

Towards a more sustainable world – the UE efforts to establish more decent work conditions

Andželika Kuźnar

ORCID iD: 0000-0002-7042-4592

andzelika.kuznar@sgh.waw.pl

Warsaw School of Economics, Institute of International Economics, Warsaw, Poland

DOI 10.18267/pr.2023.kre.2490.9

Abstract: The aim of the paper is to present the evaluation of the EU activities in the promotion and implementation of more decent work conditions and therefore its contribution to achieving sustainable development goals (SDGs) outside EU.

The EU enforces sustainable development using different policies, including trade policy. Among specific sustainability issues addressed by the EU in trade agreements are human and labour rights, responsible business conduct and environmental protection. In such a way the EU contributes to the promotion of “sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” (SDG 8). The EU’s portfolio of activities affecting third countries includes many solutions: 1) all recent EU free trade agreements contain chapters devoted to SDGs; 2) domestic and imported products made with forced labour may soon be banned on the EU market; 3) EU supports ILO’s efforts to improve labour conditions in third countries. At home, the EU is determined to achieve SDG goals set in agenda 2030, it also promotes the vision of Industry 5.0, in which the wellbeing of a worker is central for the production process. The results indicate that the EU is coherent in its policy – the model for enforcing labor rights in external relations is based on dialogue and cooperation, just as it is in domestic policy making.

Keywords: decent work, EU trade agreements, labour rights, social clause, sustainable development

JEL Classification codes: F13, F15, F16

INTRODUCTION

Sustainable development goals are the subject of both the domestic policies of countries, as well as the subject of international cooperation and foreign policy of some countries and the EU. One of the areas through which countries are pursuing SDGs in other countries is trade policy. Trade agreements concluded by both EU and many non-EU countries include Trade and Sustainable Development (TSD) provisions. They have different institutional or regional origins, they differ in scope, implementation provisions and effects. There are two main approaches to enforcement of SDGs in third countries: the promotional one (or collaboration system), used by the EU, and sanction-based one (or cooperation or conditional system), used by Canada and US.

SDG provisions have become a standard part of all recent free trade agreements (FTAs) concluded by the European Union (Duina & Viju-Miljusevic, 2023, p. 129-148). In such a way the EU not only undertakes actions to progress towards fulfillment of SDG goals at home, but it also affects third countries’ policies in this regard. The EU conducts trade relations with the aim of promotion or exports of its values, laws, standards and norms (Borchert et al., 2021; Marx et al., 2016).

The purpose of the article is to examine the extent to which the EU is consistent in its policies: whether the philosophy of achieving the SDGs at home is similar to the ways it seeks to meet them in third countries. The ways of EU's exports of values by means of trade policy are examined and the critical evaluation the portfolio of EU's activities in achieving SDG goal no 8, which relates to "sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" is made.

The paper consists of four sections. The first one investigates the EU trade policy as an instrument of enforcement of sustainable development goals. It outlines changes that have taken place in EU trade policy, resulting in the inclusion of TSD chapters in all FTAs since 2011. The second section is devoted to Goal 8 and meeting the SDGs relating to decent work. Next section aims in investigating the EU trade policy as an instrument for implementing decent work conditions in third countries, while the last one concentrates on EU actions and achievements in terms of meeting SDG 8 in member states.

1 LITERATURE REVIEW

There are different means of promotion of SDGs, labour provisions in particular, in third countries. The EU carries it out by using "soft" instruments, such as dialogue and collaboration contrary to the cooperation (conditional) sanctioning system used by some non-EU countries. In 2013 about 40% of trade agreement (especially US and Canadian ones) that included labour provisions had a conditional dimension, i.e., a sanction or a benefit in case of compliance. They allow for sanctions if particular labour standards are violated after ratification of trade agreement or they condition concluding the agreement on respect for particular labour standards (ILO, 2015).

There are claims that the EU uses FTAs to export its standards abroad, especially to neighboring countries that integrate with the EU and to developing countries. In both instances, the argument is raised that there is an asymmetric dependency relationship in which these countries are rule-takers vis-à-vis the EU (Duina & Viju-Miljusevic, 2023, p. 140). However, there is an ongoing debate on whether the EU promotional system is effective or whether the EU should start using tougher instruments of influence. So far, as the results of the studies indicate, there is no conclusive evidence as to which system is more effective.

Hradilová & Svoboda (2018) discussed the practice related to TSD chapters in the EU FTAs and compared it with the model promoted by the US. They came to the conclusion that the sanction-based approach used by the US was not effective in case of Guatemala, while the cooperation model used by the EU, along with capacity building (e.g., strengthening of civil society participation) is a more relevant approach.

Campling et al. (2016) examine the possibilities and limitations of promotional and conditional approaches to labour provisions in trade agreements. Authors propose a research agenda for evaluating the effects of the EU FTAs regarding labour provisions. They underline that the academic literature has concentrated on reasons of integration of labour standards in EU trade agreements, while the outcomes for workers in third countries are not comprehensively evaluated. They argue that empirical studies are needed to examine the effects of labour provisions in specific countries.

The implementation of labour provisions under the EU-Columbia FTA was investigated by Marx et al. (2016). They pointed out that both the credibility of the EU and effectiveness of TSD chapters is negatively affected by their design and application. Contrary to US-Columbia agreement, as Marx et al. claim, there is no close monitoring and follow up on the implementation and enforcement of labour provisions in EU-Columbia agreement.

Orbie et al. (2017) investigated the effects of labour rights commitments in EU-Peru-Columbia FTA, with special focus on Peru's agricultural sector and the civil society involvement. The results indicate that labour protection in Peru possibly violated the country's agreement with the EU, despite Peru's ratification of all fundamental ILO's Conventions.

Tran et al. (2017) examined the role of trade-labour linkages in transforming Vietnam's labour regime. They found out that external factors (such as trade agreements) had a minimal effect on improving labour conditions in Vietnam, but prospects for strengthening the right to associate are improved by the possibility of sanctions (as in case of Trans-Pacific Partnership). Thu & Schweißhelm (2020) argue that if partners do not share the same political values (as in the case of Vietnam and EU) and formulate labour standards as part of their trade agreement, the chances for improving labour standards and establishment and functioning of representative and balanced civil society structures are low. They also argue that in such case only ex-ante conditionality can safeguard civil society participation and labour rights compliance in trade agreements.

García (2022) examined the recent decision of panel of experts stating that the South Korea has not acted consistently with its sustainable development obligations under the EU-Korea trade agreement. She argues that the dedicated dispute settlement system, if enforced vigorously, can provide an alternative to sanctions. The case of Korea and ratification – soon after the panel' decision – of the fundamental ILO's Conventions confirms this statement. Harrison et al. (2019) focused on TSD chapters in EU FTAs with the Caribbean, South Korea and Moldova. They argue that the impact of TSD chapters upon labour standards have been hindered due to operational failings, such as lack of legal and political prioritization of TSD chapters and shortcomings in the implementation of key provisions.

Stoll et al. (2018) propose a model labour chapter to be included into future EU trade agreements. It is intended as a template in future EU trade negotiations. International rules and standards on labour issues are integrated to the proposed model chapter. According to this proposal, the parties should not only ratify and implement all fundamental ILO Conventions and their Protocols, but they should go beyond fundamental rights and include additional issues, such as health and safety standards at work, regulations on decent living wages and working hours. Another novelty would be a dispute settlement procedure designed to address violations of the substantive obligations included in the labour chapter. This would move the EU system away from a promotional one to the sanctions-based regime used in American agreements.

2 METHODOLOGY

The research method is based on the critical review of literature and the analysis of source materials (the texts of the Agreements and official documents). The EU policy papers, reports and expert commentaries were critically analysed. The Author discusses two main approaches to the promotion of SDGs by countries and provides arguments for different approaches. A descriptive analysis of statistical data relating to the SDGs was also carried out.

3 RESULTS AND DISCUSSION

3.1 EU trade policy as an instrument of enforcement of sustainable development goals

The EU trade policy in 21st century is much different to what it was 20 years ago. The scope of trade agreements negotiated and signed by the EU broadened, and they now include topics

far beyond trade. Sustainability issues, such as human rights, labour and environmental standards, responsible business conduct are among core new topics. The first sustainability provisions with respect to labour and environmental standards were included in 2008 EU-Cariforum Economic Partnership Agreement (*The EU-CARIFORUM Economic Partnership Agreement*, 2008). Sustainability issue in this agreement is explicitly based on the “essential and fundamental” elements set out in the Cotonou Agreement, i.e., human rights, democratic principles, the rule of law, and good governance. Exactly the same has been done in the EU SADC (Southern African Development Community) Economic Partnership Agreement signed in 2016 (*The EU-SADC Economic Partnership Agreement*, 2016).

The first free trade agreement to include separate Trade and Sustainable Development (TSD) chapter and be the first “new generation” trade agreement is the 2011 FTA with Korea (*Comparative Analysis*, 2022, p. 39; *EU Trade Relations with South Korea*, 2023). Currently TSD chapters are included in 11 agreements (with: Canada; Central America¹; Colombia, Peru, and Ecuador; Georgia; Japan; Moldova; Singapore; South Korea; Ukraine; United Kingdom; Vietnam). Seven more are awaiting ratification or are still negotiated (*Sustainable Development in EU Trade Agreements*, 2023).

The “new generation” agreements are an element of the EU’s broader strategy combining economic objectives with social and political ones through which the EU pursues the policy of “change through trade” (Kužnar & Menkes, 2022). EU encourages its partners to base their trade relations on the foundation of adopted values and verifies their implementation. The legal basis of the policy of such “conditionality” are the norms of the TEU and TFEU (*The Treaty on European Union*, 2012; *The Treaty on the Functioning of the European Union*, 2012). The Commission in 2015 made a commitment to “a trade and investment policy based on values” (*Trade for All*, 2015). The catalogue of values included in “new agreements” comprises: the “provisions whereby the Parties will reiterate their commitment to promote, protect and fulfil human rights and fundamental freedoms, which are universal and indivisible, as well as to promote the values of democracy, good governance, the rule of law, and the principles of non-discrimination, equality and solidarity” (*Answers from the Commission to Written Questions*, 2018).

Apart from pursuing the policy of change through trade, the EU is committed to implementing Agenda 2030 (*Transforming Our World: The 2030 Agenda for Sustainable Development*, 2015) and its 17 Sustainable Development Goals into EU policies. It does so by using a mix of different tools and policies, one of which is trade policy. Promotion of sustainable development within the EU and in third countries through trade policy originates in European Commission’s Communication “Trade for All: Towards a more responsible trade and investment policy” (*Trade for All*, 2015). An integral part of “new agreements” are Trade and Sustainable Development (TSD) chapters. Usually, TSD chapters contain commitments to ratify and effectively implement multilateral instruments on core environmental and labor standards; commitments not to lower domestic levels of protection and/or no to enforce them as trade leverage; and aspirational commitments to gradually raise overall levels of protection (Mazzotti, 2021).

The EU not only includes TSD provisions in FTAs, but it also acknowledges the need to make sure that regulations are implemented and respected. Therefore, in 2017 a public debate on how to improve the implementation and enforcement of TSD chapters in EU trade agreements was launched and a 15-Point Action Plan was released by the Commission in 2018 (*Comparative Analysis*, 2022, p. 39; Non-paper of the Commission services, 2018). The EU meets its partners regularly to discuss implementation of TSD commitments in the trade agreement between them. A complaint may be lodged (by EU Member States or EU civil society

¹ Panama, Guatemala, Costa Rica, El Salvador, Honduras, Nicaragua.

representatives) in case of violation of commitments. In 2021 The European Commission conducted a review of this Action Plan. One of the results was “Communication on the power of trade partnerships: together for green and just economic growth” adopted by Commission in June 2022 (*Communication on the Power*, 2022). It underlines the EU commitment to the protection of the environment and labour rights worldwide: “The EU is strongly committed to ensuring that its trade agreements foster sustainability, so that economic growth goes together with the protection of human rights, decent work, the climate and the environment, in full adherence with the Union’s values and priorities” (Introduction).

The *Communication* identifies specific actions aimed at enhancing the contribution of EU trade agreements to promoting the protection of the environment and labour rights in six policy priorities:

1. “The need to be more proactive in cooperating with partners;
2. Stepping up a targeted and country-specific approach to TSD;
3. Mainstreaming sustainability beyond the TSD chapter of trade agreements;
4. Increasing monitoring of the implementation of TSD commitments;
5. Strengthening the role of civil society;
6. Strengthening enforcement by means of trade sanctions as a measure of last resort” (*Sustainable Development in EU Trade Agreements*, 2023).

The results of including TSD chapters into EU FTAs are ambiguous. There is no wide agreement that the positive change sought by the EU has occurred in partner countries. Some stakeholders, scholars, several Member States, and Parliament were even calling for introducing sanctions in order to better enforce the rules (Bronckers & Gruni, 2021). On the other hand, the Commission’s original policy, which is still promoted, is the soft “cooperative” approach. According to this approach, desired reforms in trading partners may occur as an ex-post result of implementing the trade agreement. They provide a framework for dialogue, cooperation, and/or monitoring rather than drawing consequences for not compliance. However, trade sanctions have been mentioned recently (June 2022) as a measure of last resort (*Communication on the Power*, 2022).

3.2 Decent work for all in a sustainable development agenda

The ILO has developed a Decent Work Agenda before it was integrated into Agenda 2030. Decent work is the one that is based on four pillars: access to jobs, social protection, rights at work and social dialogue. Decent work is not just any job, is it the one that provides workers with fair income, it gives dignity and equal rights for men and women. It allows employees to realize their work aspirations and involves opportunities for personal development². People are free to express their concerns, to organize and participate in decisions that affect their lives (ILO, 2023a).

Decent work is a driving force of sustainable development. The economic growth and decent work are interconnected: more decent jobs create better conditions for stronger and more inclusive economic growth, while improved growth promotes creation of better jobs. Moreover, decent work for all reduces inequalities, increases resilience and facilitates transition towards more sustainable economy.

Therefore, in September 2015, decent work and the four pillars of the Decent Work Agenda have been integrated to the 2030 Agenda for Sustainable Development. Goal no 8 of SDGs calls for: *Promoting inclusive and sustainable economic growth, employment and decent work*

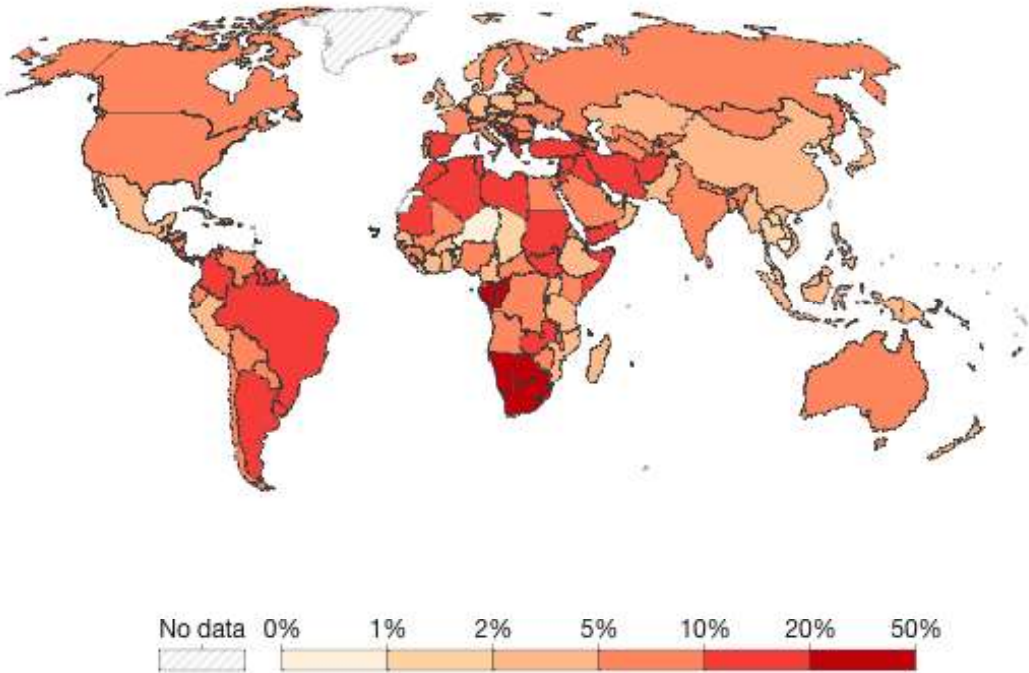
² This matter in relation to migrant workers is the subject of, often difficult, cooperation between the ILO and the UN.

for all. There are 12 Targets and 17 Indicators for this goal. The targets that are most directly connected with the decent work are 8.5, 8.6, 8.7 and 8.8. Some elements of decent work are also embedded in the targets of many of the other 16 SDGs.

Target 8.5 concentrates on full employment and decent work with equal pay. The UN aim by 2030 is to “achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value”. There are two indicators that help to track whether the target is achieved. Indicator 8.5.1 is the average hourly earnings of female and male employees, by occupation, age and persons with disabilities and Indicator 8.5.2 is the unemployment rate, by sex, age and persons with disabilities. Target 8.6 is “by 2020, substantially reduce the proportion of youth not in employment, education or training”. Target 8.7 aims to “take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms”. And target 8.8 is: “protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment” (*Transforming Our World: The 2030 Agenda for Sustainable Development*, 2015).

As presented in Map 1, the unemployment rates in the world in 2021 varied from over 20%, mostly in African countries (South Africa, Djibouti, Eswatini, Botswana, Lesotho, Congo, Gabon, Namibia) as well as in Palestine and Armenia, to over 10% in South America and northern part of Africa and Middle East, to much lower rates in the rest of the world.

Map 1 Unemployment rate in the world, 2021

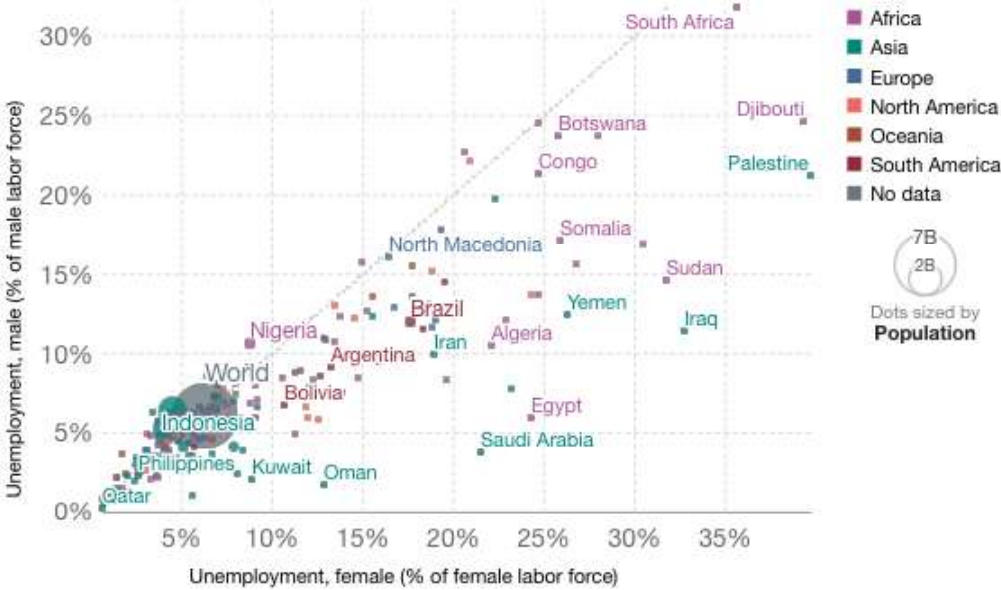


(Unemployment refers to the share of the labor force that is without work but available for and seeking employment).

Source: (Our World in Data, 2021a)

Unemployment rates among females remain higher than of males in most of the countries presented in Figure 1. The world data indicate on average slightly more unemployed women (6.36%) than men (6.06%).

Figure 1 Unemployment rate of males vs. females, 2021



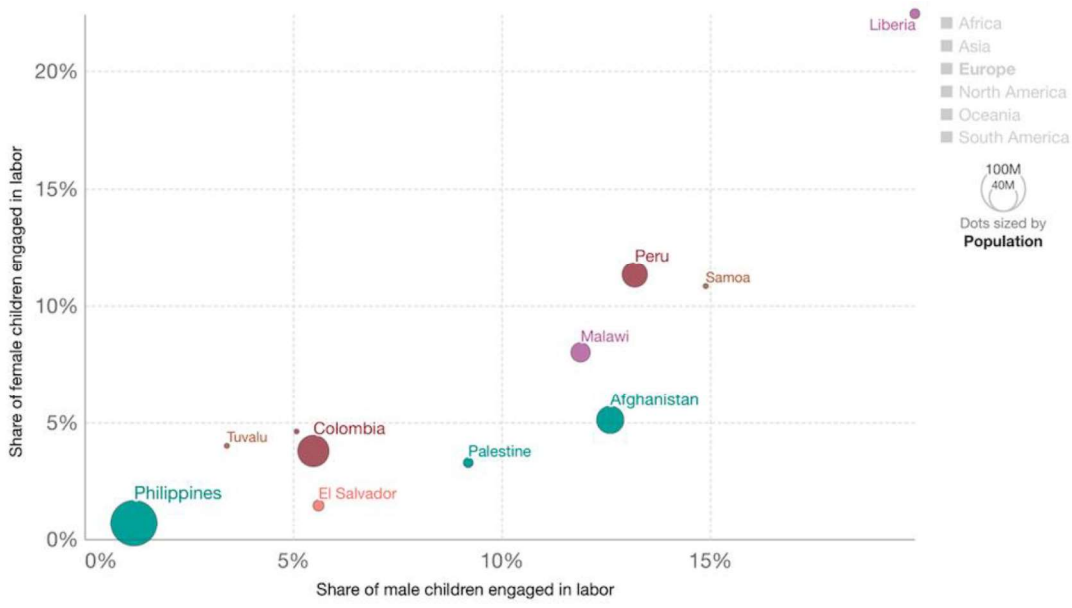
Source: (Our World in Data, 2021b)

There are no data available across countries that would enable comparison of earnings for male and female employees. ILO reported such data for 10 countries only in 2016. In seven of them men’s earnings were on average higher than women’s (Our World in Data, 2016). Women have often undervalued and low-paid jobs in many parts of the world. Globally, about 50% of all women are in labour force (compared to 80% of men), and they earn on average 23% less than men (ILO, 2017).

Target 8.6 is related to youth employment. Worldwide data indicate that more than 20% of young people in 2014 were not in employment, education or training and over 73 million were looking for work (ILO, 2017). The most recent World Bank data indicate that in 14 countries the rate of youth not in employment, education or training exceeded 40%. Many of those having jobs, were in poverty, living on less than 2 USD per day (World Bank, 2022).

Apart from the young people searching for jobs and not being able to find them, there is a serious problem of forced labour and child labour (target 8.7). 21 million people are in forced labour, out of which 11 million are women and girls. Around 10% of all children are in child labour. It is less than in 2000 but remains high. Figure 2 presents countries for which data was available by sex.

Figure 2 Share of children aged 5-17 years engaged in labor, 2020



Source: (Our World in Data, 2020c)

Finally, target 8.8 is focused on protecting labour rights and promoting safe working environments for all. Data for this indicator presented on figure 3 present a downward trend observed since 2000 both in terms of fatal and non-fatal injuries observed at work. While in 2000 there were almost 141 000 non-fatal and 573 fatal cases per 100 000 employees reported worldwide, 20 years later the numbers went down to 8187 and 131, respectively.

Figure 3 Non-fatal and fatal occupational injury rates 2000-2020, the number of cases per 100 000 employees



Source: own elaboration based on (Our World in Data, 2020a, 2020b)

3.3 EU trade policy as an instrument for implementing decent work conditions in third countries

The linkages between the European Economic Community’s (EU’s predecessor) trade policy and labour standards have been the subject of public debate since the end of 1970s, when

the Economic and Social Committee started to include references to a social clause, i.e., considering the minimum standards of the International Labour Organization in trade negotiations (GATT, GSP, Lomé II). However, it was not until mid-1990s that the inclusion of labour standards into GSP reforms was argued. The European Communities first introduced the social clause in Council Regulation (EC) No 1154/98 of 25 May 1998 and from then the unilateral GSP scheme incorporated a social clause. It had a stimulative and a sanctioning component. The latter one (“stick”) refers to the temporary withdrawal of European GSP preferences to developing countries in cases of forced or prison labor. The stimulative component (“carrot”) takes the form of additional trade preferences for countries adhering to certain labor standards. In a sense, this regulation de facto recognized the Community’s competence to promote labor standards internationally through its trade policy (Orbie et al., 2005).

New millennium brought more direct linkages between EU trade policy and social clause. “New generation” trade agreements with TSD chapters are the means by which the EU prevents a “race to the bottom”, i.e. a competitive position that is built on cheap labour (Chan, 2003). Such policy not only affects labour rights in third countries, but is also prevents job losses in EU countries, especially in low-skilled sectors.

TSD chapters include the commitment of EU trading parties to respect and implement core labor standards included in ILO’s fundamental conventions listed in the ILO Declaration on Fundamental Principles and Rights at Work:

- freedom of association and the right to collective bargaining;
- abolition of all forms of forced labour;
- elimination of child labour, and;
- equality (ending discrimination) in the workplace (*Labour Rights, 2023*).

This commitment applies irrespective of the ratification of the relevant eight ILO conventions. This approach corresponds to the “carrot” component of social clause as it promotes more favourable trade relations with countries which commit to respect internationally recognized labour standards. Following the idea of promotional rather than conditional model of labour rights enforcement in trade agreements, the EU has not decided to “force” its partners to ratify the conventions before concluding a trade agreement. However, as table 1 reveals, most of EU FTAs partners have ratified ILO’s fundamental conventions. Japan and Singapore have not ratified Convention no 111 on Discrimination (Employment and Occupation), South Korea and Singapore are not parties of Abolition of Forced Labour Convention, 1957 (No 105), Singapore and Vietnam have not ratified Convention no 87 on Freedom of Association and Protection of the Right to Organise. In several cases the dates of ratification of conventions indicate that there some encouragement may have come from the commitments in the EU FTA (e.g., Vietnam – ratifications of Conventions no 98 and 105 took place before or immediately after the ratification by the EU of this FTA; similar situation was observed in case of Canada and Convention 98 and 138, Japan and Convention no 105.

Table 1 The status of ratification of ILO’s fundamental conventions by EU FTA partners

FTA party	Date of entry into force	ILO’s Convention							
		87	98	29	105	138	182	100	111
Canada	2017 (p.a.)	23.03.1972	14.06.2017	13.06.2011 (P - 17.06.2019)	14.07.1959	8.06.2016	6.06.2000	16.11.1972	26.11.1964
Central America	2013 (p.a)	all ratified	all ratified	all ratified (P – some not ratified)	all ratified	all ratified	all ratified	all ratified	all ratified
Colombia	2013 (p.a)	16.11.1976	16.11.1976	4.03.1969	7.06.1963	2.02.2001	28.01.2005	7.06.1963	4.03.1969

Peru	P2013 (p.a)	2.03.1960	13.03.1964	1.02.1960 (P - 18.06.2021)	6.12.1960	13.11.2002	10.02.2002	1.02.1960	10.08.1970
Ecuador	2013 (p.a)	29.05.1967	28.05.1959	6.07.1954	5.02.1962	19.09.2000	19.09.2000	11.03.1957	10.07.1962
Georgia	2016	3.08.1999	22.06.1993	22.06.1993	23.09.1996	23.09.1996	24.07.2002	22.06.1993	22.06.1993
Japan	2019	14.06.1965	20.10.1953	21.11.1932	19.07.2022 *	5.06.2000	18.05.2001	24.08.1967	--
Moldova	2016	12.08.1996	12.08.1996	23.03.2000	10.03.1993	21.09.1999	14.06.2002	23.03.2000	12.08.1996
Singapore	2019	--	25.10.1965	25.10.1965	25.10.1965 ^	7.11.2005	14.06.2001	30.05.2002	--
S.Korea	2015	20.04.2021	20.04.2021	20.04.2021	--	28.01.1999	29.03.2001	8.12.1997	4.12.1998
UK	2021	27.06.1949	30.06.1950	3.06.1931 (P - 22.06.2016)	30.12.1957	7.06.2000	22.03.2000	15.06.1971	8.06.1999
Ukraine	2016 (p.a)	14.09.1956	14.09.1956	10.08.1956	14.12.2000	3.05.1979	14.12.2000	10.08.1956	4.08.1961
Vietnam	2020	--	5.07.2019	5.03.2007	14.07.2020	24.06.2003	19.12.2000	7.10.1997	7.10.1997

p.a. – provisionally applied

* Will enter into force for Japan on 19.07.2023

^ Not in force, denounced 19.04.1979

87 Freedom of Association and Protection of the Right to Organise Convention, 1948 (No 87)

98 Right to Organise and Collective Bargaining Convention, 1949 (No 98)

29 Forced Labour Convention, 1930 (No 29) and 2014 Protocol to Forced Labour Convention

105 Abolition of Forced Labour Convention, 1957 (No 105)

138 Minimum Age Convention, 1973 (No 138)

182 Worst Forms of Child Labour Convention, 1999 (No 182)

100 Equal Remuneration Convention, 1951 (No 100)

111 Discrimination (Employment and Occupation) Convention, 1958 (No 111).

Source: own elaboration based on (ILO, 2023b) & (Ionel, 2022)

The case of South Korea is different. It ratified Conventions no 87, 98, 29 in 2021, six years after the FTA entered into force, and only after the settlement of the first EU dispute under the TSD chapters on 20 January 2021. The panel of experts did not support the EU claim that South Korea made insufficient efforts to ratify the fundamental ILO conventions but it recommended that South Korea changes its labour legislations and brings it into conformity with the principles of freedom of association (Ionel, 2022, p. 6). Eventually, after reforms in Korea's Trade Union and Labour Relations Adjustment Act on 20.04.2021 South Korea ratified three out of four outstanding Conventions on: Freedom of Association and Protection of the Right to Organise (87), Right to Organise and Collective Bargaining (98) and Forced Labour (29). Korea is working towards the ratification of the final one on the abolition of forced labour ((García, 2022).

The EU undertakes also more direct actions in case of violation of fundamental labour rights ("stick" component). In September 2022 the Commission has proposed to prohibit products made with forced labour on the EU market. The ban affects all products, both made in the EU (for domestic consumption and exports), and outside the EU (and imported to the EU). The proposal is in the phase of discussion and after it is agreed by the European Parliament and the Council of the European Union it will enter into force. It will apply 24 months later (*Commission Moves to Ban...*, 2022).

This action is a part of wider EU efforts aimed at securing decent work conditions worldwide. In its Communication (*Communication on Decent Work*, 2022) the EU stressed that it is taking a comprehensive approach that addresses workers in domestic markets, in third countries and in global supply chains. It does so by promoting responsible business conduct of EU companies and companies operating in countries with which the EU maintains trade relations.

3.4 EU actions for more decent work conditions in home countries

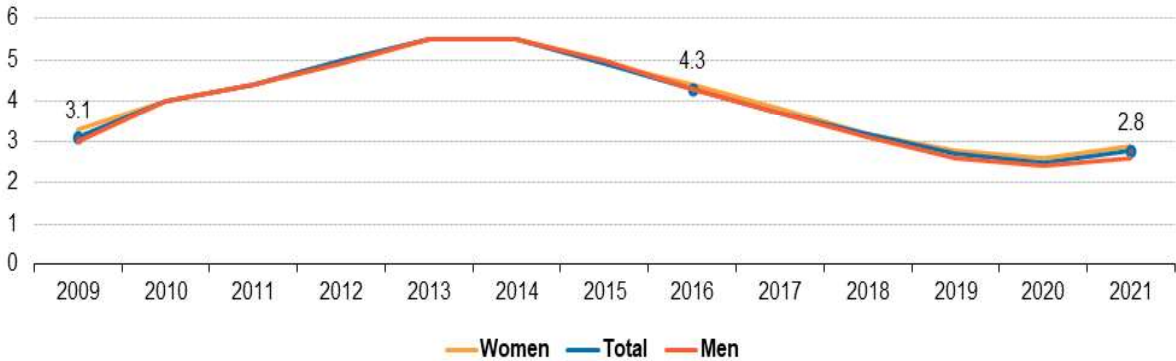
The EU deals with the challenge of securing more decent work condition in its members states as well. Even though the EU countries have the most equal societies in the world with the highest standards in working conditions, and broad social protection, more work needs to be done to transform Europe into more inclusive and better functioning labour markets. As a result, in 2017 the European Pillar of Social Rights with 20 key principles was proclaimed and in 2021 the European Pillar of Social Rights Action Plan followed. It turns the principles into concrete initiatives to benefit citizens and put them first in the recovery from Covid-19 pandemic. There are three targets in the Action Plan to be achieved by the end of the decade in the areas of employment, skills, and social protection, consistent with the UN Sustainable Development Goals:

- at least 78% of the population aged 20 to 64 should be in employment;
- at least 60% of all adults should be participating in training every year;
- a reduction of at least 15 million in the number of people at risk of poverty or social exclusion (European Commission, 2021b).

Member states made national commitments to meet the three EU targets by 2030 (European Commission, 2022b).

The indicator which is consistent with the UN Target 8.5 presented in section 2 is the one related to employment rates. Until the Covid-19 pandemic, there was an upward trend in the EU in terms of employment rate. In 2019 it reached 72.7%, in 2020 it fell to 71.7% and in 2021 it went up to 73.1%, which is the highest level observed so far. There is still relatively large gender employment gap in the EU: in 2021 78.5% men were employed and 67.7% women (Eurostat, 2022a). Another indicator which is monitored is the long-term unemployment (above one year). It usually follows, with a delay, the trends in unemployment. It means for example that the effects of the Covid-19 are only visible in 2021 data. Long-term unemployment has devastating effects for the individuals and the society, as the employability prospects are reduced, human capital is depreciated, social cohesion is endangered and the risk of poverty and social exclusion increases. It can also lead to a deterioration of individual skills and health. As Fig. 4 illustrates, in 2021 the long-term unemployment reached 2.8% of the labour force in the EU. The proportion of long-term unemployment in total unemployment has decreased over the past few years (the peak was in 2013).

Figure 4 Long-term unemployment rate, by sex, EU, 2009-2021 (% of population in the labour force)

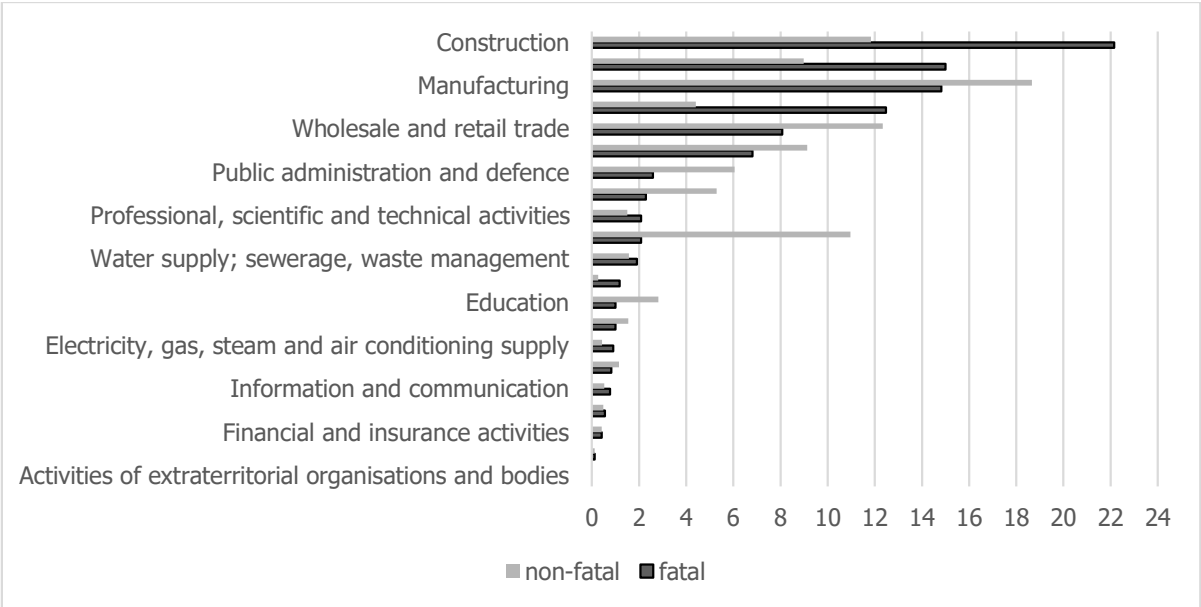


Source: Eurostat (online data code SDG_08_40)

The EU pays special attention to the economic growth that is supposed to generate decent work. It is a safe work, without accidents (fatal or non-fatal). In 2020, the rate of fatal

accidents in EU reached 1.77 fatalities per 100 000 employed persons. Ten years earlier the rate was 2.31, so a considerable decrease was observed (Eurostat, 2022b). Three top sectors where fatal accidents occur are construction, transportation and storage, and manufacturing (together they were responsible for over 50% of fatalities in 2019) – figure 5.

Figure 5 Non-fatal and fatal occupational accidents in the EU, 2019 (% of fatal and non-fatal accidents)



Source: Eurostat (online data codes HSW_N2_01 and HSW_N2_02)

Decent work is also the one that offers fair income and social protection. As Eurostat data reveal, having a part time job or temporary contract just as having low skills and being a non-EU born worker increases the incidence of in-work poverty. In 2020, 9.4% of employed people were so-called “working poor” – at risk of income poverty (Eurostat, 2022c).

The European Pillar of Social Rights Action Plan is one of many actions the EU undertakes in order to ensure social fairness and prosperity (and therefore – more decent work conditions) in Member States. Other initiatives include for example: NextGenerationEU³, European Skills Agenda⁴, New Consumer Agenda⁵, Directive on improving working conditions in digital platform work⁶, Minimum Wages Directive⁷.

Other EU actions which may have an impact on work conditions include the promotion of Industry 5.0 concept. It adds the transition to a sustainable, human-centric and resilient industry to the existing Industry 4.0 approach. Digital and green transitions of industry are perceived as essential for this process. This concept goes beyond technology- or economic enabled growth, and views growth as focused on human progress and well-being. It places

³ Recovery plan for Europe, https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en
⁴ European Skills Agenda, <https://ec.europa.eu/social/main.jsp?catId=1223>
⁵ New Consumer Agenda, https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2069
⁶ Commission proposals to improve the working conditions of people working through digital labour platforms, <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10120&furtherNews=yes#navItem-2>
⁷ Adequate minimum wages in the EU, <https://ec.europa.eu/social/main.jsp?catId=1539&langId=en>

the wellbeing of the worker at the centre of the production process. The human-centric approach in industry, proposed in Commission's reports (European Commission, 2021a, 2022a), is the essential change that industry should undergo in coming years. A safe and inclusive working environment is one of the core elements of this shift. New technologies, often perceived as a source of job loss, could be applied in such a way that the number of accidents at work falls and routine jobs could be replaced by robots. They could also be helpful in work in case of mentally disabled persons or physically weaker people.

CONCLUSION

The economic literature devoted to the incorporation of labour rights and SDG into trade policy is extensive, but there is no clear indication a which system is more effective. Subsequent researchers are filling in the existing gaps, but this effort, in a situation of evolution of policies and tools of their implementation together with changes in the status quo in the scopes in question and the taking of successive new measures by the EU, does not result in a coherent and complete answer to all research questions. In fact, one can get the impression that further research gaps are revealed faster than the perceived ones are filled with conclusions from economic research. In the case of this study, a selected slice of reality could be examined, and partial conclusions can be drawn. The focus was on trade policy as a vehicle for exporting – selected – European values.

The results show that the *modus operandi* of the EU differs significantly not only from the forms of action of universal organizations, but also of the EU's strategic partner, the US. The EU uses a system of incentives, supports contracting states in internalizing the promoted values and avoids the conditionality. Such approach is consistent with the EU policy conducted at home. The very essence of the EU is based on collaboration and working out a common position between 27 countries. The same approach is visible in promoting labour rights and other SDGs in third countries. Additionally, the EU – contrary to US – has "a memory" of colonial past. It cannot and does not want to push certain solutions. The US has more freedom in this regard – both because of the past and the instruments that are available to them. Finally, the EU must consider the competition with its strategic rival, China in its economic relations with developing countries⁸. The EU takes into account these countries' choice of export markets for their goods, as well as the sources of financial resources outside the EU – and thus their ability to reject stricter-than-promotional solutions to labor regulations enforced by the EU.

Further research should combine the examination of new EU actions with an attempt to develop quantitative measures of the effectiveness of actions.

REFERENCES

Answers from the Commission to written questions. (2018). Official Journal of the European Union.

Borchert, I., Conconi, P., Di Ubaldo, M., & Herghelegiu, C. (2021). The Pursuit of Non-Trade Policy Objectives in EU Trade Policy. *World Trade Review*, 20(5), 623–647. <https://doi.org/10.1017/S1474745621000070>

Bronckers, M., & Gruni, G. (2021). Retooling the Sustainability Standards in EU Free Trade Agreements. *Journal of International Economic Law*, 24(1), 25–51.

⁸ China or Russia (and earlier the USSR) do not condition cooperation with developing countries on measures for sustainable development, decent working conditions, etc.

<https://doi.org/10.1093/jiel/jgab007>

Campling, L., Harrison, J., Richardson, B., & Smith, A. (2016). Can labour provisions work beyond the border? Evaluating the effects of EU free trade agreements. *International Labour Review*, 155(3), 357–382. <https://doi.org/10.1111/j.1564-913X.2015.00037.x>

Chan, A. (2003). Racing to the bottom: International trade without a social clause. *Third World Quarterly*, 24(6), 1011–1028. <https://doi.org/10.1080/01436590310001630044>

Commission moves to ban products made by forced labour. (2022, September 14). [Text]. European Commission. https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5415

Communication on decent work. (2022, February 23). [Text]. European Commission. https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1187

Communication on the power of trade partnerships: Together for green and just economic growth. (2022).

Comparative Analysis of Trade and Sustainable Development Provisions in Free Trade Agreements. (2022).

Duina, F. G., & Viju-Miljusevic, C. (Eds.). (2023). *Standardizing the world: EU trade policy and the road to convergence* (1 Edition). Oxford University Press.

EU trade relations with South Korea. (2023, January 13).

https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/south-korea_en

European Commission. (2021a). *Industry 5.0: Towards a sustainable, human centric and resilient European industry*. Publications Office. <https://data.europa.eu/doi/10.2777/308407>

European Commission. (2021b, June 21). *The European Pillar of Social Rights Action Plan*. https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-action-plan_en

European Commission. (2022a). *Industry 5.0, a transformative vision for Europe: Governing systemic transformations towards a sustainable industry*. Publications Office. <https://data.europa.eu/doi/10.2777/17322>

European Commission. (2022b, June 16). *Commission welcomes Member States' targets for a more social Europe by 2030*. <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10299&furtherNews=yes#navItem-1>

Eurostat. (2022a). *Employment and activity by sex and age—Annual data*.

https://ec.europa.eu/eurostat/databrowser/view/LFSI_EMP_A__custom_4709194/default/table?lang=en

Eurostat. (2022b). *Fatal accidents at work per 100 000 workers, by sex*.

https://ec.europa.eu/eurostat/databrowser/view/sdg_08_60/default/table?lang=en

Eurostat. (2022c, April). *SDG 8—Decent work and economic growth*.

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=SDG_8_-_Decent_work_and_economic_growth

García, M. J. (2022). Sanctioning Capacity in Trade and Sustainability Chapters in EU Trade Agreements: The EU–Korea Case. *Politics and Governance*, 10(1), 58–67. <https://doi.org/10.17645/pag.v10i1.4782>

Harrison, J., Barbu, M., Campling, L., Richardson, B., & Smith, A. (2019). Governing Labour Standards through Free Trade Agreements: Limits of the European Union's Trade and

- Sustainable Development Chapters: Governing Labour Standards through FTAs. *JCMS: Journal of Common Market Studies*, 57(2), 260–277. <https://doi.org/10.1111/jcms.12715>
- Hradilová, K., & Svoboda, O. (2018). Sustainable Development Chapters in the EU Free Trade Agreements: Searching for Effectiveness. *Journal of World Trade*, 52(Issue 6), 1019–1042. <https://doi.org/10.54648/TRAD2018044>
- ILO (Ed.). (2015). *Social Dimensions of Free Trade Agreements*. International Labour Organization.
- ILO. (2017, May 31). *Decent work and the 2030 Agenda for sustainable development*. https://ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_436923.pdf
- ILO. (2023a). *Decent work*. <https://www.ilo.org/global/topics/decent-work/lang-en/index.htm>
- ILO. (2023b). *Ratifications by country*. <https://www.ilo.org/dyn/normlex/en/f?p=1000:11001:.....>
- Ionel, Z. (2022). Labour rights in EU trade agreements. *European Parliamentary Research Service*.
- Kužnar, A., & Menkes, J. B. (2022). “New conditionality” in the EU’s “new generation” Agreements with Asian Countries. *Review of European and Comparative Law*, 48(1), 67–84. <https://doi.org/10.31743/recl.12336>
- Labour rights*. (2023, January 13). https://policy.trade.ec.europa.eu/development-and-sustainability/sustainable-development/labour-rights_en
- Marx, A., Lein, B., & Brando, N. (2016). The Protection of Labour Rights in Trade Agreements: The Case of the EU-Colombia Agreement. *Journal of World Trade*, 50(Issue 4), 587–610. <https://doi.org/10.54648/TRAD2016025>
- Mazzotti, P. (2021). Stepping Up the Enforcement of Trade and Sustainable Development Chapters in the European Union’s Free Trade Agreements: Reconsidering the Debate on Sanctions. *European Law Institute*.
- Non-paper of the Commission services. (2018). *Feedback and way forward on improving the implementation and enforcement of Trade and Sustainable Development chapters in EU Free Trade Agreements*. https://trade.ec.europa.eu/doclib/docs/2018/february/tradoc_156618.pdf
- Orbie, J., Van den Putte, L., & Martens, D. (2017). The Impact of Labour Rights Commitments in EU Trade Agreements: The Case of Peru. *Politics and Governance*, 5(4), 6–18. <https://doi.org/10.17645/pag.v5i4.1091>
- Orbie, J., Vos, H., & Taverniers, L. (2005). EU trade policy and a social clause: A question of competences? *Politique européenne*, 17(3), 159–187. <https://doi.org/10.3917/poeu.017.0159>
- Our World in Data. (2016). *Average hourly earnings of male and female employees*. <https://ourworldindata.org/grapher/hourly-earnings-male-vs-female>
- Our World in Data. (2020a). *Fatal occupational injury rates*. Our World in Data. <https://ourworldindata.org/grapher/fatal-occupational-injuries-among-employees>
- Our World in Data. (2020b). *Non-fatal occupational injury rates*. Our World in Data. <https://ourworldindata.org/grapher/non-fatal-occupational-injuries-per-100000>
- Our World in Data. (2020c). *Share of children aged 5-17 years engaged in labor*. Our World in Data. <https://ourworldindata.org/grapher/children-aged-5-17-years-engaged-in-labor>

- Our World in Data. (2021a). *Unemployment rate*. Our World in Data. <https://ourworldindata.org/grapher/unemployment-rate>
- Our World in Data. (2021b). *Unemployment rate of males vs. Females*. Our World in Data. <https://ourworldindata.org/grapher/unemployment-rate-of-males-vs-females>
- Stoll, P.-T., Gött, H., & Abel, P. (2018). A Model Labour Chapter for Future EU Trade Agreements. In H. Gött (Ed.), *Labour Standards in International Economic Law* (pp. 381–430). Springer International Publishing. https://doi.org/10.1007/978-3-319-69447-4_18
- Sustainable development in EU trade agreements*. (2023, January 13). https://policy.trade.ec.europa.eu/development-and-sustainability/sustainable-development/sustainable-development-eu-trade-agreements_en
- The EU-CARIFORUM Economic Partnership Agreement*. (2008, October 30). <https://trade.ec.europa.eu/access-to-markets/en/content/eu-cariforum-economic-partnership-agreement>
- The EU-SADC Economic Partnership Agreement*. (2016). https://trade.ec.europa.eu/access-to-markets/en/content/epa-sadc-southern-african-development-community#toc_9
- The Treaty on European Union (consolidated version)*. (2012). OJ of the EU 2012, No. C 326/01.
- The Treaty on the Functioning of the European Union (consolidated version)*. (2012). OJ of the EU 2012, No. C 326/01. <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12012E/TXT:en:PDF>
- Thu, M. H., & Schweißhelm, E. (2020). *Labour rights and civil society empowerment in the EU-Vietnam Free Trade Agreement* (Working Paper No. 135/2020). Working Paper. <https://www.econstor.eu/handle/10419/214649>
- Trade for all: Towards a more responsible trade and investment policy*. (2015). Publications Office.
- Tran, A. N., Bair, J., & Werner, M. (2017). Forcing change from the outside? The role of trade-labour linkages in transforming Vietnam's labour regime. *Competition & Change*, 21(5), 397–416. <https://doi.org/10.1177/1024529417729326>
- Transforming our world: The 2030 Agenda for Sustainable Development*. (2015). United Nations. <https://sdgs.un.org/2030agenda>
- World Bank. (2022). *World Development Indicators*. <https://databank.worldbank.org/source/world-development-indicators#advancedDownloadOptions>