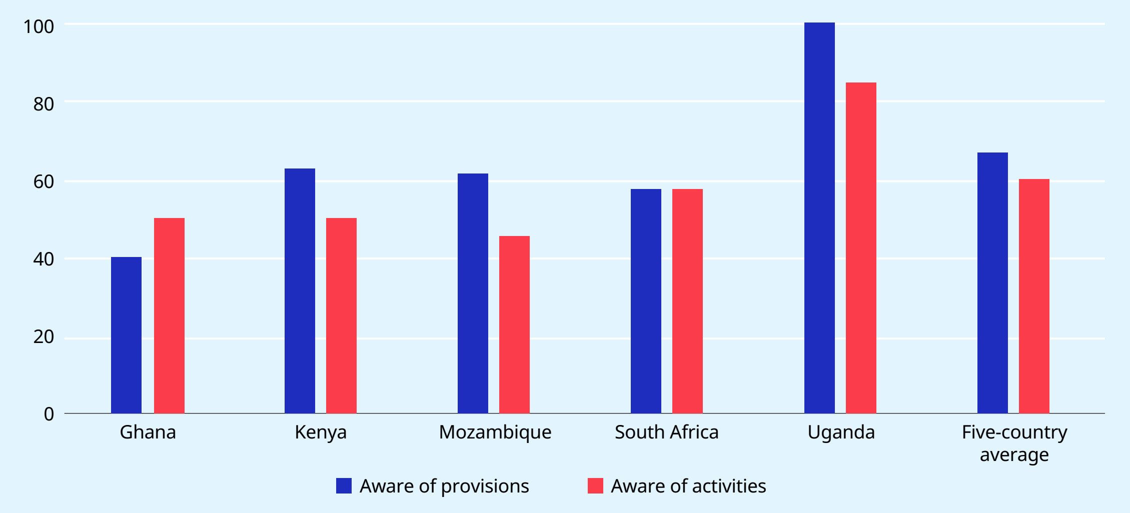
In the current survey, stakeholder awareness of labour provisions in trade arrangements is notably high, with 67 per cent of respondents reporting awareness (**figure 15**). This elevated awareness level reflects the survey design, which specifically targeted respondents with relevant expertise and experience in trade and labour issues. The highest awareness levels with respect to labour provisions in trade agreements were observed in Uganda, where all participants had heard about labour provisions. In Kenya and Mozambique, approximately two thirds of respondents reported awareness. The lowest levels were recorded in Ghana (40 per cent) and South Africa (57 per cent).

When asked about their awareness of the effects of labour provisions on labour markets, stakeholders reported greater awareness of trade agreements with labour provisions (62 per cent) than of other arrangements containing labour provisions, such as generalized systems of preferences, import bans and investment agreements (47 per cent). This may be associated with the heightened visibility of several trade agreements, particularly the AfCFTA.

Respondents also demonstrated a relatively high level of awareness of activities implemented in relation to labour provisions (60 per cent) (**figure 15**). However, country-level patterns suggest that there is scope for strengthening outreach and communication on activities, as only about half the respondents in Ghana, Kenya and Mozambique reported awareness in this area.

Involvement in implementation activities remains relatively limited, with less than half (48 per cent) of respondents reporting direct participation in the design or implementation of labour provisions. Respondents most frequently reported participation in dialogue or stakeholder engagement activities (69 per cent), as well as in capacity development activities (44 per cent). Regarding the type of activities, the majority participated in seminars, workshops, training sessions and conferences.

▶Figure 15. Stakeholder awareness of labour provisions and related activities (percentage)



Source: ILO stakeholder survey on trade and decent work (Africa) (for the question on awareness of labour provisions, 51 valid responses were recorded, 6 skipped; for awareness of activities, 48 valid responses were recorded, 9 skipped; and for labour provisions design/implementation, 50 valid responses were recorded, 7 skipped).

This gap between labour provision awareness and actual involvement in their design and implementation suggests that knowledge does not automatically translate into active engagement, pointing to scope for strengthening participation mechanisms. Insights from the consultations further highlight this disconnect. For example, a Kenyan trade union representative noted that many workers remain unaware of the full implications of their rights in the context of trade and investment, which can lead to rights violations going unaddressed. Respondents emphasized that greater inclusion of workers in trade–labour discussions and implementation processes would enable them to better understand relevant texts, disseminate information (particularly to informal actors), and ensure clearer alignment of obligations, duties and rights.

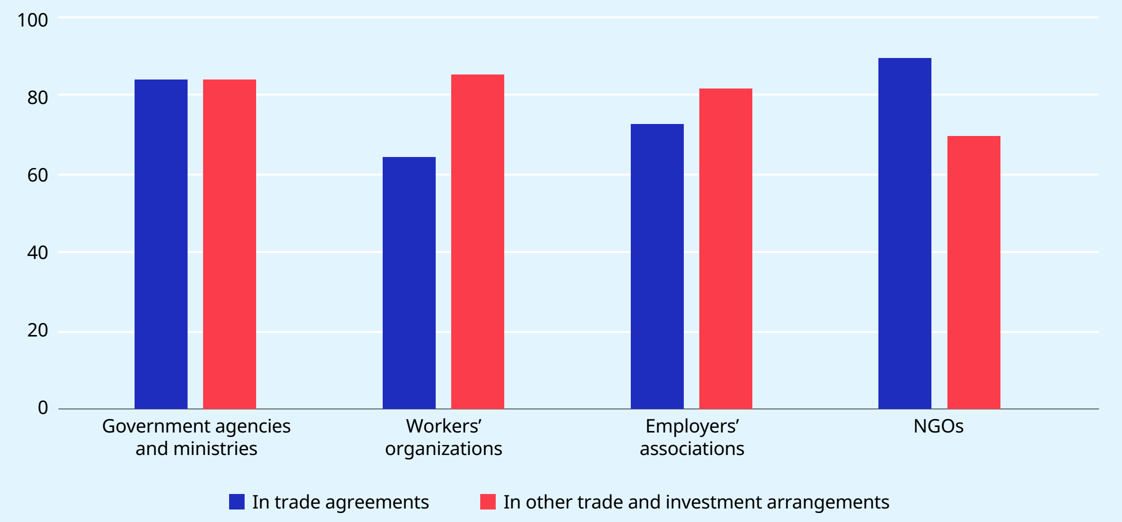
5.2. Stakeholder engagement mechanisms

A broad consensus across stakeholder groups indicates that strengthened stakeholder engagement is essential for the effective implementation of labour provisions and their translation into sustainable gains for workers and enterprises (**figure 16**). In total, over 80 per cent of respondents emphasized that increased stakeholder engagement would enhance the impact of labour provisions in trade agreements (84 per cent) and in other trade and investment arrangements (90 per cent).

However, despite widespread recognition of its importance, stakeholder engagement faces barriers which are seen to limit the effective enforcement of labour provisions. These barriers operate at multiple levels, from resource constraints and knowledge gaps to structural exclusions.

Among the most significant structural barriers is the limited participation of the social partners in the design of labour provisions (Corley-Coulibaly, forthcoming). Trade union exclusion extends well beyond the formally employed, as informal workers' associations may form partnerships and affiliations with trade unions, creating opportunities to represent informal workers' interests. A trade union representative from Ghana noted that agreements should reflect workers' concerns from the outset, adding that "effective implementation of labour provisions is unlikely unless trade unions and other stakeholders both understand and engage with the content and implications of trade agreements".

▶ **Figure 16. Stakeholder engagement as a key factor for labour provisions impact (percentage)**



Source: ILO stakeholder survey on trade and decent work (Africa).

In addition to constraints on social partner engagement, a deeper challenge to policy coherence exists: the persistent disconnect between trade and labour policy communities. A South African government official illustrated this fragmentation, noting that many trade practitioners continue to view labour requirements as constraints that hinder market efficiency rather than as complementary objectives within an integrated sustainable development framework. This siloed approach, where trade ministries tend to prioritize market access and competitiveness while labour ministries focus on worker protection, complicates the integrated implementation that labour provisions require.

Existing consultation mechanisms vary significantly across countries. Some demonstrate more structured approaches that facilitate regular stakeholder input, while others rely on fragmented or inconsistent processes (**table 6**). Overall, the findings suggest that, where social dialogue is structured, predictable and informed, labour provisions are more likely to translate into tangible improvements in labour market outcomes. This is illustrated in South Africa, where the social partners have regular opportunities to contribute to negotiating trade positions before they are finalized. Conversely, fragmented or ad hoc consultation is associated with more limited effects, as seen in Uganda, where such actions adversely affect implementation.

▶ **Table 6. Variation in national consultation frameworks**

Country	Framework characterization	Framework
Ghana	Maturing social dialogue model – formalization evolving	▶ Social dialogue has matured to a point where government "cannot afford not to listen" to the social partners, but stakeholder engagement mechanisms could be more systematic. ▶ Ghana's National Tripartite Committee, chaired by the Minister of Labour, Jobs and Employment, includes representatives of the government and of employers' and workers' organizations. Despite its broader mandate on trade and labour issues, the Committee is currently focused on discussions about minimum-wage determination. ▶ The Ghana Employers' Association recommended that all key business associations – not just those tied to the Ministry of Trade – be invited early into trade agreement processes, with social dialogue as the default mode.

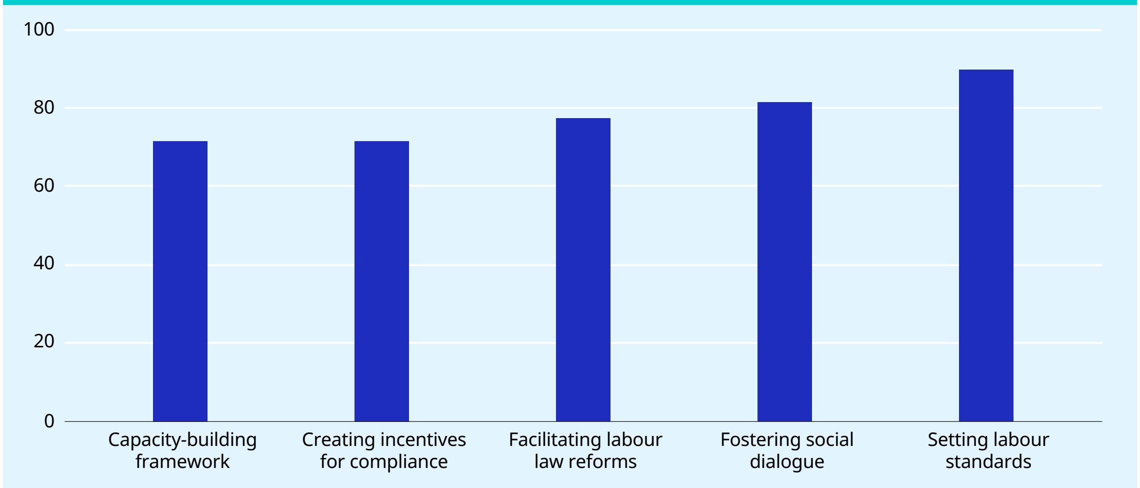
Country	Framework characterization	Framework
Kenya	Formal but fragmented model – weak coordination	▶ The National Trade Facilitation Committee, chaired by the Principal Secretary for Trade, meets quarterly. However, labour participation began only recently with the EU–Kenya EPA in June 2025. ▶ Kenya's Ministry of Labour joined EPA negotiations "when the agreement had already been ratified", limiting its influence on labour provisions before finalization. ▶ There is fragmentation across the State Department for Trade, Ministry of Foreign Affairs and Ministry of Labour that creates unclear divisions of responsibility.
South Africa	Institutionalized accountability model – highly formalized and transparent	▶ The government brings draft trade agreements to the Trade and Industry Chamber of the National Economic Development and Labour Council (NEDLAC) and its Technical Sector Liaison Committee (TESELICO). ▶ The social partners comment line by line and chapter by chapter before the government finalizes negotiating positions; research feeds into ministerial recommendations. ▶ Reports move to parliament for deliberation. ▶ Trade unions feel able to influence trade negotiation outcomes "because of the structured and ongoing engagement through NEDLAC".
Uganda	Parallel or dormant structures model – institutions are not aligned	▶ The National Labour Advisory Board (LAB) is a primary platform for social dialogue composed of tripartite representatives appointed by the Minister of Gender, Labour and Social Development. LAB is "tripartite and very active" on labour issues but "rarely discuss[es] international trade issues". ▶ The Inter-Institutional Trade Committee was designated by the Ministry of Trade, Industry and Cooperatives as a consultative mechanism operating between the public and private sectors on trade policy formulation and implementation. It has convened civil society, unions, employers, academia and ministries, but has become "largely nonfunctional". ▶ These institutional struggles directly affect implementation: respondents report being "not aware of sustained cooperative activities on labour provisions" and state that information "travels like a rumour" rather than through official channels.

5.3. Benefits and challenges in implementing labour provisions

When questioned about various aspects of labour provisions that are most beneficial in protecting and promoting labour rights, countries and stakeholder groups converged in their responses. Setting labour standards received the highest response at 90 per cent, followed by the provision of frameworks for stakeholder engagement and social dialogue at 82 per cent (**figure 17**). This suggests that labour provisions are seen by most respondents as mechanisms to improve national labour frameworks and align them with international standards, supporting earlier ILO findings on the role of labour provisions in strengthening labour market institutions (Corley-Coulibaly, Sekerler Richiardi and Ebert 2023; ILO 2017b).

Beyond standards setting, respondents also highlighted the ability of labour provisions in trade agreements to facilitate labour law reforms (78 per cent) and to create incentives for enterprise compliance (71 per cent). For example, a labour official from Kenya stated during the consultation that "with guaranteed markets like the EU, companies can pay a living wage and uphold labour standards", suggesting that stable supply chains, combined with labour conditionalities, can facilitate decent work.

▶ **Figure 17. Benefits from implementing labour provisions (percentage)**



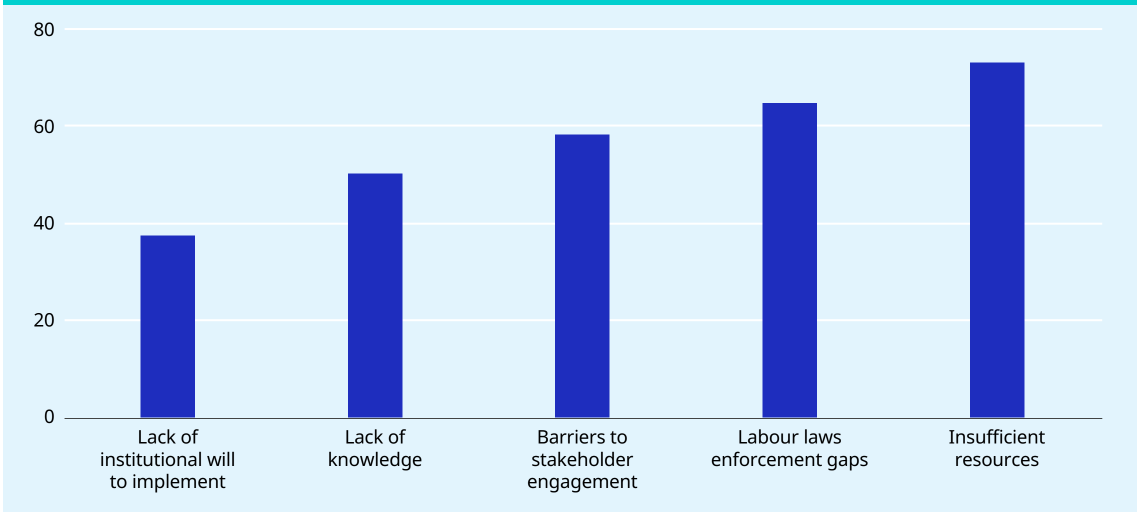
Source: ILO stakeholder survey on trade and decent work (Africa).

Stakeholder concerns about compliance costs arising from implementation of trade and investment arrangements with labour provisions, and their potential adverse effects on workers, deserve special attention. Ugandan trade officials highlighted additional costs associated with export standards compliance, which "can make or break market access" and which domestic SMEs often struggle to meet. These cost pressures may lead to job losses, increased precariousness, informalization of workplaces and heightened OSH risks. For larger businesses, higher operating costs and stricter regulation have also, in some cases, resulted in workforce reductions. For example, a trade union representative from South Africa noted that some branches of multinational companies had been closed following violations of workers' rights, leaving workers unemployed, while other foreign-affiliated firms had reduced their workforce in response to higher operating costs.

In addition, stakeholders face several challenges in participating effectively in the implementation of labour provisions. Resource constraints emerge as the primary barrier at 73 per cent overall and include, in addition to funding limitations, coordination challenges, insufficient staffing and limited technical capacity (**figure 18**):

- ▶ Lack of funding particularly affects civil society actors, limiting effective participation for trade unions and NGOs and preventing trade union coordination.
- ▶ Limited technical capacity – closely linked to knowledge gaps about existing procedures – further constrains meaningful participation. Trade unionists in Ghana illustrate this dimension, noting that "nobody educated us with the procedures and the protocols" for reporting violations under trade agreements. They emphasize the need for trade union capacity building on trade policy so they can "monitor and check it from the point of policy drafting", underscoring how technical knowledge gaps prevent stakeholders from engaging at critical early stages of the policy process.
- ▶ At the institutional level, a Ugandan government representative describes difficulties in "coordinating between the Ministry of Trade and the Ministry of Labour on employment impact assessments for trade agreements", highlighting how institutional coordination requirements exceed current capacity frameworks.

▶ Figure 18. Implementation challenges in labour provisions (percentage)



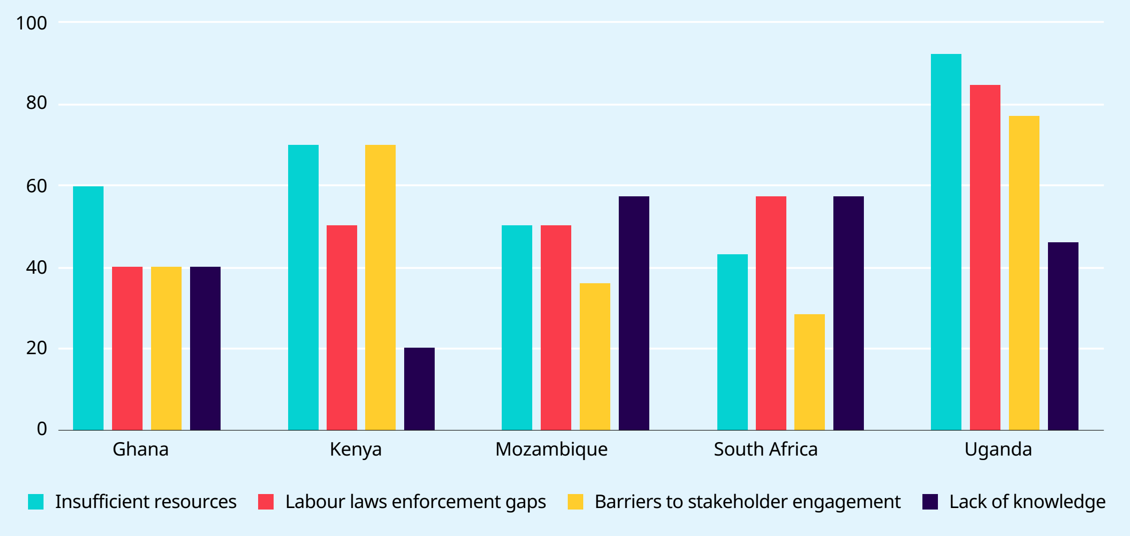
Source: ILO stakeholder survey on trade and decent work (Africa).

A substantial share of stakeholders also reported challenges related to the implementation of labour laws (65 per cent), pointing to a gap that is less about the adequacy of formal legal frameworks and more about the institutional capacity to enforce them. Strong formal legal frameworks alone do not guarantee effective implementation, as evidenced by varied outcomes across different country contexts. The literature reveals significant labour enforcement gaps in low- and middle-income countries in Africa where stringent labour regulations exist de jure (Diallo and Ronconi 2024, 2025). These gaps stem from a lack of financial resources, large informal economy sectors not covered by inspectorates, and other institutional constraints (Diallo and Ronconi 2025; Fenwick 2016; Pike 2020).

Country examples illustrate this pattern. In South Africa – a country with relatively comprehensive labour laws on the continent (Cunningham, Ngarachu and Kuddo 2022) – 57 per cent of respondents highlighted gaps in labour law implementation (**figure 19**). During the consultation, a Mozambican NGO noted that, while international mechanisms adopted by Mozambique encourage improvements in labour market outcomes, internal oversight remains weak and many companies continue to have lax compliance with labour standards. Further, a representative of the Federation of Kenya Employers added that, while agreements contain solid commitments on paper, many States fail to fully implement what they have agreed to, particularly regarding labour standards and migration conditions.

Barriers to stakeholder engagement were also identified among the top implementation challenges by the majority of participants (58 per cent) (**figure 18)**. Follow-up consultations revealed that specific challenges vary across institutional categories and country contexts. Government representatives primarily describe procedural barriers related to coordinating consultation schedules across multiple stakeholder categories. For example, during consultations with Uganda's Ministry of Trade, Industry and Cooperatives, government officials recognized gaps in both the negotiation and the implementation processes of trade agreements. They noted that even government participation is sometimes insufficient: the ministry itself struggles to assemble fully constituted, cross-disciplinary teams, as technical experts in labour standards are frequently missing from delegations. Moreover, consultations with the social partners remain the exception rather than the rule. Workers' organizations emphasize access barriers related to technical language and limited advance notice for consultation opportunities, while employers' organizations focus on regulatory uncertainty and limited feedback mechanisms that prevent effective input into policy development processes.

▶ **Figure 19. Implementation challenges by country (percentage)**



Source: ILO stakeholder survey on trade and decent work (Africa).

Inclusive stakeholder engagement faces additional structural barriers beyond those related to procedures and resources. Informal-sector actors, who constitute a significant portion of the workforce in many African countries, remain systematically excluded from formal consultation processes. An interview with the Federation of Kenya Employers illustrates this challenge: informal actors cannot become direct members of the Federation since membership requires formal registration; and while the Federation attempts to bridge this gap by partnering with the Kenya National Chamber of Commerce and Industry and engaging with groups representing informal-sector workers (so-called Jua Kali organizations), many informal operators remain reluctant to formalize because of tax obligations and regulatory compliance costs. Knowledge gaps compound these structural barriers, with half of stakeholders overall identifying lack of information as an engagement obstacle (**figure 18**), rising to 57 per cent in Mozambique and South Africa (**figure 19**).

In conclusion, across all regions, the majority of stakeholders report that they face challenges in implementing trade and investment agreements with labour provisions. These challenges are multidimensional and interconnected: resource constraints emerge as the primary barrier, compounded by significant knowledge gaps that affect different stakeholder groups in distinct ways. While resource constraints are particularly acute in East Africa, knowledge gaps are more pronounced in Mozambique and South Africa. Structural barriers to inclusive engagement, particularly the exclusion of informal-sector actors, further complicate implementation. Challenges with labour law implementation persist, with effectiveness depending more on institutional capacity and political will than on the strength of formal legal frameworks, as South Africa's experience demonstrates.

6. Perspectives on FDI and regional integration

FDI and regional integration are widely recognized as critical channels through which trade can shape labour market outcomes in Africa. FDI has the potential to support employment creation, productivity growth and technology transfer, particularly where linkages with domestic firms and value chains are well developed (African Development Bank 2024; UNCTAD 2023). At the same time, regional integration can enhance the region's attractiveness to investment by expanding market size, reducing trade and transaction costs, and strengthening regulatory coherence across countries (AUC and OECD 2022; UNECA 2025b). ILO survey findings underscore the importance of this nexus, with a majority of respondents identifying intraregional trade agreements as having the strongest link with labour market dynamics. This suggests that trade's employment impacts in Africa increasingly depend on how investment flows interact with regional integration, underscoring the need for stronger alignment between trade, investment and labour policies to generate decent work.

6.1. FDI and decent work in Africa

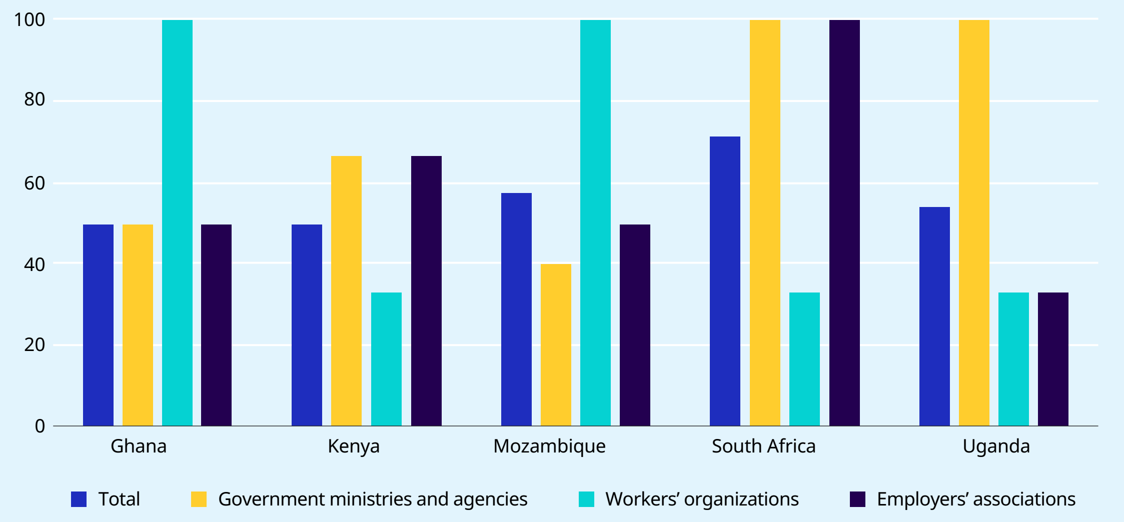
As previously noted, Africa accounts for only 6 per cent of global FDI inflows (see Chapter 1), and overall FDI to the region has remained largely stagnant over the past decade (UNCTAD 2025c). This persistent underinvestment carries important implications for labour markets, as FDI inflows are generally associated with stronger integration of domestic firms into global supply chains and with employment growth (Hoekman and Sanfilippo 2023; Saurav, Liu and Sinha 2020; Sgrignoli et al. 2017). At the same time, the effects of FDI on working conditions vary across sectors and countries (Bertin, Ernst and Michelena 2025; Cheong 2019; UNCTAD 2018). For example, foreign-owned firms often offer higher wages than domestic firms because of higher productivity (Bertin, Ernst and Michelena 2025; OECD 2024), yet FDI may also widen income inequality by increasing demand for skilled labour and generating adverse outcomes for lower-skilled workers (Hale and Xu 2016; Moran 2006). Evidence further suggests that, while efforts made by developing country governments to attract FDI may lead to improvements in collective bargaining rights within targeted sectors, there may be limited willingness to strengthen workers' contractual protections with regard to working hours and dismissal (Messerschmidt and Janz 2023; Mosley and Uno 2007).

6.1.1. Stakeholder views on FDI

Stakeholder perspectives obtained through the ILO survey and consultations correspond to the literature's findings on the ambiguous effects of FDI. Slightly over half of survey respondents (56 per cent) highlighted access to FDI as an opportunity for workers and enterprises in their country arising from trade, with the highest share recorded among government ministries and agencies (68 per cent). Around half of workers' and employers' representatives (57 and 55 per cent, respectively) identified access to FDI as one of the trade-related benefits.

In South Africa, 71 per cent of respondents highlighted access to FDI as one of the positive outcomes of expanding trade for workers and enterprises – compared to 57 per cent in Mozambique, 54 per cent in Uganda and 50 per cent in Ghana and Kenya (**figure 20**). The country stands out within the regional context, as all consultation participants stressed that attracting investment at the expense of labour rights would not be feasible, given the strength of domestic labour regulation. As one trade union representative explained, the South African labour framework "cannot legally be bypassed or weakened in favour of investors". They added, however, that there remains scope to better align FDI policies with decent work goals.

▶ **Figure 20. Access to FDI as an opportunity for workers and enterprises (percentage)**



Source: ILO stakeholder survey on trade and decent work (Africa).

Among the remaining four countries – Ghana, Kenya, Mozambique and Uganda – a recurring theme across consultations was the gap between the legal framework and its implementation. The employers' representative in Kenya acknowledged that, while legal and policy frameworks include strong protections and decent work requirements, implementation is often weaker in practice. The NGO representative in Uganda recalled that the national investment authority once advertised "cheap labour" as part of the country's investor value proposition – a framing that captured the prevailing policy logic even if the language was later softened.

Across these four countries, consultations also revealed broad recognition among governments and investment promotion agencies that attracting FDI is viewed as an economic necessity. In Mozambique, for example, the investment promotion agency emphasized that FDI is indispensable, given the limited scale of domestic entrepreneurship, the predominance of the informal economy, and significant skills gaps. Officials from labour ministries in Kenya and Uganda also recognized the benefits of FDI for domestic economic development.

In contrast, consultations in South Africa revealed a perception that FDI attraction entails risks: a government representative highlighted that investment treaties may "weaken a country's ability to regulate labour" and therefore "undermine the State's capacity to protect decent work".

6.1.2. Export processing zones: a closer look

Export processing zones (EPZs) and industrial parks operating under free zone regimes are a particular area of concern regarding labour protection. In many African countries, these zones focus primarily on highly labour-intensive industries, such as garments and textiles, and are often governed by legal frameworks that allow lowering of labour standards as a deliberate instrument of investor attraction, raising significant concerns about job quality (ILO 2017c; UNCTAD 2021).

During the consultations, representatives from trade unions in Ghana, Kenya and Uganda highlighted frequent labour violations in EPZs and industrial parks, including precarious short-term contracts, restrictions on collective bargaining and unsafe working conditions. In Ghana, the trade union representative explained that the Free Zone Act establishes weaker labour standards relative to the main Labour Act, notably restricting collective bargaining and weakening employment security. In Kenya, trade union representatives pointed to an institutional gap – namely, that labour ministry representation is severely limited within EPZ governance structures. A similar gap was highlighted in Uganda, where labour ministry officials acknowledged insufficient departmental capacity to inspect and enforce labour standards in these zones. The Ugandan labour ministry representatives indicated that foreign investors often violate labour standards as they are unfamiliar with Uganda's labour laws, resulting in generally poorer working conditions in foreign-owned establishments compared to locally owned firms. On the other hand, Kenyan government officials reported a different experience of how foreign investors adhered to labour standards. They noted that foreign investors tend to promote better compliance with labour standards, which carries over to local firms through partnerships, thereby improving enforcement across the country.

Consultations pointed to the need for strengthened action at both national and regional levels to avoid framing investor attraction and labour protection as competing priorities. While stakeholders, particularly in Ghana, Mozambique and Uganda, stressed the importance of reviewing current foreign investment policies from a labour standards perspective, they emphasized that the main challenge lies not in the legal framework but in the effective implementation of existing norms. Stakeholders from Ghana, Kenya and Uganda emphasized the need for stronger coordination between trade and investment authorities and labour ministries. Trade union representatives in these countries also stressed the need for inclusion of workers' representatives in monitoring processes, particularly within EPZs. More broadly, the social partners called for greater alignment between industrial strategies and FDI policies, as well as complementary reforms addressing skills development and gaps in infrastructure, digital connectivity and governance.

In this context, regional integration frameworks – particularly the AfCFTA and regional economic communities (RECs) – provide important platforms for promoting intra-regional trade and investment. By strengthening regional value chains and supporting regulatory coordination, they provide and institutional basis for aligning investment promotion with labour protection objectives across the region.

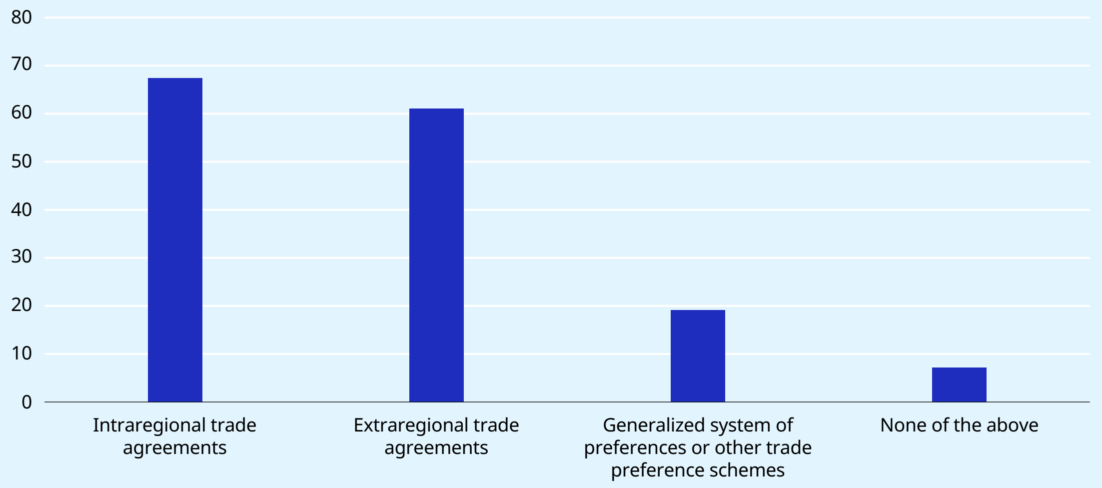
6.2. AfCFTA, RECs and labour linkages

As discussed in detail in Chapter 2, Africa participates in a diverse set of trade arrangements, including intra- and extraregional trade arrangements, as well as unilateral trade preference schemes. Survey results indicate that 67 per cent of respondents view intraregional trade arrangements as having the strongest interlinkages with labour markets in their country (**figure 21**). This is followed by trade agreements with partners outside the region (61 per cent of respondents), while only 19 per cent point to generalized systems of preferences or other trade preference schemes for their links with labour.

When respondents were asked to specify the trade arrangements with the strongest labour market linkages in their country, RECs – in particular, EAC, ECOWAS, COMESA and SADC – were most frequently cited (53 per cent) in responses to open-ended questions (**figure 22**). The AfCFTA was the next most frequently cited arrangement (44 per cent). Other agreements, including EPAs, WTO agreements, bilateral trade agreements, and strategic trade and investment partnership agreements, appeared in 34 per cent of responses, while 28 per cent referred to the AGOA preferential scheme.[38]

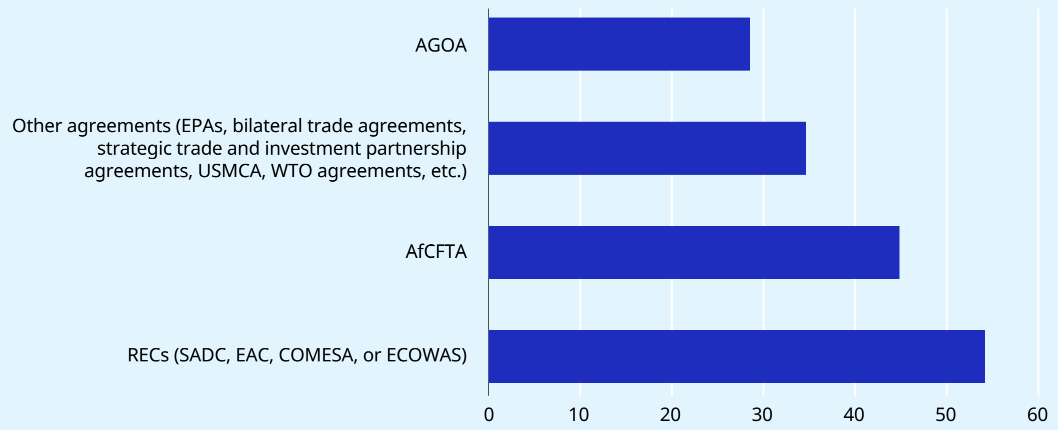
38 The survey was conducted in 2025, prior to the renewal of AGOA on 3 February 2026, following the passage of legislation (H.R.7148) by the US Congress, which extended AGOA's validity until 31 December 2026.

▶ Figure 21. Types of trade arrangements perceived as having the strongest labour market linkages in Africa (percentage)



Source: ILO stakeholder survey on trade and decent work (Africa).

▶ Figure 22. Specific trade arrangements perceived as having the strongest labour market linkages (percentage)



Note: The figure is based on open-ended responses to the question in which stakeholders identified the trade arrangements perceived as having the strongest labour market linkages in their country. A total of 22 nonresponses to the open-ended question were excluded; percentages are calculated based on 32 valid responses in which most participants identified more than one trade arrangement.

Source: ILO stakeholder survey on trade and decent work (Africa).

This pattern corresponds closely with the structure of Africa's trade agreements. Of the continent's 50 trade agreements, 15 contain labour provisions, and many of these are treaties of the same RECs and other trade agreements most frequently cited by the respondents as having the strongest labour market linkages. Labour-related commitments are included in the AfCFTA's Protocol on Investment (see **box 1**, Chapter 2) as well as in the treaties of four major RECs – EAC, ECOWAS, COMESA and SADC. The inclusion of labour-related institutional mechanisms, when compared to other agreements, might explain their perceived influence on labour market outcomes.

6.2.1. RECs and the AfCFTA: complementarities and implementation

The RECs play an important role in facilitating economic cooperation, along with addressing development challenges and promoting peace, security and governance in the region. The African Union recognizes eight RECs as key pillars of Africa's regional integration efforts. These communities, each with its own mandates, memberships and structures, operate at different levels, ranging from free trade areas to common markets and customs unions (see **appendix**). Under the 1991 Abuja Treaty,[39] the strengthening of RECs was envisaged to deepen the regional integration process and to gradually pursue the creation of a wider African Economic Community.

The AfCFTA – the largest trade agreement in history by number of countries (see **box 1**) – is explicitly built on these eight RECs. The Preamble and Article 5 of the AfCFTA establish that the agreement shall be implemented using RECs as building blocks, while Article 19 states that the levels of integration already achieved within RECs shall be maintained. Thus, in principle, the AfCFTA is designed to coexist with existing RECs and build on their best practices to achieve the broader goal of creating a single continental market. In practice, the AfCFTA primarily addresses continental-level trade issues, while RECs manage intraregional trade implementation.

Cooperation occurs through mechanisms such as AfCFTA–REC coordination meetings and the committees of the AfCFTA Council of Ministers in which RECs participate in an advisory or observer capacity (Byiers, Ismail and Apiko 2024). During the follow-up consultations to the survey, respondents noted the value of the complementarities between the RECs and the AfCFTA and expressed interest in drawing on lessons learned from REC experience. Indeed, an employers' representative from Kenya suggested that regional blocs "can serve as operational test beds, with successful components scaled up to the continental level". He further added that the AfCFTA can be "a mechanism to unify and broaden market access, building on regional experience rather than replacing it".

Nevertheless, despite the formal institutional architecture and a general perception of complementarity, a number of implementation challenges exist between the AfCFTA and RECs in practice. Many African countries hold multiple REC memberships, creating the issue of overlapping obligations and administrative complexities. In some areas, the mandates of the RECs and AfCFTA also intersect, causing a "spaghetti bowl effect". For example, in 2022 the AfCFTA Secretariat expanded its trade activities along the Abidjan–Lagos Corridor, which is governed by the ECOWAS (Byiers, Ismail and Apiko 2024). Furthermore, there are issues associated with limited coordination on trade and labour issues at both subregional and continental levels. A respondent from the Ghana Employers' Association pointed to the absence of a dedicated labour desk within ECOWAS/African Union structures and underscored the need for institutional focal points on labour across the subregion and continent.

These coordination challenges are also evident in the area of labour mobility, where implementation at both subregional and continental levels remains uneven. The promotion of free movement of persons is recognized as a central objective to achieve regional integration under RECs, but in practice progress varies. The EAC and ECOWAS have advanced further by establishing subsidiary legislations and predictable legal frameworks concerning free movement of persons, while COMESA and SADC continue to face obstacles such as pending ratification or weak enforcement of existing protocols (Belete Hailu 2024). At the continental level, progress has been similarly slow. The African Union Free Movement of Persons Protocol, considered critical for fully realizing the AfCFTA, has been ratified by only four Member States (Chelangat 2026).

6.2.2. The AfCFTA and labour issues

Stakeholders who participated in the survey and follow-up consultations widely share the view that the AfCFTA presents a major opportunity for economic growth, regional trade integration, business expansion and job creation. A respondent from South Africa described the AfCFTA as an "important

39 Treaty Establishing the African Economic Community [Abuja Treaty] (1991).

and necessary opportunity for African countries to diversify markets at a time of rising global protectionism", noting its potential to drive development if implemented effectively. The AfCFTA Protocol on Investment, adopted in 2023, includes labour-related obligations for States parties and investors, referencing international labour standards and committing not to lower these standards to attract investment (**box 1**).

However, survey respondents expressed concerns that the AfCFTA still does not adequately address workers' rights or labour protections, either in its legal framework or in its approach to stakeholder engagement. Trade union representatives pointed out the absence of a standalone labour protocol. They also expressed the need for more explicit labour protections and inclusion of labour advocates throughout the drafting, negotiation and monitoring process. In this regard, a government official from Uganda highlighted the limited engagement of labour ministry officials in AfCFTA discussions, contributing to a lack of awareness. A trade union representative from Ghana raised similar concerns, noting that unions are often unaware of when AfCFTA-related meetings occur. They also referred to a lack of information on how procedures, such as mechanisms for reporting violations, operate, noting that they had received little information or guidance on these processes.

Respondents also highlighted the central role of MSMEs and the informal economy in the success of the AfCFTA. MSMEs account for over 90 per cent of private businesses in Africa and employ more than 65 per cent of the population (Neza and Sossa 2024). Informal employment accounts for over 85 per cent of total employment in Africa, rising to 88 per cent in Sub-Saharan Africa (see also Chapter 1). Despite their significant economic contribution, these actors are often unable to fully benefit from expanding trade as they remain largely on the sidelines of trade and labour policy-related discussions and processes (Privalikhina, forthcoming). Given this structural reality, several survey participants noted that the effects of AfCFTA implementation will depend in part on how these groups are engaged in trade-related processes. A trade union representative from Kenya, for example, highlighted the need for clearer frameworks that enable MSMEs and those in the informal economy to participate in discussion within AfCFTA implementation committees.

The AfCFTA Protocol on Women and Youth in Trade reflects recognition of some of these issues, as it includes provisions related to the inclusion of SMEs and informal cross-border traders, as well as women and youth, in the agreement's objectives. Moreover, some stakeholders highlighted the need for domestic reforms to support MSMEs and those in the informal economy. They also pointed to targeted measures, such as training and awareness programmes, infrastructure investment, capacity building and skills development policies, as important for enabling these groups to benefit from opportunities created under the AfCFTA.

7. Conclusions

In a context of growing trade uncertainty and a shifting economic landscape, this report has sought to shed light on the complex relationship between trade, investment and labour, as well as on the way these dynamics are perceived by stakeholders in Africa. To this end, the report combines evidence on Africa's economic and labour environment with original stakeholder data collected by the ILO through a survey and follow-up consultations. These stakeholder perspectives provide valuable insights into the labour market effects of trade and investment, stakeholders' awareness of and engagement with labour provisions in trade and investment agreements, and the complementary policies needed to foster positive outcomes.

The analysis underlines that, while international trade and investment are vital for African economies and jobs, the continent's participation in global markets remains limited. At the same time, persistent labour market challenges, including high informality, unemployment, skills mismatches and institutional constraints, continue to shape and often limit the possible positive effects of trade on the labour market, even in tradable sectors. Stakeholder perceptions reflect this complexity: they recognize the potential benefits of deeper integration, but also express concerns about uneven gains, job displacement and the quality of employment, particularly in terms of wages, informality and working conditions.

The report underscores that trade and investment can support transformative labour market outcomes, particularly when accompanied by appropriate and well-designed policies. The great majority of stakeholders widely share this opinion, as about 90 per cent of them identify employment policies as central to ensuring that trade delivers benefits for both workers and enterprises. Social protection systems, education and training, and trade-related policies are also widely seen as critical, although priorities vary across stakeholder groups.

Additionally, labour provisions in trade agreements are recognized as important tools to strengthen national labour frameworks and promote alignment with international standards. However, their effectiveness is constrained by significant implementation challenges. More than 90 per cent of stakeholders report barriers to meaningful engagement, including limited resources, weak enforcement and insufficient institutional capacity. Strengthening stakeholder participation, identified as a priority by 85 per cent of respondents, is therefore essential. Evidence suggests that labour provisions are most effective when supported by structured, predictable and well-informed social dialogue.

Despite these challenges, stakeholders remain largely optimistic about the future of trade and labour. The AfCFTA, which is the largest free trade area in the world both in terms of area and number of countries, is widely seen as a key opportunity to deepen regional integration and to foster economic diversification, enterprise development and job creation. At the same time, emerging opportunities, particularly digitalization and the expansion of innovation-led sectors, are expected to reshape labour markets and create new avenues for more inclusive and productive employment. Africa's young and rapidly expanding population is a key asset in this regard, offering a source of innovation, entrepreneurship and adaptability to shifting economic dynamics.

Realizing these opportunities, however, will require sustained and coordinated efforts. Investment in skills development, stronger support for enterprises, including SMEs, enhanced social dialogue, and increased policy coherence between trade, investment and labour arenas will be essential. Ultimately, ensuring that trade and investment translate into decent work and shared prosperity will depend on aligning economic integration strategies with inclusive labour market policies and effective institutions.

References

Abdel-Latif, Hany, Khushboo Khandelwal, and Longmei Zhang. 2025. "Understanding Trade Dynamics in Sub-Saharan Africa". IMF Working Paper 2025 (045). https://doi.org/10.5089/9798229001915.001.

Afrexim Bank. 2025a. *African Trade and Economic Outlook 2025: African Resilience in a Changing World Order*. https://media.afreximbank.com/afrexim/African-Trade-and-Economic-Outlook-2025.pdf.

———. 2025b. *Africa Trade Report 2025: African Trade in a Changing Global Financial Architecture*. https://media.afreximbank.com/afrexim/African-Trade-Report_2025.pdf.

African Development Bank. 2024. *2023 Annual Report*. https://www.afdb.org/en/documents/annual-report-2023 .

———. 2025. *African Economic Outlook 2025: Making Africa's Capital Work Better for Africa's Development*. https://www.afdb.org/en/knowledge/publications/african-economic-outlook.

African Union. n.d. "Agenda 2063: The Africa We Want". https://au.int/en/agenda2063/overview.

Aga, Gemechu, Francisco Campos, Adriana Conconi, Elwyn Davies, and Carolin Geginat. 2021. "Informal Firms in Mozambique: Status and Potential". World Bank Policy Research Working Paper 9712. https://doi.org/10.1596/1813-9450-9712.

Akcigit, Ufuk, and Marc Melitz. 2021. "International Trade and Innovation". NBER Working Paper 29611. https://doi.org/10.3386/w29611.

Alston, Philip. 1993. "Labor Rights Provisions in US Trade Law: 'Aggressive Unilateralism'?" *Human Rights Quarterly* 15 (1): 1–35. https://doi.org/10.2307/762649.

Amiti, Mary, and Donald Davis. 2011. "Trade, Firms, and Wages: Theory and Evidence". *Review of Economic Studies* 79 (1): 1–36. https://doi.org/10.1093/restud/rdr016.

Anti-Slavery International. 2026. "Forced Labour Bans Are Reshaping Global Trade". Blog. 4 June 2026. https://www.antislavery.org/latest/forced-labour-bans-are-reshaping-global-trade/.

AUC (African Union Commission) and OECD (Organisation for Economic Co-operation and Development). 2022. *Africa's Development Dynamics 2022: Regional Value Chains for a Sustainable Recovery*. https://doi.org/10.1787/2e3b97fd-en.

———. 2024. *Africa's Development Dynamics 2024: Skills, Jobs and Productivity*. https://doi.org/10.1787/df06c7a4-en.

Ayyagari, Ramakrishna, Varun Grover, and Russell Purvis. 2011. "Technostress: Technological Antecedents and Implications". *MIS Quarterly* 35 (4): 831–858. https://doi.org/10.2307/41409963.

Bauer, Matthias. 2023. *Stakeholder Consultation Report on the Implementation of Selected Aspects of the EU-Canada Comprehensive Economic and Trade Agreement (CETA)*. European Parliamentary Research Service. https://www.europarl.europa.eu/thinktank/en/document/EPRS_STU(2023)753175.

Belete Hailu, Martha. 2024. *Movement of Persons in Regional Economic Communities in Eastern Africa*. https://doi.org/10.1007/978-3-031-75879-9_5.

Bertin, Pablo, Christoph Ernst, and Gabriel Michelena. 2026. "Foreign Direct Investment, Global Value Chains and Labour Markets". ILO Working Paper 160. https://doi.org/10.54394/EHHR7964.

Bhagwati, Jagdish. 1995. "Trade Liberalisation and 'Fair Trade' Demands: Addressing the Environmental and Labour Standards Issues". *World Economy* 18 (6): 745–759. https://doi.org/10.1111/j.1467-9701.1995.tb00329.x.

Bhorat, Haroon, Aalia Cassim, and David Tseng. 2016. "Higher Education, Employment and Economic Growth: Exploring the Interactions". *Development Southern Africa* 33 (3): 312–327. https://doi.org/10.1080/0376835X.2016.1161501.

Brafu-Insaidoo, William G. 2017. *The Impact of Trade on Employment in Ghana: A Review*. ILO. https://www.ilo.org/publications/impact-trade-employment-ghana-review.

Busquet, Milande, Niels Bosma, and Harry Hummels. 2021. "A Multidimensional Perspective on Child Labor in the Value Chain: The Case of the Cocoa Value Chain in West Africa". *World Development* 146: 105601. https://doi.org/10.1016/j.worlddev.2021.105601.

Byiers, Bruce, Faizal Ismail, and Philomena Apiko. 2024. "How AfCFTA–Regional Relations Can Support Continental Trade". ECDPM Discussion Paper No. 376. https://ecdpm.org/application/files/6017/2727/1959/How-AfCFTA-regional-relations-can-support-continental-trade-ECDPM-Discussion-Paper-376-2024.pdf.

Calì, Massimiliano. 2014. "Trade Boom and Wage Inequality: Evidence from Ugandan Districts". *Journal of Economic Geography* 14 (6): 1141–1174. https://doi.org/10.1093/jeg/lbu001.

Carrère, Céline, Marcelo Olarreaga, and Damian Raess. 2022. "Labor Clauses in Trade Agreements: Hidden Protectionism?" *Review of International Organizations* 17 (3): 453–483. https://doi.org/10.1007/s11558-021-09423-3.

Charnovitz, Steve. 1987. "The Influence of International Labour Standards on the World Trading Regime: A Historical Overview". *International Labour Review* 126 (5): 565–584. https://researchrepository.ilo.org/esploro/outputs/journalArticle/The-influence-of-international-labour-standards/995274757802676.

Chelangat, Faith. 2026. "Essay 31: A Critical Appraisal of Regional Economic Integration in the Implementation of the African Continental Free Trade Area (AfCFTA)". In *Essays on Global Regionalism II*, edited by Amitav Acharya, Philippe De Lombaerde, Beatrix Futák-Campbell, Lynda Chinenye Iroulo and Juliana Peixoto Batista, 317–326. Cham: Springer. https://link.springer.com/chapter/10.1007/978-3-032-13646-6_31.

Cheong, David. 2019. *Assessing the Effects of Trade on Employment: An Assessment Toolkit*. ILO. https://www.ilo.org/publications/assessing-effects-trade-employment-assessment-toolkit.

Chivangue, Andes, and Carlos Barros. 2017. "Poverty and Informal Trade". CEsA Working Paper 151. https://ideas.repec.org//p/cav/cavwpp/wp151.html.

Cho, Yoonyoung, and Kebede Feda. 2015. "Skills and Employability in Mozambique". World Bank Working Paper 22082. https://ideas.repec.org/p/wbk/wboper/22082.html.

Christiaensen, Luc, and Miet Maertens. 2022. "Rural Employment in Africa: Trends and Challenges". World Bank Group Jobs Working Paper Issue No. 66. https://openknowledge.worldbank.org/server/api/core/bitstreams/797d4b75-7b5f-5335-b381-4b2c3747c10e/content.

Claussen, Kathleen, and Chad P. Bown. 2024. "Corporate Accountability by Treaty: The New North American Rapid Response Labor Mechanism". *American Journal of International Law* 118 (1): 98–119. https://doi.org/10.1017/ajil.2023.64.

Compa, Lance, and Jeffrey S. Vogt. 2003. "Labor Rights in the Generalized System of Preferences: A 20-Year Review". SSRN Scholarly Paper No. 364260. https://papers.ssrn.com/abstract=364260.

Corley-Coulibaly, Marva. Forthcoming. "Stakeholder Engagement in Labour Provisions of Trade Agreements: Who Participates, When and How?" ILO.

Corley-Coulibaly, Marva, Gaia Grasselli, and Ira Postolachi. 2023. *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements: Comparative Analysis of Canada, European Union and United States Approaches and Practices*. ILO. https://www.ilo.org/publications/promoting-and-enforcing-compliance-labour-provisions-trade-agreements.

Corley-Coulibaly, Marva, Ira Postolachi, and Netsanet Tesfay. 2021. *A Multi-Faceted Typology of Labour Provisions in Trade Agreements: Overview, Methodology and Trends*. ILO. https://www.ilo.org/resource/multi-faceted-typology-labour-provisions-trade-agreements-overview.

Corley-Coulibaly, Marva, Pelin Sekerler Richiardi, and Franz Christian Ebert. 2023. *Integrating Trade and Decent Work, Volume 1: Has Trade Led to Better Jobs? Findings Based on the ILO's Decent Work Indicators*. ILO. https://www.ilo.org/publications/integrating-trade-and-decent-work-volume-1-has-trade-led-better-jobs.

Cunningham, Wendy, Maria Njambi Ngarachu, and Arvo Kuddo. 2022. *Benchmarking Labor Legislation and Enforcement in South Africa*. Washington, DC: World Bank Group. https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099715108182237686.

Curtis, Karen, and Elizabeth Echeverría Manrique. 2023. "The ILO's Support on Labour Commitments in Trade Agreements". In *Integrating Trade and Decent Work, Volume 1: Has Trade Led to Better Jobs? Findings Based on ILO's Decent Work Indicators*, edited by Marva Corley-Coulibaly, Pelin Sekerler Richiardi and Franz Christian Ebert, 314–345. ILO. https://www.ilo.org/publications/chapter-10-ilos-support-labour-commitments-trade-agreements-1.

Dasgupta, Amit. 2000. "Labour Standards and WTO: A New Form of Protectionism". *South Asia Economic Journal* 1 (2): 113–129.

De Gobbi, Maria Sabrina. 2022. *Exploring Decent Work in the Pharmaceutical Industry: Job Creation in the Production of Medical Cannabis in Lesotho and Zimbabwe*. ILO. https://www.ilo.org/publications/exploring-decent-work-pharmaceutical-industry-job-creation-production.

Diallo, Thierno Malick, and Lucas Ronconi. 2024. "Beyond the Law-in-the-Books: Labour Enforcement in Senegal". *Economic and Labour Relations Review* 35 (2): 276–291. https://doi.org/10.1017/elr.2024.12.

———. 2025. "Compliance with Labour Regulations in West African Countries : A Multi-Dimensional and Dynamic Analysis". ILO Working Paper 152. https://www.ilo.org/publications/compliance-labour-regulations-west-african-countries-multi-dimensional-and.

DiCaprio, Alisa. 2004. "Are Labor Provisions Protectionist? Evidence from Nine Labor-Augmented US Trade Arrangements". *Comparative Labor Law & Policy Journal* 26 (1): 1–33. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=832404.

Doan, Ha Thi Thanh, and Trinh Quang Long. 2019. "Technical Change, Exports, and Employment Growth in China: A Structural Decomposition Analysis". *Asian Economic Papers* 18 (2): 28–46. https://doi.org/10.1162/asep_a_00690.

Ebert, Franz Christian. 2009. "Between Political Goodwill and WTO-Law: Human Rights Conditionality in the Community's New Scheme of Generalised Tariff Preferences (GSP)". ZERP Working Paper Series 8/2009. https://papers.ssrn.com/abstract=1721678.

———. 2026. "The Potential of Import Bans to Address Forced Labour". ILO Research Brief. https://doi.org/10.54394/XVVL1361.

Ebert, Franz Christian, Francesca Francavilla, and Lorenzo Guarcello. 2025. "Tackling Forced Labour in Global Value Chains: What Role for Trade Instruments?" In *Modern Slavery and the Governance of Global Value Chains*, edited by Bimal Arora, Hila Shamir, Shilpi Banerjee and Tamar Barkay, 95–125. Cambridge: Cambridge University Press. https://doi.org/10.1017/9781009591102.005.

ElGanainy, Asmaa A, Shushanik Hakobyan, Fei Liu, Hans Weisfeld, Ali Abbas, Céline Allard, Hippolyte W. Balima, Celine Bteish, Rahul Giri, Daniel S Kanda et al. 2023. "Trade Integration in Africa: Unleashing the Continent's Potential in a Changing World". IMF Departmental Paper 2023/003. https://doi.org/10.5089/9798400232794.087.

Erten, Bilge, Jessica Leight, and Fiona Tregenna. 2019. "Trade Liberalization and Local Labor Market Adjustment in South Africa". *Journal of International Economics* 118: 448–467. https://doi.org/10.1016/j.jinteco.2019.02.006.

European Commission. 2020. Joint Report to the European Parliament and the Council Report on the Generalised Scheme of Preferences Covering the Period 2018–2019. JOIN/2020/3 final. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020JC0003&utm_source=chatgpt.com.

———. 2026. "Sustainability Impact Assessments". https://policy.trade.ec.europa.eu/analysis-and-assessment/sustainability-impact-assessments_en.

European Council. 2025. "EU–Africa Relations". https://www.consilium.europa.eu/en/policies/eu-africa/.

———. 2026. "EU–Africa trade: facts and figures". https://www.consilium.europa.eu/en/infographics/eu-africa-trade-facts-and-figures/.

Fenwick, Colin. 2016. "The ILO and National Labour Law Reform: Six Case Studies". In Labour Regulation and Development, edited by Shelley Marshall and Colin Fenwick, 235–287. Cheltenham: Edward Elgar. https://ideas.repec.org//h/elg/eechap/16964_8.html.

FKE (Federation of Kenya Employers). 2023. *Skills Needs Survey Report 2023*. https://www.fke-kenya.org/index.php/node/419.

Goldberg, Pinelopi K., and Nina Pavcnik. 2007. "Distributional Effects of Globalization in Developing Countries". *Journal of Economic Literature* 45 (1): 39–82. https://doi.org/10.1257/jel.45.1.39.

———. 2016. "The Effects of Trade Policy". NBER Working Paper 21957. https://doi.org/10.3386/w21957.

Goldberg, Pinelopi K., and Michele Ruta. 2025. "The Changing Nature of International Trade and Its Implications for Development". NBER Working Paper 34283. https://doi.org/10.3386/w34283.

Golub, Stephen, and Faraz Hayat. 2014. "Employment, Unemployment, and Underemployment in Africa". UNU-WIDER Working Paper 14/2014. https://doi.org/10.35188/UNU-WIDER/2014/735-6.

Guloba, Madina M., Medard Kakuru, Sarah N. Ssewanyana, and Jakob Rauschendorfer. 2021. "Employment Creation Potential, Labor Skills Requirements and Skill Gaps for Young People: A Uganda Case Study". AGI Working Paper 37. https://www.brookings.edu/articles/employment-creation-potential-labor-skills-requirements-and-skill-gaps-for-young-people-a-uganda-case-study/.

Gumede, Michelle. 2025. "US Tariffs Put 30,000 South African Jobs At Risk, Officials Say". AP News, 4 August 2025. https://apnews.com/article/tariffs-south-africa-trade-exports-trump-jobs-d005147714f7c499ab9e0a345c961ec3.

Hale, Galina, and Mingzhi Xu. 2016. "FDI Effects on the Labor Market of Host Countries". Federal Reserve Bank of San Francisco Working Paper 2016-25. http://www.frbsf.org/economicresearch/publications/working-papers/wp2016-25.pdf.

Harms, Philipp, and Pierre-Guillaume Méon. 2018. "Good and Useless FDI: The Growth Effects of Greenfield Investment and Mergers and Acquisitions". *Review of International Economics* 26 (1): 37–59. https://doi.org/10.1111/roie.12302.

Harrison, James. 2019. "The Labour Rights Agenda in Free Trade Agreements". *Journal of World Investment and* Trade 20 (5): 705–725. https://doi.org/10.1163/22119000-12340153.

Herrera, Javier, and Sébastien Merceron. 2013. "Underemployment and Job Mismatch in Sub-Saharan Africa". In *Urban Labor Markets in Sub-Saharan Africa*, edited by Philippe De Vreyer and François Roubaud, 83–108. Washington, DC: World Bank Group. https://doi.org/10.1596/9780821397817.

Hijzen, Alexander, Pedro S. Martins, Thorsten Schank, and Richard Upward. 2013. "Foreign-owned Firms around the World: A Comparative Analysis of Wages and Employment at the Micro-Level". *European Economic Review* 60: 170–188. https://doi.org/10.1016/j.euroecorev.2013.02.001.

Hoekman, Bernard, and Marco Sanfilippo. 2023. "Trade and Value Chain Participation: Domestic Firms and FDI Spillovers in Africa". *World Economy* 46 (11): 3367–3391. https://doi.org/10.1111/twec.13505.

ILO. 2013. *The Social Dimensions of Free Trade Agreements*. https://www.ilo.org/publications/social-dimensions-free-trade-agreements.

———. 2016a. *Assessment of Labour Provisions in Trade and Investment Arrangements*. https://www.ilo.org/global/publications/books/WCMS_498944/lang--en/index.htm.

———. 2016b. *Decent Work in Global Supply Chains*. https://www.ilo.org/resource/conference-paper/ilc/105/decent-work-global-supply-chains-1.

———. 2017a. *World Employment and Social Outlook 2017: Sustainable Enterprises and Jobs – Formal Enterprises and Decent Work*. https://www.ilo.org/publications/world-employment-and-social-outlook-2017-sustainable-enterprises-and-jobs-%E2%80%93-1.

———. 2017b. *Handbook on Assessment of Labour Provisions in Trade and Investment Arrangements*. https://www.ilo.org/publications/handbook-assessment-labour-provisions-trade-and-investment-arrangements.

———. 2017c. *Report for Discussion at the Meeting*. https://www.ilo.org/publications/report-discussion-meeting.

———. 2019a. "Abidjan Declaration: Advancing Social Justice – Shaping the Future of Work in Africa". AFRM.14/D.4 (Rev.). https://www.ilo.org/resource/conference-paper/abidjan-declaration-advancing-social-justice-shaping-future-work-africa.

———. 2019b. *Small Matters: Global Evidence on the Contribution to Employment by the Self-Employed, Micro-Enterprises and SMEs*. https://www.ilo.org/publications/small-matters-global-evidence-contribution-employment-self-employed-micro.

———. 2019c. *Labour Provisions in G7 Trade Agreements: A Comparative Perspective*. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@dgreports/@ddg_p/documents/publication/wcms_719226.pdf.

———. 2020a. *State of Skills: Uganda*. https://researchrepository.ilo.org/esploro/outputs/report/State-of-skills-Uganda/995384589902676.

———. 2020b. *State of Skills: Kenya*. https://researchrepository.ilo.org/esploro/outputs/report/State-of-skills-Kenya/995384590402676.

———. 2021a. *Trade and Decent Work: Indicator Guide*. https://www.ilo.org/publications/trade-and-decent-work-indicator-guide.

———. 2021b. *Value Chain Development for Decent Work: A Systems Approach to Creating More and Better Jobs*, third edition. https://www.ilo.org/publications/value-chain-development-decent-work-0.

———. 2022. "ILO Labour Provisions in Trade Agreements Hub (LP Hub)". https://webapps.ilo.org/LPhub/#about.

———. 2023a. *Women and Men in the Informal Economy: A Statistical Update*. https://www.ilo.org/publications/women-and-men-informal-economy-statistical-update.

———. 2023b. *Challenges and Opportunities to Advance Decent Work in Five Countries and Supply Chains: A Synthesis Report*. https://www.ilo.org/publications/challenges-and-opportunities-advance-decent-work-five-countries-and-supply.

———. 2024a. *Global Employment Trends for Youth 2024: Decent Work, Brighter Futures*. https://doi.org/10.54394/ZUUI5430.

———. 2024b. *Trade for Jobs Uganda: Sector Selection Study – Examining Job and Export Potential in Nine Sectors*. https://www.ilo.org/publications/trade-jobs-uganda-sector-selection-study.

———. 2024c. "Skills for Trade and Economic Diversification". https://www.ilo.org/skills-trade-and-economic-diversification.

———. 2025a. "Overview of the Informal Economy in Africa". https://researchrepository.ilo.org/esploro/outputs/encyclopediaEntry/Overview-of-the-informal-economy-in/995640098602676.

———. 2025b. *Eliminating Child Labour and Improving Occupational Safety and Health: The Role of Cooperative Development in the Coffee and Tea Supply Chains in Uganda*. https://www.ilo.org/publications/eliminating-child-labour-and-improving-occupational-safety-and-health-role.

———. 2026. *Employment and Social Trends 2026*. https://www.ilo.org/publications/flagship-reports/employment-and-social-trends-2026.

ILO and UNICEF (United Nations Children's Fund). 2025. *Child Labour: Global Estimates 2024, Trends and the Road Forward*. https://www.ilo.org/publications/major-publications/child-labour-global-estimates-2024-trends-and-road-forward.

ILOSTAT. 2025. "ILOSTAT Data Explorer". https://rshiny.ilo.org/dataexplorer37/?lang=en.

ITC (International Trade Centre). 2025. "ITC Trade Map". https://beta.trademap.org/en/goods/time-series/exports/c/000/c/000/p/ALL/byProduct/year/default/4/direct/values/USD/table.

Kijima, Yoko. 2006. "Why Did Wage Inequality Increase? Evidence from Urban India 1983–99". *Journal of Development Economics* 81 (1): 97–117. https://doi.org/10.1016/j.jdeveco.2005.04.008.

Kowalski, Przemyslaw, Javier Lopez Gonzalez, Alexandros Ragoussis, and Cristian Ugarte. 2015. "Participation of Developing Countries in Global Value Chains: Implications for Trade and Trade-related Policies". OECD Trade Policy Paper 179. https://doi.org/10.1787/5js33lfw0xxn-en.

La Porta, Rafael, and Andrei Shleifer. 2014. "Informality and Development". *Journal of Economic Perspectives* 28 (3): 109–126. DOI 10.1257/jep.28.3.109.

Lakemann, Tabea, Jann Lay, Regina Schnars, and Tevin Tafese. 2025. "Greenfield FDI and Job Creation in Africa". *Review of World Economics* 161 (1): 413–440. https://doi.org/10.1007/s10290-024-00575-z.

LeClercq, Desirée, Raymond Robertson, and Daniel Samaan. 2024. "Labor Provisions in Trade Agreements: Recasting the Protectionist Debate". *Journal of Law, Economics, and Organization* 40 (3): 673–693. https://doi.org/10.1093/jleo/ewad009.

Lee, Eddy, and Marion Jansen. 2007. *Trade and Employment: Challenges for Policy Research*. ILO. https://www.ilo.org/publications/trade-and-employment-challenges-policy-research.

Lengnick-Hall, Cynthia A., and Tammy E. Beck. 2005. "Adaptive Fit Versus Robust Transformation: How Organizations Respond to Environmental Change". *Journal of Management* 31 (5): 738–757. https://doi.org/10.1177/0149206305279367.

MacLeod, Jamie. 2023. "Can the African Continental Free Trade Area Promote the Implementation of Sustainable Development Goal 8? Decent Work and Economic Growth". In *Integrating Trade and Decent Work, Volume 2: The Potential of Trade and Investment Policies to Address Labour Market Issues in Supply Chains*, edited by Marva Corley-Coulibaly, Franz Christian Ebert and Pelin Sekerler Richiardi, 211–244. ILO. https://www.ilo.org/publications/chapter-6-can-african-continental-free-trade-area-promote-implementation-0.

Marceau, Gabrielle, Rebecca Walker, and Andreas Oeschger. 2023. "The Evolution of Labour Provisions in Regional Trade Agreements". *Journal of World Trade* 57 (3): 361–410. https://doi.org/10.54648/trad2023015.

Marx, Axel, Franz Ebert, and Nicolas Hachez. 2017. "Dispute Settlement for Labour Provisions in EU Free Trade Agreements: Rethinking Current Approaches". *Politics and Governance* 5 (4): 49–59. https://doi.org/10.17645/pag.v5i4.1070.

Marx, Axel, and Pietro Mattioli. 2023. "Labour Rights Protection in International Investment Agreements: Evidence, Trends and Impact". In *Integrating Trade and Decent Work, Volume 2: The Potential of Trade and Investment Policies to Address Labour Market Issues in Supply Chains*, edited by Marva Corley-Coulibaly, Franz Christian Ebert and Pelin Sekerler Richiardi, 70–101. ILO. https://www.ilo.org/publications/chapter-2-labour-rights-protection-international-investment-agreements-0.

Matthee, Marianne, Neil Rankin, and Carli Bezuidenhout. 2017. "Labour Demand and the Distribution of Wages in South African Manufacturing Exporters". UNU-WIDER Working Paper 2017/11. https://doi.org/10.35188/UNU-WIDER/2017/235-9.

Messerschmidt, Luca, and Nicole Janz. 2023. "Unravelling the 'Race to the Bottom' Argument: Foreign Direct Investment and Different Types of Labour Rights". *World Development* 161: 106097. https://doi.org/10.1016/j.worlddev.2022.106097.

Milberg, William, and Deborah Winkler. 2011. "Economic and Social Upgrading in Global Production Networks: Problems of Theory and Measurement". *International Labour Review* 150: 341–365. https://doi.org/10.1111/j.1564-913X.2011.00120.x.

Moran, Theodore H. 2006. *Harnessing Foreign Direct Investment for Development: Policies for Developed and Developing Countries*. Washington, DC: Center for Global Development. https://www.cgdev.org/publication/9781933286099-harnessing-foreign-direct-investment-policies-developed-and-developing-countries.

Mosley, Layna, and Saika Uno. 2007. "Racing to the Bottom or Climbing to the Top? Economic Globalization and Collective Labor Rights". *Comparative Political Studies* 40 (8): 923–948. https://doi.org/10.1177/0010414006293442.

Newfarmer, Richard, and Monika Sztajerowska. 2012. "Trade and Employment in a Fast-Changing World". In *Policy Priorities for International Trade and Jobs*, edited by Douglas Lippoldt, 7–74. Paris: OECD Publications. https://doi.org/10.1787/9789264180178-en.

Neza, Keren, and Pamphile Sossa. 2024. *Credit Guarantee Schemes, MSME Access to Finance and Labour Productivity in Africa*. ILO. https://www.ilo.org/publications/credit-guarantee-schemes-msme-access-finance-and-labour-productivity-africa.

OECD (Organisation for Economic Co-operation and Development). 2024. "New OECD FDI Data: Trends, Impacts and Regulations". OECD blog. 6 November 2024. https://www.oecd.org/en/blogs/2024/11/oecd-fdi-data-impacts-regulation.html.

Ohnsorge, Franziska, and Lucia Quaglietti. 2023. "Trade as an Engine of Growth Sputtering but Fixable". World Bank Policy Research Working Paper 10356. https://doi.org/10.1596/1813-9450-10356.

Pike, Kelly. 2020. "Voice in Supply Chains: Does the Better Work Program Lead to Improvements in Labor Standards Compliance?" *ILR Review* 73 (4): 913–938. https://doi.org/10.1177/0019793920911905.

Prettner, Klaus, David E. Bloom, and Holger Strulik. 2013. "Declining Fertility and Economic Well-being: Do Education and Health Ride to the Rescue?" *Labour Economics* 22: 70–79. https://doi.org/10.1016/j.labeco.2012.07.001.

Privalikhina, Iuliia. Forthcoming. "Engaging Informal Economy Actors in Trade and Labour Policy in Africa". ILO Research Brief.

Robertson, Raymond. 2021. "Deep Integration in Trade Agreements: Labor Clauses, Tariffs, and Trade Flows". World Bank Policy Research Working Paper 9599. https://doi.org/10.1596/1813-9450-9599.

Saurav, Abhishek, Yan Liu, and Aarushi Sinha. 2020. *Foreign Direct Investment and Employment Outcomes in Developing Countries : A Literature Review of the Effects of FDI on Job Creation and Wages*. Washington, DC: World Bank Group. https://documents.worldbank.org/en/publication/documents-reports/documentdetail/956231593150550672.

Sebahizi, Prudence, Million Habte, Halima Noor, Yafika Chitanda, Jose Luis Tavares Semedo, Dirk Willem te Velde, Derrick Abudu, Prachi Agarwal, and Max Mendez-Parra. 2023. *AfCFTA National Implementation Committees: Scoping Options and Support Mechanisms*. London: ODI. https://odi.cdn.ngo/media/documents/ODI-AfCFTA-Report-18Apr23-FINAL.pdf.

Sgrignoli, Paolo, Rodolfo Metulini, Zhen Zhu, and Massimo Riccaboni. 2017. "The Indirect Effects of FDI on Trade: A Network Perspective". *World Economy* 40 (10): 2193–2225. https://doi.org/10.48550/arXiv.1705.02187.

Shepherd, Ben. 2013. "Global Value Chains and Developing Country Employment: A Literature Review". OECD Trade Policy Review, Paper No. 156. https://developing-trade.com/wp-content/uploads/2014/11/Working-Paper-DTC-2013-4.pdf.

Siroën, Jean-Marc. 2013. "Labour Provisions in Preferential Trade Agreements: Current Practice and Outlook". *International Labour Review* 152 (1): 85–106. https://doi.org/10.1111/j.1564-913X.2013.00170.x.

South Africa, Department of International Relations and Cooperation. 2025. "Joint Media Statement on South Africa's Response Measures to US Tariffs". 4 August 2025. https://www.gov.za/news/media-statements/joint-media-statement-south-africas-response-measures-us-tariffs-04-aug-2025.

Stolzenberg, Hendric. 2019. "Inspection of the Inspectors: Is the European Commission Sufficiently Prosecuting Violations of ILO Conventions under the GSP Regulation?" *Archiv Des Völkerrechts* 57 (2): 207–233. https://doi.org/10.1628/avr-2019-0013.

Sulla, Victor, and Precious Zikhali. 2018. *Overcoming Poverty and Inequality in South Africa: An Assessment of Drivers, Constraints and Opportunities*. Washington, DC: World Bank Group. https://documents.worldbank.org/en/publication/documents-reports/documentdetail/530481521735906534.

Taglioni, Daria, and Deborah Winkler. 2016. *Making Global Value Chains Work for Development*. Washington, DC: World Bank Group. https://doi.org/10.1596/978-1-4648-0157-0.

Timini, Jacopo, Nicola Cortinovis, and Fernando López Vicente. 2022. "The Heterogeneous Effects of Trade Agreements with Labour Provisions". *World Economy* 45 (9): 2820–2853. https://doi.org/10.1111/twec.13249.

Torongo, Pauline. 2025. "South Africa on the Brink: How US Tariffs, AGOA Suspension Threaten Economic Ruin". *The South African*, 22 April 2025. https://www.thesouthafrican.com/news/south-africa-on-the-brink-how-u-s-tariffs-and-agoa-suspension-threaten-to-unleash-economic-devastation/.

Tralac (Trade Law Centre NPC). 2025. "South Africa Intra-Africa Trade Update 2024". July 23. https://www.tralac.org/documents/publications/trade-data-analysis/6024-south-africa-intra-africa-trade-update-2024/file.html#:~:text=Industrial%20goods%20dominate%20exports%2C%20with,followed%20by%20Zimbabwe%20and%20Zambia.

Uganda, Ministry of Finance, Planning and Economic Development. 2025. *Tenfold Growth Strategy*. https://create.finance.go.ug/sites/default/files/2025-06/TENFOLD%20GROWTH%20STRATEGY.pdf.

UN Women (United Nations Entity for Gender Equality and the Empowerment of Women). 2019. *Opportunities for Women Entrepreneurs in the Context of the African Continental Free Trade Area (AfCFTA)*. https://africa.unwomen.org/en/digital-library/publications/2019/07/opportunities-for-women-in-the-acfta.

UNCTAD (United Nations Conference on Trade and Development). 2018. *Trade and Development Report 2018: Power, Platforms and the Free Trade Delusion*. https://unctad.org/publication/trade-and-development-report-2018.

———. 2021. *Handbook on Special Economic Zones in Africa: Towards Economic Diversification across the Continent*. https://unctad.org/publication/handbook-special-economic-zones-africa.

———. 2023. *World Investment Report 2023: Investing in Sustainable Energy for All*. https://unctad.org/publication/world-investment-report-2023.

———. 2024. *Trade Preferences Outlook 2024: Technical and Statistical Report*. https://unctad.org/publication/trade-preferences-outlook-2024.

———. 2025a. *Economic Development in Africa Report 2024: Unlocking Africa's Trade Potential – Boosting Regional Markets and Reducing Risks*. https://unctad.org/publication/economic-development-africa-report-2024.

———. 2025b. *World Investment Report 2025: International Investment in the Digital Economy*. https://unctad.org/publication/world-investment-report-2025.

———. 2025c. *Foreign Direct Investment Trends in Emerging Markets: A Focus on Africa*. https://unctad.org/system/files/official-document/diae2025d1_en.pdf.

UNCTADstat (United Nations Conference on Trade and Development Data Hub). 2025. "Merchandise: Intra-trade and Extra-trade of Country Groups by Product, Annual (Analytical)". 16 October 2025. https://unctadstat.unctad.org/datacentre/dataviewer/US.IntraTrade.

UNECA (United Nations Economic Commission for Africa). 2024. *Economic Report on Africa 2024: Investing in a Just and Sustainable Transition in Africa*. https://www.uneca.org/economic-report-on-africa-2024.

———. 2025a. *Economic Report on Africa 2025: Advancing the Implementation of the Agreement Establishing the African Continental Free Trade Area – Proposing Transformative Strategic Actions*. https://www.uneca.org/economic-report-on-africa-2025.

———. 2025b. *Delivering on the African Economic Community: Towards an African Continental Customs Union and African Continental Common Market*. https://www.uneca.org/sites/default/files/fullpublicationfiles/ARIA%20XI_Book_EN_12June_rev1.pdf.

UNEP (United Nations Environment Programme). 2021. "Supporting Smallholder Farmers in Ghana through Innovative Climate Adaptation Financing". https://www.unep.org/ndc/news-and-stories/story/supporting-smallholder-farmers-ghana-through-innovative-climate-adaptation.

United States, White House. 2023. "Letters to the Speaker of the House and President of the Senate on Intent to Terminate the Designation of the Central African Republic, the Gabonese Republic, Niger, and the Republic of Uganda as Beneficiary Sub-Saharan African Countries Under the African Growth and Opportunity Act". 30 October 2023. https://bidenwhitehouse.archives.gov/briefing-room/presidential-actions/2023/10/30/letters-to-the-speaker-of-the-house-and-president-of-the-senate-on-intent-to-terminate-the-designation-of-the-central-african-republic-the-gabonese-republic-niger-and-the-republic-of-uganda-as-bene/.

UNWTO (World Tourism Organization). 2023. "International Tourism to End 2023 Close to 90% of Pre-Pandemic Levels". *World Tourism Barometer* 21 (4): 1–5. https://tourismanalytics.com/uploads/1/2/0/4/120443739/unwto_barometer_november_2023.pdf.

USCBP (United States Customs and Border Protection). 2019a. "CBP Issues Withhold Release Order on Tobacco from Malawi". https://www.cbp.gov/newsroom/national-media-release/cbp-issues-withhold-release-order-tobacco-malawi.

———. 2019b. "CBP Issues Detention Orders against Companies Suspected of Using Forced Labor". https://www.cbp.gov/newsroom/national-media-release/cbp-issues-detention-orders-against-companies-suspected-using-forced.

———. 2024. "CBP Issues Withhold Release Order against Asli Maydi". https://www.cbp.gov/newsroom/national-media-release/cbp-issues-withhold-release-order-against-asli-maydi.

———. 2025. "CBP Issues Withhold Release Order on Firemount Group Ltd.". https://www.cbp.gov/newsroom/national-media-release/cbp-issues-withhold-release-order-firemount-group-ltd.

———. 2026. "Forced Labor Enforcement". https://www.cbp.gov/trade/forced-labor/enforcement.

USTR (United States Trade Representative). 2006. "U.S. Reinstates Trade Preference Benefits for Liberia". Office of the United States Trade Representative. 22 February 2006. https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preferences-gsp/gsp-documents-6.

———. 2018a. *2018 Biennial Report on the Implementation of the African Growth and Opportunity Act*. https://ustr.gov/sites/default/files/2018_AGOA_Implementation.pdf.

———. 2018b. "President Trump Terminates Trade Preference Program Eligibility for Mauritania". Office of the United States Trade Representative. 2 November 2018. https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/november/president-trump-terminates-trade.

———. 2023. "Statement from Ambassador Katherine Tai on the African Growth and Opportunity Act Eligibility Review". Office of the United States Trade Representative. 31 October 2023. https://ustr.gov/about-us/policy-offices/press-office/press-releases/2023/october/statement-ambassador-katherine-tai-african-growth-and-opportunity-act-eligibility-review.

———. 2026. "Initiation of Section 301 Investigations of Acts, Policies, and Practices of Various Economies Related to the Failure To Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced With Forced Labor". *Federal Register* 17 March 2026. https://www.federalregister.gov/documents/2026/03/17/2026-05151/initiation-of-section-301-investigations-of-acts-policies-and-practices-of-various-economies-related.

———. n.d. "Chapter 31 Annex A; Facility-Specific Rapid-Response Labor Mechanism". Office of the United States Trade Representative. https://ustr.gov/trade-topics/enforcement/dispute-settlement-proceedings/fta-dispute-settlement/usmca/chapter-31-annex-facility-specific-rapid-response-labor-mechanism.

USTR and DOL (Department of Labor). 2015. *Standing Up for Workers: Promoting Labor Rights through Trade*. https://ustr.gov/sites/default/files/USTR%20DOL%20Trade%20-%20Labor%20Report%20-%20Final.pdf.

WEF (World Economic Forum). 2024. *Trade and Labour: Rethinking Policy Tools for Better Labour Outcomes*. https://www.weforum.org/publications/trade-and-labour-rethinking-policy-tools-for-better-labour-outcomes/.

World Bank. 2020. *World Development Report 2020: Trading for Development in the Age of Global Value Chains*. https://www.worldbank.org/en/publication/wdr2020.

———. 2025a. *Pathways to Job Creation in Africa*. Africa's Pulse, No. 32. https://doi.org/10.1596/978-1-4648-2296-4.

———. 2025b. "Spending Better for Agriculture in Ghana". In *Ghana Public Finance Review: Building the Foundations for a Resilient and Equitable Fiscal Policy*, 204–231. https://openknowledge.worldbank.org/entities/publication/8506ba65-98e0-4b26-80d3-60c571a8b2e5.

World Bank and WTO (World Trade Organization). 2018. *Trade and Poverty Reduction: New Evidence of Impacts in Developing Countries*. Geneva: World Trade Organization. https://www.wto.org/english/res_e/publications_e/wto_wbjointpublication_e.htm.

WTO (World Trade Organization). 2018. "Agricultural Logistics in Lagging Regions: Evidence from Uganda". In *Trade and Poverty Reduction: New Evidence of Impacts in Developing Countries*, 98–119. Geneva: World Trade Organization. https://doi.org/10.30875/08d9603d-en.

———. 2024. *World Trade Report 2024: Trade and Inclusiveness – How to Make Trade Work for All*. https://www.wto.org/english/res_e/publications_e/wtr24_e.htm.

Yildirim, Aydin, Robert Basedow, Matteo Fiorini, and Bernard Hoekman. 2021. "EU Trade and Non-trade Objectives: New Survey Evidence on Policy Design and Effectiveness". *Journal of Common Market Studies* 59 (3): 556–568. https://doi.org/10.1111/jcms.13100.

Appendix: African regional economic communities

Regional economic community (REC)	Member countries	Labour provisions in trade agreement?	Total trade (US$, billion), 2024[1]
Arab Maghreb Union (UMA)	Algeria, Libya, Mauritania, Morocco, Tunisia	n/a[2]	356
Common Market for Eastern and Southern Africa (COMESA)	Burundi, Comoros, DR Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia, Zimbabwe	Yes	456
Community of Sahel–Saharan States (CEN-SAD)	Benin, Burkina Faso, Central African Republic, Chad, Comoros, Côte d'Ivoire, Djibouti, Egypt, Eritrea, Gambia, Ghana, Guinea, Guinea-Bissau, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Senegal, Sierra Leone, Somalia, Sudan, Togo, Tunisia	n/a	725
Economic Community of West African States (ECOWAS)	Benin, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Nigeria, Senegal, Sierra Leone, Togo	Yes	271
Economic Community of Central African States (ECCAS)	Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, DR Congo, Equatorial Guinea, Gabon, Rwanda, Sao Tome and Principe	Yes[3]	153
East African Community (EAC)	Burundi, DR Congo, Kenya, Rwanda, Somalia, South Sudan, Uganda, United Republic of Tanzania	Yes	137
Intergovernmental Authority on Development (IGAD)	Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, Uganda	n/a	77
Southern African Development Community (SADC)	Angola, Botswana, Comoros, DR Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia, Zimbabwe	Yes	519

n/a = not applicable as there is no dedicated regional trade agreement currently in force.

Notes: [1] The value represents total trade (exports plus imports) by all members of the REC and includes both trade with other members and trade with external countries. [2] Under the auspices of the UMA, a trade agreement was signed in 1991 but has not yet entered into force. It should be noted that a separate agreement on agricultural trade has been negotiated and has entered into force. [3] The Revised Treaty Establishing the Economic Community of Central African States has not yet been notified to the WTO and is therefore not included in the analysis.

Source: Compiled by the authors with information on trade agreements and labour provisions from ILO Labour Provisions in Trade Agreements Hub and WTO Regional Trade Agreements Database and other sources, as well as numerical values from Observatory of Economic Complexity.

ilo.org

International Labour Organization
Route des Morillons 4
1211 Geneva 22
Switzerland

Flanders
State of the Art