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Session 2

Incorporating Labour Provisions in Trade Agreements

Submitted by: Chile



**Capacity Building for Negotiating Labor
Provisions in FTAs Workshop
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APEC CTI WORKSHOP

INCORPORATING LABOUR PROVISIONS IN TRADE AGREEMENTS

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TRADE AND LABOR: CONTEXT

- Economic globalization along with accelerated technological innovation
- Mutation in the labor system
- Challenge: Is it possible to govern globalization? How?

EVOLUTION OF THE SOCIAL CLAUSE

- ILO PREAMBLE
- ITO HAVANA CHARTER
- UNILATERALISM: GSP
- NAFTA
- US-JORDAN
- US-CAMBODIA
- US- SINGAPORE; US- CHILE (POST TPA)
- TRANSPACIFIC STRATEGIC ECONOMIC PARTNERSHIP (P4)
- CHILE- CHINA
- NEW ZEALAND-CHINA
- US-PERU (POST BIPARTISAN US MAY 07' AGREEMENT)
- UE-CARIFORUM
- CANADA-PERU
- EFTA-HONG-KONG

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PROVISIONS

- Decent work concept
- Fundamental labor rights
- Enforcement
- Non-derogation principle
- Transparency
- Cooperation
- Seriousness – different approaches
- Social partners participation

SOME FACTS OF THE PROCESS

- Evolution from unilateral to bilateral/regional
- Increasing and deepening the linkage of trade and labor
- Risk of distortion
- Still no room in multilateralism
- No evidence of any labor dispute in an FTA or WTO arbitral panel. Many consultation proceedings
- No evidence of protectionist use of labor clauses
- No evidence of damages with social clauses
- Improvement of domestic regulation and enforcement
- Positive cooperation experiences
- Some cases related to GSP

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CURRENT KEY ISSUES

Cooperative preferential approach vs. trade sanctions preferential approach

Different level of development among Parties

Key Commitments

Transparency and social partners' participation

Different templates

