



Fourth item on the agenda: Decent work in global supply chains

Reports of the Committee on Decent Work in Global Supply Chains: ¹ Summary of proceedings

1. The Committee met for its first sitting on 30 May 2016. It was originally composed of 197 members (82 Government members, 40 Employer members and 75 Worker members). To achieve equality of voting strength, each Government member entitled to vote was allotted 300 votes, each Employer member 615 votes and each Worker member 328 votes. The composition of the Committee was modified five times during the session and the number of votes attributed to each member was adjusted accordingly.²

¹ The resolution and conclusions submitted by the Committee for adoption by the Conference are published in *Provisional Record 14-1*.

² The modifications were as follows:

- (a) 31 May: 221 members (101 Government members with 3311 votes each, 43 Employer members with 7,777 votes each and 77 Worker members with 4,343 votes each);
- (b) 1 June: 234 members (105 Government members with 432 votes each, 48 Employer members with 945 votes each and 81 Worker members with 560 votes each);
- (c) 6 June: 202 members (109 Government members with 602 votes each, 7 Employer members with 9,374 votes each and 86 Worker members with 763 votes each);
- (d) 7 June: 129 members (109 Government members with 91 votes each, 7 Employer members with 1,417 votes each and 13 Worker members with 763 votes each);
- (e) 8 June: 130 members (109 Government members with 30 votes each, 6 Employer members with 545 votes each and 15 Worker members with 218 votes each).

2. The Committee elected its Officers as follows:

<i>Chairperson:</i>	Ms J. Pitt (Government member, Australia) at its first sitting
<i>Vice-Chairpersons:</i>	Mr E. Potter (Employer member, United States) and Ms C. Passchier (Worker member, Netherlands) at its first sitting
<i>Reporter:</i>	Ms S. Casado (Government member, Mexico) at its fifth sitting

3. At its fifth sitting, the Committee appointed a Drafting Group to prepare and submit a set of tentative conclusions for its review, composed of the following members:

Government members: Mr J. Farzan (Germany), Mr A. J. Bette (Netherlands), Mr E. Biel (United States), Mr E. D'Angelo Rodriguez (Panama), Mr A. Almarzooqi (United Arab Emirates), Mr B. B. Mallick (India), Mr J. D. Yongondounga (Central African Republic), Mr K. Tlhoeli (Lesotho)

Employer members: Mr E. Potter (United States), Ms L. C. Rubbo (United States), Mr P. Noll (Germany), Ms G. Pineau (France), Mr F. Ahmed (Bangladesh), Mr G. Fung (Indonesia), Mr M. Mdwaba (South Africa), Ms M. V. Giulietti (Argentina)

Worker members: Ms C. Passchier (Netherlands), Mr M. Anner (Norway), Mr G. Zuccotti (Argentina), Ms C. Feingold (United States), Mr A. Salvador (Philippines), Mr G. Belchamber (Australia), Mr H. L. Razafindraibe (Madagascar), Mr S. Kotei (Ghana)

4. The Committee had before it Report IV entitled *Decent work in global supply chains*, prepared by the International Labour Office for a general discussion of the fourth item on the agenda of the Conference: "Decent work in global supply chains (general discussion)".

5. The Committee held ten sittings.

Introduction

6. In her opening statement, the representative of the Secretary-General, Ms Deborah Greenfield, Deputy Director-General for Policy, emphasized that the ILO Declaration on Social Justice for a Fair Globalization articulated the four strategic objectives of the Decent Work Agenda: promoting employment; promoting social protection; promoting social dialogue; and promoting, respecting and realizing the fundamental principles and rights at work. The aim was to make decent work a reality for all workers across the globe. But it was more complicated when it came to decent work in global supply chains, as those are complex, diverse, fragmented, dynamic and evolving organizational structures. It involved not only multinational enterprises (MNEs), but also small and medium-sized enterprises (SMEs), with firms involved in domestic and global supply chains. That raised key questions about how to govern supply chains so that they achieve decent work.
7. The evidence in the Office report clearly showed that global supply chains had created opportunities for economic and social development in many countries, particularly in developing countries. Global supply chains also held promise for lifting workers and their families out of poverty, but economic development did not automatically create decent work. As work along the supply chain intensified, and producers tried to respond to the demands of their buyers, competitive pressures also intensified. As the supply chain grew, and more and more employers of all sizes joined in an expanding global network, the need to ensure decent work for the growing numbers of workers in the chain also became more urgent. That presented challenges for governments to develop and implement effective and efficient legal regimes that protected workers, but the global aspect of global supply chains also presented challenges to brand reputation and risk management.
8. The Office report emphasized that the responsibility for enforcement lay primarily with the State. However, it also suggested that effective governance of global supply chains involved a role for the private sector as well. Other institutions and forums had attempted to define more generally the spectrum of rights and responsibilities within the global supply chain and to suggest a governance framework that included both public and private institutions. However, one common feature stood out: when it came to labour rights, those initiatives always referred to ILO standards as the touchstone.
9. She emphasized that the ILO was uniquely placed to discuss all of the interests implicated in global supply chains and to seek to reach agreement on policies and practices that could steer global supply chains towards the achievement of decent work. The ILO brought its mandate, expertise and experience in the world of work, and its distinct role in global governance, to the discussion. She underlined that through the unique structure of the ILO, and the collaboration of Governments, Workers and Employers, the conclusions that the Committee reached would have a singular authority, and that the ILO, through that collaboration, had the most appropriate global mandate to promote decent work in global supply chains.
10. The Chairperson recalled that it had taken almost ten years from the first proposal for a Conference agenda item on decent work in global supply chains at the Governing Body in November 2006 to its inclusion on the agenda of the 105th Session (2016) of the International Labour Conference. In that period, the proliferation of global supply chains had continued to transform the nature of production, investment, trade and employment. ILO constituents were keen to share views and gain a better understanding of how engagement with global supply chains could help economies and communities to grow in a sustainable and inclusive manner. Consumers were also increasingly interested to know from where the goods and services they were buying came and whether they were produced in a socially and environmentally sustainable way.

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11. The mandate given to the Committee by the Governing Body was to hold a general discussion from which conclusions emanated that could offer important guidance to constituents, clarify and reaffirm the ILO's mandate, and identify ways for the Organization to increase policy coherence and support its constituents in addressing opportunities and challenges in the promotion of decent work in global supply chains.

Opening statements ³

12. The Employer Vice-Chairperson highlighted that it was the ILO's first attempt to develop a comprehensive understanding of cross-border supply chains. He clarified that his group would be using the term "cross-border supply chains". This term made a more direct implication to international trade-moving products and services across borders. Data also showed that trade is primarily regional. Referring to the Rana Plaza tragedy, he stressed that the root cause was the lack of capacity of the government to implement and enforce its laws, including issuing of building permits and conducting building safety inspections.
13. He further stated that the ILO had adopted standards covering numerous aspects of the workplace, but none had made a distinction between production for domestic markets and production as part of cross-border supply chains. He questioned whether the purpose of the Committee's discussion should be to adopt a decision for a standard differentiating domestic and cross-border supply chains. In his view that would undermine the applicability of the rest of the ILO standards.
14. He noted that ratified ILO standards were often not fully implemented, and that many countries lacked the capacity to develop adequate systems of labour administration and inspection. Those significant regulatory gaps were wholly in the competence of the ILO and its member States' systems of labour administration and judicial processes.
15. While he observed in the Office report negative implications regarding the relationship between cross-border supply chains and decent work shortcomings, cross-border supply chains had existed for many centuries and contributed to substantial job growth and reduction of poverty. Export producing firms paid higher wages, had better conditions of employment in both developing and developed economies, and had higher levels of unionization. Decent work challenges in some cross-border supply chains mirrored the decent work challenges in those economies in general.
16. He was also of the view that in its report, the Office's understanding of supply chains was largely influenced by its understanding of and experience in supply chains in the garment sector. However, he clarified that electrical machinery and electronics represented the lion's share of both the level of and the growth in cross-border supply chains since the 1990s. Most companies were connected with several different supply chains in different sectors, a fact that in his view was not mentioned in the Office report.
17. With regard to the definition of "lead firm" included in the report, he distinguished between the terms "control" and "leverage" and underlined that this definition was contrary to the international consensus. He disagreed with the inference in the report that companies involved in cross-border trade held control over the supply chain, for instance to dictate

³ Unless otherwise specified, all statements made by Government members on behalf of regional groups or intergovernmental organizations are reported as having been made on behalf of all Governments members of the group or organization in question who are Members of the ILO and are attending the Conference.

prices and the details of production in the supply chain, and added that there was very little empirical measurement of market power within supply chains.

18. As for the possible governance gaps mentioned in the Office report, he recalled the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles), which mentioned that although States should protect against human rights abuse by third parties within their territory and/or jurisdiction, companies also had a responsibility to respect human rights and identify, prevent, mitigate and account for how they addressed their impacts on human rights, and establish processes to enable the remediation of any adverse human rights impacts they caused or to which they contributed. Under the UN Guiding Principles, the failure of a State or a company to meet its legal obligations did not shift those obligations to any other party.
19. He concluded that there was no new regulatory gap that needed to be bridged at the international level because of cross-border supply chains. It was the Employers' position that no new standard setting on supply chains was required. If fully implemented, national law and practice, ratified international labour standards, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles were fully adequate to address decent work issues in all work circumstances, including cross-border supply chains. What was needed was more effective implementation.
20. The Worker Vice-Chairperson underlined the relevance of the issue. The development of global supply chains had a far-reaching impact on workers, companies and societies. On one end of the chain, profits were going up, but responsibility was outsourced. On the other end, there was vulnerability and powerlessness, both with SMEs and with the workers concerned. Power relations had changed and a questionable business model had emerged. A lot of subcontracting and outsourcing took place which made the determination of the legal employer and therefore the determination of wages and working conditions difficult. The governments in the countries concerned were often weak in terms of inspection and enforcement, not necessarily due to unwillingness, but because of being under-resourced. Even if they were ready to step up improving the situation of workers in their country, companies often threatened to withdraw their investments or demanded tax exemptions as an incentive for investment.
21. She wondered how the race to the bottom, in which workers, companies and countries were put in competition with each other for the lowest price, to the detriment of workers and their families, could be countered. More measures than currently available were needed. The report recognized the global pressures created by pricing and delivery times and intense competition, placing a significant downward pressure on wages, working conditions and the fundamental rights of workers. It also recognized the existence of governance gaps, and the difficulties created by cross-border sourcing versus national-level legislation, regulation and jurisdiction. The subcontracting to SMEs, which was characteristic for the business model in global supply chains, had contributed to decent work deficits. Especially in lower tiers of the chain, violations of labour standards were demonstrated by many studies. Non-standard forms of work in the formal and informal economy had increased and led to less protection for workers concerned. Many of them were women, which showed the strong gender dimension to the discussion. With regard to economic upgrading, the picture was not very positive either. Developed countries tended to be concentrated in higher-value activities, while developing countries tended to be concentrated in lower-value and labour-intensive activities. It was clear that economic upgrading did not automatically deliver decent work.
22. She raised concerns about the term "social upgrading" that was introduced in the report. The term could imply that respect for fundamental rights was somehow considered to be progressive, and would be attained gradually as part of a process towards achieving decent work. That was not the case. Fundamental rights were to be fully and unconditionally

respected and ensured at all times and under all circumstances. The right for workers to organize and bargain collectively was an essential precondition for the achievement of decent work in global supply chains. The report gave too little attention to export processing zones (EPZs). More attention should have been given also to violations of trade union rights in global supply chains. The report further showed the limitations of the current governance initiatives. Corporate social responsibility (CSR) activities and voluntary activities had shown limited results. It was clear that the various public, multilateral and multi-stakeholder initiatives needed to be better coordinated, and that the promising potential of global framework agreements needed to be further explored and developed.

- 23.** She provided various examples of the situation of workers in global supply chains in the garment sector, the transport sector and the fishing sector, which were in contrast to the situation of CEOs of companies who made billions of dollars. Migrant workers were specifically subject to abuses and discrimination. She further highlighted that as main outcomes of the discussion, the Workers would, first of all, want a recognition of the various problems, abuses and violations of labour rights that were common in global supply chains. Second, she urged for more accountability. She called for standard setting to ensure decent work in global supply chains, as well as a revision of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO MNE Declaration). Third, she called for serious action to end labour rights violations and harsh working conditions in EPZs. Fourth, there would be a need to address low wages in global supply chains and to ensure minimum living wages across companies participating in the chains. This would require the establishment of minimum wage setting mechanisms as well as the promotion of industry-wide collective bargaining and a framework for transnational bargaining. More action would be needed in the areas of ending forced labour, child labour and informal work, an improvement in safety and health issues, and a reduction in precarious work and non-standard forms of work in global supply chains. Reinforcing labour inspection in global supply chains was of key importance. Labour provisions in government procurement were another important answer.
- 24.** She called upon the Employers and Governments to take up, share and execute responsibility for a more sustainable model of globalization. Current mechanisms were insufficient, as most laws and international conventions stopped at the borders. The Maritime Labour Convention, 2006, was an interesting example of a new approach, going beyond national borders, which could help in identifying innovative ways forward. Given the seriousness of labour violations and decent work deficits in global supply chains, the ILO, with its global and tripartite nature, would need to play a much larger role in the future and all constituents had to show ambition and commitment.
- 25.** The Government member of the Netherlands, speaking on behalf of the European Union (EU) and its Member States, said that the Government of Norway aligned itself with the statement. He stressed that an in-depth discussion on decent work in global supply chains was of particular importance to civil society. The European Economic and Social Committee, the consultative body grouping workers, employers and other interests, had adopted a consensual input to the discussion with far-reaching recommendations.
- 26.** He considered that there was a shared responsibility in promoting decent work in global supply chains. There was an opportunity to clarify roles and responsibilities and to discuss how the ILO as an institution could add value and support the constituents in their work. The discussion was taking place at the right time, as many actors, including other UN bodies, G7, G20 and the Organisation for Economic Co-operation and Development (OECD), were already actively engaged to promote sustainable global supply chains. The UN Guiding Principles had introduced a framework with three pillars that clearly spelled out the States' duty to protect, the businesses' responsibility to respect human rights and the access to remedy. Decent work was also an essential element in the 2030 Agenda for Sustainable

Development. The ILO centenary initiatives all linked in with the discussion in the Committee. In a parallel process the ILO MNE Declaration and its interpretation procedure would be reviewed. The outcomes of these two weeks should be of relevance to the further development of those processes.

27. The EU and its Member States were committed to promoting decent work. Every worker deserved to work under fair and just working conditions. Respect for international labour standards should be the norm. Global supply chains were complex and with many international links, and they made a governance gap visible. The Committee should look beyond borders for ways to close that gap. The ratification, effective implementation and enforcement of labour standards by States was a necessity. One also needed to look closely whether the current international labour standards addressed sufficiently the complexity and specific challenges of global supply chains. The interlinkages in these chains also provided opportunities for businesses, employers, workers and others to contribute to addressing decent work challenges in supply chains at their level.
28. The focus of the discussion should be on how to further promote decent work in a globalizing world. Many parties were committed to promoting decent work in global supply chains and ILO standards and declarations through different internal and external policies as well as initiatives. For example, the EU's trade and partnership agreements included some specific commitments on fundamental ILO Conventions and these were being mentioned in private initiatives and international framework agreements between MNEs and workers' representatives.
29. The Government member of Mali, speaking on behalf of the Africa group, stated the relevance of the issue of global supply chains and expressed confidence in coming up with solutions to the benefit of promoting decent work. Worldwide, supply chains had provided opportunities for suppliers and for workers. With the introduction of global supply chains some problems had increased or emerged, for instance through downward pressure on wages and working conditions. Governments did not always have the resources or skills to ensure that rights were respected, leading to a governance gap. He stated that in Africa, global supply chains had provided jobs and contributed to development. By participating in global supply chains, SMEs in developing countries gained access to technology, enhanced their skills and increased their competitiveness. He expressed the need to enhance compliance with fundamental principles and rights at work, and ILO Conventions, for both multinationals and suppliers participating in global supply chains. Relationships with social partners had to be strengthened, for instance through international framework agreements. Different aspects should be taken into account in the discussion, such as transparency, collective responsibility and due diligence. More effective labour inspectorates should undertake cross-border inspection and address migrant workers. Partnerships between governments, bilateral and regional cooperation, including the involvement of the ILO, should be strengthened.
30. The Government member of the United States expressed support for the inclusion of the item in the ILC agenda, with the main goal of ensuring that all workers, including those in global supply chains, enjoy decent work and a level playing field. He recognized the important responsibilities of governments to enact and enforce laws that protect fundamental workers' rights, and at the same time affirmed the shared responsibility of the social partners to promote decent work and productive employment, which was critical where government institutions were weak or ineffective. He highlighted the need to identify the critical and unique role that the ILO could and should play on the issue, as it was the only international institution with the mandate and expertise to address workplace issues. Therefore, concrete ways had to be identified in which the ILO could play a more active and effective role in promoting decent work and productive employment. He highlighted the importance of additional research. The success of the Committee was determined by the ability to develop,

in a collaborative manner, concrete, practical and strong collective responses to the workplace challenges in global supply chains.

- 31.** The Government member of Kenya pointed out that policy realignments, beyond traditional approaches, were necessary to enhance respect for labour standards on global supply chains. For instance, the rapid spread of technology had affected supply chains in different ways. Worker skills, labour market regulations and institutions had not kept pace with the digital revolution within supply chains. Changes in employment patterns and work organization in global supply chains were not only generating new job opportunities but also making labour protection an important challenge for workers and employers. For example, non-standard forms of employment, SMEs, special economic zones and workers in the informal economy merited particular attention. He pointed out the need for capacity building for labour inspectorates. He called for ILO assistance and technical support to member States in the design and application of policies and laws that could ensure adequate labour protection for workers, and particularly those of global supply chains. The promotion and enforcement of global supply chain standards should be effective and responsive to balance competitiveness and international labour standards.
- 32.** The Government member of Belgium highlighted that the matter of global supply chains was a topic of discussion at a seminar organized by the Federal Labour Ministry of Belgium in the framework of the Future of Work initiative. There was a need for the Committee to adopt conclusions that led to better rules in order to protect workers. Global supply chains had presented challenges linked to human rights, social dialogue, labour inspections and the principle of due diligence, and current initiatives had not been sufficient to prevent violations of fundamental rights and principles. Global supply chains should be part of an international normative framework that promotes the rights of male and female workers, and that establishes control mechanisms to hold national and international companies accountable in case of violations of workers' rights. Parallel to this discussion, an update of the ILO MNE Declaration should permit the incorporation of stringent rules and the reinforcement of a dispute resolution mechanism. An action plan was prepared by the Government to align to the "Ruggie principles". One of the potential areas of action was the promotion of international framework agreements among large Belgian companies. The importance of health and safety at work was mentioned as a fundamental condition for decent work. He stated that, although other multilateral initiatives existed, the tripartite character and mandate of the ILO made it well-placed to contribute to improved working conditions throughout global supply chains.
- 33.** The Government member of Japan said that the Asia-Pacific region was described as a centre of economic growth in the world, and a large number of countries had been developing rapidly. Foreign direct investment (FDI) had created job opportunities and contributed to growth and decent work. However, in a bid to attract investment, some MNEs and governments had allowed labour practices that resulted in significant decent work deficits, which hindered global sustainable development. In the region, global supply chains were highly diversified and there had been an increase in the number of MNEs and SMEs originating in developing countries. There was a need for further research, including sectoral studies, in order to understand the whole picture.
- 34.** The Government member of Germany said that the disaster in Rana Plaza had been a wake-up call, internationally and in Germany, and had led to the G7 Initiative for Sustainable Supply Chains during the German presidency. The G7 emphasized the national responsibility to enforce worldwide social and labour standards, and the application of international frameworks such as the UN Guiding Principles, the ILO MNE Declaration and the OECD Guidelines for Multinational Enterprises. The G7 had also called for responsible supply chain management and the support of SMEs in enforcing due diligence. Attention

was drawn to the G7 Vision Zero Fund initiative and the importance of public procurement, and the use of environmental and social labelling.

- 35.** Germany was developing a national action plan to implement the UN Guiding Principles, which would be finalized by the autumn. Fulfilment by private companies would be verified regularly and in the event of non-compliance, further steps would be considered, including binding measures. Decent work in global supply chains would be made a central point of the German G20 presidency in 2017. He raised the question of whether the current instruments would suffice in order to ensure decent work in global supply chains or whether there was a need for new instruments, including binding ones. The ILO should look at the development and conclusion of international framework agreements, and could provide guidance on minimum requirements and play a role in monitoring and arbitration. Due to its tripartite nature, he expressed the wish for the ILO to be more involved in dispute settlement and mediation. The ILO MNE Declaration could be further developed and used as an international mediation procedure. He also hoped for more cooperation with the OECD.
- 36.** The Government member of the Philippines underlined that global supply chains faced recurrent issues of ambiguous employment relationships, violations of labour and occupational safety and health standards, and lack of social protection. To ensure decent working conditions for all, his country had issued a regulation for legitimate labour contracting that included joint liability between the enterprise and the contractor for wage and wage-related claims of workers. The Philippines implemented the Labour Laws Compliance System which combined regulatory approaches to the application of labour laws. He expressed the wish that the discussion would lead to an instrument that would harmonize global and regional interventions to ensure decent work for workers in the global supply chain.
- 37.** The Government member of Switzerland pointed out that the issue was closely related to the previous year's discussion on SMEs. She said that the Office report did not make sufficient reference to the role of SMEs. She would have liked the report to have a more economic angle, with more facts and figures, including to illustrate that global supply chains also offered an opportunity for the world economy and employment. She stressed the possibility for improved cooperation in the area of global supply chains, in which the ILO could make a difference by looking for a relationship between productivity, profitability and working conditions. Sectoral analysis clearly showed a great variation between different chains and sectors, and pointed towards the need for a sectoral approach in the discussion of the Committee.
- 38.** The Government member of Egypt stressed the need to take all necessary measures against forced labour. Modern slavery in global supply chains was a reality, and related to global supply chains. Also corruption had to be dealt with. He added that we needed to provide the necessary training to tackle existing violations. He expressed his hope for the establishment of a mechanism which would be accepted by all and would put an end to these violations.
- 39.** The Government member of Italy emphasized that the results of this debate should be concrete, to give clear indications to governments, social partners and all the stakeholders. She stressed the need to pay special attention to SMEs, whose workers were often more at risk. Therefore, SMEs needed support to enhance compliance. Vulnerable workers, such as migrants and displaced persons, deserved particular attention. Migration was an overall problem and had to be addressed globally, such as through the migration compact presented by Italy and endorsed by the G7. MNEs might not have been fully aware of labour violations when supply chains included several steps. While governments were reminded of their role of monitoring and implementing legislation, enterprises should adopt best practices and comply with legal requirements. Finally, the role of governments in public procurement was mentioned as a concrete instrument to support the engagement of enterprises.

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40. The Government member of China drew attention to the need to develop more harmonious labour relations, and to establish and improve labour relations and protection mechanisms. Job quality was central to enhance people's livelihoods. Better management of lead firms and transfer of profits was needed to achieve decent work in global supply chains. Lead firms needed to take more responsibility. Differences among national contexts and each country's respective capacity to implement standards should be taken into consideration. Sourcing companies should not simply source, but needed to include labour standards in sourcing agreements. Governments also needed to enforce more active employment policies to enhance access to high quality jobs. Finally, he noted that companies should be inspected more effectively.
41. The Government member of France stated that outsourcing increased as a consequence of the acceleration of global trade, and international companies felt obliged to optimize their manufacturing in countries with lower labour costs, where international labour standards were sometimes difficult to apply. Subcontracting without adequate monitoring, excessive overtime, forced labour and child labour were further aspects of the deficit in decent work in global supply chains. Since the 1990s, several countries, companies, international organizations, non-governmental organization (NGOs) and social partners had been addressing this issue. In France, several companies had established voluntary measures, for instance through the auditing of suppliers. French companies had signed the largest number of international framework agreements. A social responsibility platform had been set up in 2012. The Ministry of Labour had set up in 2015 a working group with textile companies. He drew attention to the draft law that was currently under discussion and that aimed to improve the detection and prevention of risks in MNE activities, including subcontractors. Effective actions on global supply chains only made sense if approached on a global level. He gave the example of the new European policy on extra-financial reporting. The G7 had devoted a whole discussion to global supply chains. France supported the action of international organizations working to improve workers' conditions, for instance through the OECD National Contact Points. Because of its tripartite structure, the ILO was clearly the most appropriate international organization to offer realistic, pragmatic solutions to deal with this complex issue.
42. The Government member of India stated that global supply chains could create opportunities for domestic suppliers to move to higher value-added activities and for workers to access high-skilled employment. India was in the process of amending legislation to engage in global supply chains in a more meaningful way, including the accommodation of informal workers. That included policies on FDI and EPZs, as well as initiatives to foster enterprise development, including for women and transgender people. Efforts also included skills development for youth, transition from the informal to the formal economy, and providing social protection. Employers in India were increasingly becoming compliant with labour regulations and international labour standards and a strong inspection system had been put in place. He stressed that India's policy framework and strategic roadmap strongly supported the Decent Work Agenda of the ILO, particularly as India had a long history of tripartism. He summarized that the existing labour protection framework of India could be effective in ensuring decent work in global supply chains.
43. The Government member of Tunisia said that participation in global supply chains did not justify violations of the principles of decent work. Those principles were an important aspect of supply chains, and this discussion was therefore important for the ILO and its constituents. He stressed that Tunisia attached great importance to the promotion of decent work.
44. The Government member of Uganda underscored that the Decent Work Agenda had four pillars and that they should be respected in all supply chains. His country was adopting legislation to ensure workers and employers were protected and that tripartism was ensured. He welcomed ILO technical cooperation support in the future.

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45. The Government member of Ecuador stressed that legal frameworks were needed to protect workers in developing countries. The UN Guiding Principles and the MNE Declaration were important instruments for the promotion of decent work in global supply chains, but these were not binding. He proposed that a Convention should be adopted by the ILO on global supply chains which would allow the ILO to ensure that the principles developed in previous guidelines were respected by the social partners and member States.
 46. The Government member of Spain stressed the importance of involving all stakeholders in the discussion and the need to ratify international labour standards to ensure the protection of human and labour rights. The EU served as a model for respect of basic labour rights, and European enterprises, including those in Spain, could share good practices. He reaffirmed the need to create a multilateral framework because it was the only way to ensure a level playing field for companies from different countries.
 47. The representative of the United Nations Industrial Development Organization (UNIDO) said that his agency approached supply chains from the perspective of building the capacity of SMEs. Over half of manufactured products were intermediate goods for further processing in other countries, and many manufacturing and service firms not directly involved in international trade were indirectly participating in global value chains as suppliers. Global value chains therefore had implications for UNIDO's support to countries in their efforts to achieve Sustainable Development Goal (SDG) 9. He continued that developing global value chains was important, particularly in Africa and the least-developed countries, which currently had rapid economic growth stemming largely from high commodity prices, which created incentives towards more investment in extractive industries but only created limited linkages to the rest of the economy and away from manufacturing and economic diversification. Structural transformation had therefore been slow or non-existent. Given the increased use of global value chains as modes of production and trade, and the opportunities and challenges that they presented to developing countries, creating greater synergies with other organizations had become ever more crucial to achieve SDGs 8 and 9. UNIDO therefore looked forward to strengthening cooperation with the ILO.
 48. The representative of the OECD said that a key component of the OECD's work on sustainable development and on international trade and investment was promoting responsible business conduct, for which it had issued the OECD Guidelines for Multinational Enterprises. In response to discussion point 4, the OECD recommended that Governments, Workers, Employers and stakeholders should agree on a clear and strong message to companies on the expectations of decent work in supply chains, accompanied by clear guidance on their implementation. In particular, any new requirements and supply chain guidance should be aligned with and build on existing guidance. The OECD offered to cooperate with the ILO in that regard. She further proposed that access to remedy be developed. She pointed out that all governments adhering to the OECD Guidelines for Multinational Enterprises must set up a non-judicial grievance mechanism, called the National Contact Point for the Guidelines, tasked with receiving and addressing complaints from workers, NGOs or individuals. A growing number of cases since 2011 dealt with supply chain issues. The OECD encouraged the ILO to take the grievance mechanism into account in future deliberations and to build on its strengths and experience.
 49. The representative of Human Rights Watch said that her organization had documented human rights abuses in the context of global supply chains for over two decades. In its research, it routinely found abuses including poor working conditions, minimum wage violations, forced overtime, child labour, sexual harassment, pregnancy-based discrimination, exposure to toxic substances and retaliation against workers who attempted to organize. Existing international standards guiding companies on good human rights practices were voluntary and fell short, with unequal implementation by companies. She urged the ILO to begin the process to develop a legally binding international standard to

ensure robust and comprehensive human rights' due diligence throughout global supply chains.

- 50.** The representative of IndustriALL Global Union stated that CSR schemes had not been able to improve wages and working hours or ensure freedom of association and collective bargaining in the garment industry. Under existing conditions, individual suppliers were unable to increase wages while remaining competitive, and a better solution was needed. The Rana Plaza collapse was a defining moment for how companies approached supply chain compliance and the Accord on Fire and Building Safety in Bangladesh had established a new model of cooperation between trade unions and global buyers. However, she stressed that collective bargaining at the industry level was still missing in supply chains and that was an obstacle to higher wages. As a result, IndustriALL had signed a memorandum of understanding with global garment companies to create a framework for industrial relations in supply chains and to address the issue of living wages.
- 51.** The representative of Clean Clothes Campaign noted the lack of an institutional framework that would enable cross-border negotiations between trade unions, enterprises and governments to develop prevention programmes, as well as the lack of an enforcement framework to ensure their implementation. The response to the Rana Plaza tragedy had not had a multiplier effect; the Bangladesh Accord on Fire and Building Safety had not been replicated elsewhere. While the response had translated mostly into increased dialogue and higher transparency, the model of faulty auditing remained the same. The Accord did not compel brands, employers and governments to take the collective actions that were needed. It was her organization's firm belief that a binding global instrument was needed. In a cross-border supply chain context, there was a need for collaboration and transparency among industry partners that could only be overcome through third-party involvement. Another major problem was the lack of enforcement. Programmes had been in place since the late 1990s, but only recently had a legally binding agreement come into force, combined with strong transparency provisions, which ensured a programme effective enough to deliver on promises previously made. She called on the ILO to use the Conference to discuss and initiate the establishment of an institutional framework enabling cross-border negotiations and the development of effective programmes, and an enforcement framework that would ensure those programmes could be implemented and sustained.
- 52.** The representative of Women in Informal Employment: Globalizing and Organizing (WIEGO) stated that subcontracted homeworkers also produced goods for global supply chains from within their own homes. She noted with concern that subcontracted homeworkers largely remained invisible and their work was disguised as "entrepreneurship". Most homeworkers did not have contracts nor social protection as formal workers, and yet absorbed more costs and risks. She called on trade unions to organize homeworkers and invited ILO member States to ratify the Home Work Convention, 1996 (No. 177), and gather statistical data on homeworkers.
- 53.** The representative of Public Services International (PSI) highlighted that public services were crucial to ensuring decent work in supply chains. Labour inspectorates and administrations, occupational safety and health agencies, and judicial institutions were needed to regulate, inspect and enforce the application of labour rights in multinational companies. He called on ILO Members to ratify the Labour Relations (Public Service) Convention, 1978 (No. 151), and to buttress public services by ensuring transparent and independent agencies with sufficient funding for effective governance of global supply chains. He further stressed that the payment of a fair share of taxes was an integral part of the social responsibility of business and multinationals.
- 54.** The representative from Fairtrade International said that promoting decent work involved the engagement of the entire supply chain. For example, in the case of agricultural

commodities, the economic conditions under which suppliers operated were controlled by the lead firms, mostly retailers and traders. They often set prices, and producers in the South were as a consequence price-takers. However, although still relatively modest, a number of retailers were sourcing under fair trade conditions. He emphasized that a living wage was a human right and should be protected through minimum wage legislation and collective bargaining. Constraints to wage setting were most pronounced in the poorest countries where jobs in the formal sector were scarce and alternatives for trading partners were limited. He called on the ILO to build on the framework of the UN Guiding Principles and develop policy in relation to trading practices and decent work in order to influence labour conditions in global supply chains.

- 55.** The representative of the International Transport Workers' Federation emphasized the need for a new international instrument to protect and promote decent work along global supply chains. Transport workers played a key role in "moving" the supply chain, while often representing a hidden workforce within its chains. Recalling the Conclusions and Resolutions adopted by the Tripartite Sectoral Meeting on Safety and Health in the Road Transport Sector (Geneva, 12–16 October 2015), he stressed that the principle of "chain of responsibility" should be applied along the chains by all players, including the lead firms. The Conclusions also highlighted the lack of a level playing field within EU trucking operations that involved drivers of Eastern Europe and Central Asia. With regard to other transport sectors, he highlighted the need of standards in the civil aviation sector, and encouraged a wider adoption of the IMO/ILO/ECE Code of Practice for the Packing of Cargo Transport Units. He believed the way forward could include synergies and initiatives such as the Maritime Labour Convention, 2006, at the international level, and the Australian Government's Road Safety Remuneration Tribunal, at the national level.
- 56.** The representative of Make Mothers Matter stressed that countries with high unemployment numbers competed for FDI often at the expense of labour standards and the society as a whole. The consequences were generally a lack of social protection, maternity benefits, occupational safety and health measures, and paid leave. High working time requirements exacerbated the challenges for working parents to reconcile work and family. Working mothers were additionally confronted with additional unpaid domestic work, which put at risk the well-being of the family and children. She called on governments to ratify the International Covenant on Economic, Social and Cultural Rights which included principles of decent work, including for workers in the informal economy and EPZs.
- 57.** The representative of Anti-Slavery International highlighted the principles and indicators set forth in SDG 8 and referred to the guidance on business and governmental responsibilities as included in the UN Guiding Principles. He highlighted that businesses found themselves particularly challenged in countries where the States were not upholding their responsibility. He deplored that certain States had sought to establish competitive advantages by downgrading their human rights protections for those who sought work in those countries. Decent work in global supply chains required freedom of association, an end to discrimination, and effective labour inspectorates. He stressed that many business leaders wanted governments to put in place such measures to level the playing field. He called on Committee participants to start implementing SDG 8 by issuing a standard on decent work in global supply chains.
- 58.** The representative of Graduate Women International stated that women's rights, equality, empowerment and participation were key for achieving sustainable development. Gender equality and women's economic empowerment should be fully integrated in any strategy proposed by the Committee as these were key components of SDGs 5 and 8. Linkages between SMEs and women's empowerment created opportunities for sustainable development. Furthermore, the gender perspective should be incorporated in strategies for

skills upgrading. Lastly, she underlined the need for more and better gender-disaggregated data.

- 59.** The representative of the Migrant Forum in Asia stated that global supply chains had direct implications for the working and living conditions of many migrant workers. Migrant workers were often found in non-standard forms of employment and many reports had suggested slavery-like conditions in different sectors of the global economy. Even prior to employment, many workers were in debt because of exorbitant recruitment fees, pre-departure loans and sometimes hidden deductions on food and accommodation. Migrant workers often did not have any bargaining power. Businesses should undertake due diligence in their supply chains, there should be monitoring mechanisms, and efforts to reform the recruitment industry should be further intensified. The aim should be to achieve zero recruitment fees, which would increase fair competition. States had the responsibility to ensure that businesses complied with international labour standards. She noted the efforts of some trade unions in recognizing membership of migrant workers into their unions, and stressed that civil society had an important role to play as well.
- 60.** The representative from International Young Christian Workers stated that although global supply chains had created opportunities for some workers, the vast majority of workers faced significant challenges. He stressed that the ILO and its constituents should ensure that the fundamental principles and rights at work were respected and should consider the development of a labour standard to address the challenges posed by global supply chains. A discussion of supply chains must serve to determine the responsibilities of businesses and governments. In that regard, he called upon governments to ensure the accountability of lead firms for any violations of labour rights committed by their suppliers. Lead firms should participate in collective bargaining and publish non-financial information with regard to their activities. He emphasized that a single universal standard on business and human rights and a strong, enforceable grievance mechanism at the international level were needed.
- 61.** The representative of Solidar noted the efforts of her organization to organize workers in the textile sector of Honduras. Without legislative harmonization worldwide on the obligation to respect labour rights, there was a risk of companies moving to other countries where workers were less organized and conditions were more precarious. For that reason, she requested the Committee to take into account that the promotion of unionization and social dialogue did not impede employment creation. Sustainable development was in fact dependent on social dialogue and decent employment. Moreover, there was a need for an international convention that would guarantee decent work in global supply chains. That convention should establish enterprises' responsibility for the actions of their subcontractors and service providers. The adoption of such an international standard would prevent competition between firms based on a reduction of rights.
- 62.** The Worker Vice-Chairperson noted that in the opening discussion there had been calls for action and a stronger role for the ILO in the promotion of decent work in global supply chains. There was a very broad general commitment to discuss the issue global supply chains and how they related to decent work. There were also differences. While the Employers had said that there was too much focus on the garment industry, she stressed that the electronics industry had also been considered in the analysis of the topic. Global supply chains had indeed created employment, but the question was whether such employment was decent. The UN Guiding Principles acknowledged that while companies were perhaps not always in control of their supply chains, there was a link, and as such, a responsibility. There were cases in global supply chains where workers were better off, but the challenge remained to increase this number of people. She agreed that the ILO should not pursue a different set of standards for workers in global supply chains. Yet the ILO could examine whether current standards were adapted to the realities of global supply chains, and if there were normative gaps which might require a new standard. That kind of assessment was a normal practice in

the ILO. The Worker Vice-Chairperson further stressed that better enforcement was essential, which was a point supported by the Employers as well.

63. The Employer Vice-Chairperson reaffirmed the Employers' commitment to the fundamental principles and rights at work and decent work. His group nonetheless had different views on how to achieve these principles. Existing ILO standards as well as the work of the supervisory system already provided standards and monitoring of ratified Conventions in countries, which also applied to workers in global supply chains. Further discussion was needed on the effects of participation in cross-border supply chains on wages, employment and working conditions, which in their view was in many cases positive.
64. He noted areas of emerging consensus, namely, the relevance and viability of the UN Guiding Principles which already clarified roles and responsibilities. A number of companies had proactively and unilaterally implemented the UN Guiding Principles, and had proactively promoted capacity building, infrastructure development, social protection, and had encouraged and enabled women-led businesses, implemented programmes to fight child and forced labour, and initiatives to promote the SDGs.
65. He stated that the Employers believed that the conclusions of the present Committee should not undermine either the ILO standard-setting process and standards, the UN Guiding Principles or the OECD Guidelines for Multinational Enterprises. The ILO should be enabled to obtain the necessary facts and data on decent work and fundamental rights in global supply chains. Finally, the ILO should take a supply chain perspective in all of its work.

General discussion

Point 1. What opportunities and challenges for the realization of decent work and inclusive development have emerged from global supply chains and how have the challenges been dealt with?

66. The Worker Vice-Chairperson recognized that global supply chains could offer employment opportunities if local enterprises managed to increase productivity and to upgrade to higher value-added activities. However, most forms of global supply chains caused long-term dependency on a narrow technological base with local enterprises only capturing little value. Moreover, their inclusion in supply chains did not automatically translate into decent work as MNEs looked to cut costs. Employment in supply chains was characterized by high pressure on wages and working conditions, frequent rights violations and insecure employment relations. It was only by understanding such challenges that opportunities could be seized.
67. Research of the International Trade Union Confederation (ITUC) had shown that up to 94 per cent of the workforce of large corporations in global supply chains was a hidden workforce without a direct employment relationship, which made them vulnerable. Employment was also affected by fluctuations in demand, which resulted in pressure to cut costs and low wages. Women were over-represented in global supply chains and EPZs and often faced various forms of discrimination, sexual harassment and other forms of violence. Migrant workers also suffered disproportionately from inequality in global supply chains, often via recruitment agencies. Moreover, decent work in global supply chains was a challenge in developing countries.

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- 68.** There were frequent violations of freedom of association and the right to organize. Consequently, respect for the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), should be put at the centre of the discussion. Global supply chains had made social dialogue difficult, leading to unequal bargaining power and an asymmetric distribution of the value created in the supply chain. She noted that social dialogue in global supply chains had to be cross-border as well. She used the seafood supply chain as an example of widespread decent work deficits.
- 69.** Private governance was not the answer and CSR practices had shown limited impact. Public governance remained a key component of fair supply chains, certainly in a context where local suppliers were unlikely to face accountability, often because of weak, under-resourced or corrupt administrative and judicial processes. Lead firms were often de facto immune from legal accountability, as there might be no course of legal action or jurisdiction in the host or home country when a violation was caused by the supplier or subsidiary. Multilateral initiatives such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles were useful instruments but had shown their limitations. The ILO had to come up with a more forceful response.
- 70.** She drew attention to the specific situation in EPZs, where decent work challenges predominated. The lack of enabling rights was particularly severe, and collective bargaining and trade unions were almost absent and labour inspection lacking. Long working hours and forced overtime work were other severe problems. She gave examples of the various decent work deficits in EPZs in Latin America and Asia and rejected EPZs where workers and their families were harmed while tax holidays were provided to large companies. The unequal power between lead firms and subcontractors, and the imbalance it generated in terms of working conditions, wages and workers' rights were clearly exposed in the report. The issue of how to rebalance that bargaining power needed to be at the forefront of the discussion. The ILO had to ensure that its standards were and remained relevant and effective, and where a gap existed, necessary action should be taken. She maintained that her group clearly wanted binding regulations and standards, in particular to deal with cross-border aspects that were not covered by the current instruments.
- 71.** The Employer Vice-Chairperson recalled the initial aim of the discussion, and pointed out that it did not mention standard setting. There was no such thing as a hidden workforce; every worker in a supply chain had an employer and there existed legal rules in every country on the employment relationship. The lead firm was not a co-employer and companies were not responsible for the enforcement of the law. He highlighted that participation in cross-border trade had created millions of jobs and raised standards of living. It had offered opportunities to SMEs and firms in low-income and developing countries. Participation in cross-border supply chains was associated with enhanced productivity and competitiveness, and stimulated innovation. It had helped to mitigate differences in employment trends across genders and had helped young people to access formal employment.
- 72.** Decent work challenges were not unique to cross-border supply chains, but instead reflected overall challenges in the local environment, such as a high prevalence of informality, ineffective labour inspection and legal systems, and inadequately developed social protection systems. He listed a number of studies that indicated that exporters paid higher wages than non-exporters in different countries and sectors, including in EPZs, and some evidence suggested higher rates on union penetration in emerging market exporters. He suggested that verifiable data was a fundamental prerequisite for good policy-making and the ILO should do more to generate the data needed, including through collaboration with other international organizations, such as the OECD, the World Trade Organization (WTO), the World Bank and the International Trade Centre (ITC). Moreover, the ILO should build capacities at the national level to support constituents in collecting the relevant data.

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73. He pointed out that since the adoption of the UN Guiding Principles, human rights due diligence had seen a huge uptake by companies. Where widespread decent work challenges existed, they needed to be addressed at the national level by all the stakeholders concerned. The National Tripartite Plan of Action on Fire Safety and Structural Integrity in the garment Sector of Bangladesh (NTPA) and the G7 Vision Zero Fund were prime examples of such coordinated effort. It was national governments jointly with multiple combinations of stakeholders and the ILO who needed to step up efforts to address decent work challenges.
74. The Government member of Mali, speaking on behalf of the Africa group, noted the general lack of attention to the situation of African countries with respect to global supply chains. The many challenges for the realization of decent work included: a low level of unionization, widespread EPZs, weak labour inspection, a lack of effective legislation on labour contracts and the extensive use of non-standard forms of employment. His group therefore proposed that steps should be taken to raise awareness among multinationals, labour ministries and the social partners; bring together various stakeholders with the help of the ILO; enable collective bargaining and improve the capacity of labour inspectorates to enhance compliance; and ensure that labour legislation adheres to international standards.
75. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, said that the Government of Norway aligned itself with the statement. He stated that participation in global supply chains was often associated with an increase in economic growth and employment, particularly in developing and emerging economies, including for women. Comprehensive data might be lacking on the quality of employment, but there were examples where participation in global supply chains had had a negative impact on working conditions and job security. For instance, wages in some countries were so low that excessive overtime was the only way to enable a livelihood.
76. The Committee should discuss how to prevent value chains functioning at the expense of decent working conditions, primarily by clarifying the expectations, roles and responsibilities of each stakeholder and the ILO. It was also important for the ILO to have a clear understanding of how to position itself in the discussion on global supply chains within the context of other international organizations. Further, the discussion should be formulated in a positive way: global supply chains should provide an opportunity for more and better jobs worldwide.
77. Governments should ensure a national legal framework that promoted decent work and that was correctly enforced, for example by labour inspections and effective complaint mechanisms. Governments should also ensure that attracting investors in EPZs was not to the detriment of decent work. Decent work, including the ILO core labour standards, should be part of trade and investment agreements. Governments also had a special responsibility to ensure the promotion, respect and effective implementation of labour standards when they owned or dealt with business enterprises, including through public procurement. In fulfilling their duties, States should consider a smart mix of policy measures – national, international, voluntary and mandatory – to foster the respect of businesses for decent work throughout their operations. Governments should encourage and, where appropriate, require businesses to report on how they addressed the impact of their activities on social and labour rights.
78. Businesses should act responsibly and in accordance with existing international frameworks and mechanisms wherever they operated, irrespective of whether States fulfilled their obligations. In order to fully meet their CSR commitments, enterprises should put in place processes to integrate social, environmental, ethical, human rights, anti-corruption and consumer concerns into their business operations and core strategy in close collaboration with the relevant stakeholders and social partners. In so doing, businesses were much more effective if they did not act unilaterally, but with the participation of social partners, such as

in international framework agreements. They were also more effective if they provided for remedial and appeals procedures for workers in cases of violation of standards.

- 79.** The Government member of the United Arab Emirates, speaking on behalf of the Government members of the Gulf Cooperation Council (GCC) countries, emphasized that economic isolation had become undesirable, and that economic success depended on the ability to participate in global supply chains. The international community had a responsibility to address the governance gaps that emerged from production increasingly taking place through global supply chains.
- 80.** The Government member of Mexico stated that global supply chains had positively impacted her country. Additional investment in infrastructure had led to increased trading opportunities, triggering additional creation of decent jobs. Challenges in the realization of decent work were closely related to competitiveness, as competition no longer so much pitted companies against each other, but provoked competition between different parts of the supply chain. Trade agreements had facilitated the creation of jobs, while boosting exports and encouraging FDI in her country. At the same time, Mexico had declared certain regions as special economic zones. This special legal status allowed for foreign investment opportunities while encouraging regional inclusion, the creation of decent jobs and the development of certain southern states that had lagged behind in economic growth.
- 81.** The Government member of Tunisia considered that global supply chains could result in positive outcomes if good governance mechanisms were in place. International trade and decent job creation were possible if legislation and international labour standards were implemented and enforced. Tunisia had focused on improving labour relations and working closely with labour unions and federations. A new social contract signed in June 2013 enshrined various principles calling for new labour relations, based on the respect of decent working conditions.
- 82.** The Government member of Namibia called for labour policy coherence at the international level. In order to overcome challenges within global supply chains in the fisheries, mineral extraction and retail sectors, her Government had implemented policy initiatives requiring local processing or ownership. In addition, she highlighted that a key priority for Namibia involved the promotion of social dialogue and encouraging an active participation of trade unions. She expressed concern that in some cases, foreign companies enforced their own practices without taking into consideration local laws and customs. In other cases, they implemented questionable labour practices abroad while cultivating decent working conditions and contracts in their own countries. In addition, she considered that trade union presence and social dialogue greatly enhanced decent work in supply chains and supported labour inspection efforts.
- 83.** The Government member of the United States stated that four specific challenges presented obstacles for the realization of decent work and inclusive development in the context of global supply chains. First, the inability to monitor and enforce laws and regulations effectively put workers at risk. Governance gaps, even if only existing in a few countries, presented an incentive for non-compliance and illustrated why national solutions alone were not sufficient. Second, subcontracting practices and non-standard forms of employment decreased the workers' ability to exercise fundamental rights. Third, complex supply chains and unclear lines of responsibility made monitoring and enforcement more difficult. Governance gaps in those cases were exacerbated when some of the supply chain partners were smaller enterprises that lacked the capacity or understanding to address workplace issues. Finally, a lack of transparency of certain companies not only created a veil of secrecy protecting instances of non-compliance with standards, but also discouraged leading businesses that were sharing information on their supply chains. In addition, those practices

also diminished confidence that concerns about worker rights were being adequately addressed – even where monitoring tools were in place.

- 84.** The Government member of Kenya stated that there was a need for a “new deal” for poorer countries that hosted supply chains that were difficult to trace and therefore out of the reach of labour administration systems. Strengthening of regional and subregional integration processes was required, especially with regard to protocols on the movement of capital and labour to avoid leapfrogging on the basis of labour costs. Hence there was a need to develop the capacity of labour market institutions, including labour inspection systems and employment services. That could be done through exchange programmes. A borderless labour inspection system could be envisioned that could, for example, look at global supply chains where the risk of non-compliance was high. The second challenge concerned the capacity building of the tripartite partners and other key players, particularly in SMEs and in the informal economy. The third challenge was non-compliance with labour law and practice. Companies that supplied goods and services locally should respect labour laws and should not use scarcity of jobs as well as labour costs as a ruse for undermining working conditions and labour relations generally. The fourth challenge related to balancing economic investments and social investments. It should be possible to address the impact of globalization on conditions of work without undermining WTO agreements or labelling. Lastly, social dialogue in global supply chains was considered a challenge. Governance and social dialogue in global supply chains were critical. Freedom of association arrangements should be strengthened by increasing trade union representation or density at local levels so as to further strengthen dialogue.
- 85.** The Government member of South Africa expressed the view that developing economies should have sufficient flexibility to attract FDI and boost employment creation. Global supply chains offered opportunities. However, in the race for FDI, some countries deliberately lowered their standards. Due to the way global supply chains were structured, it was difficult to speak about economic or social upgrading for workers. Low-wage activities were found in developing countries with no possibilities for upgrading. Wage rates did not compare with rates in lead companies and structural barriers were not recognized. Part of the problem lay in the nature of the work at the base of the supply chain, a large portion of which was carried out in SMEs through outsourcing and subcontracting arrangements. That provided challenges for labour administration and labour inspectorates. Social dialogue was difficult and employers were often scattered. He was uncertain whether it was a problem of regulation. Almost all countries had ratified the core Conventions. It was critical to understand gaps, given the existing regulatory frameworks.
- 86.** The Government member of Brazil stated that efforts were needed for the full competitive insertion of developing countries in global supply chains, particularly in higher value-added activities. A discussion was needed on how to foster their positive contributions and avoid any detriment to workers and labour rights. Public and private actors needed to recognize their share of responsibility.
- 87.** The Government member of Egypt felt that the Office report had not dealt with the African situation concerning decent work in global supply chains. The continent had great capacities but at the same time faced large difficulties with regard to labour inspectors, wage levels, social protection and occupational safety and health. The expansion of global supply chains had not allowed certain countries to maintain their legislation at an adequate level. Egypt was of the opinion that a global approach must be adopted, which was complementary to labour codes, penal codes and labour rights. In countries where regulatory frameworks were already in place, they were not always implemented due to slow procedures and corruption. There was a lack of equity and victims were not properly compensated. The legal system was part of the problem itself, for example in countries that did not allow direct contracts between migrant workers and employers, or in countries with problems regarding the right

to organize. A main shortfall was the lack of research and data that would highlight these forms of abuses and shed light on the current state of global supply chains, including in the informal economy.

- 88.** The Government member of Canada was of the view that global supply chains could in some cases be agents for positive change. On the other hand, global competition could place downward pressure on wages and fundamental rights. Cross-border sourcing made compliance more complicated. The Temporary Foreign Worker Program in Canada ensured protection of all foreign workers under the labour legislation. Recognizing specific vulnerabilities, measures were taken to better protect the integrity of the programme. Enforcement measures since 2014 included an increase in inspections, the imposition of monetary fines, the establishment of a telephone tip line and the introduction of a website to allow individuals to report abuse or misuse of the system. Sharing good practices was helpful as many countries were facing similar challenges.
- 89.** The Government member of Chad referred to the 13th African Regional Meeting, where a discussion on decent work in global supply chains had taken place. While stimulating growth, it was also true that the spread of global supply chains had an impact on employment and rights of workers. Gaps existed in relation to fundamental principles and rights at work, occupational safety and health and other areas. While domestic laws were in place, they were not always efficiently applied. The problem lay in the weakness of national governance systems, not necessarily in global supply chains. Labour administration and labour inspectorates should be improved and there was a need for strengthened collaboration. Collective bargaining needed to exist, as framework agreements were good instruments to build trust.
- 90.** The Employer Vice-Chairperson noted that interventions from Governments highlighted the positive role of cross-border trade with regard to job creation and development. However, the weaknesses apparent in national governance was a key issue to address. Regarding the issue of wages, he insisted that there was no “race to the bottom”; that was supported by studies he had mentioned previously which indicated that wages were higher in cross-border supply chains. Non-standard forms of employment were useful if used for the right reasons, including as a way for businesses to respond and adapt to market changes, and they could be important stepping stones for workers, especially young people, to integrate into the labour markets. While some abuses existed, it was important to direct attention to how to address them. Standards on temporary work, fixed-term contracts or part-time work were adequate to address related issues in cross-border supply chains. In that regard, the Private Employment Agencies Convention, 1997 (No. 181), was relevant.
- 91.** Referring to the discussion on migration at the Committee on the Application of Standards, he pointed out that ILO standards were fully in place to address issues related to migrant workers. Employers considered that migration was positive as a means to enhance transference of skills, innovation and entrepreneurial opportunities, among others. However, challenges such as transparency and fairness in recruitment practices existed. Employers had been engaged with the ILO in the Fair Recruitment Initiative and the International Recruitment Integrity System (IRIS).
- 92.** He underscored the Employers’ agreement with the importance of multi-stakeholder processes to deal with systemic issues, but expressed reservations in the case of the Accord on Fire and Building Safety in Bangladesh. That had been an example of successful partnership, including the ILO, but presented issues of sustainability. To be sustainable it required all actors to be involved, especially governments and employers, with the inclusion of trade unions, local NGOs, buyers and factory owners, which was not always the case. Finally, he emphasized the need to increase the leverage of ILO involvement, in order to

bring all parties together. Therefore, to move forward, models such as that one needed to be adapted and applied in a more effective manner.

93. The Worker Vice-Chairperson said that taking into consideration the richness of the information, more focus was needed to further identify possible actions and sectors. She recalled the interventions of Governments which called for a “new deal” and supported the need for action at the international level. Global supply chains offered potential and opportunities for development, but had not delivered for workers in lower tiers of the chain or for developing countries that were put in competition with each other. That was exemplified by the case of Georgia, where legislation was introduced in 2015 to strengthen labour inspectorates, which was replaced with a voluntary initiative to monitor working conditions after pressure from the American Chamber of Commerce.
94. Regarding the Employers’ comments with respect to the hidden workforce, she pointed out that homeworkers at the bottom of the chain were often not counted as workers and lacked protection. Such workers should be integrated in a system which allowed them to unionize, to bargain, to increase their security at work, and to obtain proper jobs. Changes in power relations gave firms or MNEs, even if small, the opportunity to set the rules, even regarding the existence of unions. Some companies made efforts to comply with initiatives such as the UN Guiding Principles or the OECD or ILO initiatives, but more commitment was necessary from all actors involved. Unacceptable practices, such as zero-hour contracts, had spread in the developing world and had to be addressed at the national and international levels.
95. She continued by noting that other issues which needed to be addressed included gender equality, SMEs which were in competition with each other, and the application of fundamental rights and minimum standards in EPZs. She highlighted a need for fairness in respect to wages to ensure that workers shared the gains of the firms throughout the supply chain, and requested more information on wages and premium wages. The issue was not the existence of over-regulation but under-regulation. There was no intention to undermine existing standards, principles or ILO work, but to determine whether ILO standards were sufficient to fill the governance gaps.
96. The Employer Vice-Chairperson noted that there had been a flood of information flowing from the debate, and it was important to make sense of it and to determine what the ILO could do on such a broad topic. There were different perspectives on what constituted research on and definitions of such concepts as a living wage.
97. Regarding ILO standards and their application to cross-border supply chains, he pointed out that the Standards Review Mechanism could address this issue. One way to address the issue of cross-border supply chains was to integrate this aspect across all ILO programming. The Committee seemed to agree that there was a governance gap, and it had to determine which areas the ILO should address. Some issues touched on contracting or trade, which were commercial issues not in the remit of the ILO. He reiterated that his group preferred the term “cross-border trade” because most trade was not global but regional.

Point 2. What policies, strategies, actions and programmes have been put in place by the Office, ILO constituents and other stakeholders to ensure that economic development and decent work, including respect for international labour standards, go hand in hand?

98. Turning to point 2, the Employer Vice-Chairperson said that ensuring that economic development and decent work went hand in hand and lay at the heart of the ILO’s mandate, and all ILO activities were relevant for promoting decent work in cross-border supply chains.

He recalled that the ultimate objective of ILO programmes was to develop sound national rules and institutions that covered all economic activity in a country, regardless of whether it involved cross-border trade. The ILO should not create a two-tiered standards system, one for domestic supply chains and a second one for exports. At the forefront of the ILO effort to contribute to decent work was the ILO's standard-setting process and supervisory machinery, which was one of the most effective in the UN system.

- 99.** The Office work on technical cooperation to assist member States was equally important, since some countries had adequate national laws in place, but many lacked the capacity to effectively implement and enforce their laws. The aim of all these ILO programmes had been to strengthen and enhance national policies and institutions. Even in ILO programmes focused on cross-border supply chains, such as the ILO and International Finance Corporation (IFC) Better Work programme, the goal had not been to replace national-level institutions, but to complement them temporarily. The Office had years of experience in implementing programmes on decent work, yet its report contained very little information as to which had led to sustained improvements.
- 100.** The ILO's constituents had all undertaken actions in numerous areas to ensure that economic development and decent work went hand in hand. The most important contribution had been to work through the national systems to develop labour laws. National ownership of the process was critical for success. He added that member States had also worked with other international organizations and regional groups, and a key question was how the ILO could participate or engage in these external initiatives. National governments had also worked bilaterally, by providing technical assistance and capacity building, policy advice and economic incentives, such as tariff mechanisms. He added that an increasing number of bilateral and regional trade agreements included labour provisions, and gave the example of the Trans-Pacific Partnership (TPP), and in particular the side agreement to the TPP between Viet Nam and the United States.
- 101.** Turning to private compliance initiatives, he said that those initiatives had never been intended to replace or supplant the primary responsibility of governments to enforce their laws and regulations, but all had the common goal of identifying a lack of compliance with the law and mitigating such gaps. Those programmes had evolved over the past three decades to improve the auditing and due diligence process, and focus on corrective action and capacity building to prevent violations of human and worker rights in the first place. Most of those programmes had improved working conditions in the factories they covered. The initiatives still faced challenges in addressing the root causes of non-compliance, namely weak governance at the national level. Private compliance initiatives lacked the state powers necessary to enforce the law, as the most significant penalty that an enterprise could impose was to end a business relationship with another enterprise that was not respecting labour standards.
- 102.** Since the endorsement of the UN Guiding Principles in 2011, the implementation of these principles had become a key priority in industry and multi-stakeholder initiatives. Examples of such initiatives included the Business Leaders Initiative on Human Rights, the Fair Labor Association, the Ethical Trading Initiative, the International Council on Mining and Metals, IPIECA (the global oil and gas industry association for environmental and social issues), the Electronic Industry Citizenship Coalition, the UN Global Compact and others. CSR programmes, which had been criticized during the discussion, were in fact the engine for human rights compliance initiatives in companies. One example was the Behind the Brands campaign conducted by Oxfam, which had been a significant force in addressing many issues in the global food industry.
- 103.** He noted that employers' organizations were very active in promoting due diligence through capacity building, peer learning, awareness raising, guidance and advisory services. Many

employers' organizations had human rights and CSR networks and committees, in which companies came together to learn about new trends and developments, exchange experience and engage in new partnerships. He mentioned the partnership between the European employers' organizations, the International Organisation of Employers (IOE) and the ILO International Training Centre in Turin.

- 104.** The Worker Vice-Chairperson said that the measures to address decent work in global supply chains had been insufficient. She expressed concern that corporate social responsibility had little or no effect and that the large amounts of money involved were better spent on improving public labour inspection and enforcement. She drew attention to the Rana Plaza disaster, as well as other industrial accidents in Bangladesh and Pakistan that illustrated the limitations of private forms of monitoring. For the ILO, the key international initiatives relevant to global supply chains were the ILO MNE Declaration, the Maritime Labour Convention, 2006, and the Work in Fishing Convention, 2007 (No. 188), as well as sectoral meetings, work on international framework agreements and technical cooperation projects such as Better Work. However, although Better Work had made some progress in improving factory conditions, its scope had remained limited and respect for freedom of association and payment of living wages remained insufficiently addressed. She highlighted that the ILO MNE Declaration had not been very effective in holding companies accountable to its principles; a revised Declaration was needed that referred to the UN Guiding Principles and included stronger language on living wages, recruitment, transparency in global supply chains, protection for migrant workers and labour inspection as well as a sustainable system of cross-border dialogue and industry-wide bargaining. Besides the Maritime Labour Convention, 2006, with its global provisions in the area of labour inspection, recruitment and minimum wage setting, the Work in Fishing Convention, 2007 (No. 188), was particularly relevant with respect to labour inspection in the global supply chain in the fishing industry; however, it had not come into force and more ratifications were therefore urgently needed. Other relevant instruments were the Protocol of 2014 to the Forced Labour Convention, 1930 and the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).
- 105.** She pointed out that a wide variety of sectoral meetings that promoted dialogue within specific sectors had been organized by the ILO and had focused on decent work challenges related to global supply chains. Those meetings could be better used in the future to promote social dialogue in global supply chains. At the international level, global union federations had negotiated international framework agreements, which had set basic rules for industrial relations across supply chains. In some cases they had been effective tools to press MNEs on violations in their supply chains. However, in many cases international framework agreements had no formal enforcement mechanism beyond dialogue. She suggested that a legal framework for the negotiation of binding international agreements, which sectoral and enterprise level agreements could build on, and the inclusion of the promotion of industry-wide bargaining should be explored as important steps forward. The ITUC and Global Union federations carried out further work in the area of organizing and the promotion of living wages.
- 106.** At the UN level, there had been the adoption of the UN Guiding Principles based on the "Protect, Respect and Remedy" principles. However, the implementation of those principles had remained a voluntary exercise and there was no real accountability either at the state or enterprise level. Another initiative was the G7 Vision Zero Fund under the supervision of the ILO, which, among other things, addressed safety issues and provided compensation in the case of accidents. Furthermore, the Bangladesh Accord on Fire and Building Safety ensured that workers were involved in the governance of the mechanism and that factories and buyers could be held accountable to violations of the Accord. However, the Accord could not replace effective national and international governance of enterprise conduct. The WTO had started to address the issue of subsidies provided to companies in EPZs and was

aimed at eliminating the subsidies to avoid unfair competition. Similarly, tax exemptions and violations of labour rights should also be eliminated. The use of labour clauses in government procurement and trade agreements had been underutilized.

- 107.** She concluded that private policies, actions and activities had their merits but were inadequate due to their limited coverage, limited impact and governance gaps. She emphasized that private governance clearly did not work and public governance initiatives were insufficient due to the cross-border nature and the way global supply chains were organized. Multilateral initiatives and international framework agreements had their limits in terms of enforcement. She suggested that there was a need to identify better ways and tools to secure the implementation of ILO standards and the effective regulation of global supply chains, including a revised ILO MNE Declaration and a new ILO Convention.
- 108.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, said that promoting decent work in global supply chains was a high priority for the EU and it had established many policies, actions and programmes for inclusive economic development and decent work. He emphasized that all EU political framework agreements stipulated that human rights, including core labour standards, were an essential element. Enterprises should have in place processes to integrate social and labour concerns into their business operations and core strategy. They should do this in close cooperation with their stakeholders with the aim of identifying, preventing and mitigating their possible adverse impacts on social and labour rights.
- 109.** He further drew attention to specific guidance and conditionality on the private sector in development cooperation, for example a project in Thailand with the ILO on forced labour in the fishing sector. In accordance with EU law, large companies were required to disclose non-financial information in management reports on policies, risks and results with regard to respect for human rights and social/employee matters in order to operate transparently. At the sectoral level, the EU supported the initiatives of European social partners that jointly developed frameworks and tools. He highlighted the 2013 EU Sustainability Compact for continuous improvements in labour rights and factory safety in ready-made garment and knitwear industry in Bangladesh concluded with Bangladesh, the United States, Canada and the ILO.
- 110.** He expressed support for the implementation of the UN Guiding Principles, the ILO MNE Declaration, the application of the OECD Guidelines for Multinational Enterprises, the UN Global Compact and ISO 26000 Guidance on Social Responsibility. He strongly supported the G7 Leaders' Declaration 2015 and the establishment of the G7 Vision Zero Fund. He emphasized that there were several key aspects that were of particular interest for future orientations: transparency, sustainable trade, public procurement, social dialogue, sectoral and regional approaches, a smart mix of voluntary policy measures and complementary regulation, a clear expectation of communication towards businesses and application of international frameworks.
- 111.** The Government member of Mali, speaking on behalf of the Africa group, stated that working with all ILO constituents was vital if decent work in global supply chains was to become a reality. The Office report could have focused more on which measures worked and which did not work. Most African countries had implemented relevant strategies and policies with ILO support and had thus addressed workers' rights, safety and health at work, child labour and the informal economy. It was important to underscore that decent work required action above and beyond national policies: there must be an international response that included the involvement of transnational companies. It was also vital to look at the role of labour inspection. He highlighted the efforts of the African Union on ensuring decent work in global supply chains, which was an important step in the region in going forward.

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- 112.** The Government member of Bangladesh emphasized that his country had taken a number of policy initiatives, including legal and administrative reforms to promote decent work and workplace safety in supply chains. Improvements had been evident, among others, in the reduction of child labour. While it was important not to forget different national contexts and levels of development in discussing global supply chains, all segments of global supply chains should comply with international labour standards. He emphasized the need to strike a balance between the development needs of developing countries and the promotion of labour standards. Only inclusive growth and decent work in a balanced approach could support the achievement of the 2030 Sustainable Development Goals.
- 113.** The Government member of Switzerland pointed out that promoting sustainable trade was one way to reconcile decent work and economic needs. Developing countries and emerging economies benefited most if they could rely on internationally recognized rules that guaranteed free and non-discriminatory access to world markets. Value chains could also help promote the spread of environmental and social criteria, enabling the private sector to implement the core ILO standards. Her Government therefore encouraged initiatives on corporate social responsibility. It advocated for transparency and comparability between standards to push the costs of compliance down. It also advocated a multi-stakeholder approach. Her Government particularly supported ILO tripartite projects relating to global supply chains such as the Better Work and the Sustaining Competitive and Responsible Enterprises (SCORE) programmes. She outlined measures taken by her Government, including promoting responsible conduct, ensuring coherence between its economic and social commitments and compliance with labour principles and fundamental rights.
- 114.** The Government member of Australia supported collaboration between business, civil society and government to address serious forms of labour exploitation in supply chains, including human trafficking and forced labour. He outlined a number of measures taken by his Government, including to combat forced labour and child labour and exploitation in the fashion industry, and to combat human trafficking and slavery. Technical assistance, such as the Better Work programme, allowed donor and recipient countries, the social partners, as well as other stakeholders to work together. Economic development was vital in providing the platform for decent work. In that context, the Standards Review Mechanism process was important, to make sure that standards were relevant and up to date.
- 115.** The Government member of Mexico said that her Government had developed a labour inspection system to monitor compliance with labour standards. It had been based not only on the need to monitor and promote compliance with standards, but also to promote full respect for the human dignity of workers, to guarantee access to social security and a decent wage, and to provide training. She highlighted that the development of the labour inspection system had benefited from ILO support with the collaboration of worker and employer representatives.
- 116.** The Government member of Norway outlined some of the measures taken by her Government, including intensified efforts to promote workers' rights on a global level and improved coordination between relevant ministries. Efforts to promote and protect human rights had been mainstreamed into all aspects of foreign policy and development cooperation, which had led to the launch of a national action plan on business and human rights. The Government and the business sector had a common interest in ensuring that companies carried out their operations abroad in accordance with recognized international standards. The plan also recommended safeguarding labour rights and working conditions in trade agreements and investment treaties. Existing treaties and the UN Guiding Principles provided a clear set of standards of obligations and responsibilities for better protection and respect for human rights in business activities. Closing the implementation gap of these standards on the ground should be a primary focus. Norway had ratified the Work in Fishing Convention, 2007 (No. 188), and the Protocol of 2014 to the Forced Labour Convention,

1930, both of which it considered to be especially relevant in the context in order to ensure that work in global supply chains did not involve forced labour and trafficking. Social dialogue was vital for achieving real change in the world of work and the Norwegian Government would continue its joint efforts with social partners to achieve effective implementation and enforcement of labour laws.

- 117.** The Government member of the United States expressed strong support for initiatives on responsible supply chains, taken by the G7 or in the framework of the UN Guiding Principles, the OECD Guidelines for Multinational Enterprises and the ILO MNE Declaration. He underlined his support for the principle of “joint responsibility” for governments and businesses to foster sustainable supply chains and encourage best practices. A well-known example in that regard was the Better Work programme, wherein governments and the social partners had worked together to ensure decent work, particularly when there was broad factory and brand participation. He also shared national experiences. The United States had addressed the elimination of child labour and forced labour through guidelines for agricultural supply chains in 2011 and a toolkit for responsible businesses in 2012. In addition, the incorporation of ambitious labour provisions in free trade agreements confirmed the United States’ commitment with regard to responsible supply chains.
- 118.** The Government member of Algeria said that his country had focused its efforts on applying decent work indicators. Notwithstanding a significant reduction in unemployment, the further development of the informal economy posed significant concerns. Measures had been put in place to enable the formalization of companies, including through tax incentives and the voluntary declaration of informal workers in exchange for access to social protection benefits. He emphasized that enforcement measures had been set up to address violations of domestic labour laws by companies. For example, companies could be excluded from public bidding or access to export and import licenses. Since 2006, an increased budget had been allocated to modernize the labour inspectorate.
- 119.** The Government member of Brazil highlighted that his country had ratified a significant number of ILO Conventions and had created national institutions overseeing their implementation. Brazil had particularly focused on extending the reach of its labour inspection to combat forced and child labour. Already in 1995, a special mobile inspection group had been established to address forced labour. That was complemented with programmes targeting the re-qualification and re-insertion of victims of forced labour in the labour market. A national pact had been signed in 2005 to provide a framework for companies and the Government to share responsibilities in the prevention of forced labour. In 2002, a national commission, and thereafter a national plan, had been established to eradicate child labour. Those efforts were complemented in 2014 with the creation of another special mobile inspection group. At the international level, his Government supported the principles set forth in the UN Guiding Principles and actively participated in the Human Rights Council intergovernmental working group on transnational corporations and other business enterprises.
- 120.** The Government member of the Republic of Korea indicated that transition economies and developing countries had taken up more than 50 per cent of global FDI, but workers in these countries still faced many challenges. Korean companies were provided with information and education opportunities by the Korean Government. For countries with a significant presence of Korean investment companies, labour attachés were dispatched that provided guidance on local labour laws and international labour standards, and monitored compliance. Although the Korean Government had made progress on sex-disaggregated indicators, statistics should be improved, for instance on migrant workers. Awareness raising on corporate citizenship and strengthening corporate social responsibility and compliance was needed, but could not be achieved by one player alone. Efforts made by suppliers would reap

substantial results if they were met with a proactive stance and strong willingness of lead firms.

- 121.** The Government member of Egypt referred to procedures and programmes that were put in place by the ILO and its constituents in order for economic development and decent work to go hand in hand. Those initiatives were promising, but further measures would be needed. That could include the establishment of complaint mechanisms, the appointment of an ombudsman, hotlines and other strategies to ensure transparency through reporting and monitoring. There was a need for partnerships and new multi-stakeholder initiatives. In Egypt, projects focused for example on combating the worst forms of child labour, the effective transition from school to work and on decent work for youth. Egypt had ratified 64 ILO Conventions, and international conventions should be translated into national legislation to provide basic rights. Efforts had also been undertaken to increase the participation of women and people with special needs, and to formalize the informal economy.
- 122.** The Government member of Canada shed light on the country's policy of negotiating comprehensive labour provisions in free trade agreements. Canada's commitment to responsible business conduct was also reflected in the incorporation of CSR language in those agreements. Furthermore, Canada continued to provide technical assistance in its trading partner countries, for instance through strengthening labour administrations, through the support of the Better Work programme in Viet Nam or through ethical sourcing. The country also made information and guidance available on sustainable global supply chains through its online CSR toolkit and the CSR Implementation Guide for Canadian Business. The provision of trade advocacy and economic support was linked to companies' CSR practices, including through the National Contact Point for the OECD Guidelines for Multinational Enterprises. Recent policy initiatives committed to the modernization of an inclusive fair wage policy for federal procurement, and the promotion of good quality jobs and decent work as part of its Poverty Reduction Strategy.
- 123.** The Government member of Tunisia stated that policies and programmes to ensure that economic development and decent work would go hand in hand should address all different aspects of decent work. That put the ILO Declaration on Fundamental Principles and Rights at Work of 1998 front and centre. The ILO could play an effective role in ensuring the governance of decent work in global supply chains. Economic effectiveness should not undermine decent work and mindsets needed to be changed such that the promotion of decent work would be considered essential. In that regard, governments had an important role to play. While decent work was often discussed in international forums, it needed to be translated into reality, for instance by incentivizing the social partners and promoting social dialogue.
- 124.** The Worker Vice-Chairperson, while acknowledging the good practices shared, wondered why the reality in global supply chains was still harsh. There were initiatives that could inspire the ILO and its constituents, preferably with the full participation of workers at all levels. Freedom of association and collective bargaining was an enabling right and a priority for the discussion. In reply to the Employer Vice-Chairperson, she raised the question of whether more research on the topic was actually needed. She referred to the extensive amount of research and other resources available and suggested that the ILO could provide guidance on the information available. That should help to better identify specific issues in need of further research, such as the establishment of a living wage in a global supply chain context.
- 125.** It was underlined that the Accord on Fire and Building Safety in Bangladesh was a binding agreement between companies and global unions, where the ILO participates as the Chair. While more could be done, the legally binding nature of the agreement was among the main

reasons for its effectiveness. She reiterated the distinction between domestic and global supply chains and emphasized that the main reason for the discussion in the present forum was the international dimension. Further debate was needed on the adequacy of existing mechanisms and standards.

126. The Employer Vice-Chairperson responded to the points made by the Worker Vice-Chairperson, indicating the methodological challenges to address the living wage debate. With regard to the Bangladesh Accord, he reiterated the need to have all actors involved. Further, he maintained his firm hope to apply an inclusive understanding of supply chains. He stated that the large budget destined to private compliance initiatives, evidenced companies' commitments. Those initiatives had often developed in response to a lack of implementation capacity for labour regulations and of effective labour inspectorates. Companies were not meant to replace States, and auditing systems were not meant to replace labour inspections. Finally, the strength of the ILO MNE Declaration was not its capacity to hold companies accountable, but its multi-stakeholder character.

Point 3. What kinds of governance systems, including standards, in global supply chains can best support the achievement of growth, decent work and inclusive development and how can synergies be created?

127. The Worker Vice-Chairperson said it appeared that the Committee agreed that too little was being done to address decent work deficits in global supply chains. One cause of such deficits was the lack of legislation and its enforcement, made difficult by the cross-border nature of production; the other cause was weak coordination and the lack of enforceable instruments to hold governments and businesses accountable. Weak governance constrained and mitigated social dialogue, and minimized opportunities for employment and industrial development. It impacted negatively on social protection and social security, due to tax exemptions and tax evasion by major corporations.
128. To date, the responsibility of MNEs for the acts of their subsidiaries or contractual suppliers in global supply chains was governed largely by voluntary guidelines such as the ILO MNE Declaration, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles. Those guidelines had been instructive in detailing the responsibilities of MNEs, but had not succeeded in changing practices. She said there was a vast array of corporate and multi-stakeholder codes of conduct, backed by a for-profit auditing industry. Such codes played a significant role, but many had come to recognize their limitations. Too many initiatives lacked the involvement of trade unions, which was the best guarantee that workers' rights were respected.
129. She affirmed that the ILO should provide authoritative analysis and leadership that would drive coherence among all the existing multilateral initiatives. It should also perform its role as global regulator in the setting and supervision of standards. That had to start with the revision of the ILO MNE Declaration. It also had to be coupled with a reporting mechanism whereby breaches of the ILO MNE Declaration could be addressed effectively. That should not replace the OECD complaints mechanism or the rule of law, but could facilitate the use of social dialogue to resolve disputes.
130. Another important objective for her group was ILO standard setting, including a convention on decent work in global supply chains. That could provide a new approach to labour regulation, similar to what the Maritime Labour Convention, 2006, had done in the maritime industry. Such a convention should appeal to governments and employers to stop the race to the bottom and competition based on violations of labour standards. It would provide a level

playing field for enterprises, based on minimum standards. Moreover, central to the instrument should be the obligation of States to pass laws and regulations which regulated the conduct of enterprises under their respective jurisdiction. She gave the example of Australia, where several states had passed a cross-jurisdictional regulation to set binding obligations on buyers in the clothing and footwear industry to provide a list of their first-tier clothing suppliers, and all the locations where the work would ultimately be performed. That allowed the tracking of the invisible workforce consisting of sweatshop workers and home-based workers.

- 131.** Another component of the instrument should be mandatory due diligence, with respect to international labour standards, and an obligation for transparency of supply chains, guarantees for freedom of association and the right to collective bargaining at all levels of the supply chain, minimum wage setting mechanisms to ensure living wages, the promotion of industry-wide and cross-border bargaining and the promotion of secure employment relationships in global supply chains. It should include further guidance on how to ensure the implementation of existing standards. Such a convention could bring together the provisions in existing conventions relevant to global supply chains and provide an integrated framework applicable throughout the supply chain. She acknowledged that the Employers' group was not in favour of such a proposal. However, she stated that it was normal for the ILO to look at the issue from a standards perspective. It would be necessary to distinguish between the existing standards already covering global supply chains, the standards that would need adaption to be more relevant for global supply chains, and finally the gaps where there was a need for new standards. The Committee had already highlighted gaps related to governance and concrete standards, such as living wages. She considered that possible standard setting should be further discussed in an expert meeting.
- 132.** Beyond a Convention, in the view of the Worker Vice-Chairperson, there was a role for the ILO in assisting with the analysis of setting adequate minimum wages by country and sector and providing relevant technical support, and the strengthening and promotion of cross-border collaboration in the area of sectoral bargaining. Moreover, much more should be done to promote decent work through public procurement, as States had significant leverage due to the large volumes governments ordered. Governments should regulate their procurement processes, capacitate their staff and promote the Labour Clauses (Public Contracts) Convention, 1949 (No. 94).
- 133.** She further pointed out that even though trade and investment agreements increasingly included labour standards, those standards were rarely effectively enforced post-ratification, in large part due to State discretion not to pursue violations forcefully. She concluded that better regulation of trade and investment was urgently needed, that some Conventions had special relevance like the Home Work Convention, 1996 (No. 177) and the Conventions concerning migrant workers and that there were clear governance gaps that needed to be addressed.
- 134.** The Employer Vice-Chairperson said that in the statement of the Workers there had been seeds of potentially fruitful ideas. He stressed that the question of governance was at the heart of the debate about cross-border supply chains. National laws covered all economic activity, but many countries lacked the capacity to effectively implement and enforce laws. He disagreed that there was a decent work governance gap in cross-border supply chains. The simple fact that goods were produced for export did not put the exporter supplier beyond the reach of national law. In countries with effective implementation and enforcement of national laws, all production, including for export, was covered under national law and labour inspection systems.

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- 135.** He reemphasized that fundamental principles and rights at work and decent work applied to all workers. The Committee should avoid the creation of a two-tiered compliance system. The only way to ensure that all workers were equally protected was to develop strong national institutions that could implement and enforce laws that covered all companies and workers within their borders. He suggested that the Standards Review Mechanism was an appropriate process for reviewing standards for global supply chains. The question of governance was closely linked to the responsibilities of States and businesses to respect human rights. Any discussion of these issues must be based on the UN Guiding Principles, which was the most authoritative international instrument in this area and on which there was a broad international consensus. He reaffirmed that if a government failed to meet its duty to protect, that did not shift the responsibility to companies.
- 136.** He stated that business-driven initiatives could be very efficient in addressing and mitigating adverse impacts. For example, the Better Work programme had reduced duplication in auditing in certain countries and had initiated higher quality factory assessments; the Business Social Compliance Initiative also reduced the resources that buyers and brands spent on auditing and reduced the amount of time that workplaces spent on hosting social compliance auditors. Under the UN Guiding Principles, many companies had developed a vast array of grievance mechanisms. He suggested that further activities could promote a greater convergence of tools, improve collaboration between private compliance initiatives and public labour administration as well as scale up capacity building of suppliers to meet the decent work expectations of buyers.
- 137.** He suggested that governments could improve the rule of law by reducing corruption and informality, establishing independent and effective judicial systems, ensuring basic freedoms and improving implementation and enforcement of national law. The ILO should continue to play a role in contexts where long-term capacity building was needed. The ILO could better support governments through technical cooperation and through the Committee on the Application of Standards. Collaborative action by employers' and workers' organizations, civil society and others to promote fundamental principles and rights at work at the national level could be implemented. He drew attention to the important role of innovative financing and related solutions, such as the IFC's Global Trade Finance Program.
- 138.** He emphasized that those efforts were not one-off programmes and could be implemented simultaneously. The ILO could play a role in creating a global supply chain knowledge centre where companies could exchange good practices and promote multi-stakeholder initiatives. That would ensure that the ILO was better represented in global supply chain-related initiatives outside the ILO. The ILO could play a practical, proactive role in supporting constituents and companies to improve systems for decent work and inclusive development.
- 139.** The Government member of Mali, speaking on behalf of the Africa group, said that the governance of global supply chains was a vital issue because it was the responsibility of all stakeholders: governments, employers and workers. It appeared that employers considered that governments should monitor compliance with standards and legislation on the ground, yet, as the Africa group had underscored, labour inspection systems were often weak and labour inspectors were too few and poorly trained. Governments must monitor compliance with labour standards, but supply chains had to comply with standards as part of their corporate social responsibility.
- 140.** To address gaps in governance, the Africa group proposed: revising the ILO MNE Declaration; ensuring better training of labour inspectors and properly organized labour inspections; creating a partnership between labour inspectorates and unions for greater social dialogue; and monitoring MNEs to ensure the proper implementation of standards. Africa needed to move towards cooperation between its subregions and regional communities to

better understand global supply chains. There was also a need to promote discussions with representatives of private governance bodies and the prevention of competing standards. Unions needed to be strengthened in MNEs so that they could play a vital role in implementing labour standards in global supply chains. Regional collective bargaining should be strengthened and employers should be encouraged to promote decent wages in MNEs.

- 141.** Many issues associated with global supply chains were due to a lack of governance in Africa, and therefore labour inspection systems must be strengthened. Cooperation between regions provided an opportunity to encourage the sharing of information on practices in MNEs. Lastly, the social protection of migrants through the signing of social security agreements between African regions would help ensure the rights of migrant workers.
- 142.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, said that Norway aligned itself with the statement. In a globalizing world in which labour issues, growth and inclusive development were cross-border issues, national policy measures were no longer sufficient. It was important to build on the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises, given that those had clarified the different roles and responsibilities of States and businesses, and the importance of access to remedy and the implementation of complaint mechanisms. A multi-stakeholder approach also created opportunities to organize cross-border solutions and to broaden horizons.
- 143.** National governments had a clear duty in public governance, namely in enforcing national laws and regulations and international labour standards, providing access to appropriate and effective remedy and complaint mechanisms, and promoting responsible business conduct. Transparency in action to ensure decent work in supply chains was key. Moreover, when public authorities conducted business with companies, they should ensure that those companies respected decent working conditions, and States should use social clauses in their public procurement to promote decent work. Workplace compliance was also essential, together with the role of public administrations and bodies such as labour inspectorates. The EU and its Member States advocated comprehensive compliance approaches, with attention to sufficient resources and coordination between the different stakeholders, including social partners.
- 144.** Turning to private initiatives, he affirmed that they had an important role to play in private governance, and the involvement of social partners or sectoral initiatives and the link with public actors such as labour inspectorates were essential for private governance initiatives to produce best decent work outcomes. Practical guidance on procedural steps to implement due diligence in operational management systems was useful and should be complemented by guidance on work quality criteria, when companies were operating in countries where labour rights and health and safety provisions were not implemented and enforced. The ILO, other UN agencies and the OECD should strengthen their cooperation to promote responsible business conduct and due diligence processes. Governments should also clearly state what was expected from companies with respect to corporate social responsibility.
- 145.** Companies should also integrate human rights and social concerns in their core business operations and strategies, and they should know their suppliers as far as possible and be able to prove whether they met the demands of sustainability and respected social and labour rights in all their operations. Capacity building for management at all levels in a company and everywhere in the supply chains, including SMEs, on decent work aspects, as well as exchanges of best practices, would also be instrumental in fostering progress in that field.
- 146.** He further stated that the global nature of supply chains raised the question of how to organize social dialogue at the international level. Engaging with trade unions and employers organizations through international framework agreements, covering the whole supply chain

and collective bargaining, was instrumental in addressing decent work challenges, in particular through strengthened follow-up and dispute resolution mechanisms. A further tool to strengthen social dialogue and the effective implementation of decent working conditions was the establishment of anonymous complaints mechanisms for workers, at a company level as well as at national or international levels. His group supported the conclusion of the 102nd (2013) Session of the Conference that the ILO should convene a meeting of experts on cross-border social dialogue to analyse contemporary experiences, challenges and trends, as well as the role and value added of the ILO, and he requested the Office to follow up.

- 147.** He further noted that the ILO MNE Declaration was an important entry point for engagement of the ILO with business and the work on decent work in global supply chains, and the outcomes of the current discussion should be part of the revision process for the Declaration. There was also a need to assess whether current ILO instruments were sufficient to promote decent work in global supply chains; that could be started in a tripartite meeting of experts as a follow-up of the current discussion to consider whether any new instruments were needed.
- 148.** He emphasized that synergies needed to be strengthened between the various governance forms to reach the overarching objective of ensuring decent work. It was not a question of one governance form or the other; operating through different channels could maximize impact as long as the objectives were the same and consistency and coordination was ensured. Public governance in global supply chains and multilateral initiatives with a focus on global supply chains should be supportive to private governance initiatives and vice versa.
- 149.** The Government member of India noted that many speakers had flagged the wide variances in wage structures across countries and regions. He considered that international labour standards could make better sense only in relation to an international wage standard, and not merely to working conditions and safety. Each country was currently free to fix a minimum wage for its workers, but that arrangement needed serious review under the global supply chain regime. It would therefore be pertinent to work on a global minimum wage standard, based on purchasing power parity norms in the short term and later migrating to a universal benchmark. Similarly, there could be a global benchmarking of employment relationship norms, clearly defining both immediate and vicarious liability in the case of a dispute.
- 150.** The Government member of Mexico said that there were several national and transnational frameworks that applied to States and companies with respect to social responsibility. It was crucial to establish cross-cutting actions between those frameworks to strengthen them, especially as they were based on the practical knowledge gained in implementing the ILO fundamental principles. Global supply chains were important in the global economy, and there was a need to use existing frameworks, based on frank and open dialogue between governments and the social partners. There was a common link between those actions and achieving the objectives of the 2030 Agenda so as to create cohesive strategies that, through a collective vision, would combine efforts and resources to lead to social and economic inclusion, which was vital for development.
- 151.** The Government member of Switzerland said that the ILO should carry out an assessment of the many strategies and programmes promoting decent work in global supply chains to promote focused projects that had achieved good results. A sectoral approach was the most frequent path chosen in developing programmes and strategies, as promoting decent work varied from sector to sector and between supply chains, as did the stakeholders and mechanisms involved. A multipartite approach could involve all stakeholders in the sector, and the deployment of programmes within enterprises themselves and on the ground could be used to influence labour legislation in countries. The Better Work programme was a good example in that regard.

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- 152.** The very nature of companies within the supply chain influenced the choice of approach. Large companies at the top of the supply chain were more exposed to the sensitivities of consumers and civil society actors, as they were presumed to be responsible for the whole production process. SMEs were at the lower end of the chain, but that should not preclude them from complying with social and ecological standards. Thus, it was important to adapt the approach chosen to the needs of SMEs and large companies, respectively.
- 153.** With regard to social transnational partnerships, her Government welcomed international management agreements, which helped improve professional relationships in many sectors and were mechanisms to support capacity building within SMEs. Her Government sought to ensure coherence between obligations, by basing them on the principles and fundamental labour rights and standards endorsed by all ILO Members.
- 154.** The Government member of Argentina commended the Office report for providing a useful tool for the Committee's debate. Governments played an important role for the inspection, mediation and legislation of global supply chains. He welcomed the Committee's work as it provided a forum to discuss and improve decision-making processes through adequate data requirements and statistics.
- 155.** The Government member of Uganda invited other governments to implement several measures improving working conditions in global supply chains. These included the ratification of the Worst Forms of Child Labour Convention, 1999 (No. 182), the ratification of the ILO's Conventions on occupational safety and health, addressing women's unemployment, promoting green jobs and strengthening legal institutions to effectively protect workers.
- 156.** The Government member of the United States, speaking also on behalf of the Governments of Canada and New Zealand, underlined the importance of adopting international governance measures and the need for a new international standard. The lack of will or capacity in certain countries undermined other countries' efforts to improve working conditions within their territory or jurisdiction. A multifaceted approach should be at the heart of a proposed ILO plan of action. The latter should revolve around several facets: strengthening the ILO to build its Members' capacity and labour administrations; ensuring a remedies system, including in EPZs; encouraging strong partnerships between the ILO and other international organizations; scaling up the implementation of tripartite programmes, such as Better Work; promoting international framework agreements and transparency of global supply chains; and identifying existing standards relevant to the special circumstances and challenges created by global supply chains. The proposed ILO plan of action should also focus on sectors or specific geographical study areas. An initial step could be the elaboration of a compendium bringing together good practices.
- 157.** The Government member of South Africa expressed concern that the very nature of supply chains allowed for labour rights violations for workers at the bottom of the chains. The outsourcing of production promoted the avoidance of liability and responsibility for parties at the top of the chains, and those practices posed particular challenges for inspectorates to enforce labour rights and detect violations. He questioned the effectiveness of private governance initiatives, as research had shown that auditing mechanisms were selective and inadequate for complex supply chains. Employers should be held responsible for compliance deficits within their operations. He recommended a two-pronged approach for dealing with decent work challenges posed by global supply chains. ILO Members should carry out efforts first to identify governance gaps. That could lead to the development of universal principles to develop international regulation and standards.

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- 158.** The Government member of Brazil mentioned certification, multi-stakeholder and multilateral initiatives in his country. In addition, a public enterprise registry had fostered shared responsibilities for labour conditions, and strengthened governance systems. He reiterated that his Government strongly supported the principles set forth in the UN Guiding Principles and was actively participating in the Human Rights Council open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights.
- 159.** The Government member of Namibia recalled that supply chains were not new, but that the existing regulatory gaps exacerbated the challenges posed by these sourcing patterns. The ILO MNE Declaration provided for a solid foundation for companies to assume their labour responsibilities. In his view, transparency should be promoted through publicly available registries of companies that were not in compliance with their share of labour responsibilities. Registries could provide a useful tool to consumers, other companies and governments for more informed decisions on whether to do business with these parties or not. He concurred with the idea expressed by the United States in that private investments would always choose countries with poor supervision and governance mechanisms, hence undermining any effort for other governments to improve working conditions within their national territory.
- 160.** The Government member of Egypt stated that countries were bound by a duty to protect individuals and groups from human rights violations, including those committed by enterprises. He recalled the duties and responsibilities defined under the UN Guiding Principles, and underlined the importance of translating them into a smart policy mix, combining measures for remediation, transparency and accountability. The establishment of disclosure mechanisms could become a legal obligation rather than being driven voluntarily by companies. Various States had implemented innovative approaches to addressing these issues. Further, verification, auditing, certification, accountability and training were required and preventive measures would need to be taken. He emphasized the need for new forms of governance, including innovative practices of corporate and private governance. Policies had been developed to address the issue of recruitment in global supply chains. Also social dialogue between companies and unions, as well as cross-border social dialogue were key for further improving governance in global supply chains. Strengthening ILO programmes such as Better Work, SCORE and the International Programme on the Elimination of Child Labour (IPEC) was recommended. Lastly, effective social protection and inspection, and enhanced synergies between inspectorates and other administrations were needed.
- 161.** The Government member of Tunisia underlined the importance of good governance, which had to be based on effective domestic legislation; certification, verification and inspection were also crucial. There was a need for better coordination at both the national and international levels. Labour inspections were essential and should be adapted to the needs of specific sectors.
- 162.** The Government member of Uruguay reaffirmed the importance of governance solutions at both the national and international levels, including social dialogue and transnational collective bargaining. The conclusions adopted should lead to an international labour standard that strove to regulate the impact of supply chains.
- 163.** The Government member of China stressed three points. Lead firms should take more responsibility, and enable the transfer of profits down the supply chain. Attention had to be paid in finding the root causes and solutions that extended beyond the issue of supply chains. Therefore, there was no urgency in establishing new standards. Finally, governments should be encouraged to share experiences of good governance, taking into account different levels of development and contexts.

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164. The Government member of Indonesia reaffirmed his country's commitment to decent work, which was reflected in the ratification and adoption, in national legislation, of the eight fundamental Conventions. He acknowledged the particular importance of SMEs and the informal economy in global supply chains. The ILO had provided technical advice and supported the capacity building of member States to achieve decent work in global supply chains.
165. The Worker Vice-Chairperson responded to the Employers' previous statement by reaffirming the existence of, and the need to address, a governance gap. She highlighted that many leading countries in global supply chains had not yet ratified the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), or the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). She maintained the belief that addressing specific problems, such as those in global supply chains, should not be understood as a two-tier approach towards international labour standards and their applicability. With respect to the Accord on Fire and Building Safety in Bangladesh, she stressed that both governments and companies held responsibilities in assuring the safety of buildings and workers. She added that often governments had limited leverage through international competition and pressure, which should be reflected in the conclusions. She recalled the commitment that was made at the 102nd Session (2013) of the Conference with respect to the need to look into cross-border social dialogue. She drew attention to the need to create a global level playing field and to counter a "race to the bottom". Wages were a key concern and workers deserved a better share of the profits generated through global supply chains.
166. The Employer Vice-Chairperson called for the identification and review of existing international labour standards that have particular relevance for the global supply chain discussion. Decent work was discussed by various international organizations and the ILO should cooperate with them. The ILO's global supply chain programmes needed to be evaluated and a roadmap should be set out. He repeated that comprehensive data collection was necessary, and that the Office needed to increase its efforts on that matter, including by assisting countries to improve their national capacity in data collection.
167. He questioned the call from the Workers and some Governments for the establishment of a tripartite meeting of experts or a review committee. The present Committee was already conducting a tripartite review of the issue and further discussions would not add much value. He went back to the question of non-standard forms of employment, and pointed out that that was not a problem unique to global supply chains, and was not a challenge per se. He recalled the Conclusions of the Meeting of Experts on Non-Standard Forms of Employment (Geneva, 16–19 February 2015), which held that such forms of employment "can also be a useful mechanism for retaining and recruiting workers, as well as for more quickly harnessing the skills and expertise of certain workers on the labour market".

Point 4. What should Governments and the social partners do in order for global supply chains to achieve stronger coherence between economic outcomes and decent work, including respect for international labour standards? What can other actors do? What should the ILO do to support them in these efforts?

168. The Employer Vice-Chairperson recalled that the aim of the discussion was to come up with clear guidance to the Organization on the way forward. He mentioned that the various areas of work of the Organization, such as standard setting, technical cooperation, supervision of labour standards and policy work, were highly relevant for the promotion of decent work in

supply chains; however, a comprehensive and coordinated framework was lacking. Such a framework should: coordinate the various ILO activities; create a better knowledge and understanding about the existing ILO global supply chain-related programmes and promote them more effectively; ensure coordination with related initiatives from the G7, G20, OECD, EU, UN and others; contribute to responsible sourcing initiatives; serve as a knowledge centre on global supply chains to give guidance to stakeholders inside and outside the Organization; promote partnerships with other relevant actors and multi-stakeholder initiatives; develop forums to share best practices on labour inspections and a “labour inspectors without borders” initiative; promote the use of new technologies to better understand supply chains; organize forums for knowledge-sharing; assist with the interpretation of national laws, including by providing enhanced assistance through the ILO Helpdesk for Business on International Labour Standards; and build further on the Better Work programme, for instance through the replication to other sectors.

- 169.** He said there were many opportunities for collaboration in multi-stakeholder initiatives and through public-private partnerships. He mentioned the link between auditing and labour inspections, where employers’ organizations could play a role as intermediaries in the capacity building of auditors. He agreed with the proposal made in the report to promote multi-stakeholder partnerships, and praised the G7 Vision Zero Fund as a positive initiative, which could be made more effective if it included the IOE and the ITUC as partners.
- 170.** He insisted on the central role of the ILO MNE Declaration and the importance of the process for reviewing it, and questioned the establishment of a duplicative framework. He repeated that there was no regulatory gap to be bridged at the international level. Instead, the implementation and enforcement of ratified international labour standards had to be strengthened at the national level to ensure that all workers were covered by legislation. He also stressed the important role of the social partners.
- 171.** The Worker Vice-Chairperson stated that global supply chains would not produce sustainable outcomes unless governments pursued policies that allowed firms to participate in global supply chains and move up to higher value-added activities, while positively contributing to inclusive socio-economic development. The ILO had already completed work in that area and needed to become more active at the national level to assist governments in implementing such policies, particularly for SMEs. Governments had to ensure that all enterprises in their territory respected the fundamental principles and rights at work for all workers, including the rights of migrant workers, workers on precarious contracts, homeworkers and workers employed in EPZs. She drew attention to new legislation in Uruguay introducing joint or shared liability throughout the supply chain. A purely territorial approach to regulation was too limited and governments had to explore the regulation of the extra-territorial conduct of enterprises that were based in their territory.
- 172.** The lack of transparency in global supply chains was a challenge, as transparency was essential for meaningful due diligence. Examples existed where governments imposed mandatory disclosure. Wage setting through processes of industrial relations was essential, and the ILO could provide guidance in that regard. She referred to an initiative in the garment sector where global garment companies and IndustriALL Global Union had joined forces to apply an industry-based approach to living wages called Action, Collaboration, Transformation (ACT). The approach identified bargaining in the garment industry as essential to achieving living wages and the need for effective recognition of workers’ rights to freedom of association and collective bargaining. The implementation of international framework agreements was falling short in some cases, and she suggested that a legal framework for the negotiation of binding international agreements, which sectoral and enterprise level agreements could build on, would be an important step forward. An in-depth discussion on EPZs and the lack of decent work in them needed to take place and serious follow-up action was needed to improve working conditions and ensure trade union rights

were respected and promoted, and that exemptions from labour legislation were eliminated. Further, the ILO could assist in providing information to governments when making public procurement decisions, consistent with the Labour Clauses (Public Contracts) Convention, 1949 (No. 94).

- 173.** She continued by stating that labour inspectors were critical actors in securing the respect of workers' rights and the realization of decent work along global supply chains. Particular attention should be paid to sectors where violations of labour standards were known to be severe. However, systematic tax avoidance by MNEs impacted countries by weakening the national tax base.
- 174.** She requested that Decent Work Country Programmes should be better used to address supply chain challenges. Global supply chains should be mainstreamed in ILO work. The ILO should be much more determined in the promotion, ratification and implementation of international labour standards that were particularly relevant for global supply chains. They included the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). Other important Conventions to be promoted were the Minimum Wage Fixing Convention, 1970 (No. 131), the Maritime Labour Convention, 2006, the Work in Fishing Convention, 2007 (No. 188), the Labour Clauses (Public Contracts) Convention, 1949 (No. 94), the Home Work Convention, 1996 (No. 177), the Migration for Employment Convention (Revised), 1949 (No. 97), and the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), as well as the promotion of the Employment Relationship Recommendation, 2006 (No. 198), and the Protocol of 2014 to the Forced Labour Convention, 1930. She emphasized that they had a duty to promote the implementation of all the ILO's Conventions even if they were not ratified. She concluded that the discussions in the G7 and G20 highlighted that large countries were taking up their responsibility.
- 175.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, said that the Government of Norway aligned itself with the statement. He said that each constituent had a crucial role in working together to promoting decent work in global supply chains. Governments should set the national legal framework, with legislation based on international labour standards, and effectively implement those standards and ensure compliance and monitoring, for example through efficient labour inspectorates. There were governance gaps to close, but only looking at national legal frameworks would not close those gaps. Governments should also encourage and support others in: improving working conditions in global supply chains, through initiatives such as integrating labour provisions, including core labour standards, in investment and trade agreements, and through setting up dedicated channels for active dialogue on the topic, not least regarding efforts to ratify the ILO fundamental Conventions. Governments had a role to play in ensuring transparency; promoting corporate social responsibility and responsible business conduct policies, in line with internationally agreed principles and guidelines, and encouraging and using regulations, for instance to ensure companies reported on due diligence; providing for specific measures for SMEs to support their compliance with due diligence and legal requirements; and introducing social criteria in public procurement. They could also provide support by requiring companies owned or controlled by the State to implement due diligence procedures and to respect social and labour rights in all their operations; promoting social dialogue and stimulating multi-stakeholder dialogues or sectoral initiatives; creating an enabling environment to help companies strengthen their contribution to sustainability and decent work in their business operations, and helping them to identify sector-specific risks and implement due diligence procedures in their management systems; ensuring that the private sector was aware of risks and responsibilities and could be held accountable; supporting capacity building and engaging in development cooperation. Lastly, governments could ensure that decent work in global supply chains became an integrated part of sustainable

investment and finance, including through enhanced partnerships with international financial institutions.

- 176.** The social partners should jointly promote decent work in the supply chains of specific sectors through collective agreements, international framework agreements or other instruments. They should also encourage companies, workers, civil society organizations, public authorities, academia and other relevant stakeholders to participate in initiatives to promote decent work in specific global supply chains. The ILO could be an important resource centre in that regard, and the Office could play an important role in supporting and facilitating the development of international framework agreements, and should continue research activities on the development of transnational negotiations in companies, in line with the conclusions on social dialogue of the 102nd Session (2013) of the Conference.
- 177.** He continued by stating that besides ILO constituents, other actors could also promote decent work in global supply chains and raise public awareness worldwide. Due to its mandate and tripartite organization, the ILO must play a central role in addressing the issue, along with the OECD, the UN Global Compact, the WTO, United Nations Conference on Trade and Development (UNCTAD) and the ITC. Such cooperation could help support the development of further due diligence guidance, including on risk analysis in specific sectors; strengthen access to remedy; and contribute to the revision of the ILO MNE Declaration. The ILO itself should launch a reflection on how to set up and implement mediation and conciliation mechanisms, for instance by providing expertise to the OECD National Contact Points.
- 178.** Moreover, the Better Work programme, the Occupational Safety and Health Global Action for Prevention (OSH-GAP), and the ILO Helpdesk for Business on International Labour Standards could also contribute to better cooperation with enterprises by helping them with challenges they faced in their day-to-day operations. Building further evidence on the quality of employment in global supply chains was needed, and the ILO should carry out research that establishes the basis for evidence-based policy. Such research should explore and articulate the differentiating characteristics of global supply chains when compared to more traditional supply chains in order to identify what new approaches were required to improve decent work conditions in supply chains.
- 179.** He continued by noting that there was also a need to assess whether current ILO instruments were sufficient to effectively promote decent work in global supply chains and whether new instruments were needed, which could begin with a tripartite meeting of experts as a follow-up to the current discussion. Many existing international guidelines and standards on global supply chains helped companies to foster decent work. Some companies had already set up ambitious CSR policies, and to foster those proactive policies in coherence with a necessary global level playing field, due diligence processes should be promoted. Those two requirements could be addressed at the tripartite expert meeting. Furthermore, the ILO should support and facilitate the development of international framework agreements by providing guidance on minimum requirements, accompanying follow-up mechanisms such as monitoring and mediating processes, and providing capacity-building and technical advice.
- 180.** The Government member of the Russian Federation said that compliance with international labour standards and legislation by MNEs, in whatever country they were operating, should be the basic principle guiding the way they worked. It was the primary responsibility of governments to implement labour standards. It had been a long and laborious process to develop international labour standards and MNEs must be stringent at all stages in complying with those standards. The ILO should draft a separate roadmap to reduce worker accidents. Other international bodies should be involved in the process, especially in light of

the Better Work programme. Collective agreements should therefore be signed where transnational companies were part of the global supply chain process.

- 181.** The Government member of Bangladesh said that the issue of global supply chains was relatively new for the International Labour Conference. It therefore required clear understanding and dialogue between the tripartite partners. There was still a lack of adequate data and information to fully understand the levels, trends, interlinkages and dynamics of global supply chains. The diverse range of capacity constraints, implementation problems, weak institutions, competing priorities and other challenges in the countries involved throughout a global supply chain should be taken into consideration. He suggested that, rather than focusing on a possible new instrument, the ILO should focus its efforts on the effective implementation of existing ILO instruments.
- 182.** The Government member of Switzerland underlined that the ILO, being tripartite, was the right organization to promote decent work in global supply chains. Her Government called on the ILO to take action in three areas. First, to step up its efforts to play a leading role as an expert on decent work in global supply chains, including by participating actively in international discussions or initiatives. Second, to build on its rich experience of delivering specific programmes on the ground within value chains. The Office's activities should be better integrated to support economic growth and decent work, and its departments responsible for social dialogue and enterprises should collaborate closely. Third, the ILO should support the improvement of data collection and research on decent work and supply chains, which would help develop technical cooperation programmes adapted to the context of the supply chains. The three areas of action could be included in an action plan.
- 183.** The Government member of Egypt emphasized the need for transparency and accountability. Companies should be held accountable not only for human rights violations but also for decent work deficits. Adherence to international standards could promote fruitful partnerships to share responsibilities at the national and international levels. Governance and legislative efforts should be carried out hand in hand with the active participation of civil society.
- 184.** Another important aspect would be to put in place grievance and remedy mechanisms for decent work deficits. Those mechanisms would complement transparency and accountability initiatives. Informal enterprises should become part of the formal economy. He emphasized that the role of governments was to promote enforcement, judicial mechanisms and legislative efforts. Governments could also encourage more CSR initiatives in the private sector by putting in place tax incentives for companies with good compliance records.
- 185.** The Government member of Japan remarked that global supply chains were diverse and complex, which created issues not only in North–South but also South–South relations and in large and small companies alike. He suggested that a tripartite sectoral meeting of experts would be one of the most appropriate ways to identify appropriate action to be taken by the ILO and its constituents. He also stressed the need for the Office to carry out additional research, in collaboration with other international organizations.
- 186.** The Government member of the United Arab Emirates outlined two measures to tackle decent work challenges in global supply chains. First, governments should strengthen their partnerships with the countries where most of the products were manufactured. Stronger ties between countries where commodities were produced and countries where these commodities were consumed could truly benefit trade, investment and transparency. Second, a tripartite meeting of experts could help in setting forth the means and mechanisms to strengthen bilateral or multilateral partnerships between producer and consumer countries.

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- 187.** The Government member of Tunisia emphasized the importance of social dialogue as the unique tool to tackle the issues on decent work in global supply chains. He explained that social dialogue provided a common ground to set forth criteria defining global supply chains and social responsibilities. The ILO should put in place a plan of action focusing on dialogue among all supply chain parties. Governance measures should be developed by participatory frameworks involving governments, employers, workers and the business community. He further suggested that the ILO should support governments with capacity-building efforts to put in place legislation and other initiatives that met the expectations of workers in relation to the governance of supply chains.
- 188.** The Government member of Brazil stated that, according to his country's experience, private and multi-stakeholder initiatives had prospered due to the existence of strong public governance, labour inspectorates and labour law. It was important for the Conference Committee not to duplicate or prejudge debates that would take place, such as the revision of the ILO MNE Declaration, as well as the possible policy discussions on trade agreements. It would be beneficial to explore the possibility of an ILO framework for multi-stakeholder initiatives in order to guarantee transparency, accountability and integrity, as well as effective management of any conflict of interest. The World Health Assembly had recently adopted a Framework of Engagement with Non-State Actors that could serve as inspiration. The ILO was expected to participate in international debates on global supply chains, including with UNCTAD and the Human Rights Council, as well as in discussions on the implementation of the 2030 Sustainable Development Agenda.
- 189.** The Government member of Argentina, speaking also on behalf of the Governments of Brazil, Chile, Cuba, Mexico, Peru and Uruguay, said that global supply chains should meet social requirements to facilitate the sustainable integration of firms. Guarantees for the protection of fundamental principles and rights at work were needed within the context of basic human rights. Those guarantees had to be part of basic production models, as it was true that in some cases labour standards had been weakened or undermined in global supply chains. In the countries of his group, there was a consensus that the path for sustainable development should be based on international labour standards. States needed to regulate and monitor processes in global supply chains in their respective territories, in particular with regard to labour inspection and formalization. Compliance with labour laws should come via States through regulation and inspection. It was the responsibility of the State to promote tripartite arrangements.
- 190.** There was a need for firms to show active commitment to the promotion of decent work in global supply chains. Such efforts should complement the role played by the State and labour inspection, and include working with suppliers in the informal economy to facilitate the transition to the formal economy. Accurate statistics and information would be useful for all parties involved in global supply chains. He asserted that his group was in favour of a tripartite meeting of experts to further discuss decent work in global supply chains. In order to have an informed debate, a report would be needed that went into more detail and contained statistics. Finally, he encouraged the ILO to continue to strengthen alliances with other international actors to promote policy coherence.
- 191.** The Worker Vice-Chairperson understood that there was a need to further clarify the notion that there was an international dimension in global supply chains that could not be addressed through national approaches alone. She provided the example of seafarers on inland waters in Europe who were not covered by either national or international law. Their situation had led to the establishment of an international union, which cooperated to organize workers on the vessels and examine regulation.

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- 192.** She reiterated the proposal for a tripartite meeting of experts, which could examine gaps in governance in the light of international labour standards. Such an initiative would be part of a broader programme of action. The gender dimensions in global supply chains also required further work. For instance, in EPZs young women were vulnerable and suffered sexual harassment. The expert meeting should cover those issues and the ILO had to ensure coherence in addressing this topic.
- 193.** The Employer Vice-Chairperson stated that his group did not agree with the proposal of having a tripartite meeting of experts as a next step. Such a meeting would imply that the Conference Committee had not explored the topic fully and it would circumvent other regular processes related to standard setting. The Employers did agree on a number of items raised during the discussion. It was clear that global supply chains would not produce sustainable outcomes unless governments pursued policies that allowed firms to participate and to move up in higher added-value supply chains. He agreed with the call by the Government members of the EU for the establishment of an enabling environment for business, which would allow companies to grow, be productive and to provide decent working conditions. Furthermore, high levels of informality threatened governments' ability to enforce national laws. The ILO should collaborate in reducing levels of informality. Companies needed support for due diligence, which should be reflected in the conclusions. SMEs had to be taken into account in policy-making and deserved further support. Capacity building on cross-border supply chains had to be provided to constituents. Further coordination was needed, not only to better collaborate with the private sector and to provide more information about the effectiveness of its programmes, but also between the ILO and other international organizations such as the OECD and the WTO. The role of the ILO MNE Declaration was important, but that had to be left to the tripartite group responsible for reviewing it. The Employers agreed with the suggestion for more research to enable the Office to have better tailored interventions and to act as a centre of expertise on the topic.
- 194.** With regard to the Workers' proposal for mandatory disclosure of supply chain workplace locations in some sectors and countries, he noted that such information could be confidential business information, and pointed out that the UN Guiding Principles did not call for such a measure. International framework agreements, while binding between the signatories, were still not widely used, and therefore the Employers disagreed with the proposal of creating an arbitration system or a legal framework where the ILO could play a role. However, the ILO could assess the impact of international framework agreements on the ground.
- 195.** He reiterated the importance of social dialogue, but clarified that different approaches were needed according to particular circumstances of countries and cultures. He stressed that EPZs had different formats, and while in some EPZs wages were higher, wages were not the only measure of working conditions. The Employers nonetheless firmly believed that fundamental principles and rights at work had universal application, and EPZs were no exception. Regarding the topic of tax avoidance and tax evasion, he noted that the ILO did not have the expertise or competence to regulate in that area, and the topic was already being dealt with in the context of the OECD and the G20.
- 196.** The Worker Vice-Chairperson stated that as the scope of international framework agreements was narrow, it was necessary to adopt measures to promote their creation and their relevance. The ILO could have a role in the process if requested. She reiterated her proposal for a tripartite meeting of experts to examine gaps in governance in global supply chains.
- 197.** The Employer Vice-Chairperson reiterated that neither the adoption of a convention nor a meeting of experts was necessary, but it was important to give time to the ILO to develop approaches to address the issues raised by the Conference Committee.

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- 198.** The Worker Vice-Chairperson recalled that some Governments had called for an expert meeting, and she expressed the hope that the issue could be further explored in the draft conclusions.
- 199.** The Employer Vice-Chairperson noted that the discussion in the Committee had been smooth until that point. The ILO had a lot to offer to ensure economic development and decent work went hand in hand in global supply chains. Its approach should be evidence-based and not based on anecdotal or singular evidence. He reaffirmed that global supply chains had stimulated growth, jobs and decent work. There were decent work deficits in some supply chains but these did not result from global supply chains per se, but reflected the economy in which the supply chain operated. It was important at the national level to improve governance to ensure that fundamental principles and rights at work and decent work applied to all workers, including those in global supply chains. He stressed that a focus on global supply chains should not result in a two-tier system, with more attention being paid to workers in exporting enterprises than those in domestic ones. Future work of the ILO should be implemented in a timely and dynamic manner and a senior level point of contact should be appointed. A tripartite meeting could be held in three years' time to take into account the Conclusions and any future measures to take. There should be a focus on action and implementation rather than on more discussion.
- 200.** The Worker Vice-Chairperson stated that the process of drafting the Conclusions had exposed the many challenges in global supply chains, including trade union rights, living wages, health and safety, child and forced labour, as well as the use of non-standard forms of employment and triangular relationships. These decent work deficits were well-documented and it was often difficult to address them, for a variety of reasons. It was important that the final conclusions recognized the problem and opportunities for businesses, employers, governments and workers. Overall the Workers group was disappointed with the draft conclusions. She said the number of bracketed texts raised questions as to whether the ILO could move forward on this issue effectively. She thanked the Government members of the Drafting Group for putting forward suggestions to bridge gaps in the text and regretted that they had not been able to come with a clean text. It was also regrettable that common language on social dialogue and non-standard forms of employment could not be found, despite a long history of ILO discussions on these topics. The ILO was a major standard-setting organization and it was its core business to review existing standards and to identify and address gaps. Therefore the government compromise proposal in paragraph 25, which was the second proposal, should be adopted as a minimum.
- 201.** The Government member of the Netherlands stated that the text of the draft conclusions, including the last paragraph, reflected shared government positions. Unfortunately, in some cases Drafting Group members had not been able to reach an agreement in a number of sensitive matters, and these cases were reflected in bracketed text. He expressed the hope that consensus could be reached on decent work for global supply chains.

Discussion of the Draft conclusions

Linguistic amendments

- 202.** The Chairperson noted that 121 amendments had been submitted for consideration. As a large number of amendments received from the Employers were of a linguistic nature only, the Committee decided to form a tripartite working group to review all such amendments and provide advice to the Committee on how it should best deal with them. The group comprised an Employer member from Mexico, an Employer member from Panama, a

Worker member from Argentina, a Worker member from the Philippines, a Government member from Argentina and a Government member from Spain.

Point 1

203. The Worker Vice-Chairperson introduced an amendment to insert the words “, seafood, fisheries, electronics, construction,”, considering the particular relevance of those sectors, and the attention that had been paid to them during the general discussion.
204. The Employer Vice-Chairperson supported the amendment.
205. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, supported the amendment. He also clarified that his position throughout the amendment process would be to keep the agreed text as much as possible and focus on the text between brackets. Further, he emphasized the importance of fostering consensus.
206. The Government member of Mali, speaking on behalf of the Africa group, supported the amendment.
207. The amendment was adopted.
208. The Government member of Mali, speaking on behalf of the Africa group, submitted an amendment to replace the words “thereby enhancing” with “which would enhance”, in the last sentence. As the situations described in the paragraph did not address the present, but potential implications for the future, the suggested tense was future conditional.
209. The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government members of Brazil and Uruguay supported the amendment.
210. The amendment was adopted.
211. Point 1 was adopted as amended.

Point 2

212. Point 2 was adopted with linguistic amendments.

Point 3

213. The Employer Vice-Chairperson introduced various amendments, explaining that the drafting suggested causality between decent work deficits and global supply chains. He presented a proposal to delete the words “global supply chains have resulted in”, replace it with the text “as well as with regard to freedom of association and collective bargaining can be found in some global supply chains” after “working time” and consequently delete the second sentence included in point 3.
214. The Worker Vice-Chairperson rejected the amendment, noting that the original formulation provided a balance to the document. Whereas the conclusions started with two positive paragraphs highlighting the benefits brought about by global supply chains, they also needed to reflect the Committee’s discussions with regard to decent work deficits created by global supply chains.

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- 215.** The Employer Vice-Chairperson reiterated that the implied causality between decent work deficits and global supply chains was inappropriate. Decent work deficits existed in a number of countries, including in countries participating in global supply chains. It did not necessarily follow that decent work deficits were a result of global supply chains.
- 216.** The Government members of Brazil, Mali, Tunisia and Uruguay did not support the amendment, as it failed to maintain a balanced text and to reflect the Committee's discussions.
- 217.** The Employer Vice-Chairperson introduced an amendment proposing to replace in the Spanish and the French texts wording related to the causality of global supply chains.
- 218.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, proposed a new text, expressing his wish that this might reflect a compromise.
- 219.** The Employer Vice-Chairperson reiterated that the words "global supply chains have resulted in deficits for working conditions" had raised concerns. The Employers acknowledged the existence of decent work deficits in global supply chains, but global supply chains did not create the deficits. These already existed in countries with challenges to effectively implement the law. The Employer Vice-Chairperson, with the aim to solve the issue, proposed a subamendment to replace the first three sentences of point 3 with "At the same time failures in global supply chains have contributed to decent work deficits for working conditions such as in the areas of occupational safety and health, wages, working time, and the nature of the employment relationship between employer and workers. Such failures have also contributed to the undermining of labour rights, particularly freedom of association and collective bargaining. Informality, non-standard forms of employment and the use of intermediaries are not uncommon."
- 220.** The Worker Vice-Chairperson expressed concern with the word "failures" as the problem of global supply chains was that these made profits out of decent work deficits. Furthermore, global supply chains had impacted the employment relationship and non-standard forms of work were common. She could not support the proposed language.
- 221.** The Government member of the United States speaking also on behalf of Canada, Norway, Republic of Korea, New Zealand, Mexico and the EU and its Member States, proposed a further subamendment in response to the workers concerns. He suggested that the first sentence should include "at all levels" following "at the same time" and to replace "nature of" with "obscuring to" and replace "not uncommon" with "common".
- 222.** The Employer Vice-Chairperson stated that he agreed with the suggested addition, but could not accept the language of "obscuring the employment relationship" and could not support this amendment.
- 223.** The Worker Vice-Chairperson stated that an unclear employment relationship was common for many workers in supply chains. She suggested a further subamendment from the ILO Social Justice Declaration: "which impact on the employment relationship and the protections it can offer", which would replace "to obscure the employment relationship".
- 224.** The Employer Vice-Chairperson stated that the proposed further subamendment addressed most of the issues the workers group had raised and it was a fair and balanced picture of the challenges faced in addressing supply chains.
- 225.** The Government member of Namibia, speaking on behalf of the Africa group, was troubled by the term "failure" and the interpretation it had been given. In some cases the intentional design of supply chains had resulted in decent work deficits.

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226. The Worker Vice-Chairperson agreed with the Africa Group that it was of no coincidence that things go wrong in supply chains. Many governments had clearly stated that there was a structural problem in global supply chains. The discussion must be taken further and the ILO must take a leading role.
227. The Government member of the United States, the Government member of New Zealand, the Government member of the Netherlands, speaking on behalf of the EU and its Member States, the Government member of Norway, the Government member of Switzerland, the Government member of Canada, the Government member of the Republic of Korea, and the Government member of Mexico supported the subamendment.
228. The Employer Vice-Chairperson appreciated the way all parties had taken into account the views of the Employers.
229. The amendments were adopted as subamended.
230. Point 3 was adopted as amended.

Point 4

231. The Employer Vice-Chairperson proposed an amendment to replace the word “many” with “some”, as in some sectors, women did not represent the majority of workers.
232. The Worker Vice-Chairperson stressed that in sectors such as textiles, clothing, retail, footwear and hospitality, women did make up the majority.
233. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, stated that the text should remain in its original formulation.
234. The Government member of Mali, speaking on behalf of the Africa group, stated that he could not support the amendment.
235. The amendment was withdrawn.
236. The Employer Vice-Chairperson proposed an amendment to replace the words “the majority” with “a large share” as women did not represent the majority in some sectors.
237. The Worker Vice-Chairperson supported the amendment.
238. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, and the Government member of the United States supported the amendment.
239. The amendment was adopted.
240. The Employer Vice-Chairperson proposed an amendment to add the word “too” after “are” to emphasize that women were too often subject to discrimination.
241. The Worker Vice-Chairperson supported the amendment.
242. The Governments indicated their approval and the amendment was adopted.
243. The Employer Vice-Chairperson proposed an amendment to insert the word “may” after “they”, in order to qualify the statement, without denying that the issue existed.

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244. The Worker Vice-Chairperson did not support the amendment, stating that there was overwhelming evidence that women in lower tiers of supply chains generally lacked access to maternity protection, allowing a more general formulation.
 245. The Government member of Mali, speaking on behalf of the Africa group, said that the proposed amendment was problematic in French, and that he therefore could not accept it.
 246. The Government member of Brazil also rejected the amendment, as it did not match the spirit of point 4.
 247. The Government member of the United States supported the amendment, considering it was a prominent situation, but not a universal one.
 248. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, said that since there was no consensus, he did not support the amendment.
 249. The amendment was withdrawn.
 250. The Government member of Mali, speaking on behalf of the Africa group, proposed an amendment to replace “maternity protection measures” with “social protection measures in general, and maternity protection in particular”. The aim was not to limit the text to maternity protection.
 251. The Worker Vice-Chairperson concurred with the proposal, and described it as accurate in many of the countries where there were global supply chains. The Employer Vice-Chairperson also supported the proposal.
 252. The amendment was adopted.
 253. The Employer Vice-Chairperson proposed an amendment to replace the word “are” with “might be”, to qualify the statement.
 254. The Worker Vice-Chairperson stated that for the same reasons mentioned with regard to access to maternity protection, there was enough evidence to justify retaining the text in its original form.
 255. The amendment was withdrawn.
 256. Point 4 was adopted as amended.

Point 5

257. The Employer Vice-Chairperson proposed an amendment to delete the last two sentences of point 5.
258. The Worker Vice-Chairperson, the Government members of Mali, speaking on behalf of the Africa group, the Government member of the Netherlands, speaking on behalf of the EU and its Member States, and the Government member of the United States did not support the amendment.
259. The amendment was withdrawn.
260. The Employer Vice-Chairperson proposed an amendment to insert after “deficits” the words “, for instance exemptions from labour laws and taxes, and restrictions on trade union

activities and collective bargaining”. He noted that point 5 started by saying that EPZs were not uniform and had different characteristics. Yet, the last sentence said they were “often characterized by exemptions from labour laws and taxes, and restrictions on trade union activities and collective bargaining”. He had brought to the attention of this Committee a series of studies the ILO had carried out, which in his view made point 5 incorrect. The Employers were willing to accept the wording if it included “for instance”. He acknowledged that there could be a problem in EPZs, but that it was not a universal situation.

261. The Worker Vice-Chairperson stated that there was overwhelming evidence that trade unions were not more present in EPZs. Even though there was sometimes a higher wage level, in general there were still large decent work deficits in terms of wage and other issues, and collective bargaining in particular. She therefore did not support the amendment.
262. The Employer Vice-Chairperson said he did not deny there were issues, but noted research that had found that conditions of work could be better in EPZs. Quoting from an ILO study, he said that working conditions in the great majority of EPZs were comparatively better than in the rest of the economy.
263. The Worker Vice-Chairperson referred to an ILO report to the Committee on Employment and Social Policy on EPZs (286th Session (March 2003) of the Governing Body), which highlighted deficits in terms of labour rights in EPZs.
264. The Government member of the United States said the language in the original version reflected his understanding of the situation at the time in EPZs, based on the existing literature. He therefore rejected the amendment.
265. The Government member of Mali, speaking on behalf of the Africa group, did not support the amendment.
266. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, also supported the original text.
267. The Employer Vice-Chairperson noted that the research cited by his group was more recent than the study cited by the Workers.
268. The amendment was withdrawn.
269. Point 5 was adopted without amendments.

Point 6

270. The Employer Vice-Chairperson proposed an amendment to insert the words “at times” between “has” and “exacerbated”. He explained that the qualifying text would better reflect the reality, and provided as an example the case of North–North, or North–South supply chains.
271. The Worker Vice-Chairperson rejected the amendment, saying the words were not appropriate to describe the exacerbation of governance gaps.
272. The Government member of Mali, speaking on behalf of the Africa group, and the Government member of the Netherlands, speaking on behalf of the EU and its Member States, did not support the amendment.
273. The amendment was not adopted.

274. Point 6 was adopted without amendments.

Point 7

275. Point 7 was adopted with linguistic amendments.

Point 8

276. Point 8 was adopted with linguistic amendments.

Point 9

277. Point 9 was adopted with linguistic amendments.

Point 10

278. Point 10 was adopted with linguistic amendments.

Point 11

279. The Government member of Bangladesh, seconded by the Government member of India, proposed an amendment to delete point 11, indicating that ad hoc agreements could not be promoted as a universally accepted model. A more inclusive approach, requiring government engagement, to develop industry standards should be reflected in the text.

280. The Worker Vice-Chairperson rejected the amendment and clarified that the purpose of point 11 was to highlight the importance of the role of social partners in addressing major problems in global supply chains. She stressed that the aim was to include an effective and high-impact good practice by showing that social partners could also take responsibility.

281. The Government member of Brazil, speaking also on behalf of the Governments of Argentina and Uruguay, supported the deletion of the point, as the text should not cite specific country examples.

282. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, rejected the deletion of the point, as it represented a descriptive statement and conveyed an important policy message.

283. The Government member of Mali, speaking on behalf of the Africa group, and the Government member of the United States, supported retaining the point.

284. The Government member of Japan did not support deleting the point but expressed his support for a limited subamendment.

285. The Employer Vice-Chairperson partially supported the proposed amendment but concurred with other Government members. Citing specific countries or examples could be misinterpreted. He stressed the importance of highlighting such agreements but invited Committee members to rethink how they referred to them.

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- 286.** The Worker Vice-Chairperson clarified that the references to the Accord on Fire and Building Safety in Bangladesh, and the Indonesian Freedom of Association Protocol of 2011 to be proposed in a later amendment, were included as positive and effective examples. Those type of initiatives should be encouraged, and referring to them did not imply naming and shaming but applauding them, as they were presented as evidence of good results.
- 287.** The Government member of the United States supported the inclusion of the initiatives, noting that any instrument or initiative from the social partners should not be disregarded. He requested clarification from the Office if citing specific countries was permissible in Committee conclusions.
- 288.** The Government member of Canada supported the inclusion of the point under discussion and the specific examples raised as for the purposes of sharing good practices.
- 289.** The Chairperson noted a general agreement to retain point 11, but observed the possibility to amend it and continue the discussion on the proposed amendment.
- 290.** The Employer Vice-Chairperson stressed that the point could be endorsed if no names of specific countries, agreements or initiatives were included. Other generic denominations could be used, for instance “multi-stakeholder initiatives or agreements”.
- 291.** The Worker Vice-Chairperson clarified that the Bangladesh Accord was not a multi-stakeholder initiative, and called for the appropriate use of the term.
- 292.** The Government member of Bangladesh proposed replacing the words “and a binding Accord (the Bangladesh Fire and Building Safety Accord)” with “and other alliances and initiatives”.
- 293.** The Chairperson proposed that the Committee reject the amendment and move on to further amendments which appeared to address the concerns raised by Bangladesh.
- 294.** The amendment was not adopted.
- 295.** The Worker Vice-Chairperson proposed an amendment to insert “, the Indonesian Freedom of Association Protocol of 2011” after “agreements”. She added that the word “binding” should also have been included before “Indonesian”. The intention was to show examples of good existing, binding instruments that worked well across several sectors and had positive effects on the ground, especially to deal with problems in the lower end of global supply chains.
- 296.** The Employer Vice-Chairperson was of the opinion that there should not be any reference to specific countries.
- 297.** The Government member of the United States said there appeared to be agreement that no specific country should be named. Therefore he supported retaining point 11, but with the removal of the reference to the Bangladesh Accord, and rejected the amendment.
- 298.** The Government member of India was also of the opinion that there should be no reference to a specific country.
- 299.** The representative of the Office of the Legal Adviser said that there was no rule preventing references to a specific situation, concrete events or good practices in conclusions, as long as the Committee was not interfering with the mandate of the ILO supervisory bodies.

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- 300.** The Employer Vice-Chairperson and the Government member of the Netherlands, speaking on behalf of the EU and its Member States, agreed with the Government member of the United States on not naming specific countries.
- 301.** The Worker Vice-Chairperson proposed a subamendment to reword point 11 to read: “Social partners have engaged in cross-border social dialogue and negotiated international framework agreements, a Freedom of Association Protocol and a binding Accord.”
- 302.** The Employer Vice-Chairperson supported the proposed subamendment.
- 303.** The Government member of Brazil said that it would be odd to have the Protocol quoted without reference to the fact that it was the Indonesian Protocol. He suggested having reference to general “binding accords” in the plural, which would prevent having an endless list of references to specific accords and countries.
- 304.** The Government member of Mali, speaking on behalf the member States of the Africa group, supported the proposed subamendment, but not the suggestion of deletion of the reference to the Protocol.
- 305.** The amendment was adopted as subamended.
- 306.** The Employer Vice-Chairperson proposed an amendment to delete “and a binding Accord (the Bangladesh Fire and Building Safety Accord)”.
- 307.** After some discussion on procedure, the amendment was considered to fall, as the content had been covered by the previous amendment.
- 308.** The Employer Vice-Chairperson proposed an amendment to delete “[for example through the establishment of complaints and mediation mechanisms,]” because the issue of complaints and mediation mechanisms would have repercussions on the discussions on the review of the MNE Declaration later in 2016. In addition, outside complaints and mediation mechanisms were already well established in the business sector.
- 309.** The Worker Vice-Chairperson said that the issue had been discussed in the Drafting Group and had received support, therefore she did not support the amendment.
- 310.** The Government member of Brazil withdrew a proposed amendment because it was identical to the amendment proposed by the Employers. He, together with the Government members of Uruguay and Argentina, therefore supported the proposed amendment of the Employer Vice-Chairperson, for the sake of simplicity. He also expressed concern that the text in question might be seen as a way to introduce para-judicial systems for complaints and mediation.
- 311.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, stated that complaints and mediation mechanisms were an important means to identify decent work deficits and to address them, and were very relevant in the context of international framework agreements and cross-border social dialogue. He supported retaining the original text.
- 312.** The Government member of India said that the original text was prescriptive and he therefore supported the amendment.
- 313.** The Government member of Mali, speaking on behalf of the Africa group, did not support the amendment as the text was a positive example that could be very useful.

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314. The Employer Vice-Chairperson stated that the original text was not appropriate because it was not clear how the process was connected with negotiating international framework agreements. Furthermore, nothing about the supply chain discussion should set a precedent or a limit on the implications of the review of the MNE Declaration.
 315. The Worker Vice-Chairperson did not support the amendment, noting that the original formulation was clearer and contained useful examples.
 316. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, stated that it was important to retain the original formulation, as it suggested ways to identify and address decent work deficits and would not impact the review of the MNE Declaration.
 317. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, proposed a subamendment replacing the original formulation of “complaints and mediation mechanisms” with “non-judicial grievance mechanisms”.
 318. The Government member of the United States did not support the amendment as the original formulation gave guidance on innovative approaches.
 319. The Government member of Mali, speaking on behalf of the Africa group, was in favour of retaining the original formulation.
 320. The Government member of South Africa questioned the original formulation as it was aspirational and not in accordance with the title of this section. He asked the Office for clarity on the legal ramifications.
 321. The representative of the Office of the Legal Adviser stated that there were no legal ramifications.
 322. The Worker Vice-Chairperson stated that they wanted to highlight interventions as examples of what good practices could be put in place. She suggested that that was the most appropriate place for the wording and rejected the amendment.
 323. The Government member of Norway supported the subamendment proposed by the Government member of the Netherlands on behalf of the EU and its Member States.
 324. The Government member of Kenya stated that good practices should feature in the point. Complaints mechanisms were very important and could be used to deal with the gaps identified in the discussion.
 325. The Government member of Brazil rejected the amendment and suggested a subamendment adding “without prejudice of judicial protection” following “mechanisms”.
 326. The Employer Vice-Chairperson supported the subamendment suggested by the EU and its Member States.
 327. The Worker Vice-Chairperson stated that the original text was satisfactory but also supported the subamendment by the EU and its Member States.
 328. The amendment was adopted as subamended by the EU and its Member States.
 329. Point 11 was adopted as amended.

Point 12

330. Point 12 was adopted without amendment.

Point 13

331. The Government member of Mali proposed an amendment to insert the words “in order” between “actors” and “better”, to clarify the sentence.

332. The Worker Vice-Chairperson and the Employer Vice-Chairperson both supported the proposal.

333. The amendment was adopted.

334. Point 13 was adopted as amended.

Point 14

335. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, proposed an amendment to add “The establishment of the “Vision Zero Fund”, initiated in 2015 by the G7 in cooperation with the ILO to foster occupational safety and health in production countries, is one example in the recent past”, with the aim of providing a factual addition.

336. The Worker Vice-Chairperson and the Employer Vice-Chairperson supported the amendment.

337. The amendment was adopted.

338. The Worker Vice-Chairperson proposed an amendment to delete the words “[fact-/evidence-based]” along with an amendment to add the words”, having regard to all relevant available evidence,”.

339. The Employer Vice-Chairperson responded that the existing text was more straightforward.

340. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, supported the Employer Vice-Chairperson.

341. The Government member of Brazil asked whether the words “well-informed” and “fact-/evidence-based” were needed, as it should be self-evident. The Government member of Uruguay concurred.

342. The Employer Vice-Chairperson sought clarification on the difference in the wording suggested by the Workers.

343. The Worker Vice-Chairperson was of the view, in agreement with Governments, that it was not necessary to add the text. The additional words had been proposed to address the Employers’ concern that there was a lack of evidence.

344. The Employer Vice-Chairperson agreed to the amendments.

345. The two linked amendments were adopted. As a consequence, one proposed amendment fell and another was withdrawn.

346. Point 14 was adopted as amended.

Point 15

347. The Employer Vice-Chairperson proposed an amendment to delete “, business”, as businesses were included in the concept of social partners. Further, the responsibility of business was addressed in the following sentence.
348. The Worker Vice-Chairperson objected to the amendment, and referred to the UN Guiding Principles, which clarified the different roles and responsibilities for social partners and businesses.
349. The Government member of the United States said that he saw merit in the amendment as the term social partners included business.
350. The Government member of Mali, speaking on behalf of the Africa group, was in favour of keeping the separate mention of business to highlight different roles and responsibilities of governments, social partners and business.
351. The Government members of Argentina, Canada and Switzerland did not support the amendment, noting that business played an important role in global supply chains.
352. The Employer Vice-Chairperson reiterated his position on the suggested amendment and added that the role of business was already addressed later in the point.
353. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, did not support the amendment.
354. The Worker Vice-Chairperson argued that the importance of retaining the word “business” in the text relied on acknowledging the different roles of business, including as an employer, social partner, buyer and market actor.
355. The Employer Vice-Chairperson introduced a subamendment to insert the text “, representing both workers and business,” after the text “social partners” in line 4.
356. The Worker Vice-Chairperson rejected the subamendment.
357. The Government member of Brazil did not support the proposed amendment or subamendment. He stated that the 2030 Agenda for Sustainable Development calls for the active engagement of different players, explicitly including business. He recalled that also other Government members had supported the original formulation.
358. The Government member of Uruguay supported the original text and stressed that all actors had a responsibility in promoting decent work.
359. The Employer Vice-Chairperson questioned whether any official ILO document made an explicit link between decent work and the role of business.
360. The Worker Vice-Chairperson responded with a corresponding example from the ILO MNE Declaration.
361. The amendment was withdrawn.

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- 362.** The Employer Vice-Chairperson proposed an amendment in line 6 to delete “in global supply chains” and insert “wherever they do business”. He clarified the distinction between different types of relationships between businesses, such as subsidiary or subcontractor, and the responsibility that might imply. He advocated for language consistent with the UN Guiding Principles.
- 363.** The Worker Vice-Chairperson did not support the amendment and argued that the language of the UN Guiding Principles on due diligence extended beyond the own business or first tier of the supply chain.
- 364.** The Employer Vice-Chairperson proposed a subamendment to insert “in their supply chains” after “labour rights”.
- 365.** The Government members of Canada, the Netherlands, speaking on behalf of the EU and its Member States, Norway, and the United States expressed support for the subamendment.
- 366.** The Employer Vice-Chairperson stressed that the UN Guiding Principle No. 13 was relevant: “The responsibility to respect human rights requires that business enterprises: (a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.” Hence, this specific language could be quoted or qualified by adding to the text “according to the UN Guiding Principles”.
- 367.** The Worker Vice-Chairperson pointed out that the conclusions to the Committee’s general discussion were not a legal text. Point 15 was intended to express a general statement on the potential actions of governments, business and social partners, and it was in line with the UN Guiding Principles. She expressed concern that the Employer Vice-Chairperson’s arguments seemed to intend to avoid the creation of any additional responsibility for business. However, UN Guiding Principle No. 11 stated: “Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.”
- 368.** The Employer Vice-Chairperson clarified that UN Guiding Principle No. 13 did not address the particular issue of supply chains. Therefore, the intention was to clarify the language and the application of the UN Guiding Principles in the context of supply chains. That had to be differentiated from the obligation of businesses’ obligation to comply with national law.
- 369.** The Employer Vice-Chairperson proposed a subamendment to insert words “consistent with the UN Guiding Principles, “after “in their supply chains,”.
- 370.** The Government members of Jamaica, Switzerland and the United States supported the subamendment.
- 371.** The Worker Vice-Chairperson supported the subamendment.
- 372.** The amendment was adopted as subamended.
- 373.** Point 15 was adopted as amended.

Point 16

- 374.** The Employer Vice-Chairperson introduced an amendment to insert “, in their jurisdiction” after “Governments should” in the chapeau of point 16 to spell out more clearly the responsibility of governments.
- 375.** The Worker Vice-Chairperson considered it inappropriate, in the context of the conclusions to a general discussion, to introduce legal terms in the chapeau. The issue of jurisdiction appeared later in the clauses of point 16 and in other points. Her group did not support the proposed amendment.
- 376.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, did not support the proposed amendment because it was unnecessary and limiting. States cooperated beyond their jurisdiction through trade agreements, technical assistance and regional organizations.
- 377.** The Government member of Mali, speaking on behalf of the Africa group, also did not support the proposed amendment because it had no added benefit, given that States were territories and could cooperate among themselves in any case.
- 378.** The amendment was withdrawn.
- 379.** The Employer Vice-Chairperson introduced an amendment to point 16(c) to delete “[, as this can have an important effect on workers’ rights and working conditions along global supply chains]” because the Employers were not convinced that, beyond the jurisdiction of a country, procurement laws to promote fundamental principles and rights at work would also have effects along supply chains.
- 380.** The Worker Vice-Chairperson did not support the proposed amendment because what was being proposed as a requirement for governments was an important issue for workers. It was an expanding area of work and governments should ensure decent work and apply labour standards in public contracts. In addition, there was already EU legislation in that area.
- 381.** The Government member of Mali, speaking on behalf of the Africa group, did not support the proposed amendment. Rather, he proposed keeping the original text because many States were already implementing the Labour Clauses (Public Contracts) Convention, 1949 (No. 94).
- 382.** The amendment was withdrawn.
- 383.** The Government member of Brazil introduced an amendment to point 16(d), which was seconded by the Government members of Argentina, the Plurinational State of Bolivia, Guatemala and Uruguay, to replace “enterprises” with “all enterprises, including those” and to insert a comma after “State” because it would broaden the scope of the duty of governments to promote decent work. The current formulation of the clause was limited to state-owned enterprises and the proposed amendment would avoid having to introduce a new sub-element to deal with the requirement of other enterprises to implement due diligence procedures.
- 384.** The Worker Vice-Chairperson supported the amendment as it dealt with an important issue, and stated that the amendment retained the flexibility of the original formulation and left it up to governments to decide.

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- 385.** The Employer Vice-Chairperson did not support the amendment as it was not in line with the UN Guiding Principles. He stressed that it was important to differentiate between enterprises controlled by the State and those that were not.
- 386.** The Government member of Mali, speaking on behalf of the Africa group, supported the amendment.
- 387.** The Government member of Switzerland did not support the amendment and preferred the language to be consistent with the UN Guiding Principles.
- 388.** The Government member of the United States understood the impetus but did not support the amendment, as he considered that the clause should focus on state-owned enterprises.
- 389.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, rejected the amendment as the issue came up later in the text.
- 390.** The Government member of Brazil stated that the proposed amendment was not contradictory to the UN Guiding Principles as all enterprises should promote decent work.
- 391.** The Worker Vice-Chairperson supported the amendment and stressed that the conclusions were not solely focused on the UN Guiding Principles but also on the promotion of decent work.
- 392.** The Employer Vice-Chairperson stated that UN Guiding Principle No. 4 applied fully to enterprises owned or controlled by the State. That was the only mention of the word “require” and he therefore could not accept the amendment.
- 393.** The Government member of Brazil clarified that the caveat of point 16 was “Governments should” and therefore nothing was a requirement.
- 394.** The Worker Vice-Chairperson stressed that these points were recommendations to the State and all enterprises should conduct due diligence and promote decent work. She emphasized that it was complicated if different requests were made to state-owned companies rather than all enterprises.
- 395.** The Worker Vice-Chairperson said that despite agreeing with the intent of the amendment, she could not support it.
- 396.** The amendment was withdrawn.
- 397.** The Government member of Brazil, seconded by the Governments of the Plurinational State of Bolivia and Uruguay, proposed an amendment to delete point 16(e) as it shifted the responsibility of legislating, monitoring, auditing and regulating away from the State.
- 398.** The Government member of Mali, speaking on behalf of the Africa group, did not support the amendment as the original formulation was based on consensus in the Drafting Group.
- 399.** The Employer Vice-Chairperson agreed that governments should be providing an enabling environment and opposed the deletion, but requested that the square brackets surround “including regulation” should be removed. The UN Guiding Principles clearly set out the need to establish a conducive business environment.
- 400.** The Worker Vice-Chairperson did not support the amendment.
- 401.** The amendment was withdrawn.

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402. The Worker Vice-Chairperson introduced an amendment to replace the word “procedures” with “principles”, as the term procedure could raise many questions depending on which framework it was operating under. She expressed the hope that they could also align the language later in point 16(d).
403. The Employer Vice-Chairperson said that human rights due diligence was a procedure, or a process. He indicated that in UN Guiding Principle No. 15, the exact wording was “process”.
404. The Worker Vice-Chairperson withdrew the amendment, with the understanding that “procedures” was understood as a process.
405. The amendment was withdrawn.
406. The Employer Vice-Chairperson introduced an amendment to delete the words “stimulate transparency and”, and after the word “encourage” to insert “transparency”, and after the word “means” to insert the word “so”. The word “stimulate” did not convey what he thought governments should be doing. Instead, governments should be encouraging companies to report.
407. The Worker Vice-Chairperson considered the term “stimulate” to be more active than “encourage”, which was weaker, and did not support the amendment.
408. The Employer Vice-Chairperson stated that “encourage” was a very common word, used in the UN Guiding Principles, and it was in line with ILO language.
409. The Worker Vice-Chairperson observed that the reading under the UN Guiding Principle No. 21 stated that “Showing involves communication, providing a measure of transparency and accountability”, which was stronger language than what the amendment was proposing. She therefore preferred to stay in the agreed language of the Drafting Group.
410. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, said they all recognized that transparency was a key issue. They had agreed that global supply chains were complex, and that it was important to have insight in the chain. “Stimulate” was a stronger word than “encourage”, and was suitable. He rejected the amendment.
411. The Employer Vice-Chairperson highlighted that the UN Guiding Principle No. 21 applied to what companies did, not to what States did, and they were here in a discussion regarding governments.
412. The amendment was withdrawn.
413. The Worker Vice-Chairperson introduced an amendment to insert the words “, fight corruption, including by protection of whistle-blowers,”. She said it was logical to discuss the issue of corruption and to fight corruption; whistle-blowing had to be protected.
414. The Employer Vice-Chairperson said he had nothing against the idea, but that the point related to what enterprises did and companies had nothing to do with whistle-blowers.
415. The Worker Vice-Chairperson recalled the point made by the EU and its Member States on stimulating transparency as a general principle. She reiterated that protection of whistle-blowers was important, and that it would force companies to apply legislation. It was not about enterprises, but about what governments should be doing.

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- 416.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, observed that there was a broad agreement to having a reference to corruption. He suggested to add this point as a separate clause. The Worker Vice-Chairperson agreed and proposed as a subamendment a new clause (g) to read “Fight corruption, including by protection of whistle-blowers”.
- 417.** The Employer and Worker Vice-Chairpersons supported the subamendment.
- 418.** The amendment was adopted as subamended.
- 419.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States and the Governments of Canada, Norway, Switzerland and the United States proposed an amendment to insert the words “and, where appropriate, require”. It gave flexibility to governments, and it referred to the UN Guiding Principle No. 3.
- 420.** The Worker Vice-Chairperson supported the amendment.
- 421.** The Employer Vice-Chairperson stated that the amendment said “require that enterprises report”, and the required language of the UN Guiding Principle No. 3 related to how businesses should “communicate”. He asked for clarification.
- 422.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States and the Governments of Canada, Norway, Switzerland and the United States, clarified that the UN Guiding Principles and EU regulations included due diligence and reporting responsibilities.
- 423.** The Worker Vice-Chairperson called on participants to take into account that the discussions aimed at agreeing on conclusions and not at negotiating a legally binding agreement.
- 424.** The Employer Vice-Chairperson reiterated that the proposed amendment could have profound consequences.
- 425.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States and the Governments of Canada, Norway, Switzerland and the United States, noted that regulatory entities can require enterprises to report their due diligence efforts, which can be many or none. The available information on due diligence efforts allowed for transparency and could enable consumers to make better choices.
- 426.** The Employer Vice-Chairperson proposed a subamendment to include “to communicate how they address their human rights impacts” at the end of the sentence. That text would better align the conclusions with the provisions of the UN Guiding Principles.
- 427.** The Workers’ group and the Government members of Australia and the Netherlands, speaking on behalf of the EU and its Member States and the Governments of Canada, Norway, Switzerland and the United States, supported the subamendment.
- 428.** The Government members of Argentina, Mali, speaking on behalf of the Africa group, and the Government member of Uruguay supported the original amendment but not the subamendment.
- 429.** The amendment was adopted as subamended.
- 430.** The Government member of the United Arab Emirates, speaking on behalf of the Asia and Pacific group (ASPAG) with the exception of the Governments of Australia and New Zealand, and seconded by the Government member of India, proposed an amendment to

delete the entire clause (g). He remarked that the 328th Session (November 2016) of the Governing Body included in its agenda the review of trade agreements and labour standards. The Committee conclusions could therefore pre-empt that discussion. He cited the ILO Declaration on Social Justice for a Fair Globalization and the UN Guiding Principles, which discouraged the use of fundamental principles and rights at work for protectionist purposes.

- 431.** The Government member of Brazil, speaking also on behalf of the Government of Guatemala, supported the amendment.
- 432.** The Employer Vice-Chairperson cited the 1998 Declaration on Fundamental Principles and Rights at Work, which stressed that labour standards should not be used for protectionist trade purposes. He questioned the ILO's role and mandate with regard to trade agreement provisions and expressed a preference for the first sentence in bracketed text. Common ground could be found with the amendment proposed if a potential subamendment could align it to the concepts included in the 1998 Declaration on Fundamental Principles and Rights at Work.
- 433.** The Worker Vice-Chairperson reminded the Committee that the International Labour Conference was the supreme organ of the ILO. Hence, it would not be inappropriate for the Committee's conclusions to provide guidance to the Governing Body on its future agenda items. She questioned the Employers' group's reference to the 1998 Declaration on Fundamental Principles and Rights at Work, as the ILO Declaration on Social Justice for a Fair Globalization included more recent consensus with regard to protectionism, labour provisions and trade agreements.
- 434.** The Worker Vice-Chairperson said that she supported the proposal to include wording of Part I(A)(iv) of the 2008 ILO Declaration on Social Justice for a Fair Globalization and proposed a subamendment to add “, taking into account that the fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes” after “Ensure that trade and investment agreements include labour provisions, including core labour standards, to ensure workers' rights and promote compliance”.
- 435.** The Employer Vice-Chairperson noted that although it was older, the ILO Declaration on Fundamental Principles and Rights at Work of 1998 and its Follow-up was the reference for trade agreements and the UN Guiding Principles. The 1998 Declaration was the foundation for the proposed amendment.
- 436.** The Worker Vice-Chairperson indicated that she preferred the more up-to-date language of the 2008 Declaration.
- 437.** The Government members of Guatemala and India supported the amendments proposed by the Government members of Brazil and the United Arab Emirates to delete the clause, taking into consideration that the inclusion of labour provisions was a new topic and could lead to protectionism. The issue of trade and labour standards would be examined by the Governing Body and should not be pre-judged.
- 438.** The Government member of Canada stressed that the amendment submitted by the Employer Vice-Chairperson could be a way forward.
- 439.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, said that a reference to labour provisions should be kept in the proposed conclusions considering that trade agreements had been an important means to promote labour standards and decent work. Trade agreements were instruments negotiated by the parties, therefore the provisions were subject to such negotiation. The International Labour Conference should

provide a signal of the importance of the issue. If a reference to an ILO instrument would be made, that instrument should be the ILO Declaration on Social Justice for a Fair Globalization. The Government members of New Zealand, Norway and Switzerland supported the position of the EU and its Member States.

- 440.** The Government member of Mexico, speaking also on behalf of the Governments of Chile and Uruguay, expressed support to keep the text that made reference to labour provisions in trade agreements. In this respect Mexico had been one of the first countries to introduce labour provisions in the North American Free Trade Agreement (NAFTA). Chile and Uruguay were negotiating a similar agreement, which would include these type of provisions.
- 441.** The Government member of Mali, speaking on behalf of the Africa group, did not support the proposed subamendment and suggested maintaining the original formulation.
- 442.** The Government member of the United States opposed the subamendment.
- 443.** The Government member of the United Arab Emirates suggested moving to a further amendment which dealt with the clause.
- 444.** The two amendments were withdrawn.
- 445.** The Worker Vice-Chairperson proposed an amendment to delete the first bracketed sentence and retain the second bracket sentence: “Ensure that trade and investment agreements include labour provisions, including core labour standards, to ensure workers’ rights and promote compliance.”
- 446.** The Employer Vice-Chairperson stressed that the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up only included Conventions that dealt with human rights, which did not have cost implications, and which did not undermine the comparative advantages of countries. The second bracketed text referred to all the ILO Conventions and could be viewed as trade protectionism. The discussion of trade and labour standards should be addressed in the Governing Body and therefore he could not support the amendment.
- 447.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, supported the Workers’ amendment.
- 448.** The Government member of Brazil did not support the amendment. He could agree to the first bracketed sentence but not the second.
- 449.** The Worker Vice-Chairperson introduced a subamendment and suggested replacing the first half of the second sentence with “Consider to include in trade and investment agreements labour provisions”.
- 450.** The Government member of Guatemala did not support the subamendment as it was not clear.
- 451.** The Government member of the United Arab Emirates reaffirmed that they did not support deleting the first sentence.
- 452.** The Government member of Mali, speaking on behalf of the Africa group, supported no amendments to the text.
- 453.** The Employer Vice-Chairperson stated that the subamendment still had cost implications.

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454. The Government member of Tunisia supported keeping the original formulation and removing the brackets.
455. The Worker Vice-Chairperson, recognizing that this clause was of major importance to Committee members, withdrew her amendment.
456. The Committee turned to an amendment submitted by the Employer members, which would delete the brackets in the first line and, at the end of the first sentence, insert the words “, noting that labour standards should not be used for protectionist trade purposes, and that the comparative advantage of any country should in no way be called into question”.
457. The Worker Vice-Chairperson proposed a subamendment that would entail keeping the first part of the sentence “Consider to include fundamental principles and rights at work in trade agreements” but complement it with “, continue taking into account that the violation of fundamental principles and rights at work cannot be invoked as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes”. This text was taken from the ILO Declaration on Social Justice for a Fair Globalization. The Government member of Mali, speaking on behalf of the Africa group, as well as the Government members of Australia, Switzerland, Turkey, the United States and Uruguay supported the subamendment. The Committee agreed that other amendments to clause (g) would consequently fall.
458. The Government members of Brazil, Guatemala and India did not support the subamendment and expressed their reservations as to the broad interpretation of the proposed text.
459. The Government member of Brazil reiterated his country’s commitment towards labour rights and labour standards. Brazil had ratified 96 ILO Conventions, 80 of which were currently in force. The Brazilian system to protect labour relations was comprised of the labour inspectorate; a specialized labour justice; a labour prosecution office; as well as several tripartite mechanisms. The Brazilian Labour Code had been enacted in 1943. Labour provisions, however, had not been included by Brazil in trade agreements. Moreover, he recalled the previous intervention that stated the preference of Brazil not to duplicate or prejudge, at that stage, debates that would take place over the next cycle, such as the revision of the MNE Declaration, as well as the discussion of labour-related provisions in trade agreements in the Policy Development Section of the Governing Body. He stressed that point 16(g) as it stood or any other reformulation that included references to “trade agreements” could not be supported by his delegation. Therefore he requested the Office to register Brazil’s formal reservation to point 16(g) in the report.
460. The Government members of China, India and the United Arab Emirates also expressed their reservations to point 16(g).
461. The amendment was adopted as subamended.
462. The Worker Vice-Chairperson proposed two amendments to move the text “[in their jurisdiction]” after the word “enterprises”. She stressed that all governments should ensure that enterprises within their jurisdictions respected fundamental principles and rights at work.
463. The Employer Vice-Chairperson said that the new location of the text could be misinterpreted or misconstrued, as only Government members had jurisdiction.
464. The Worker Vice-Chairperson clarified that the paragraph referred to the Government members’ jurisdiction.

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465. The Employer Vice-Chairperson insisted that his group wished to keep “in their jurisdiction” in point 16(h) and proposed a subamendment to place “in their jurisdiction” after “for all workers.”
466. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, proposed a subamendment to delete “in their jurisdiction” because it was evident that governments worked in their own jurisdictions.
467. The Employer Vice-Chairperson said that the importance of having the words “in their jurisdiction” was to be clear and emphasized that this referred to within the geographical limits of the country.
468. The Government member of Mali, speaking on behalf of the Africa group, pointed out that the Committee had discussed the issue previously, agreeing that it should be clear that it was in the jurisdiction of governments, since it was they who must fulfil the requirements listed.
469. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, proposed a subamendment to re-formulate the text, drawing on point I.A.2 of the UN Guiding Principles, to read “Governments should set out clearly the expectation that all business enterprises domiciled in their territory and jurisdiction respect human rights throughout their operations for all workers, including migrant workers, homeworkers, workers in non-standard forms of employment and workers in EPZs”.
470. The Employer Vice-Chairperson and Worker Vice-Chairperson supported the proposed subamendment.
471. The amendment was adopted as subamended.
472. Further amendments to the clause were subsequently withdrawn.
473. Two identical amendments to point 16(i) were proposed by the Worker Vice-Chairperson, the Government of the Netherlands on behalf of the EU and its Member States, and the Governments of Norway and the United States. Speaking on behalf of the Government sponsors, the Government member of the Netherlands proposed to delete “[productivity and]” because it would make the message clearer, as the clause was not about improving productivity.
474. The Worker Vice-Chairperson aligned herself with the comments of the Government member of the Netherlands, and added that her group was of the view that improving working conditions would help improve productivity. Moreover, increasing productivity in the lower segments of the supply chains was highlighted in point 16(j).
475. The Employer Vice-Chairperson did not support deleting references to productivity because there was a close connection between improving productivity and improving wages; working conditions could not be improved and wages could not easily be raised without first improving productivity.
476. The Worker Vice-Chairperson did not support keeping a reference to productivity because it was addressed in point 16(j) in relation to SMEs.
477. The Government member of Switzerland did not support deleting “[productivity and]” because it was important to keep the term in both points 16(i) and 16(j), since improving productivity and working conditions were complementary in supply chains. The connection between the two meant that improving productivity could enable the payment of higher salaries.

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- 478.** The Worker Vice-Chairperson proposed a subamendment to the end of point 16(i) to read “, which would also help to improve productivity” after “decent work”.
- 479.** The Employer Vice-Chairperson did not support the proposed subamendment because productivity must first be improved before addressing working conditions.
- 480.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States proposed a subamendment to add a new final sentence to point 16(i), which read: “Such measures should go hand in hand with increasing productivity”.
- 481.** The Employer Vice-Chairperson and the Worker Vice-Chairperson supported the subamendment.
- 482.** The identical amendments were adopted, as subamended. Two further amendments were withdrawn and one fell as a result.
- 483.** The Worker Vice-Chairperson proposed an amendment, identical to one proposed by the Government member of Italy to insert “and cooperatives” after “(SMEs)”, as in some parts of the world, cooperatives played an important role and provided workers with ways to increase their income. It would therefore be appropriate that these measures should target them as well.
- 484.** The Government member of Spain said cooperatives were part of the social economy, which also included other forms of enterprises. She introduced a subamendment to add “including cooperatives, and other entities of the social economy”. She explained that the social economy included enterprises with democratic decision-making, worker participation and the aim of social integration.
- 485.** The Employer and Worker Vice-Chairpersons supported the subamendment.
- 486.** The amendment was adopted as subamended.
- 487.** The Government member of Brazil, seconded by the Government member of Uruguay, proposed an amendment to add a new clause that stated “In giving effect to their obligation under the Convention to suppress forced or compulsory labour, provide guidance and support to employers and businesses to take effective measures to identify, prevent, mitigate and account for how they address the risks of forced or compulsory labour in their operations or in products, services or operations to which they may be directly linked.” The amendment was based on Paragraph 4(j) of the Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203), since the Recommendation had already envisioned the discussion on global supply chains. He further explained that the amendment also referred to the Forced Labour Convention, 1930 (No. 29) and the Abolition of Forced Labour Convention, 1957 (No. 105).
- 488.** The Employer Vice-Chairperson pointed out that the Protocol of 2014 to the Forced Labour Convention, 1930, was also relevant to this process and supported the amendment.
- 489.** The Worker Vice-Chairperson agreed with the Government of Brazil that this provision was relevant to the current debate. She also supported the mention of the Abolition of Forced Labour Convention, 1957 (No. 105) and the Forced Labour Convention, 1930 (No. 29), as well as the Protocol of 2014 to the Forced Labour Convention, 1930.
- 490.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, supported the proposal.

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491. The Government member of Mali, speaking on behalf of the Africa group, also supported the proposal.
492. The Government member of Lesotho suggested referencing the relevant instruments in a footnote.
493. The Government member of the United States supported the amendment. He requested clarity on whether there would be guidance to employers and businesses to support these measures. He gave the example of the work conducted by his Government in agricultural supply chains in Brazil. He wanted to make sure that this would not limit the original objective, which was to get governments to work with businesses.
494. The Government member of Mexico supported naming the relevant instruments in the text.
495. The Worker Vice-Chairperson did not want to link action on forced labour only to countries where the relevant Conventions had been ratified. She suggested to add “in line with the Forced Labour Convention, 1930 (No. 29), the Abolition of Forced Labour Convention, 1957 (No. 105) and the Protocol of 2014 to the Forced Labour Convention” at the end. This would not force governments, and would make it more readable.
496. The Government member of Brazil said they had been trying to be faithful to the text of the Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203). He suggested to mention “the Conventions that address forced labour”, using the plural, to cover all relevant instruments.
497. The Worker Vice-Chairperson proposed a subamendment to insert at the beginning of the clause “In order to suppress forced and compulsory labour, provide guidance and support to employers and business to take effective measures”.
498. The amendment was adopted as subamended.
499. The Government member of Mali, speaking on behalf of the Africa group, submitted an amendment to add after clause (k), a new clause, as follows: “Cooperate through regional bodies to harmonize laws and practices, in order to ensure decent work in global supply chains” in order to take into account their concerns expressed during the general discussion.
500. The Employer Vice-Chairperson proposed a subamendment to insert “and/or improve policy coherence between countries” after “Cooperate through regional bodies to harmonize laws and practices”. The concept of harmonizing laws could apply to some regions but not worldwide. Policy coherence would be more practical.
501. The Worker Vice-Chairperson supported the amendment and the subamendment. She said that harmonization was discussed in the European context, but also the issue of convergence was increasingly being discussed. Convergence in regional approaches was important in the context of global supply chains, particularly facing situations where Governments of certain regions feared implementing certain regulations that could encourage business to move elsewhere. The promotion of regional cooperation was highly relevant.
502. The Government member of the Netherlands, speaking on behalf of the EU and its Member States, supported the amendment and the subamendment. The amendment was adopted as subamended.
503. The amendment was adopted as subamended.
504. Point 16 was adopted as amended.

Point 17

- 505.** The Worker Vice-Chairperson submitted an amendment to delete “[and in the interest of harmonious industrial relations]”, in line 1, after the words “social partners”. She said that the aim was to promote decent work, and social dialogue was essential to achieve this. However, while industrial relations had a role to play, the main objective and interest of the social partners in this point was to jointly promote decent work.
- 506.** The Employer Vice-Chairperson supported the amendment.
- 507.** The amendment was adopted.
- 508.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, as well as the Governments of Canada, Norway and the United States, submitted an amendment to delete in the second line the words “[consider to]”, since the social partners had a real intention to promote decent work and the fundamental principles and rights at work in global supply chains.
- 509.** An identical amendment was submitted by the Worker Vice-Chairperson. She said that in the context of the ILO there were a variety of ways to promote decent work and social partners had a commitment in this regard. From the trade unions perspective there was a firm intention to promote, if possible together with the Employers, decent work and fundamental principles and rights at work in global supply chains.
- 510.** The Employer Vice-Chairperson supported the amendment.
- 511.** The amendments were adopted.
- 512.** The Worker Vice-Chairperson withdrew a further amendment, and as a consequence a further amendment submitted by the Employer members fell.
- 513.** The Employer Vice-Chairperson submitted an amendment to, from lines 4 to 7, delete the text “through sectoral initiatives, collective agreements, cross-border social dialogue and international framework agreements [, where appropriate]. [Particular attention should be paid to the rights to freedom of association and collective bargaining, especially for vulnerable groups of workers in global supply chains.]”. He proposed withdrawing the amendment in order to advance with the discussions, and would support keeping the original text subject to the Worker’s withdrawal of their amendment to point 17 which proposed deleting the words “[where appropriate]”.
- 514.** The Worker Vice-Chairperson and the Employer Vice-Chairperson withdrew their respective amendments.
- 515.** Point 17 was adopted as amended.

Point 18

- 516.** The Employer Vice-Chairperson submitted two linked amendments to keep the text in brackets, but replace “complaints” with “operational-level grievance” and to delete the words “for workers within their supply chains”. The language of the UN Guiding Principles referred to operational-level grievance mechanisms. The establishment of these mechanisms applied regardless of the tier in the global supply chain, as it was an obligation directed to the employers.

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- 517.** The Worker Vice-Chairperson did not accept the amendment and proposed to explicitly state in the text that business enterprises had to establish such mechanisms.
- 518.** The Employer Vice-Chairperson responded by reiterating that a reference to the operational level implied that such mechanisms had to be established. Moreover, the term global supply chains was not necessary because, according to the UN Guiding Principles, operational-level grievance mechanism had to be established by an enterprise regardless of whether or not it was part of a global supply chain. He also clarified that the text should read: “They should establish operational-level grievance mechanisms for workers in line with the UN Guiding Principles”.
- 519.** The Worker Vice-Chairperson reiterated their request to introduce “Business enterprises” at the beginning of the sentence, to clarify who should be responsible to implement the operational-level grievance mechanisms.
- 520.** The Employer Vice-Chairperson reiterated that the inclusion of “business enterprises” was not necessarily based on the previous explanations.
- 521.** The Worker Vice-Chairperson proposed a further subamendment replacing “for workers in their supply chains with” “for workers impacted by their operations” as it was in line with the UN Guiding Principles.
- 522.** The Employer Vice-Chairperson, the Government member of Mali, speaking on behalf of the Africa group, the Government member of the Netherlands, speaking on behalf of the EU and its Member States, and the Government member of the United States supported the subamendment.
- 523.** The Government member of Uruguay supported the subamendment but queried whether this subamendment covered workers outside of a company’s supply chain.
- 524.** The Employer Vice-Chairperson stated that the obligation under the UN Guiding Principles was to be sure that enterprises had grievance mechanisms for their own employees but this could also include people outside in the community if they were impacted.
- 525.** The amendment was adopted as subamended.
- 526.** Point 18 was adopted as amended.

Point 19

- 527.** Point 19 was adopted without amendments.

Point 20

- 528.** Point 20 was adopted without amendments.

Point 21

- 529.** The Government member of Brazil, speaking on behalf of the Government members of Argentina, the Plurinational State of Bolivia, Chile, Ecuador, Guatemala, Mexico, Panama, Paraguay and Uruguay, proposed an amendment. He suggested adding to the end of point 21, “that can support, but not replace, the effectiveness and efficiency of public governance

systems”. He stated that this captured the efforts of other stakeholders but that they should not replace public governance systems.

- 530. The Worker Vice-Chairperson stated that although point 10 referred to public governance, it was in the context of compliance and enforcement. In point 22, the language was broader and she could not support the amendment.
- 531. The Government member of Brazil stated that their intention was to ensure that multi-stakeholder initiatives did not replace public governance systems.
- 532. The Worker Vice-Chairperson stated that after the Government member of Brazil’s clarification they could support the amendment.
- 533. The Employer Vice-Chairperson supported the amendment.
- 534. The amendment was adopted.
- 535. Point 21 was adopted as amended.

Point 22

- 536. The Worker Vice-Chairperson proposed an amendment to insert in line 3, after “(2008)” “the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)”.
- 537. The Employer Vice-Chairperson supported the amendment.
- 538. The amendment was adopted.
- 539. The Government member of Japan, speaking also on behalf of the Governments of Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the United Kingdom and the United States suggested an amendment.
- 540. He suggested in lines 4 and 5, replacing the words “, the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98),” with “the eight fundamental Conventions, the Protocol of 2014 to the Forced Labour Convention, 1930, the Labour Inspection Convention, 1947 (No. 81), the Employment Service Convention, 1948 (No.88),”.
- 541. The Worker Vice-Chairperson supported adding the missing Conventions but did not support the deletion of explicit reference to the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). She suggested a subamendment adding “including the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98)” after “the fundamental Conventions”.
- 542. The Employer Vice-Chairperson supported the subamendment.
- 543. The amendment was adopted as subamended.

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544. The Worker Vice-Chairperson proposed an amendment to insert, after “(No. 177),” “the Maternity Protection Convention, 2000 (No. 183),”.
545. The amendment was adopted.
546. The Government member of Japan speaking also on behalf of the Governments of Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the United Kingdom and the United States proposed an amendment to add after the words “(No. 181),” the words “the Work in Fishing Convention, 2007 (No. 188),”.
547. The Worker Vice-Chairperson supported the amendment but proposed a subamendment to insert the words “Maritime Labour Convention, 2006” after “(No. 181)”.
548. The Employer Vice-Chairperson stated that every ILO Convention was relevant and all Conventions should be given attention. He supported the amendment and subamendment.
549. The amendment was adopted as subamended.
550. An amendment fell as consequence of the adoption of the previous amendment.
551. The Employer Vice-Chairperson proposed an amendment to add, after the words “the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144),” “the Conclusions concerning Labour Administration and Labour Inspection adopted by the International Labour Conference at its 100th Session (2011)”.
552. The Worker Vice-Chairperson expressed support for this amendment.
553. The amendment was adopted.
554. Point 22 was adopted as amended.

Point 23

555. The Employer Vice-Chairperson proposed an amendment to delete clause (c).
556. The Worker Vice-Chairperson introduced a subamendment keeping part of the original text but including the words “, on joint request” after the text “facilitate the process” and deleting the rest of the sentence until “minimum requirements”.
557. The Employer Vice-Chairperson and the Government members of Bangladesh, Brazil, India and Indonesia expressed concern with regard to the interpretation of “monitoring, mediation and dispute settlement” and questioned whether this text could be misconstrued to undermine the Office’s neutrality and ILO tripartism.
558. The Worker Vice-Chairperson added to the subamendment the words “where appropriate” at the end of the clause to address those concerns. She clarified that the expectation of ILO activities with regard to this paragraph should not be viewed as undermining national judiciary systems, nor as establishing an international judiciary machinery.
559. The Government member of Brazil, supported by the Government members of Bangladesh and India, introduced a further subamendment to move the text “where appropriate” after the words “follow up process” and thereafter deleting the rest of the sentence.

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- 560.** The Worker and Employer Vice-Chairpersons, and the Government members of Canada, Mali, speaking on behalf of the Africa group, the Netherlands, speaking on behalf of the EU and its Member States, the United States and Uruguay did not support the amendment.
- 561.** The Government members of Bangladesh, Brazil and India reiterated their reservations with regard to the ILO and the Office playing a role in bipartite mediation and dispute settlement mechanisms.
- 562.** The Government member of Uruguay introduced a further subamendment to include the text “assist” in replacement of the words “plays a role”.
- 563.** The amendment was adopted as subamended.
- 564.** The Worker Vice-Chairperson introduced an amendment to point 23(e) to insert “UN organizations” after the words “such as” because it was important to mention the UN family of organizations.
- 565.** The Employer Vice-Chairperson considered that it was clear that the UN organizations were taken as embedded in the text. However, he was not opposed to the proposed amendment.
- 566.** The amendment was adopted.
- 567.** The Government member of India introduced an amendment to point 23(e), seconded by the Government member of the United Arab Emirates, to delete “and the OECD Guidelines for Multinational Enterprises” because many countries were not members of the OECD and were unaware of the National Contact Points.
- 568.** The Employer Vice-Chairperson did not support the proposed amendment. One of the most important principles for the employers was not to undermine the OECD guidelines because it was the most effective process in operationalizing the UN Guiding Principles.
- 569.** The Worker Vice-Chairperson did not support the proposed amendment because the ILO tried to have a global approach to global supply chains, but other approaches should be recognized.
- 570.** The Government members of Bangladesh, China and Indonesia supported the proposed amendment.
- 571.** The Government members of New Zealand and Switzerland opposed the proposed amendment.
- 572.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States said that the Government of Norway aligned itself with the statement. He concurred with the views expressed by the Employer Vice-Chairperson and Worker Vice-Chairperson and opposed the amendment. It was important not to undermine the OECD Guidelines for Multinational Enterprises, and the ILO should not act as a “lone ranger”. He proposed keeping the reference to the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises.
- 573.** The Government member of Uruguay proposed a subamendment to insert “as well as other reference instruments such as the OECD Guidelines for Multinational Enterprises” after “the UN Guiding Principles”.
- 574.** The Government member of the United States did not support the original amendment because the issue was about working in partnership, learning and taking into account existing

instruments. He supported the subamendment proposed by the Government member of Uruguay, although the language might have to be revised.

- 575.** The Worker Vice-Chairperson supported the proposed subamendment.
- 576.** The amendment was adopted as subamended.
- 577.** The Government member of India introduced an amendment to, seconded by the Government member of the United Arab Emirates, to delete the last sentence of point 23(e) because he considered such a role to be outside the remit of the ILO.
- 578.** The Employer Vice-Chairperson considered that the role of mediator was a very particular skill and the ILO did not possess that. They supported the amendment, but without the last sentence.
- 579.** The Worker Vice-Chairperson stated that the OECD Guidelines for Multinational Enterprises were an inclusive instrument which was also open to non-OECD countries. Various countries that were not members of the OECD had voluntarily chosen to adopt the guidelines. She said that the ILO gave advice on matters it had experience in, which were labour issues, adding that National Contact Points often worked on labour standards. She supported the content, but she would be ready to delete the part in brackets.
- 580.** The Employer Vice-Chairperson proposed an amendment to delete “[in this respect, reflect upon how to set up and implement mediation and conciliation mechanisms]”. He said he had already given the rationale for it earlier. He added that the amendment references the review process of the MNE Declaration, so he had no problem to include it in the conclusions.
- 581.** The Worker Vice-Chairperson proposed a subamendment, taking out “within the review process of the MNE”, keeping “taking into account”, and then inserting a new sentence “within the review process of the MNE declaration, it should consider the setting up of mechanisms to address dispute”.
- 582.** The Government member of Uruguay asked for clarification on the proposed dispute mechanism.
- 583.** The Worker Vice-Chairperson responded that they would all be involved in the discussion to develop these mechanisms in the context of the review of the MNE Declaration.
- 584.** The amendment was adopted as subamended. As a consequence, two proposed amendments fell.
- 585.** Point 23 was adopted as amended.

Point 24

- 586.** Point 24 was adopted without amendments.

Point 25

- 587.** The Worker Vice-Chairperson proposed an amendment, identical to one proposed by the EU and its Member States, as well as the Governments of Norway and the United States, to delete the first bracketed text. She stated that the ILO must take the issue of decent work in global supply chains further. In point 22 it was highlighted how many ILO standards were

relevant to global supply chains. She stressed that what was needed was an open door for further action and it was necessary to review the vast body of standards and ensure that they were fit for purpose. She concluded that it was logical to address these issues in an open tripartite manner.

- 588.** The Employer Vice-Chairperson expressed his continued support for the first bracketed text, but in the spirit of compromise, he proposed wording that comprised the following ideas:
- (a) “Undertake a review of the implementation of the conclusions of the Committee on Decent Work in Global Supply Chains;
 - (b) Assess the conditions of decent work in global supply chains;
 - (c) Identify the salient challenges of governance to achieving decent work in global supply chains; and
 - (d) Consider what guidance and measures are needed to facilitate reducing decent work deficits in global supply chains.”
- 589.** He clarified that the term “measures” also included, but was not limited to, standards. However, a broader term could allow for the meeting of experts to review a wide array of mechanisms. He also proposed an amendment to insert the word “consensus” between the words “by” and “decision”.
- 590.** The Government member of the Netherlands, speaking on behalf of the EU and its Member States, noted that the second bracketed text proposed by the Government members of the Drafting Group encompassed a balanced compromise taking into consideration the broad views of Employers, Workers and the diverging views of Government members.
- 591.** The Government member of Mali, speaking on behalf of the Africa group, and the Government member of Mexico, speaking on behalf of the Government members of the Group of Latin American and Caribbean countries (GRULAC), supported the second bracketed text.
- 592.** The Government member of Indonesia also supported the second bracketed text, noting that certain countries could have more challenges in adjusting to some of the ILO’s standards. He called for the Committee to consider the reality of some developing countries who might lag behind in achieving decent work standards or policy implementation within supply chains.
- 593.** The Employer Vice-Chairperson proposed a subamendment [22.1.1] to replace the words “to explore what additional guidance and/or standards are needed to effectively promote decent work in global supply chains” with: “(1) assess the failure which lead to decent work deficits in global supply chains; (2) identify the salient challenges of governance to achieving decent work in global supply chains; (3) consider what guidance, programmes, measures, initiatives or standards are needed to promote decent work and/or facilitate reducing decent work deficits in global supply chains.” He also withdrew his amendment to require a Governing Body decision by consensus.
- 594.** The Government member of New Zealand supported the subamendment.
- 595.** The Government member of India, seconded by the Government member of the United Arab Emirates, introduced a further subamendment to replace “standards” with “means of action” in the first line. This would align the rest of the clause with the range of measures envisaged.

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- 596.** The Worker Vice-Chairperson, the Government member of Mali, speaking on behalf of the Africa group, the Government member of the Netherlands, speaking on behalf of the EU and its Member States and the Government member of the United States, did not support the subamendment proposed by the Government member of India and indicated support for the subamendment proposed by the Employer Vice-Chairperson.
- 597.** The amendment was adopted as subamended. As a consequence, a number of further amendments to point 25 fell.
- 598.** Point 25 was adopted as amended.
- 599.** The Government member of Spain, speaking on behalf of the Spanish text working group, said that 26 linguistic amendments had been reviewed. The working group proposed the approval of 16 amendments. Further amendments were withdrawn, and two were subamended. The proposed amendments were adopted.
- 600.** A number of linguistic amendments concerning the French language were referred to a group of members to review. Points 8, 11, 13 and 15 were adopted, on the understanding that the translations would be aligned to retain coherence with the English text to the extent possible.

Adoption of the title and draft conclusions as a whole

- 601.** The title and draft conclusions were adopted as amended.

Adoption of the draft resolution

- 602.** The draft resolution was adopted without amendment.

Closing remarks

- 603.** The Worker Vice-Chairperson thanked the Chairperson for her leadership of the Committee, the Office for its contribution and all Governments for their commitment to the issue. She had been impressed by the constructive participation of Government members from all continents, which demonstrated that it really was a real global issue. While there were still questions left unanswered, she was sure that further efforts would lead to solutions being found. She extended special thanks to the Employer Vice-Chairperson and to her own group for their input and support.
- 604.** The Employer Vice-Chairperson thanked the Chairperson for her guidance, the Office for their work before, during and after the Committee, and the interpreters and the translators for their efforts. He further acknowledged the useful participation of Governments and the diversity of views they had expressed and experiences they had brought to the draft conclusions. He thanked the Worker Vice-chairperson for her resolute determination and willingness to find consensus. Lastly, he expressed his gratitude to his colleagues in the Employers' group.

605. The Chairperson concluded the work of the Committee by thanking everyone in the Committee and expressed her pride in the spirit of consensus demonstrated throughout the discussions.

Geneva, 9 June 2016

(Signed) J. Pitt
Chairperson

E. Potter
Employer Vice-Chairperson

C. Passchier
Worker Vice-Chairperson

S. Casado
Reporter

Appendix

Fate of amendments to draft conclusions

1. The following amendments were adopted:
D.5, D.6, D.8, D.15, D.20, D.24, D.28, D.29, D.34, D.35, D.36, D.39, D.40, D.48, D.49, D.62, D.73, D.75, D.78, D.94, D.95, D.98, D.102, D.100, D.106, D.108, D.109, D.110, D.111, D.113, D.115, D.117, D.118, D.121, D.123, D.124
2. The following amendments were adopted, as subamended:
D.4, D.13, D.16, D.22, D. 23, D.26, D.30, D.31, D.33, D.41, D.44, D.46, D.53, D.54, D.55, D.56, D.61, D.63, D.66, D.76, D.77, D.80, D.87, D.103, D.105, D.122
3. The following amendment was rejected:
D.21, D.68
4. The following amendments fell:
D.9, D.10, D.12, D.14, D.17, D.32, D.42, D.50, D.51, D.52, D.67, D.79, D.82, D.84, D.86, D.91, D.93, D.96, D.97, D.99, D.125
5. The following amendments were withdrawn:
D.11, D.19, D.25, D.27, D.37, D.38, D.43, D.45, D.47, D.57, D.58, D.59, D.60, D.64, D.65, D.69, D.70, D.71, D.72, D.74, D.81, D.83, D.85, D.88, D.89, D.90, D.92, D.101, D.104, D.107, D.112, D.116, D.119, D.120

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