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Workers' Organizations and Labour Rights in Trade Agreements: Ideas for Trade Union Action



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► Foreword

International trade has become one of the defining forces shaping labour markets, employment opportunities and working conditions across the world. Trade agreements are no longer solely instruments governing tariffs and market access; increasingly, they also include commitments on labour rights, decent work and sustainable development. Whether these commitments translate into tangible improvements for workers depends, to a significant extent, on the capacity of workers' organizations to engage effectively throughout the trade policy process.

For trade unions, trade agreements present both opportunities and challenges. Properly designed and effectively implemented labour provisions can help promote respect for fundamental principles and rights at work, strengthen social dialogue and prevent unfair competition based on the erosion of labour standards. Yet these outcomes are far from automatic. Experience demonstrates that workers' organizations must be able to influence negotiations from the earliest stages, participate meaningfully in monitoring and implementation and make effective use of available enforcement mechanisms where labour rights are violated.

This report, commissioned by the ILO Bureau for Workers' Activities (ACTRAV), seeks to contribute to that objective. Drawing on exploratory research, case studies, documentary analysis and interviews with trade union leaders, academics and practitioners from different regions, it examines how labour provisions are designed and implemented across a range of trade agreements. More importantly, it distils practical lessons on what enables trade unions to shape these processes successfully and identifies the institutional, technical and resource gaps that continue to limit their influence.

The findings underline a clear message: strong labour provisions alone are insufficient. Effective implementation requires informed, organized and well-resourced workers' organizations, supported by robust social dialogue institutions, coherent public policies and sustained international cooperation. The report also demonstrates the indispensable role of the International Labour Organization in promoting social dialogue and policy coherence, particularly in the context of trade policy and international labour standards, while highlighting the importance of long-term investment in trade union capacity.

At a time when global trade is being reshaped by geopolitical tensions, technological transformation, climate action and evolving supply chains, ensuring that trade contributes to decent work and social justice has never been more important. Workers' organizations must have both a seat at the table and the capacity to engage effectively. This publication aims to support that effort by providing practical guidance, comparative experiences and concrete recommendations that trade unions can adapt to their own national and regional contexts.

ACTRAV hopes that this report will serve as a useful resource for workers' organizations and all those committed to ensuring that international trade supports – not undermines – the rights and interests of working people. We trust that it will stimulate dialogue, strengthen advocacy and contribute to more inclusive and equitable trade policies grounded in the principles of social justice and decent work.

I acknowledge the contribution of Dr Patrick Vander Weyden who supported the preparation of the report. I am also grateful to ACTRAV colleagues across all regions and countries who worked closely with desk officers at headquarters to facilitate the collection of relevant information for the report. The report also greatly benefited from helpful comments and suggestions from several ILO colleagues at headquarters. Special thanks goes to Marva Corley-Coulibaly (Research). A particular word of thanks to the core ACTRAV Multilaterals team of Grayson Koyi, Ariel Castro, Hilma Mote, Michael Watt and Khalid Maman Waziri.

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► Abbreviations Used in This Report

ACTRAV	ILO Bureau for Workers' Activities
ACWLA	Advisory Council on Workplace and Labour Affairs
AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
BFC	Better Factories Cambodia
CAFTA-DR	Dominican Republic–Central America–United States Free Trade Agreement
CAS	Committee on the Application of Standards
CCFTA	Canada–Colombia Free Trade Agreement
CEACR	Committee of Experts on the Application of Conventions and Recommendations
CSF	Civil Society Forum
CSR	Corporate social responsibility
CTSD	Committees on Trade and Sustainable Development
CUSBTA	Cambodia–US Bilateral Textile Agreement
DAG	Domestic Advisory Group
DSM	Dispute Settlement Process
DW	Decent work
DWA	Decent work agenda
ECOWAS	Economic Community of West African States
EPA	Economic Partnership Agreement
ESDC	Labour Programme of Employment and Social Development Canada
EU	European Union
EVFTA	EU–Vietnam Free Trade Agreement
FTA	Free trade association
GSP	Generalized System of Preferences
GUF	Global union federation
ILAB	US Department of Labour Bureau of International Labour Affairs
ILO	International Labour Organization
ITUC	International Trade Union Confederation
JPEPA	Japan Philippine Economic Partnership Agreement
LAC	Labour Advisory Committee for Trade Negotiations and Trade Policy

LP	Labour provision
NAALC	North American Agreement on Labour Cooperation
NAC	National Advisory Committee
NAFTA	North American Free Trade Agreement
NAO	National Administrative Office
NGO	Non-governmental organization
OSH	Occupational health and safety
OTLA	Office of Trade and Labour Affairs
RRLM	Rapid response labour mechanism
RTA	Regional trade agreement
SACU	Southern African Customs Union
SADC	Southern African Development Community
SEP	Single entry point
T4DW	Trade for Decent Work
TA	Trade agreement
TCA	Trade and cooperation agreement
TSD	Trade and Sustainable Development
UK	United Kingdom
US	United States
USDOL	United States Department of Labour
USMCA	US-Mexico-Canada Agreement
USTR	United States Trade Representative
WTO	World Trade Organization

► 1. Executive Summary

International trade has become one of the defining forces shaping labour markets, employment opportunities and working conditions worldwide. Trade agreements are no longer solely instruments governing tariffs and market access; increasingly, they also incorporate commitments relating to labour rights, decent work and sustainable development. Whether these commitments translate into tangible improvements for workers depends, to a significant extent, on the capacity of workers' organizations to engage effectively throughout the trade policy process.

For workers' organizations, trade agreements present both opportunities and challenges. When well designed and effectively implemented, labour provisions (LP) can contribute to promoting respect for fundamental principles and rights at work, strengthening social dialogue and preventing unfair competition based on the erosion of labour standards. These outcomes, however, are far from automatic. Their achievement depends not only on the strength and scope of the provisions themselves, but also on the institutional, policy and organizational conditions that enable their effective implementation and oversight.

Against a backdrop of growing attention to labour rights in international trade, this report presents the findings of an analysis of labour provisions in selected international trade agreements. It provides timely insights into their design, implementation, enforcement, monitoring and governance arrangements. The analysis examines the institutional frameworks and advocacy mechanisms available at regional, subregional and national levels for trade policy development and the oversight of labour provisions, with particular attention to the opportunities and challenges they present for workers' organizations.

Drawing on document analysis, case studies and original interviews with 18 key informants from trade union organizations, academia and relevant professional fields across different regions, the findings point to a clear conclusion: strong labour provisions, while important, are not sufficient on their own. Their effective implementation requires informed, organized and adequately resourced workers' organizations, supported by robust social dialogue institutions, coherent public policies and sustained international cooperation.

Conceptual Framing of Labour Provisions in Trade Agreements

Labour provisions in trade agreements encompass principles, standards and rules that address labour relations, working conditions and labour rights. They also include frameworks for cooperation and mechanisms to ensure compliance. These provisions aim to align trade liberalization with the promotion of labour rights, decent work and sustainable development.

The general objectives of LPs are to promote respect for international labour standards – often referencing the ILO's Fundamental Principles and Rights at Work – and to prevent social dumping by ensuring that countries do not lower labour standards to attract trade or investment. LPs increasingly support the Decent Work Agenda, which encompasses productive employment, rights at work, fair working conditions, social protection and social dialogue.

Design, Implementation and Governance of Labour Provisions

LPs in trade agreements differ widely in scope, design and enforceability, reflecting the distinct policy approaches of major actors such as the European Union (EU), Canada, the United States (US), and the United Kingdom (UK). The EU embeds LPs within Trade and Sustainable Development (TSD) chapters that promote ILO core conventions and decent work through mechanisms like Committees on Trade and Sustainable Development (CTSDs), Domestic Advisory Groups (DAGs) and Civil Society Forums (CSFs). However, persistent weaknesses remain in implementation, complaint follow-up and trade union engagement. Canada combines promotional and enforcement tools through its National Administrative Office (NAO), which manages complaints and ministerial consultations. However, concrete outcomes, such as those under the Canada-Colombia agreement, demonstrate limited but real impact. The US model appears to be the most stringent, embedding binding commitments and operating an active

complaint mechanism via the Office of Trade and Labour Affairs (OTLA). Its USMCA innovation – the Facility-Specific Rapid Response Labour Mechanism (RRLM) – targets individual companies violating labour rights, strengthening accountability and enforcement. Japan's approach, exemplified by the Japan–Philippines Economic Partnership Agreement (JPEPA), is notably cautious: provisions “strive to ensure” adherence to ILO standards, but enforcement is minimal and no disputes have been initiated. The UK largely replicates the EU's framework, emphasizing ILO principles, non-derogation clauses and consultation-based dispute resolution although some specific UK agreements provide for the possibility of compensation, suspension of benefits and or monetary contributions for non-compliance; as of 2025, the UK has not faced any labour-related complaints.

Advocacy and Cooperation Mechanisms

Trade unions can play an important, though often constrained, role in shaping trade policy and influencing the design and implementation of labour provisions through advocacy, participation in cooperation frameworks and engagement. Their potential impact is greatest in the early stages of trade negotiations – particularly when negotiating mandates are defined and the inclusion of enforceable labour clauses can still be influenced. In the EU, for instance, unions seek to promote sanction-based provisions at this stage, yet their leverage tends to diminish once the mandate is established. In contrast, the United States and Canada offer more formalized avenues for engagement, such as advisory committees (for example the US Labour Advisory Committee) and structured public consultations, providing a more institutionalized voice for labour interests. Cooperation mechanisms, meanwhile, serve as essential complements to enforcement, fostering capacity-building, policy dialogue and technical assistance. Such cooperation may take place both prior to ratification – as a precondition for agreement approval (for example Mexico under the USMCA, Viet Nam under the EU–Vietnam Free Trade Agreement (EVFTA) – and after ratification, through ongoing technical and financial support to strengthen labour institutions. The ILO, for its part, provides normative guidance, technical expertise and monitoring support, helping to ensure alignment between trade policy and international labour standards. Through its supervisory role, development cooperation projects and knowledge platforms the ILO contributes to policy coherence, transparency and shared learning – offering a valuable framework through which trade unions, despite their limited formal power, can engage strategically and constructively in advancing decent work through trade.

Lessons Learned

The analysis highlights several key lessons for strengthening the impact of labour provisions in trade agreements. Trade unions exert the greatest influence during the early design and negotiation phases, when they can help shape enforceability and adapt provisions to specific national contexts. Ultimately, the effectiveness of labour provisions depends on robust domestic institutions: where tripartite social dialogue structures are strong, engagement is more sustained and monitoring more credible. Integrating cooperation and enforcement – combining technical assistance, policy dialogue and the credible possibility of sanctions – emerges as the most balanced and sustainable approach to advancing labour rights through trade.

Capacity Gaps

Despite notable progress, workers' organizations continue to face significant capacity constraints that limit their ability to leverage trade agreements to advance labour rights. Many unions lack the technical expertise and analytical capacity required to navigate complex trade negotiations or to make effective use of complaint and monitoring mechanisms. These challenges are compounded by financial and human resource shortages, which restrict sustained engagement, research and case preparation. Institutional incoherence also persists, as Ministries of Labour often have only a marginal role in shaping trade policy, resulting in limited alignment between economic and social objectives. Furthermore, access and representation remain uneven: in some contexts, advisory mechanisms such as Domestic Advisory Groups (DAGs) are under-resourced or government-dominated, reducing the scope for independent union participation. Addressing these gaps through the establishment of dedicated trade desks,

targeted technical training and stronger frameworks for social dialogue is essential to enable workers' organizations to participate more strategically, effectively and sustainably in trade governance.

Summary of Recommendations

For Trade Unions and Workers' Organizations

Trade unions should engage strategically and early in trade policy design by advocating for mandatory social and labour safeguards prior to trade negotiations and ensuring inclusive social dialogue from the mandate-setting stage. They should build influence before ratification, use coalition-based advocacy and push for labour chapters that address national realities.

To enhance effectiveness, unions should strengthen their technical and analytical capacity by creating dedicated trade and labour focal points, investing in training and developing tools to assess trade impacts on employment, wages and rights. Partnerships with universities and research institutes can reinforce evidence-based advocacy.

Unions should also build cross-border and multilevel alliances, linking national struggles to regional and global mechanisms and enhance advocacy and monitoring through active use of complaint systems and transparent, participatory monitoring. Balancing cooperation with credible enforcement remains key.

Finally, unions need to institutionalize learning and readiness, documenting lessons from trade-related cases and fostering South–South peer exchange to strengthen collective strategic capacity.

For Governments and International Institutions

Governments should institutionalize tripartite social dialogue in trade policy, ensuring coherent coordination across ministries and transparency through publication of drafts and assessments. Monitoring mechanisms such as Domestic Advisory Groups must be independent, representative and inclusive, with ILO participation to reinforce credibility.

Trade and Sustainable Development (TSD) mechanisms should be applied consistently and fairly, ensuring enforceable outcomes, reciprocity between northern and southern partners and linkage between enforcement and technical cooperation to address root causes of non-compliance.

For the ILO and Development Cooperation Partners

The ILO and development partners should invest in long-term capacity-building by funding research, training and trade policy analysis units within unions. They can support South–South and triangular cooperation to share successful strategies and enhance advocacy capacities.

Furthermore, they should strengthen labour governance systems – including labour ministries, inspection services and data-collection mechanisms – and align development cooperation with trade and labour outcomes, using aid strategically to sustain reforms and improvements resulting from trade-related commitments and dispute mechanisms.

► 2. Introduction

International trade has become one of the defining forces shaping labour markets, employment opportunities and working conditions worldwide. Over the past two decades, labour provisions have become an increasingly common feature of trade agreements. No longer solely instruments governing tariffs and market access, trade agreements increasingly incorporate commitments relating to labour rights, decent work and sustainable development. Whether these commitments translate into tangible improvements for workers depends, to a significant extent, on the capacity of workers' organizations to engage effectively throughout the trade policy process.

Labour provisions can link the benefits of improved market access to commitments concerning, for example, the effective implementation and enforcement of internationally recognized labour rights. However, considerable variation remains across trade agreements in the scope, stringency and enforceability of these provisions. While some agreements contain far-reaching and enforceable labour commitments, others include only limited references to labour standards or omit the issue altogether.

For workers' organizations, these developments present both opportunities and challenges. When labour provisions are well designed and effectively implemented, they can help promote respect for fundamental principles and rights at work, strengthen social dialogue and prevent unfair competition based on the erosion of labour standards. Such outcomes, however, are not automatic. They depend not only on the design and strength of the provisions themselves, but also on the institutional, policy and organizational conditions necessary for their effective implementation, monitoring and enforcement.

Against this backdrop, this report examines two interrelated questions: What role can workers' organizations play in promoting and protecting labour rights in the context of trade agreements? And how can their institutional capacities be strengthened to enable them to perform this role effectively?

Despite the rapidly growing literature on labour provisions in trade agreements, the role, strategies and actions of trade unions have received comparatively limited attention. This study seeks to address this gap by examining how trade unions can strengthen their influence throughout the trade agreement cycle – from negotiation to implementation and monitoring – and how they can engage with relevant dispute settlement mechanisms. Drawing on its findings, the report formulates recommendations aimed at strengthening trade union capacities and enhancing their contribution to the promotion and protection of labour rights in the context of trade agreements.

The findings point to a clear conclusion: strong labour provisions, while important, are not sufficient on their own. Their effectiveness ultimately depends on the capacity of workers' organizations to engage meaningfully in their design, implementation and oversight. This requires informed, organized and adequately resourced workers' organizations, supported by robust social dialogue institutions, coherent public policies and sustained international cooperation.

► 3. Research Questions and Methodology¹

Seven topics and 14 research questions were identified. The complete list of topics and research questions is provided in Annex 1. For the purpose of this study, however, the two essential topics are 6 (lessons learned) and 7 (tools and approaches for advocacy, monitoring and evaluation). These topics concern, on the one hand, the lessons learned from how trade unions have exercised their influence on the design, implementation and monitoring of trade agreements and, on the other hand, the tools and working methods used by trade unions to exercise and, where necessary, improve their influence in terms of advocacy, monitoring and evaluation. Those two topics and four research questions have been identified as vital to the study.

Topic 6: Lessons Learned

- **RQ11.** What lessons can be drawn from case studies of workers' organizations that have successfully influenced the design, implementation and monitoring of labour provisions in trade agreements across different regions?
- **RQ12.** How can these lessons be adapted and applied by trade unions in other regional and national contexts?

Topic 7: Tools & Approaches for Advocacy, Monitoring and evaluation

- **RQ13.** How can workers' organizations (better) advocate for the inclusion of decent work as a core objective in trade agreements?
- **RQ14.** What tools and approaches (e.g., social audits, worker surveys, partnerships) can workers' organizations use to monitor compliance with labour provisions?

The other topics and research questions are more analytical and descriptive in nature and were largely addressed through document analysis. In order to achieve the main objective of the research, it also seems essential to explicitly address topic 3 (namely, what institutional frameworks and advocacy opportunities exist for trade unions in the context of trade agreements) and topic 4 (what capacity gaps exist in workers' organizations to have an impact on trade agreements) in the study. These were largely addressed through key informant interviews.

The findings on the four topics provided the framework for analysis. The main findings can be found in the report below.

The exploratory study consists of source research and 18 in-depth interviews with trade union leaders, trade union staff, academics and politicians. The starting point for the study was the analysis of five specific trade agreements, which were selected with the aim of ensuring representation from all regions and continents, namely:

1. JPEPA, the economic partnership agreement between Japan and the Philippines.
2. The SACU/M-UK EPA, the economic partnership agreement between the UK and the SACU region, with the addition of Mozambique.
3. The trade agreement between Canada and Jordan.
4. The trade agreement between the EU and Peru, Colombia, Ecuador,
5. The almost finalized agreement between the EU and Indonesia.

¹ The design consisted of two parts. The first part involved a literature study and an analysis of the ILO LP Hub. The aim was to describe the general context of labour provisions in trade agreements, as well as the monitoring system and dispute mechanism. A brief review of the literature and the ILO Hub revealed a lack of research on trade union involvement in the trade agreement negotiation process. The negotiation phase and associated trade union involvement therefore formed the explicit focus of the case study approach. The case study approach formed the second and most important part of the research. This approach involved selecting a number of trade agreements, analysing them in depth and then complementing them with interviews with key informants.

These cases formed the starting point for our research. However, as the study progressed it became clear that this approach was an entry point, but that the scope needed to be expanded somewhat. After all, the primary goal was not to study the agreements in detail, but to identify good practices that trade unions can learn from. Because trade agreements with labour provisions are mainly driven by high-income economies, we also included a number of good examples and approaches from US trade agreements in the analysis.

The study did not address the multilateral trading system, as this topic lay beyond its scope. Nevertheless, this area remains relevant to the broader discussion on labour rights in international trade. The World Trade Organization (WTO), which establishes global trade rules, has played only a limited role in promoting labour rights since the issue was set aside following the 1996 Singapore Ministerial Conference Declaration. At the same time, global trade unions have continued to advocate for the inclusion of labour rights within the WTO framework, for the creation of a Working Group on labour and trade and for stronger collaboration between the WTO and the International Labour Organization (ILO).

► 4. Topic 1: Conceptual Framing of Labour Provisions in Trade Agreements

RQ1

What are labour provisions in trade agreements, what objectives do they serve and how are they relevant to promoting decent work and social justice?

This section draws on document analysis.

The ILO's Labour Provisions approach relies on a three-part definition of labour provisions. According to the ILO, Labour Provisions are defined as²:

1. Any principle or standard or rule (including references to international labour standards) that addresses labour relations, minimum working conditions, terms of employment and other labour issues
2. Any framework to promote cooperation and compliance with standards, through activities, dialogue and monitoring of labour issues
3. 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 disputes³

Broadly, LPs cover any standard or rule concerning labour relations, minimum working conditions, or terms of employment; any framework to promote compliance through cooperative activities, dialogue and monitoring; and any mechanism to ensure compliance with standards set under national law or in the TA⁴.

Short History of Labour Provisions in International Trade Agreements

The integration of labour provisions (LP) into international trade mechanisms has evolved over several decades, from unilateral schemes to legally binding elements within regional trade agreements (RTAs).

The debate regarding how international trade – particularly between countries with different standards – might affect workers and firms has been long-standing.⁵ Discussions about linking trade and labour standards can be traced back to the nineteenth century. However, labour issues are generally not dealt with in the multilateral trading system. The World Trade Organization (WTO) sets the rules governing multilateral trade, but these rules do not directly address labour standards. In the absence of comprehensive multilateral rules, WTO members began to turn to unilateral, bilateral and plurilateral trade arrangements.⁶

The earliest inclusion of labour concerns in trade policy often utilized unilateral measures or side agreements. Efforts to promote compliance with international labour standards first included unilateral measures, such as preferential trade arrangements with labour conditionality (for example the US Generalized System of Preferences (GSP) starting in the 1970s) and import bans on goods made using

² Marva Corley-Coulibaly, Gaia Grasselli, and Ira Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements: Comparative Analysis of Canada, European Union and United States Approaches and Practices* (International Labour Office, 2023).

³ Franz Christian Ebert and others, *Integrating Trade and Decent Work: Volume 2, The Potential of Trade and Investment Policies to Address Labour Market Issues in Supply Chains*, Pre-print edition (ILO, 2023), doi:10.54394/YGJD7616.

⁴ Corley-Coulibaly, Postolachi, and Tesfay, *A Multi-Faceted Typology of Labour Provisions in Trade Agreements: Overview, Methodology and Trends*.

⁵ Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

⁶ Ebert and others, *Integrating Trade and Decent Work*.

forced labour.⁷ These trade preference schemes allow the withdrawal of tariff preferences if a beneficiary country fails to protect certain labour rights. Forced labour concerns, addressed by instruments like the US Tariff Act of 1930 (Section 307), were among the first labour issues handled by trade governance instruments.⁸

The first labour provision to be incorporated into an RTA was the side agreement to the North American Free Trade Agreement (NAFTA) in 1994. This side agreement was known as the North American Agreement on Labour Cooperation (NAALC).⁹ Despite being the first binding LP in an RTA, the NAALC had limited ability to prevent practices aimed at attracting investment to Mexico based on low wages and its enforcement mechanisms were largely ineffective at addressing labour violations.¹⁰

Since 1994, the trend towards incorporating LPs into RTAs has significantly increased.¹¹ By February 2023, one in three (113 out of 357) RTAs in force and notified to the WTO included labour provisions. This reflects a significant increase since 1994. In fact, more than half of the existing trade agreements with labour provisions were concluded over the past decade. The scope of engagement has expanded to over 140 economies. Of the RTAs with LPs, 19 per cent are between South–South trading partners, 26 per cent are North–North agreements and 55 per cent are North–South agreements. Canada, the European Union (EU) and the United States (USA) are party to almost half of all existing trade agreements with labour provisions (51 out of 113).

Trade Unions and the History of Labour Provisions in International Trade Agreements

Trade unions have played a key role in shaping labour provisions in international trade agreements, acting as agenda-setters, advocates, monitors and enforcement actors. They have lobbied governments during trade negotiations, documented labour rights violations, pushed for trade benefits to be linked to international labour standards and used the resulting monitoring and enforcement mechanisms.

Key examples include:

- ▶ **The United States–Mexico–Canada Agreement (USMCA):** Trade union pressure through **AFL-CIO** helped secure stronger commitments on freedom of association and collective bargaining and the Facility-Specific Rapid Response Labor Mechanism, which enables complaints to be made about rights violations at individual Mexican workplaces. Unlike in NAFTA, where labour standards were addressed only in a weak side agreement that lacked an effective enforcement mechanism, labour standards are addressed directly in the text of USMCA and supported by a novel enforcement mechanism. USMCA required Members to uphold their International Labour Organization (ILO) obligations and prohibited derogating from their labour standards in ways that would impact intraregional trade or investment. USMCA also prohibited the importation of goods produced using forced or compulsory labour and required protection of workers against violence by employers. The countries were also obliged to protect against workplace discrimination and uphold the rights of migrant workers. Perhaps most importantly, an Annex to Chapter 23 required Mexico to respect workers' collective bargaining rights, including the holding of free and fair elections for union representation.¹²

⁷ Corley-Coulbaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

⁸ Ebert and others, *Integrating Trade and Decent Work*.

⁹ Corley-Coulbaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

¹⁰ Ebert and others, *Integrating Trade and Decent Work*.

¹¹ Corley-Coulbaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

¹² Corley-Coulbaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

► **EU-Korea FTA: The European Trade Union Confederation (ETUC)** played a significant role in turning the EU-Korea FTA's labour provisions from largely declaratory commitments into an operational accountability mechanism. Working with Korean trade unions and through the civil society structures established by the agreement – particularly the Domestic Advisory Group (DAG) – ETUC helped bring persistent violations of freedom of association and other ILO standards to the attention of EU institutions and maintained pressure on the European Commission to act; indeed, the European Trade Union Institute (ETUI) concludes that, following repeated demands from ETUC, the EU eventually activated the FTA's dispute procedure, while the European Parliament records that the formal consultations were initiated at the EU DAG's request. ETUC and ITUC subsequently submitted evidence to the Panel of Experts, whose 2021 ruling confirmed breaches of Korea's labour commitments; ETUC then used the case to demonstrate both the potential and the limitations of the EU's Trade and Sustainable Development (TSD) model, arguing that monitoring, dialogue and expert panels needed to be complemented by stronger remedies, including sanctions for persistent labour rights violations. The Korea experience thus allowed ETUC not only to influence implementation of this particular agreement, but also to use it as a precedent in its wider campaign for stronger trade union participation, more effective DAGs and enforceable labour standards across subsequent EU trade agreements¹³.

In this regard, trade unions have helped shift labour provisions in trade agreements from largely aspirational commitments towards more institutionalized and enforceable protections, with the USMCA representing an especially significant example of workplace-level enforcement.

Key Trends in RTA Labour Provisions¹⁴

LPs are generally included in a specialized Chapter or an accompanying side agreement. For example, the EU typically includes LPs in Trade and Sustainable Development (TSD) chapters and they often commit trading partners to adhere to minimum labour standards, frequently referencing the ILO's Fundamental Principles and Rights at Work. Obligations also include effectively enforcing relevant domestic laws and incorporating commitments to avoid lowering domestic labour standards (non-derogation/non-waiver clauses) to attract trade or investment. Most Canadian, EU and US agreements with LPs include institutional mechanisms for stakeholder engagement (workers' and employers' representatives, NGOs and the public) through mechanisms like ministerial-level councils, advisory groups (such as DAGs in the EU) and public submission procedures.

General Objectives of Labour Provisions in Trade Agreements¹⁵

The overarching goal of LPs is to provide mechanisms for promoting compliance with and enforcement of labour commitments. This is done by incorporating specific rules, frameworks for cooperation and sometimes enforcement mechanisms within the trade policy structure. LPs aim to balance economic and social objectives, ensuring that trade and investment policies do not undermine but rather support the attainment of social objectives. LPs respond to the broad-based concern over the uneven impacts of globalization and trade on the labour market. They represent attempts by nation states to push for a level playing field based on minimum conditions of work and labour rights for all trading partners. A specific objective, particularly for countries like Canada, the UK, the EU and the US, is avoiding social dumping – the adverse practice of lowering domestic labour standards to encourage trade or investment – and its negative impacts on domestic labour markets. The violation of fundamental principles and rights at work

¹³ Martin Myant. (2022, March 17). Making labour provisions in free trade agreements work. In ETUI, The European Trade Union Institute. Retrieved 14:54, September 04, 2026, from <https://www.etui.org/publications/making-labour-provisions-free-trade-agreements-work>

¹⁴ Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*; International Labour Organization, 'ILO Labour Provisions in Trade Agreements Hub (LP Hub)', 2022.

¹⁵ Ebert and others, *Integrating Trade and Decent Work*; Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*; International Labour Office, *Labour Provisions in G7 Trade Agreements: A Comparative Perspective* (International Labour Organisation (ILO), 2019); Marva Corley-Coulibaly, Ira Postolachi, and Netsanet Tesfay, *A Multi-Faceted Typology of Labour Provisions in Trade Agreements: Overview, Methodology and Trends* (ILO, n.d.); International Labour Office, *Handbook on Assessment of Labour Provisions in Trade and Investment Arrangements* (International Labour Organisation (ILO), 2017).

cannot be invoked or used as a legitimate comparative advantage. Governments and social partners view trade agreements as a tool for rectifying deficiencies in labour rights and working conditions. LPs can act as catalysts for important labour law reforms.

Relevance of Trade Agreements to Promoting Decent Work ^{16 17}

The concept of Decent Work (DW), which has been central to the ILO's mandate since 1999, is intrinsically linked to the objectives of LPs. DW refers to work that is productive and delivers a fair income, security in the workplace and social protection for all, along with rights at work, personal development prospects and social dialogue.

LPs are a mechanism for prioritizing social justice and ensuring that DW is a key objective of trade policy. As an ideal, the objective of aligning trade and labour-market policies is to achieve decent work outcomes. Agreements frequently reference the ILO Declaration on Fundamental Principles and Rights at Work (the 1998 Declaration, as amended in 2022)¹⁸. The ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998 and amended in 2022, is an expression of commitment by governments, employers' and workers' organizations to uphold basic human values – values that are vital to social and economic lives. It affirms the obligations and commitments that are inherent in membership of the ILO, namely:

- ▶ Freedom of association and the effective recognition of the right to collective bargaining
- ▶ The elimination of all forms of forced or compulsory labour
- ▶ The effective abolition of child labour
- ▶ The elimination of discrimination in respect of employment and occupation
- ▶ A safe and healthy working environment

Many agreements also refer to the Decent Work Agenda and the 2008 Declaration on Social Justice for a Fair Globalization. LPs address core elements of the DW agenda beyond just employment, including:

- ▶ **Rights at Work:** these ensure the effective recognition of fundamental rights such as freedom of association and collective bargaining and prohibitions on forced labour and child labour
- ▶ **Working Conditions:** LPs increasingly cover areas like acceptable minimum employment standards such as minimum wages, working hours and occupational safety and health (OSH)
- ▶ **Social Dialogue:** LPs include institutional mechanisms that promote and facilitate social dialogue, which is recognized as central to decent work outcomes

¹⁶ Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

¹⁷ Britta Holzberg, 'Local Understandings of Decent Work and the Legitimacy of Global Labour Standards: Insights from Garment Suppliers in Egypt and Jordan', *Journal of Business Ethics*, 192.4 (2024), pp. 689–712, doi:10.1007/s10551-023-05490-1; Ebert and others, *Integrating Trade and Decent Work*; Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*; Office, *Handbook on Assessment of Labour Provisions in Trade and Investment Arrangements*.

¹⁸ The fundamental principles and rights at work are based on the [ILO Declaration on Fundamental Principles and Rights at Work](#), which upholds four core areas: freedom of association and the effective recognition of the right to collective bargaining; the elimination of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. A fifth principle, a safe and healthy working environment, was added in 2022.

Evolution of Enforcement and Dispute Settlement¹⁹

Experience with implementation, particularly through landmark labour disputes, has shaped how LPs are enforced. Dialogue and cooperation remain the basic line of action for ensuring compliance. Dispute settlement is consistently recognized as a tool of last resort.

The EU traditionally emphasized a non-sanction-based approach focused on dialogue, but recent experiences, such as the EU–Republic of Korea labour dispute (the first EU dispute to trigger a panel of experts), led to a realization of weaknesses in enforcement mechanisms. The EU is now moving towards combining dialogue and cooperation with a more assertive stance on enforcement, including considering sanctions and pre-ratification conditionality. The current negotiated EU–Indonesia agreement will be subject to a sanction mechanism (namely suspension of trade benefits or monetary assessment) included in the agreement. The only other agreement of the EU with similar sanction mechanism is New Zealand.

The US approach has historically been structured for sanction-based enforcement. The outcomes of the US–Guatemala labour dispute (2008–2017) led to significant procedural developments, notably the introduction of the Facility-Specific Rapid Response Labour Mechanism (RRLM) in the USMCA (2020). The RRLM provides an expedited mechanism for handling facility-specific violations of freedom of association and collective bargaining rights. It also reversed the burden of proof, presuming that labour violations affect trade unless proved otherwise.

The following sections will discuss the enforcement and dispute settlement mechanisms within various trade agreements in more detail.

¹⁹ Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

► 5. Topic 2: Analysis of Design, Implementation / Governance, Enforcement / Institutional Frameworks

RQ3

How do labour provisions vary across trade agreements in terms of design, implementation, enforcement, monitoring and governance?

5.1 Introduction

Labour provisions (LPs) in trade agreements (TAs) have become a crucial tool for global labour governance and are a common feature in regional trade agreements (RTAs).²⁰ With slightly more than half of TAs concluded over the last decade containing LPs, the focus has shifted from whether to include them to how they should be included.²¹

LPs cover any standard or rule concerning labour relations, minimum working conditions, or terms of employment; any framework to promote compliance through cooperative activities, dialogue and monitoring; and any mechanism to ensure compliance with standards set under national law or in the TA.²²

Since the introduction of enforceable LPs in the North American Free Trade Agreement (NAFTA) in 1994, LPs have become more comprehensive.²³

Major proponents, including the European Union (EU), Canada and the United States, have active policies to consistently include LPs in their trade agreements. Evidence indicates that the ILO's 1998 Declaration on Fundamental Principles and Rights at Work, as amended in 2022 is increasingly used as a baseline reference for labour standards in most cases.²⁴

The great majority of trade agreements with LPs include commitments that parties will not lower their labour standards or derogate from labour law to boost competitiveness and they aim to ensure that domestic labour laws are effectively enforced and consistent with labour standards.²⁵

It is noteworthy that the inclusion of labour provisions in free trade agreements is particularly desirable in high-income countries. Of the 130 trade agreements with labour provisions, 107 involve traditionally high-income economies (EU, EFTA, USA, UK, Canada, Australia, New Zealand and Japan).

Chile appears to be an exception to the other group of countries. In addition to the agreements it has with the above-mentioned countries and regions, it also has nine trade agreements with labour provisions with other countries. Together, the countries mentioned account for no fewer than 116 trade agreements with labour provisions.²⁶ These figures seem to confirm the hypothesis that these countries and regions are the main driving forces behind the inclusion of labour provisions in trade agreements.

²⁰ *Assessment of Labour Provisions in Trade and Investment Arrangements*, Studies in Growth with Equity (International Labour Organization, 2016).

²¹ Corley-Coulibaly, Postolachi, and Tesfay, *A Multi-Faceted Typology of Labour Provisions in Trade Agreements: Overview, Methodology and Trends*.

²² Ebert and others, *Integrating Trade and Decent Work*; Office, *Labour Provisions in G7 Trade Agreements*; International Labour Organization, 'ILO Labour Provisions in Trade Agreements Hub (LP Hub).'

²³ Corley-Coulibaly, Postolachi, And Tesfay, *A Multi-Faceted Typology of Labour Provisions in Trade Agreements: Overview, Methodology and Trends*.

²⁴ [ILO Labour Provisions in Trade Agreement Hubs](https://webapps.ilo.org/LPhub/).

²⁵ *Assessment of Labour Provisions in Trade and Investment Arrangements*.

²⁶ Own calculations based on ILO Labour Provision in Trade Agreements HUB : <https://webapps.ilo.org/LPhub/>

Since the main purpose of this study is to identify the needs of national and regional workers' organizations based on lessons learned, we will focus primarily on agreements concluded by the EU, Canada, the US and to a lesser extent the UK and Japan.

The agreements concluded by these countries and regions give us a clear picture of the possibilities and implications of labour provisions in trade agreements, allowing us to draw lessons learned and make recommendations for stronger trade union involvement in all phases (from negotiation to implementation) of a trade agreement.

5.2 The EU Approach²⁷ (In general and EU-Colombia/Peru/Ecuador FTA Case)

Obligations and Content

The EU's model is generally centred on Trade and Sustainable Development (TSD). The EU's approach has traditionally been characterized as promotional although this is no longer the case.²⁸

"While there is some variation across the different agreements, the TSD chapters common to EU FTAs share three key types of provisions. First there are substantive standards. All agreements require that the parties commit to upholding the International Labour Organization's (ILO) core labour standards and promote its Decent Work Agenda. Second, there are procedural commitments. These include dialogue and cooperation between the parties, transparency in introducing new labour standards measures, monitoring and review of the sustainability impacts of the agreement and a commitment to upholding levels of domestic labour protection. Third, there are institutional mechanisms. All agreements since the EU–Korea FTA have a tripartite format. Committees of state/EU officials from the two parties are established to oversee the implementation of the TSD chapter. These are advised by a CSM that takes the form of a Domestic Advisory Group (DAG) including representatives of business, trade unions, non-governmental organizations (NGOs) and occasionally academia, with the DAGs of the two parties meeting together on an annual basis. Finally, there is an expert panel that investigates complaints made by the parties and makes recommendations on them. The implications of the agreement text is that these institutions will interact to effectively implement the TSD Chapter."²⁹

Summarized

- ▶ LPs are typically included in Trade and Sustainable Development (TSD) chapters³⁰
- ▶ EU agreements commit parties to upholding the ILO's core labour standards (Fundamental Principles and Rights at Work) and promoting the Decent Work Agenda (DWA)³¹
- ▶ A distinguishing feature is the consistent obligation to effectively implement ratified ILO Conventions and undertake efforts towards ratifying remaining fundamental ILO Conventions³²
- ▶ More recent EU FTAs (for example EU-Chile, EU-New Zealand, EU-UK TCA) have expanded obligations to include areas like occupational health and safety (OSH), minimum/decent working standards and labour inspection systems³³

²⁷ Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

²⁸ Jordi Agustí-Panareda, Franz Christian Ebert, and Desirée LeClercq, *Labour Provisions in Free Trade Agreements: Fostering Their Consistency with the ILO Standards System*, Background Paper Social Dimensions Of Free Trade Agreements (ILO, 2014).

²⁹ James Harrison and others, "Governing Labour Standards through Free Trade Agreements: Limits of the European Union's Trade and Sustainable Development Chapters", *JCMS: Journal of Common Market Studies*, 57.2 (2019), pp. 260–77, doi:10.1111/jcms.12715.

³⁰ Office, *Handbook on Assessment of Labour Provisions in Trade and Investment Arrangements*.

³¹ Harrison and others, "Governing Labour Standards through Free Trade Agreements".

³² Office, *Handbook on Assessment of Labour Provisions in Trade and Investment Arrangements*.

³³ Hung Nguyen Xuan and H. Nguyen, 'Trend in the Development of Labour Commitment in the EU FTA – Policy Implication for Vietnam', 2024, pp. 431–39.

Monitoring

This EU monitoring framework combines governmental oversight with structured civil society participation through three main bodies: the Committees on Trade and Sustainable Development (CTSDs), the Domestic Advisory Groups (DAGs) and the Civil Society Forums (CSFs).

The CTSDs, composed of senior officials from the EU and partner countries, meet annually to review the implementation of the TSD chapters, address issues such as ILO Convention ratification, corporate social responsibility and occupational safety. They function as the primary decision-making bodies.

Each party to an agreement establishes a Domestic Advisory Group that represents employers, workers, environmental and consumer groups and other civil society actors. The DAGs advise on implementation, make recommendations and can request consultations with governments. They act as bridges between governments and civil society, providing structured channels for participation, though their actual influence on policy decisions remains limited.

The Civil Society Forums complement this structure by providing a broader and more inclusive platform. These annual meetings bring together DAGs, NGOs, academics and international organizations such as the ILO to discuss progress, share expertise and identify challenges in implementing sustainable development commitments.

A unique feature of the EU model is the cross-border DAG-to-DAG dialogue, which enables cooperation and exchange between the DAGs of the EU and its partner countries, fostering mutual learning and coordination.

Despite this institutional architecture, challenges persist. Implementation has often been delayed, communication between bodies can be irregular and the overall impact on labour standards enforcement remains limited. One of the main problems raised during the interviews is that trade unions lack the institutional capacity to take full advantage of the opportunities offered by the DAGs. Although the European Union covers the costs of meetings for participants in EU DAGs, a challenge is that not all trade unions have sufficient resources to allocate dedicated staff to work on trade agreements. With regard to the partner countries, the interviewees repeatedly pointed out that DAGs are often closed committees controlled by the government or, if they are set up, have insufficient resources to operate.

In 2020, the European Commission introduced the Single Entry Point (SEP), an online platform allowing individuals and organizations to submit complaints concerning violations of trade or sustainable development commitments. The SEP consolidates earlier, fragmented processes into a single, accessible channel, covering issues from market access barriers to breaches of labour and environmental obligations. As of late 2025, one labour-related complaint – filed by CNV Internationaal on behalf of Colombian and Peruvian trade unions – had been registered under this new system and remained under review. Although submitting the complaint and having it deemed admissible by the European Union are considered successes in themselves, the interviews reveal that no real progress has been made in the form of concrete action plans. In fact, it seems that no plan has been drawn up at all for Colombia. The Colombian Government promised to reform labour legislation in order to address the complaint. After all, the complaint related to unfair subcontracting, resulting in lower wages and restricted freedom to organize trade unions. However, to date, this reform has not been implemented, so there is no action plan to address the complaint. A cooperation programme with concrete actions and support was developed for Peru in 2023, but the Peruvian Government did not ultimately agree to it. According to the interviewees, there has been no progress on the issue since then.

Overview Dispute Settlement Mechanism (DSM)

The EU approach previously relied on consultations and persuasion rather than traditional sanctions.³⁴ Enforcement involved a special procedure including amicable consultations, review by an ad hoc expert body (Panel of Experts) and institutional dialogue, but generally provided no recourse to sanctions (suspension of trade benefits or monetary assessment).

Recent EU strategy (since 2022) aims for more assertive enforcement of labour commitments, including the potential imposition of trade sanctions. The sanction mechanisms and procedures established under the European Union's (EU) recent trade agreements with New Zealand and Indonesia (in the final

³⁴ *Assessment of Labour Provisions in Trade and Investment Arrangements.*

negotiation phase) reflect a critical policy shift that came into effect in 2022. This new policy aims not only to pursue Trade and Sustainable Development (TSD) chapters, which include labour clauses, but also to make them enforceable. At the time the sources were recorded, the agreements with New Zealand and Indonesia were the only two negotiated under this new, enforceable policy, although the agreement with Indonesia still needed to be ratified. The mechanism operates by subjecting these TSD chapters to the dispute settlement mechanism that applies to all other market opening clauses within the agreement. This allows the EU to impose sanctions. These sanctions can escalate up to the suspension of all or parts of the trade agreement. The procedure for challenging an alleged violation of labour rights in these agreements is complex, particularly from the perspective of civil society. However, trade unions or civil society organizations can lodge complaints under the Single Entry Point (SEP) even though they are not parties to the agreement. Their first point of contact is usually the Domestic Advisory Group (DAG), where issues can be raised and discussed. If the issue remains unresolved, it can be escalated and tabled on the agenda of the TSD specialized Committee that meets once a year, allowing the parties to discuss TSD-related issues.

5.3 Canadian Approach³⁵ (In general)

Out of all regional trade agreements (RTAs) in force and notified to the WTO as of early 2023, Canada ranks among the top three economies (alongside the EU and the United States) that most systematically incorporate labour provisions (LPs). Canada has 15 RTAs with explicit labour provisions (out of 17 total RTAs). Only two older agreements (with Israel, 1997 and the European Free Trade Association, 2009) originally lacked such provisions, but the Canada-Israel FTA was modernized to include labour and gender clauses. The Canada-Chile FTA was also updated to include gender equality and corporate social responsibility (CSR) provisions in addition to existing labour cooperation.

Monitoring and Dispute Settlement Mechanism (DSM)

Canada's monitoring system for trade agreements combines elements of public consultation, institutional oversight and a formal complaint mechanism, but it operates with limited frequency and consistency. While it shares procedural similarities with the frameworks of the European Union and the United States – such as ministerial councils, advisory bodies and submission mechanisms – it is less institutionalized and less active in implementation.

A central feature of the Canadian approach is its structured public consultation process. Through an online government platform, individuals, organizations and provincial authorities can submit input on trade agreements, both during formal consultation periods and on a continuous basis. This process aims to ensure transparency and incorporate diverse societal perspectives into trade policymaking.

Canada also maintains a formal complaint mechanism administered by the National Administrative Office (NAO) within Employment and Social Development Canada's Labour Programme. The NAO serves as the national contact point for public communications – submissions alleging that a trade partner has failed to enforce labour laws or uphold international labour standards. Modelled on the US Office of Trade and Labour Affairs, the NAO uses defined criteria for admissibility and issues public reports after reviews. However, it has been used infrequently: only seven cases have been filed – six under the North American Agreement on Labour Cooperation (NAALC) and one under the Canada-Colombia Free Trade Agreement (CFTA).

Domestically, Canada established the Advisory Council on Workplace and Labour Affairs (ACWLA) in 2010 to advise the Minister of Labour and promote dialogue on workplace and international labour issues. Despite including representatives from unions, employers, academia and civil society, it has been largely inactive, with only one recorded meeting in 2012.

The NAO's procedural framework requires that complaints demonstrate a clear connection to a specific trade agreement and provide evidence of non-compliance with labour obligations. Of the seven complaints received (as at 2025), three were accepted for review and published, two were declined and two remain under consideration. Most were joint submissions by transnational coalitions of unions and

³⁵ Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

civil society groups. Early NAALC cases targeted Mexico and the United States for alleged violations of labour rights, such as the 1998 *Itapisa* case on occupational safety and freedom of association, which led to ministerial consultations and the 2003 Puebla case, which produced a 2008 agreement to strengthen enforcement.

The 2016 Canada–Colombia case marked a milestone: it resulted in ministerial consultations and an Action Plan adopted in 2018 to address anti-union practices and improve collective bargaining, demonstrating that Canada's mechanisms could produce structured policy responses.

More recently, Canada joined the Rapid Response Labour Mechanism (RRLM) under the USMCA, which allows for facility-specific investigations of labour rights violations. As of early 2023, one claim had been filed under the Canada–Mexico RRLM and was accepted for review, signalling a potential shift in Canada's enforcement of labour provisions.

5.4 USA Trade Agreements³⁶

The United States pioneered the inclusion of labour provisions in trade agreements, starting in 1994 with NAFTA. This was the first trade agreement with binding labour provisions, which were implemented through a side agreement: the North American Agreement on Labour Cooperation (NAALC). From that point onward, the integration of labour provisions became a constant feature of US trade policy. The United States has 14 RTAs with labour provisions (all in force and notified to the WTO). Every single US RTA since NAFTA (1994) has contained a labour Chapter or side agreement on labour. The USMCA (2020) – which replaced NAFTA – introduced the most advanced and enforceable labour mechanisms globally, including the Rapid Response Labour Mechanism (RRLM) (see below and next Chapter for more information).

All US trade agreements commit parties to uphold fundamental labour rights, consistent with the ILO Declaration on Fundamental Principles and Rights at Work (1998) and amended in 2022³⁷:

- ▶ Freedom of association and the effective recognition of the right to collective bargaining
- ▶ Elimination of all forms of forced or compulsory labour
- ▶ The effective abolition of child labour
- ▶ Elimination of discrimination in respect of employment and occupation
- ▶ A safe and healthy working environment

Besides that, the agreements effectively enforce domestic labour laws and not weaken or waive them to attract trade or investment. The objectives of the labour provisions are to protect fair competition and level the playing field for labour standards and strengthen cooperation and capacity-building in labour administration.

Monitoring Mechanism and Dispute Settlement Mechanism.

The monitoring mechanism established under United States trade agreements represents a long-standing and distinctive approach. While sharing with the European Union a concern for compliance and accountability in trade-related labour standards, the US system differs in structure, scope and procedure. It is marked by direct government–stakeholder engagement, strong reliance on complaint-based enforcement through the Office of Trade and Labour Affairs (OTLA) and innovative mechanisms

³⁶ Based on the review of the following documents: Office, *Labour Provisions in G7 Trade Agreements*; Corley-Coulibaly, Postolachi, and Tesfay, *A Multi-Faceted Typology of Labour Provisions in Trade Agreements: Overview, Methodology and Trends*; Marva Corley-Coulibaly and others, *Integrating Trade and Decent Work: Volume 1, Has Trade Led to Better Jobs?: Findings Based on the ILO's Decent Work Indicators*, Pre-print edition (ILO, 2023), doi:10.54394/NVUM2638; Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements; The Potential of Trade and Investment Policies to Address Labour Market Issues in Supply Chains*, ed. by Marva Corley-Coulibaly and others, *Integrating Trade and Decent Work* / International Labour Organization, Volume 2 (International Labour Organization, 2023), doi:10.54394/YGJD7616; *Has Trade Led to Better Jobs? Findings Based on the ILO's Decent Work Indicators*, ed. by Marva Corley-Coulibaly and others, *Integrating Trade and Decent Work* / International Labour Organization, Volume 1 (International Labour Organization, 2023); Ebert and others, *Integrating Trade and Decent Work*.

³⁷ Note that this commitment is standardized across the different trade agreements.

such as the Rapid Response Labour Mechanism (RRLM) introduced under the United States–Mexico–Canada Agreement (USMCA).

Unlike the European Union model – where participation is largely confined to Trade and Sustainable Development (TSD) chapters and mediated through Domestic Advisory Groups and Civil Society Forums – the United States allows stakeholder engagement across all aspects of trade agreements. This inclusiveness is embodied in the Labour Advisory Committee for Trade Negotiations and Trade Policy (LAC), which brings together representatives of workers' and employers' organizations to advise the United States Trade Representative (USTR) and the Department of Labour (USDOL) on both labour-related and broader trade issues. The LAC contributes to consultations and policy recommendations on industrial competitiveness, economic cooperation and the social dimensions of trade.

A central pillar of the US approach is the accessibility of its complaint mechanism. Individuals, organizations, or coalitions from any of the partner countries can file complaints directly with the OTLA, housed within the Bureau of International Labour Affairs of the USDOL. This office oversees the monitoring and enforcement of labour provisions in US trade agreements and has fostered significant cross-border collaboration: of the 30 complaints filed between 1994 and 2021, 23 were jointly submitted by unions and civil society groups from multiple countries. This participatory system has made the United States one of the most active global actors in processing labour-related complaints.

The institutional structure of US trade agreements also includes ministerial-level bodies – Labour Affairs Councils or Subcommittees – that supervise the implementation of labour chapters and coordinate cooperative activities between governments. These councils are typically followed by public sessions open to civil society representatives, but they meet infrequently in practice.

The USMCA influenced institutional innovations. The US-led Independent Mexico Labour Expert Board – comprising 12 members appointed by Congress and the LAC – was created to monitor Mexico's compliance with labour obligations, advise the Inter-agency Labour Committee and oversee capacity-building initiatives. This represents a more structured effort to ensure accountability and strengthen labour reform implementation.

Public complaints remain at the core of the US monitoring and enforcement process. Complaints submitted to the OTLA are assessed for admissibility based on their relevance to the trade agreement and their contribution to the agreement's objectives. Between 1994 and 2021, the OTLA received 30 submissions under seven trade agreements, including NAFTA and its labour side accord, the North American Agreement on Labour Cooperation (NAALC). Roughly one-third were withdrawn or dismissed, mainly due to insufficient evidence or lack of connection to the trade agreement. Of the 19 accepted submissions, about two-thirds led to bilateral consultations and the development of action plans to remedy identified deficiencies.

Since 2008, all submissions filed under US trade agreements outside NAFTA have been accepted for review. Two features stand out: first, the cross-border nature of submissions, with joint filings by unions and NGOs from the United States and partner countries – often led by the American Federation of Labour and Congress of Industrial Organizations (AFL-CIO); and second, the thematic focus on violations of freedom of association, collective bargaining rights, fair judicial processes and the eradication of child and forced labour. These reflect the OTLA's mandate and the core labour priorities embedded in US trade policy.

The RRLM under the USMCA represents the latest stage in this evolution: by early 2023, six cases had been initiated, five of which had concluded, signalling a more assertive and results-oriented enforcement phase.

Several interviewees consider the Rapid Response Labour Mechanism to be an example that they would like to see included in all trade agreements. There are two reasons for this. The first reason is that the mechanism does not penalize countries for non-compliance with the agreement, but companies. In the event of non-compliance, companies are forced to take remedial action and, if they fail to do so, their exports to Canada or the United States may be suspended. The second reason is that enforceable sanctions can be imposed without the need for lengthy procedures. As the mechanism is considered good practice, we will discuss it in more detail below.

5.5 USA/ Canada/ Mexico (USMCA – Rapid Response Labour Mechanism (RRLM))³⁸

The United States–Mexico–Canada Agreement (USMCA) includes the innovative Facility-Specific Rapid Response Labour Mechanism (RRLM), a unique dispute settlement process designed for rapid and targeted enforcement of specific labour rights. The RRLM was introduced via a Protocol amending Chapter 31 (Dispute Settlement) of the USMCA. The RRLM is detailed in two annexes: Annex 31-A, which applies between the United States and Mexico and Annex 31-B, which applies between Canada and Mexico.

Focus and Scope

The mechanism is designed for the expedited enforcement of workers' collective rights, focusing exclusively on two core issues: freedom of association and the right to collective bargaining.

The mechanism applies to a covered facility in Mexico, defined as a facility that produces a good or supplies a service traded between the parties, or produces a good or supplies a service that competes with that of the other Party and is operating within a Priority Sector. Priority Sectors include manufactured goods (such as auto parts, steel and aerospace components), services, or mining.

If a covered facility is located in the United States or Canada, the RRLM may be activated only if the facility is already subject to an order from the respective national labour relations board.

Activation and Procedure

The RRLM is triggered when the complaining party (the US or Canadian Government) believes, on a good faith basis, that workers at a covered facility in Mexico are being denied the right to free association and collective bargaining.

Key procedural details reflect an emphasis on speed and efficiency:

- ▶ The RRLM allows members of the public to submit a petition alleging a denial of rights at a covered facility. In the case of the United States, the Inter-agency Labour Committee reviews the petition and determines if there is credible evidence of a denial of rights within 30 days
- ▶ The RRLM operates on a significantly shorter timeline compared to traditional dispute mechanisms, intended to provide labour justice at a more rapid pace. The Mexican Government has 10 days to agree to conduct a review after receiving a request from the complaining party. If Mexico agrees to the review, it has 45 days to remediate the denial of rights
- ▶ A crucial development under the RRLM is the reversal of the burden of proof. Under the RRLM, a denial of rights is presumed to exist and the defending party must demonstrate otherwise

Remedies and Enforcement

If the denial of rights is not resolved or remedied within the specified time frame, the complaining party may escalate the process. The complaining party may delay the final settlement of Customs accounts for entries of goods from the covered facility during the review process. If consultations fail, a *Rapid Response Labour Panel* may be established. This panel is authorized to conduct inspections and make recommendations and determinations. Should the panel determine that a denial of rights has occurred, the complaining party may impose specific remedies on the facility. These potential penalties include:

- ▶ Imposing penalties on the facility.
- ▶ Suspending preferential treatment (tariffs) for goods produced there.
- ▶ Denying entry to goods produced at the facility in the case of multiple violations.

³⁸ Corley-Coulibaly, Postolachi, and Tesfay, *A Multi-Faceted Typology of Labour Provisions in Trade Agreements: Overview, Methodology and Trends*; *Has Trade Led to Better Jobs?*; Corley-Coulibaly and others, *Integrating Trade and Decent Work*; Ebert and others, *Integrating Trade and Decent Work*; Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*; *The Potential of Trade and Investment Policies to Address Labour Market Issues in Supply Chains*; Martin Myant, *Making Labour Provisions in Free Trade Agreements Work*, Policy Brief (European Economic, Employment and Social Policy, 2022).

5.6 Japanese CASE (JPEPA)³⁹

The Japan–Philippines Economic Partnership Agreement (JPEPA), which entered into force in 2008, comprehensively includes labour provisions, referring to them collectively as the “labour dimension”. This labour dimension is considered a notable feature compared to Japan’s Economic Partnership Agreements (EPAs) with other countries.

The ILO Conventions and frameworks are not explicitly mentioned in the core text of the Japan–Philippines Economic Partnership Agreement (JPEPA). Instead they are set out in the investment chapter. Article 103, Chapter 8 and the Dispute Settlement mechanisms, is not referring explicitly to the ILO, but the agreement strongly refers to the ILO framework and standards.

The core labour provision in JPEPA, article 103: Investment and Labour, directly uses language identical to the core labour standards promoted by the ILO, although it labels them as “internationally recognized labour rights”.

Scholars confirm that article 103 explicitly corresponds directly to the core conventions of the ILO:

- ▶ Article 103 embodies the eight (8) core ILO Conventions considered fundamental to the rights of human beings at work
- ▶ The agreement includes guarantees related to freedom of association for unions and collective bargaining to improve work conditions, health and safety and no discrimination in employment and pay, consistent with the ILO’s principles of decent work

Dispute Mechanism

The agreement establishes a “strive to ensure” standard for compliance, meaning that each Party shall strive to ensure that it does not waive, derogate from, or offer to derogate from its labour laws in a manner that weakens or reduces adherence to internationally recognized labour rights as an encouragement for investment.

The labour provisions in JPEPA are linked to the general Dispute Settlement Mechanism (DSM) of the agreement. This contrasts with many other trade agreements that contain specific, self-contained dispute settlement procedures for Trade and Sustainable Development (TSD) or labour chapters.

The JPEPA employs a multi-step process for dispute avoidance and settlement:

- ▶ General Consultations: a Party may request consultations regarding any matter on the interpretation or application of the Agreement. The requested Party must afford adequate opportunity and enter into consultations in good faith, making every effort to avoid possible disputes
- ▶ Special Consultations for Dispute Settlement: if one Party considers that any benefit accruing to it under the Agreement is being nullified or impaired due to the other Party’s failure to carry out obligations, it may request special consultations for dispute settlement. Parties must make every effort to reach a mutually satisfactory resolution through these consultations
- ▶ Alternative Dispute Resolution: the parties may utilize good offices, conciliation, or mediation at any time if they agree
- ▶ Arbitral Tribunal Establishment: if consultations fail to resolve the dispute, either Party may request the establishment of an arbitral tribunal. Arbitrators are selected based on international legal expertise or relevant technical knowledge

³⁹ Based on analysis of the following documents: Atty Gatdula and others, *Comparative Study on the Different Free Trade Agreements Entered Into by Japan with Other Asian Countries: A Look into Provisions of Trade in Goods, Trade in Services, Investments, Sanitary and Phytosanitary Measures*, No. 2012-17, PIDS Discussion Paper Series (Philippine Institute for Development Studies (PIDS), 2012); Michael Angelo A. CORTEZ, ‘Japan-Philippines Free Trade Agreement: Opportunities for the Movement of Workers’, *Ritsumeikan International Affairs Vol.7, Pp.125-144 (2009)*, 7 (2009), pp. 125–44; Isao Kamata, *Labor Clauses in Regional Trade Agreements and Effects on Labor Conditions: An Empirical Analysis*, IDE DISCUSSION PAPER No. 609 (Institute Of Developing Economies (IDE), JETRO, 2016); Maragtas S.V. Amante, *Labor Dimension of the Japan Philippine Economic Partnership Agreement (JPEPA)*, No.429, Visiting Research Fellow Monograph Series (Institute of Developing Studies, Japan External Trade Organization, 2007); Lars Engen, *Labour Provisions in Asia-Pacific Free Trade Agreements*, Background Paper No.1/2017 (United Nations, ESCAP, 2017).

- Functions of Arbitral Tribunals: the tribunal issues a final and binding award in accordance with the Agreement and applicable rules of international law. The tribunal may seek information from any relevant source and may consult experts to obtain their opinion on certain aspects of the matter

If the arbitral tribunal determines a violation has occurred and issues an award that requires compliance, the prevailing Party may seek remedies if the implementing Party fails to comply. If the implementing Party deems compliance impracticable within the established implementation period, it must consult with the other Party to develop mutually acceptable compensation. If compensation cannot be agreed upon, the other Party may notify its intention to suspend the application of its obligations under the Agreement. Suspension must be restricted to the level of nullification or impairment caused by the failure to comply and generally restricted to the same sector(s) to which the nullification or impairment relates, unless impractical or ineffective.

The binding dispute settlement procedures, including the possibility of trade sanctions, apply generally to the entire agreement. However, the commitment under article 103 to avoid weakening labour laws is only a “strive to ensure” obligation. Disputes over whether a country strived hard enough are inherently difficult to prove in international arbitration. Consequently, there has been no single episode where any of the enforcement mechanisms found in Asia-Pacific FTAs, including JPEPA, were enacted or even invoked for labour rights violations.

5.7 UK Approach (UK-SACU-Mozambique EPA)⁴⁰

The Economic Partnership Agreement between the Southern African Customs Union Member States and Mozambique and the United Kingdom of Great Britain and Northern Ireland (SACU/M-UK EPA) contains several key labour provisions, primarily outlined in Chapter II (Trade and Sustainable Development) and article 13 (Trade and Labour Standards) of the Core Agreement.

The Agreement entered into force in 2021 and its signatories are Lesotho, South Africa, Eswatini, Namibia, the United Kingdom, Botswana and Mozambique. The provisions on trade and labour are situated under the broader framework of sustainable development and cooperation. The SACU/M-UK EPA is a technical replication of the existing EU-SACU/M EPA, intending to maintain continuity in the UK's trade relationship with SACU/M. This means that the labour provisions were largely transposed from the pre-existing Agreement.

The SACU/M-UK EPA explicitly affirms commitments to international labour standards:

Core Labour Standards (article 13): The parties reaffirm their commitment to the internationally recognized core labour standards, as defined by the relevant International Labour Organization (ILO) Conventions. Specifically, these core standards include:

- Freedom of association and the right to collective bargaining.
- The abolition of forced labour.
- The elimination of worst forms of child labour.
- Non-discrimination in respect to employment. These specific thematic areas are categorized under child labour and forced labour.

Implementation of ILO Conventions (article 8): Parties reaffirm their commitment to implement their obligations regarding the ILO Conventions that they have ratified respectively, including ILO Fundamental Conventions. The agreement also considers commitments related to other up-to-date ILO Conventions.

Contextual International Declarations (article 6): the EPA recalls and references several key international instruments related to decent work and social justice, integrating these concepts into the objectives of the agreement. These include the ILO Declaration on Fundamental Principles and Rights at Work of 1998, the Ministerial Declaration of the UN Economic and Social Council on Full Employment and Decent Work of 2006 and the ILO Declaration on Social Justice for a Fair Globalization of 2008. Decent work for all is specifically recognized as a key element of sustainable development.

⁴⁰ Corley-Coulibaly, Postolachi, and Tesfay, *A Multi-Faceted Typology of Labour Provisions in Trade Agreements: Overview, Methodology and Trends*.

Obligations Regarding Domestic Labour Laws

The SACU/M-UK EPA establishes obligations regarding the handling and enforcement of domestic labour laws. Parties recognize the right of each party to establish its own levels of domestic environmental and labour protection and to adopt or modify relevant laws and policies, provided this is done in compliance with internationally recognized standards and agreements to which they are a party. The Agreement requires parties to adopt, establish, maintain and modify labour laws. Parties reaffirm the importance of the protection afforded in domestic labour laws. Furthermore, they commit to enforce labour laws. The Agreement contains an explicit commitment to not derogate from, waive or lower labour standards, nor to act in a protectionist manner. Specifically, recognizing that it is inappropriate to encourage trade or investment by weakening or reducing domestic levels of labour and environmental protection, a party shall not derogate from, or persistently fail to effectively enforce, its environmental and labour laws to this end. It is explicitly agreed that Labour standards are not to be used for protectionist purposes.

Dispute Settlement Mechanism:

The ways to solve disagreements about labour are set out in a system that channels disputes under the Sustainable Development Chapter to certain procedures, but also puts some limits on these procedures. Most commitments related to labour, such as following ILO Conventions or the principle of not changing domestic labour laws, are not included in the general dispute settlement mechanism established in Part III of the agreement, with the only exception being article 7. Because of this, these rules cannot be put into effect using the usual procedures for resolving other trade-related disagreements. This is a common feature of the sustainable development chapters of Economic Partnership Agreements.

Although these commitments are generally excluded from the Agreement's main dispute settlement mechanism, certain labour-related matters may still fall within its scope in specific circumstances. This could happen when labour issues are connected to other obligations in the agreement, such as compliance with core labour standards agreed by all parties, or when article 7 provides an explicit basis for their enforcement.

In practice, the mechanisms emphasize consultation and alternative dispute resolution. If a disagreement arises under the Sustainable Development Chapter, the first step is for one of the parties to ask for a meeting with the Trade and Development Committee. If these talks do not work, those involved can agree to ask for mediation. The mediator's suggestions are not legally binding, but they can help find positive solutions.

If the dispute goes to formal arbitration under Part III (even though Chapter II normally excludes this), the panel may ask for expert input if this is considered appropriate. It can gather information from anywhere, including from other interested parties and can consult relevant experts or organizations. Although the mechanism does not mention the International Labour Organization (ILO), the panel is able to ask for expert opinions from other relevant organizations. This means that international labour expertise can be included in the process of making decisions.

As far as the investigation team could ascertain, no complaints have been lodged to date regarding violations of labour provisions.

► 6. Topic 3: Advocacy and Cooperation Opportunities⁴¹

RQ5

What institutional frameworks and advocacy mechanisms exist at regional, subregional and national levels for trade policy development and oversight of labour provisions?

In addition to the avenues provided for in the FTA as outlined above, a fundamental question is how trade unions and workers' organizations can nonetheless influence the content and implementation of trade agreements. Three components can be identified:

- The influence that can be exerted during or prior to the negotiations of the free trade agreement
- The various forms of cooperation in the field of labour provisions resulting from the free trade agreement
- The role that the ILO plays in relation to free trade agreements.

We will briefly discuss each of these elements below.

6.1 Advocacy Possibilities for Workers' Organizations

Based on our interviews with several trade union stakeholders, trade union advocacy options focused specifically on influencing the negotiating process are deemed a very important element and a critical capacity or skill for trade unions to possess, though significant challenges exist in this complex environment. Interviewees emphasized that effective advocacy must begin even before negotiations officially start, as the rules of the trade agreement are otherwise set in stone. At the same time, they recognize that their advocacy options are extremely limited at this stage. Below, we briefly discuss advocacy practices and opportunities in the European Union, Canada and the United States.

The goal of early advocacy is to influence the negotiating mandate that the European Commission, for example, presents to the Council, ensuring that the eventual outcome is designed to create decent jobs and that trade agreements reflect trade union objectives. This work must commence, according to trade union interviewees, as soon as the European Commission manifests an interest in negotiating with a specific geographical area, economic block, or country. Regional trade union federations start this process by raising red flags with the Commission. For example, they highlight when a partner country has a particularly bad score on the International Trade Union Confederation (ITUC) Global Right Index, urging the EU to be aware of labour rights violations.

A central advocacy objective for trade union organizations is securing enforceable labour clauses with sanctions from the very beginning of the negotiating mandate, as obtaining them later becomes very difficult. Trade unions prefer the stick to the carrot,⁴² preferring the threat of sanctions over human rights dialogues or talking shops in the belief that the threat of withdrawing market access is the only way to gain the attention of governments and businesses.

At national level, advocacy is also critical because Member States hold discussions with the European Union about the negotiating mandate. Trade unions stress the importance of ensuring that employment ministries in each Member State do not give a blank cheque to the economic ministries, which are typically responsible for negotiating trade agreements.

⁴¹ This Section is based on :Office, *Labour Provisions in G7 Trade Agreements*; Axel Marx, Franz Ebert, and Nicolas Hachez, 'Dispute Settlement for Labour Provisions in EU Free Trade Agreements: Rethinking Current Approaches', *Politics and Governance*, 5.4 (2017), pp. 49–59, doi:10.17645/pag.v5i4.1070; Corley-Coulibaly, Postolachi, and Tesfay, *A Multi-Faceted Typology of Labour Provisions in Trade Agreements: Overview, Methodology and Trends*; Office, *Handbook on Assessment of Labour Provisions in Trade and Investment Arrangements*; Corley-Coulibaly and others, *Integrating Trade and Decent Work*; Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

⁴² Some trade unions from the Global South favour the "carrot" approach, but by "carrots" they mean creating incentives in terms of market access as opposed to sanctions, not merely dialogues or talking shops.

However, trade union influence is constrained by institutional limits and timing. Crucially, once negotiating guidelines are approved by the Council, the Commission will not deviate from this mandate, effectively making it almost game over for significant content changes. Furthermore, the European Parliament's role comes too late in the process, granting them only a yes or no consent vote on the entire agreement, which lacks the power to modify the content of the free trade agreement.

To improve advocacy power, especially in partner countries, there is an acknowledged need to support and strengthen trade unions because many gaps exist in the technical capacity to engage in trade discussions. Trade experts within trade unions are reportedly few and far between, while trade unions face limited resources and budget cuts.

The United States employs an institutionalized approach to involving trade unions in trade policy, combining formal advisory mechanisms with a strong emphasis on enforceable obligations and sanctions. Within this framework, trade unions participate through permanent advisory bodies such as the Labour Advisory Committee for Trade Negotiations and Trade Policy (LAC) under the Office of the US Trade Representative (USTR) and the National Advisory Committee (NAC) under the Department of Labour. These committees provide formal input during trade negotiations and often have access to negotiating texts, ensuring that labour perspectives are systematically integrated into policy development. In parallel, US trade unions – most notably the AFL-CIO – wield significant influence through congressional lobbying, strategically making their support for trade agreements conditional upon the inclusion of labour standards.

Canada has institutionalized public consultations as a component of its trade negotiation process, incorporating stakeholder engagement into legislation since 1986. This legal framework requires the Government to consult the public on regulatory and trade matters to ensure that diverse perspectives are incorporated into policymaking. Typically, the consultation process begins with a public notice inviting submissions from social partners – including employers' and workers' organizations – as well as civil society actors. These contributions are often collected through an online platform, which also serves as a mechanism for mandatory human rights assessments related to trade agreements.

Despite the presence of these formal consultation mechanisms, stakeholders have voiced concerns regarding their effectiveness. Many have expressed dissatisfaction with the limited transparency of the negotiation process and with the lack of formal feedback mechanisms to ensure accountability. While the Government has pledged to provide feedback on stakeholder input, social partners continue to report that they are not systematically informed about how their contributions are reflected in decision-making. Moreover, not all social partners participate fully in the formal consultation process, further limiting its representativeness.

As a result, stakeholders often complement or replace formal consultations with informal channels of engagement. These unofficial interactions are perceived as more effective avenues for conveying detailed concerns and influencing policy outcomes.

6.1 Cooperation

Cooperation mechanisms under trade agreements are key tools used by Canada, the United States and the European Union (EU) to promote the effective implementation of labour provisions and to support partner countries in meeting international labour standards. These mechanisms, embedded in trade agreements, provide institutional platforms – such as councils, committees and contact points – for policy dialogue, technical assistance and capacity-building, complementing monitoring and enforcement mechanisms.

In the United States, cooperation is coordinated through Labour Affairs Councils with technical support from the Office of Trade and Labour Affairs (OTLA) and the US Department of Labour (USDOL), which designs and manages projects addressing issues such as workplace safety and forced labour.

Canada uses Labour Ministerial Councils and the National Administrative Office (NAO) under the Labour Programme of Employment and Social Development Canada (ESDC). Its cooperation is divided into project-based initiatives (long-term capacity-building) and operations-based exchanges (short-term expertise-sharing).

The EU relies on Committees on Trade and Sustainable Development (CTSD), which oversee cooperation implemented by European Commission directorates and Member States. These projects aim to strengthen compliance capacity and promote sustainable development.

Across all three jurisdictions, there is a strong emphasis on the participation of stakeholders – trade unions, employers' organizations and civil society – in shaping and implementing cooperation activities. The International Labour Organization (ILO) frequently acts as a technical partner, offering expertise, assistance and oversight, as seen in agreements such as the US–Colombia TPA, the USMCA and the EU–Singapore FTA.

Although the form and intensity of cooperation differ, all three actors combine formal mechanisms and informal dialogue to deliver financial and technical support. However, mapping these initiatives is challenging, since many are not directly tied to specific trade agreements but instead form part of broader development or labour programmes, often financed by multiple sources.

6.1.1 Pre-Ratification Cooperation Activities⁴³

Pre-ratification cooperation activities serve as a bridge between the negotiation and implementation phases of trade agreements, ensuring that partner countries have the institutional, legal and administrative capacity to meet international labour standards before a trade deal takes effect. The United States has institutionalized this practice through presidential certification of compliance, which makes market access conditional upon demonstrated labour reforms. This approach combines conditionality with targeted technical assistance and capacity-building, typically delivered by the US Department of Labour (USDOL). Concrete examples include US support for Mexico's comprehensive labour reform under the USMCA and efforts to strengthen Colombia's labour inspection system before the US–Colombia Trade Promotion Agreement. In both cases, pre-ratification cooperation was used to close labour law gaps, improve enforcement mechanisms and align domestic systems with international standards. The European Union has increasingly integrated similar conditionality into its trade and sustainable development (TSD) policy, linking ratification to tangible labour reforms and ILO compliance. Under the EU–Viet Nam Free Trade Agreement, for instance, the EU funded an ILO project (2016–2018) that supported Viet Nam's 2019 Labour Code reform and the ratification of key ILO Conventions.

By contrast, Canada relies mainly on extensive domestic consultations with employers, unions and civil society to inform negotiation positions and identify post-ratification cooperation priorities, rather than imposing pre-ratification conditionality.

6.1.2 Post-Ratification Cooperation Activities⁴⁴

Post-ratification cooperation activities represent a crucial phase in ensuring that labour provisions under trade agreements are effectively implemented and sustained over time. Among the three main actors, the United States operates the most structured and well-funded cooperation system. Through the US Department of Labour's Bureau of International Labour Affairs (ILAB) and agencies such as USAID, the US provides long-term technical assistance and capacity-building programmes that target weaknesses in partner countries' labour inspection, judicial and industrial relations systems. The Dominican Republic–Central America–United States Free Trade Agreement (CAFTA–DR) stands out as a prime example, with more than 50 projects in Guatemala alone, worth around US\$84 million. These projects have strengthened labour inspection, social dialogue and occupational safety and health, while promoting judicial training and collective bargaining rights. Even when enforcement disputes – such as the Guatemala case – have not led to full compliance, the US has maintained ongoing cooperation through ILO-led initiatives, demonstrating its commitment to linking trade policy with international development goals.

⁴³ Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

⁴⁴ Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

The European Union embeds its post-ratification cooperation within the Trade and Sustainable Development (TSD) framework, combining technical assistance, financial support and policy dialogue to promote compliance with ILO Conventions. The EU–ILO Trade for Decent Work project, worth €8.5 million, exemplifies this approach by helping countries such as El Salvador and Guatemala strengthen their labour institutions and reporting systems. The EU also relies on institutionalized dialogue through Committees on Trade and Sustainable Development, ensuring ongoing engagement with governments and civil society. Canada, in turn, adopts a more flexible and developmental model that emphasizes partnership, rapid response and social dialogue. Since the Canada–Costa Rica Free Trade Agreement (2002), it has supported projects through dedicated and ad hoc funding, often implemented with the ILO. Following the Canada–Colombia Labour Cooperation Agreement, Canada coordinated an extensive 2018–2021 Action Plan that funded institutional strengthening, research on freedom of association and earlier projects on child labour and occupational safety in mining. Across all three systems, post-ratification cooperation functions not only as a tool for capacity-building and dispute resolution but also as a means of embedding decent work and labour rights more deeply into the global trade regime through sustained, multilateral engagement.

Overview of categories of cooperation/support

- ▶ General types of support (common to all three actors):
- ▶ Technical assistance
- ▶ Financial support and project funding
- ▶ Capacity-building initiatives
- ▶ Policy dialogue and institutional cooperation
- ▶ Knowledge-sharing and expertise exchange
- ▶ Support for legislative and institutional reform
- ▶ Cooperation with the International Labour Organization (ILO) and other multilateral partners
- ▶ Social dialogue and tripartite engagement (governments, employers, workers)
- ▶ Development cooperation in the context of labour disputes (remedial and preventive)

United States:

- ▶ Long-term technical cooperation projects administered by the US Department of Labour (ILAB), USAID and the Bureau of Democracy, Human Rights and Labour
- ▶ Capacity-building for labour inspection and administration systems
- ▶ Training for judges and legal professionals (for example Labour Justice Training Programme)
- ▶ Support for occupational safety and health (OSH) improvements
- ▶ Promotion of freedom of association and collective bargaining
- ▶ Projects on child labour prevention and ethical judicial practices
- ▶ Ongoing monitoring (for example Verification of White Paper Recommendations project)
- ▶ Facilitation of tripartite social dialogue (for example Promoting Tripartite Social Dialogue Project)
- ▶ Technical advice and funding during dispute resolution (for example Guatemala case)

European Union:

- ▶ Technical assistance through Trade and Sustainable Development (TSD) chapters
- ▶ Financial support via European Commission directorates (Trade, Employment, International Partnerships)
- ▶ Capacity-building for the ratification and implementation of ILO Conventions
- ▶ Support for labour inspection and OSH systems (for example Vision Zero Fund Initiative)
- ▶ Institutionalized dialogue via the Committee on Trade and Sustainable Development (CTSD)

- ▶ Joint EU–ILO projects (for example Trade for Decent Work)
- ▶ Research, workshops and compliance reviews during dispute processes (for example EU–Korea case)
- ▶ Canada:
 - ▶ Targeted technical cooperation and flexible funding mechanisms
 - ▶ Capacity-building and institutional reform projects (for example Costa Rica labour inspectorate modernization)
 - ▶ Social dialogue facilitation and stakeholder consultations
 - ▶ Ministerial consultations and Action Plans for dispute follow-up (for example Canada–Colombia case)
 - ▶ Research and policy studies (for example University of Ottawa study on freedom of association)
 - ▶ Projects addressing child labour, OSH and local decent work agendas
 - ▶ Coordination with international partners (for example ILO, US agencies) to ensure policy coherence

6.3 Role of ILO⁴⁵

The International Labour Organization (ILO) plays an important role in shaping, implementing and maintaining coherence between international labour standards and the labour provisions embedded in trade agreements. The ILO provides technical expertise, monitoring and capacity-building support to both governments and social partners.

One of the ILO's roles is to offer advice and technical expertise during both the design and enforcement phases of trade agreements. Member States frequently request ILO input when negotiating labour provisions, particularly to ensure compatibility with international labour standards and to assess how trade policies might affect national employment and labour-market dynamics. A notable example is the assistance provided to Central American governments during negotiations for the CAFTA–DR agreement, where the ILO assessed the conformity of national laws with the 1998 ILO Declaration on Fundamental Principles and Rights at Work. Beyond the negotiation phase, the ILO's technical advice is often explicitly referenced in the agreements themselves. Both the European Union (EU) and the United States (US) allow parties to consult the ILO for technical guidance or mediation during implementation or dispute resolution. In certain cases, the ILO even assumes a procedural role, such as appointing the Chairperson of review panels when parties fail to agree, as seen in a Canadian labour side agreement.

The ILO's supervisory mechanisms provide a second, more indirect but influential form of engagement with trade agreements. Through its long-standing system of monitoring compliance with international labour standards – most notably via the Committee of Experts on the Application of Conventions and Recommendations (CEACR) and the Committee on Freedom of Association (CFA) – the ILO offers a robust source of publicly available data. Trade negotiators and monitoring bodies use this information to assess compliance gaps, design labour provisions and determine eligibility for trade preferences. Furthermore, while ILO assessments are not legally binding in trade disputes, they often serve as authoritative reference points during consultations or arbitration. The Committee on the Application of Standards (CAS) also contributes to this function by providing a tripartite forum for debate on trade-related labour issues, with references to trade agreements appearing in a growing share of its discussions.

The ILO also plays a proactive role in helping countries fulfil their labour commitments through development cooperation. These initiatives are often financed by the proponents of trade agreements and are closely aligned with the ILO's broader priorities. The Organization supports partner countries by strengthening institutional frameworks, promoting compliance with ratified conventions and fostering sustainable improvements in working conditions. Concrete examples include the ILO's implementation of the US–Colombia Labour Action Plan, which aimed to enhance the Colombian Government's capacity to protect workers' rights and the ILO Verification Project under CAFTA–DR, which monitored compliance in Central America. Similarly, the EU's Trade and Sustainable Development (TSD) chapters often translate into joint projects with the ILO, such as the Trade for Decent Work (T4DW) initiative. Regional organizations like the Economic Community of West African States (ECOWAS) and the Southern African Development

⁴⁵ Corley-Coulibaly, Grasselli, and Postolachi, *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements*.

Community (SADC) have formalized cooperation with the ILO through Memoranda of Understanding that embed ILO expertise into their regional labour programmes.

Another dimension of the ILO's engagement involves direct monitoring and observation of workplace and democratic processes linked to trade obligations. Upon request, the ILO has acted as an independent observer of workplace democracy initiatives, as seen in Mexico under the United States–Mexico–Canada Agreement (USMCA). Its involvement ensures transparency and impartiality in processes related to freedom of association and collective bargaining. The ILO has also undertaken third-party monitoring roles, for example under the Cambodia–US Bilateral Textile Agreement (CUSBTA). Through the Better Factories Cambodia programme, the ILO monitored compliance with labour standards at the factory level, enabling compliant firms to benefit from preferential access to the US market.

Finally, the ILO contributes to the trade–labour nexus through research, data collection and analytical tools. It has developed a classification of labour provisions and a comprehensive database – the Labour Provisions in Trade Agreements Hub (LP Hub) – covering 130 trade agreements worldwide. This database categorizes provisions according to obligations, monitoring and cooperation mechanisms and dispute settlement procedures. The ILO also conducts training and capacity-building activities for governments, employers and workers' organizations to deepen their understanding of labour provisions.

► 7. Topic 4: Lessons Learned AND Capacity gaps

7.1 Lessons Learned

RQ11

What lessons can be drawn from case studies of workers' organizations that have successfully influenced the design, implementation and monitoring of labour provisions in trade agreements across different regions?

RQ12

How can these lessons be adapted and applied by trade unions in other regional and national contexts?

7.1.1 Phase of Design and Negotiation

Across all sources, a consistent lesson is that the ability of workers' organizations to influence labour provisions (LPs) in trade agreements is greatest when engagement begins before agreements are concluded. The early design and negotiation phase determines the strength, enforceability and contextual relevance of the commitments that follow. Workers' organizations must be involved from the outset – not only in later monitoring or dispute stages. Early engagement allows them to shape labour clauses, identify foreseeable challenges and ensure that provisions respond to real deficits in the partner country. In Mexico under the USMCA and in Viet Nam during the EVFTA negotiations for example early involvement and external leverage helped domestic reformers push through labour law changes that had long stalled.

The lesson from these cases is clear: external pressure can catalyse internal reform, but only if there is an organized domestic constituency ready to seize the opportunity. Workers' organizations in Mexico, for instance, used the USMCA's pre-ratification conditionality to advance genuine collective bargaining rights. Likewise, in Viet Nam, the EU's conditionality regarding ILO Conventions strengthened the hand of reformist officials.

Labour provisions that respond to concrete realities – such as enforcing collective bargaining rights or regulating subcontracting – are more effective than broad, declaratory commitments to “respect core labour standards.” Workers' movements play a key role in identifying these specific deficits. For instance, Mexico's focus on democratic trade union elections and Cambodia's emphasis on factory-level compliance under the CUSFTA reflect how tailored measures yield tangible results.

Legally enforceable TSD (Trade and Sustainable Development) chapters, as now seen in the EU's post-2022 trade policy, are a major step forward. Workers' organizations have learned that voluntary dialogue mechanisms are insufficient; credible enforcement mechanisms, including the threat of partial suspension of trade benefits, are necessary to compel compliance. However, the political will to activate such mechanisms remains crucial. Even well-designed provisions can fail without political commitment from the trading partners. This is why sustained lobbying and alliance-building – both national and transnational – are indispensable from the negotiation stage onward.

7.1.2 Implementation and Monitoring

Formal submission or petition mechanisms are among the most powerful tools for trade unions. As shown in the Canada–Colombia and USMCA cases, these mechanisms allow workers' organizations to activate review or dispute processes, often leading to ministerial consultations, action plans, or facility-specific remediation.

The interviews confirm that unions view targeted mechanisms like the Rapid Response Mechanism (RRM) under USMCA as particularly effective. Unlike broad, state-to-state complaints, the RRM enables “surgical” enforcement – sanctioning individual factories or firms rather than entire economies. This specificity increases leverage while minimizing collateral damage. The case of General Motors in Silao, Mexico, illustrates how this mechanism, combined with international solidarity and the presence of new domestic institutions (such as Mexico's Federal Labour Centre), achieved rapid, verifiable improvements, including fair union elections and wage increases.

Transparency and credibility in monitoring are recurrent themes across all sources. Mechanisms such as Better Factories Cambodia (BFC) demonstrate that continuous, transparent monitoring involving stakeholders and backed by international expertise can produce measurable improvements in working conditions – such as reducing the gender wage gap. Transparent systems that incorporate workers' voices and independent verification build trust and ensure accountability. The role of the ILO emerges as indispensable here. ILO's technical expertise, neutrality and supervisory mechanisms are consistently cited as sources of legitimacy and analytical depth. Labour provisions that systematically refer to ILO findings or integrate ILO participation (for instance, in verification or advisory roles) tend to have stronger credibility and more sustainable outcomes.

All sources also underscore the power of cross-border cooperation. Transnational alliances – whether through joint submissions, coordinated campaigns, or shared monitoring – amplify pressure on governments and employers. The collaboration between EU and Korean DAGs, or between North American unions across the USMCA region, shows that collective leverage across borders can turn what would be a domestic grievance into an international issue demanding action. This approach also helps overcome resource constraints: unions in the global South can draw on the technical expertise and political influence of global North partners, while global North unions strengthen their legitimacy and solidarity credentials. South–South and triangular cooperation among unions can also help overcome resource constraints.

Despite the importance of enforcement, most success stories involve a dual strategy: cooperation and dialogue backed by the credible threat of sanctions. The prospect of disputes often prompts governments to engage in cooperative projects or commit to concrete action plans, as seen in CAFTA–DR. Hence, the most effective systems are those that combine monitoring, cooperation and enforcement in a coherent and iterative cycle.

7.1.3 Institutionalization, Enforcement and Strategic Learning

The third dimension concerns the long-term institutionalization of labour provisions and the broader strategic lessons derived from these experiences. Effective enforcement and sustainability depend on the capacity of institutions, the coherence of mechanisms and the ability of workers' organizations to engage strategically over time.

Strong domestic institutions are indispensable. Where structures for tripartite social dialogue already exist, trade unions are far better positioned to influence trade policy and implementation. Institutionalized social dialogue ensures continuity, access to information and unity of position among social partners. This highlights a critical asymmetry: while northern partners often have institutionalized channels, Southern partners frequently lack them, limiting genuine participation. Capacity-building is therefore both a precondition and an outcome of effective LPs. Training for labour inspectors, improved judicial systems and stronger ministries – as seen under CAFTA–DR – are direct products of cooperation encouraged by trade-linked mechanisms. Yet these gains require sustained financing and technical support.

The interviews reaffirm that enforceable mechanisms are preferred by trade unions, but that enforcement should be targeted and proportionate. Blanket sanctions can be counterproductive; targeted facility-based actions like those under the RRM are seen as more just and effective. The EU's decision to make TSD chapters enforceable, including potential partial suspension of agreements, marks a recognition of this need.

A major lesson is that enforcement systems must avoid asymmetry. Trade unions in the global South often view one-way mechanisms (for example US/Canada sanctioning Mexico) as politically unbalanced. Hence, future designs should seek reciprocity and fairness to maintain legitimacy.

Another structural lesson is the need for coherence between various mechanisms – dispute settlement, cooperation projects and monitoring bodies – which often operate in isolation. Aligning these within a single framework would improve efficiency and impact. Development cooperation plays a central role here: projects that emerge from or complement dispute or monitoring mechanisms (such as ILO-led capacity-building) are essential to transform commitments into lasting institutional reform.

The most far-reaching insight to emerge from all sources (including the interviews) is that influence requires strategic readiness. Workers' organizations need specialized trade desks, research capacity and technical knowledge to engage effectively in trade negotiations and monitoring. Many unions, particularly in developing countries, lack such expertise. Building this capacity – through partnerships, training and research collaboration – is critical for sustained influence.

Equally important is the strategic use of alliances. Cross-national collaboration, coordination between global and local levels and reliance on ILO standards all serve to strengthen the credibility and impact of labour advocacy. Unions that can link local grievances to global frameworks gain both legitimacy and leverage.

7.2 Capacity Gaps

RQ7

What capacity gaps do workers' organizations face in relation to trade policy engagement (technical expertise, resource availability, representation, inclusion of Ministries of Labour, etc.)?

7.2.1 Technical Expertise and Knowledge Gaps

A primary challenge for workers' organizations is the lack of technical expertise and knowledge necessary to effectively engage in complex trade policy discussions.

Unions often lack the necessary knowledge to engage with the technicalities of trade agreements. It is difficult for them to analyse what implications a trade agreement is going to have on their national space, including potential impacts on wages and employment.

To conduct a robust analysis, trade unions require resources and expertise. This includes having economists within the organization who can carry out studies and analyse potential trade diversion to generate evidence-based decisions or positions. Trade union federations frequently do not have dedicated trade desks. Experts on trade within trade unions are a rare occurrence. Capacity-building is needed to establish focal desks and train focal persons specifically on issues within the realm of trade.

A major difficulty is organizing and formulating unified priorities and positions and then communicating these priorities effectively to the political realm, which weakens their potential power. Some officials sent to high-level trade meetings may only be able to give a general overview of labour rights implementation, unable to translate this into the necessary implications for a trade agreement due to lack of specific training.

Comprehensive training programmes are needed to raise awareness and build the capacity of workers' organizations on how to utilize the trade agreement systems in their favour, covering chapters, dispute settlement mechanisms and alternative steps like the Single Entry Point (SEP) in the European Union.

7.2.2 Resource Constraints

Trade unions typically have limited resources. Monitoring the implementation of agreements effectively requires sustained funds and staff time. The process of putting together a sound case file for a complaint mechanism (like the Single Entry Point) demands extensive commitment of resources, staff and legal knowledge, which many unions cannot afford. Even in regions where engagement is strong, such as among European trade unions, budget cuts hinder their ability to dedicate staff and money to focus on trade agreements.

Many organizations do not have the institutional capacity or resources to carry out the research, impact studies and future projections required to analyse and monitor the consequences of opening up sectors to a new country (for example impact on employment and wages).

Workers' organizations struggle with limited involvement and lobbying capacity, often starting as outsiders trying to influence the process. Governments frequently fail to consult trade unions on trade issues.

Trade unions often gain involvement too late in the process, usually during implementation phases via mechanisms like Domestic Advisory Groups (DAGs), rather than during the critical stages of initial setting and drafting of the agreements.

In partner countries, even when Domestic Advisory Groups (DAGs) exist, the government may handpick representatives, thereby undermining the independence of the trade union input. In countries like Peru, DAGs were not given formal status, requiring trade unions to organize participation themselves.

Workers' organizations need to strengthen their lobbying capacity to proactively reach out to trade ministers and secure involvement, rather than waiting for an invitation. Transparency is a major issue, as trade negotiations are delicate and documents are often secretive, hindering accountability and access to crucial information.

7.2.3 Institutional and Policy Coherence Gaps

Capacity gaps also exist at institutional level, concerning how governments approach trade policy internally.

Ministries of Employment (or Labour) often fail to actively participate in or challenge the economic ministries that negotiate trade agreements to ensure that economic ministries are not given a blank cheque regarding negotiation mandates. There is a need for policy coherence among institutions, ensuring that free trade does not overrule labour rights regulations.

Enforcement mechanisms often require a political choice by bodies like the European Commission and there is often a reluctance to use strong enforcement measures or sanctions. Enforcement is often hindered by the need to demonstrate that a labour violation has a quantifiable, significant impact on trade flows, which is extremely difficult for unions to prove.

► 8. Recommendations

RQ6

What are the concrete entry points for workers' organizations in these frameworks (for example consultation processes, monitoring bodies, dispute settlement panels) and how can they engage effectively?

RQ4

What are the implications of these variations for the potential roles and actions of workers' organizations at different stages of the trade policy cycle (negotiation, implementation, enforcement, monitoring)?

RQ8

What strategies can be pursued to strengthen the institutional, technical, representational and policy capacities of workers' organizations to engage in trade processes and protect labour rights?

RQ13

How can workers' organizations (better) advocate for the inclusion of decent work as a core objective in trade agreements?

RQ14

What tools and approaches (for example social audits, worker surveys, partnerships) can workers' organizations use to monitor compliance with labour provisions?

RQ2

How can labour provisions in trade agreements be framed and communicated in a user-friendly way that underscores their significance for workers and workers' organizations?

8.1 For Trade Unions and Workers' Organizations

8.1.1 Strategic and Early Engagement in Trade Policy Design

- A key pre-emptive and preventive strategy for workers' organizations – potentially with the support of local employers – is to advocate for the establishment of mandatory pre-negotiation safeguards at national or regional level. These safeguards would set out clear, binding preconditions that must be fulfilled before any trade negotiations can begin, ensuring that trade policy is developed and conducted within a framework that upholds social justice, safeguards labour rights and protects social development priorities. By defining these preconditions in advance, governments would be required to demonstrate compliance with core social and labour standards – notably the ILO Fundamental Principles and Rights at Work and other relevant International Labour Standards – as a non-derogable prerequisite for entering trade talks. In doing so, trade negotiations would proceed only once it is ensured that the Decent Work Agenda is integrated and that the process respects inclusive and transparent social dialogue with workers' and employers' organizations from the mandate-setting stage onwards.
- **Engage early in the negotiation process:** unions should build leverage *before* trade agreements are concluded by establishing formal communication with trade and foreign affairs ministries during the mandate-setting and drafting phases, not only after ratification.

- ▶ **Develop pre-ratification advocacy strategies:** use public campaigns, coalition-building and international solidarity to influence trade mandates. Examples from Mexico (USMCA) and Viet Nam (EVFTA) show that conditionality mechanisms are most effective when unions are organized and ready to act before signature.
- ▶ **Promote labour chapters that reflect national realities:** advocate for provisions that address concrete, context-specific deficits (for example subcontracting, freedom of association, gender discrimination), rather than generic commitments to “core standards.”
- ▶ **Institutionalize workers’ participation:** push for the formal inclusion of trade unions in national trade consultation structures or interministerial committees to ensure continuity and access to information.

8.1.2 Strengthening Technical Expertise and Analytical Capacity

- ▶ Trade unions should **advocate for mandatory social development assessments as part of trade agreement negotiations.** These assessments should evaluate the structural impacts of trade agreements on employment and social development – particularly in low-income and emerging economies – to ensure that trade fosters, rather than undermines, decent work and inclusive growth. Specifically, they should examine the effects on employment, wages, informality and occupational safety and health; their alignment with national employment, industrialization and decent work strategies; and their contributions to formalization and job-rich, inclusive economic development.
- ▶ **Create dedicated “trade and labour” focal points or desks** within union federations to follow trade negotiations and monitor labour provisions. These should include or have access to economists and legal experts.
- ▶ **Invest in training programmes** on trade policy, ILO mechanisms, TSD chapters and enforcement tools (including the Single Entry Point and Rapid Response Mechanisms).
- ▶ **Develop analytical tools** to assess the potential impact of trade agreements on employment, wages and labour rights, enabling unions to substantiate claims with data and policy analysis.
- ▶ **Forge partnerships with universities, think tanks and research institutes** to conduct trade-related labour impact assessments and share findings publicly.

8.1.3 Building Cross-Border and Multilevel Alliances

- ▶ **Form transnational alliances and networks** to jointly monitor implementation, file submissions and share expertise (as seen among North American unions under USMCA and EU–Korea DAG collaboration).
- ▶ **Engage with international trade union federations (ITUC, sectoral global union federations (GUFs))** to link national grievances to global frameworks and raise visibility in multilateral arenas.
- ▶ **Coordinate between local and global levels:** develop protocols for sharing information between grass roots unions, national centres and international secretariats.

8.1.4 Enhancing Advocacy and Monitoring

- ▶ **Proactively use submission and complaint mechanisms:** file well-documented cases through SEP or RRM-type systems to trigger reviews and remediation plans.
- ▶ **Monitor commitments continuously** using transparent, participatory approaches, similar to the Better Factories Cambodia model that combines independent verification with worker input.
- ▶ **Balance cooperation and enforcement:** maintain dialogue with authorities and employers while retaining the credible threat of escalation to dispute mechanisms.

8.1.5 Building Strategic Readiness and Learning Systems

- ▶ **Institutionalize learning from each case:** develop internal documentation and reflection processes to capture lessons from successful complaints, negotiations, or advocacy campaigns.
- ▶ **Engage in peer learning and South-South exchange,** sharing tactics and legal templates across regions.

8.2 For Governments and International Institutions

8.2.1 Institutionalize Social Dialogue in Trade Policy

- ▶ **Create formal tripartite structures** to ensure workers' organizations are represented in trade negotiations and implementation processes.
- ▶ **Ensure policy coherence between ministries** of trade, labour and foreign affairs, with mandatory consultation procedures before negotiation mandates are approved.
- ▶ **Promote transparency:** publish draft texts, impact assessments and progress reports to facilitate informed participation by trade union organizations.

8.2.2 Strengthen and Democratize Monitoring Mechanisms

- ▶ **Guarantee independence and representativeness** of Domestic Advisory Groups (DAGs) by allowing trade unions to nominate members rather than government handpicking.
- ▶ **Include ILO participation in advisory and verification roles** to ensure credibility, analytical depth and linkage to international norms.

8.2.3 Apply Enforcement Mechanisms Consistently and Fairly

- ▶ **Activate enforceable TSD mechanisms** when violations occur; avoid symbolic consultations without follow-up.
- ▶ **Use targeted enforcement** (for example facility-level RRM) to ensure proportionality and avoid harming broader economies.
- ▶ **Promote reciprocity:** Design mechanisms allowing both northern and Southern partners to trigger reviews or disputes, to enhance legitimacy and mutual accountability.
- ▶ **Integrate cooperation and enforcement:** Link dispute outcomes to technical assistance projects that address the root causes of non-compliance.

8.3 For the ILO and Development Cooperation Partners

8.3.1 Research and Invest in Long-Term Capacity-Building

- ▶ The ILO could conduct and disseminate **evidence-based research on the impact of market liberalization on employment and labour rights**. Such research would enable trade unions to strengthen their advocacy efforts and support informed policy dialogue, including the identification and mitigation of potential negative impacts prior to the signing of trade agreements.
- ▶ **Finance sustained training programmes** for trade unionists, labour inspectors and civil servants on trade and labour linkages.
- ▶ **Support the creation of trade policy analysis units** within workers' organizations, providing seed funding for staff and research.
- ▶ **Develop South-South and triangular cooperation projects** that facilitate exchange between unions experienced in trade advocacy (for example Mexico, Viet Nam) and those entering new agreements.

8.3.2 Strengthen Institutions and Governance Mechanisms

- ▶ **Support institutional reforms** that enhance tripartite social dialogue, strengthen labour ministries and improve labour inspection systems.
- ▶ **Provide technical support for data systems** that track compliance with labour provisions and produce transparent public reporting.

8.3.3 Link Development Cooperation to Trade and Labour Outcomes

- ▶ **Align development projects with trade-related commitments:** ensure that capacity-building efforts directly support the implementation of labour provisions (for example improving judicial enforcement, collective bargaining systems).
- ▶ **Use cooperation funds strategically to support reform opportunities** triggered by conditionality or dispute outcomes (for example funding training for new union structures after a successful RRM case).

► 9. Annex 1: Initial Research Questions

Topic 1: Conceptual Framing of Labour Provisions in Trade Agreements

- **RQ1:** What are labour provisions in trade agreements, what objectives do they serve and how are they relevant to promoting decent work and social justice?
- **RQ2:** How can labour provisions in trade agreements be framed and communicated in a user-friendly way that underscores their significance for workers and workers' organizations?

Topic 2: Analysis of Design, Implementation/Governance, Enforcement

- **RQ3:** How do labour provisions vary across trade agreements in terms of design, implementation, enforcement, monitoring and governance?
- **RQ4:** What are the implications of these variations for the potential roles and actions of workers' organizations at different stages of the trade policy cycle (negotiation, implementation, enforcement, monitoring)?

Topic 3: Institutional frameworks and advocacy opportunities

- **RQ5:** What institutional frameworks and advocacy mechanisms exist at regional, subregional and national levels for trade policy development and oversight of labour provisions?
- **RQ6:** What are the concrete entry points for workers' organizations in these frameworks (for example consultation processes, monitoring bodies, dispute settlement panels) and how can they engage effectively?

Topic 4: Capacity gaps and strategies for strengthening workers' organizations

- **RQ7:** What capacity gaps do workers' organizations face in relation to trade policy engagement (technical expertise, resource availability, representation, inclusion of Ministries of Labour, etc.)?
- **RQ8:** What strategies can be pursued to strengthen the institutional, technical, representational and policy capacities of workers' organizations to engage in trade processes and protect labour rights?

Topic 5: Cross-cutting Dimensions: Gender, Youth and Informal Economy

- **RQ9:** How are gender and youth dimensions addressed in labour provisions and how can trade unions ensure meaningful inclusion of women and young workers in trade policy engagement?
- **RQ10:** What role does the informal economy play in trade and how can trade agreements and trade union strategies ensure that workers in the informal economy benefit from labour provisions?

Topic 6: Lessons learned

- **RQ11:** What lessons can be drawn from case studies of workers' organizations that have successfully influenced the design, implementation and monitoring of labour provisions in trade agreements across different regions?
- **RQ12:** How can these lessons be adapted and applied by trade unions in other regional and national contexts?

Topic 7: Tools and approaches for advocacy, monitoring and evaluation

- **RQ13:** How can workers' organizations (better) advocate for the inclusion of decent work as a core objective in trade agreements?
- **RQ14:** What tools and approaches (for example social audits, worker surveys, partnerships) can workers' organizations use to monitor compliance with labour provisions?

► 10. Annex 2 Bibliography

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