

## **CALL FOR EXPRESSION OF INTEREST**

### **Research study on Trade and Industrial Policy: Implications for development and international labour standards.**

IndustriALL Global Union invites expression of interest for the proposed research study “Trade and Industrial Policy: Implications for development and international labour standards” with following terms of references. IndustriALL Global Union represents 50 million workers in 140 countries in the mining, energy and manufacturing sectors and is a force in global solidarity taking up the fight for better working conditions and trade union rights around the world.

#### **1) Introduction:**

The proposed study is part of IndustriALL Global Union’s effort in implementing an “Action Plan: Towards Trade For the Benefit of the People” evolved at its Executive Committee meeting held at Mexico in November 2018. It includes ten guiding principles for trade union intervention in trade and industrial policy forums and processes. They include 1) Revitalizing multilateralism for the benefit of people; 2) enforceable labour rights in trade agreements; 3) democratic process in trade negotiations; 4) freedom for governments to use policy space to pursue national development objective; 5) no investor state dispute settlement (ISDS) provisions in trade agreements; 6) protect policy space to build digital industrialization; 7) intellectual property rights should not form as hurdle to achieve sustainable development; 8) right to rule based trade remedies; 9) public procurement must continue as industrial policy tool and 10) Public services excluded from legally binding commitments.

Series of debates involving IndustriALL affiliates and leadership and experts from ILO, UNCTAD and civil society organizations preceded the adoption of the guiding principles and the action plan. Subsequently in the 2019, events were held in the Asia Pacific and in the Americas and Caribbean regions to evolve regional specific action plans. Similar regional specific initiatives in Middle East and North Africa (MENA) and Sub-Saharan Africa (SSA) regions will be undertaken soon.

The proposed research aims to critically examine trade and industrial policy trends at the global and at the regional levels. It includes in-depth analysis of evolving regional trade and industrial policy frameworks and implications of the bilateral and regional trade and investment agreements on employment and workers rights. It will also include analysis of provisions promoting higher labour standards in trade agreements and challenges in effective implementations with the view to propose policy and action recommendations to trade unions.

#### **2) Background:**

The Covid-19 pandemic hit the hyperglobalised world, which was already under the multiple crises such as economic, social and environmental crises. The period

immediately preceding the Covid19 we witnessed policy trends towards de-globalization and use of policy tools that were earlier termed as protectionism.

Growing discontent over globalization resulted in the rise of toxic nationalism and the emergence of rightwing governments in many countries. Trade policies' inability to deliver the developmental outcomes has resulted in global backlash against international 'trade'. In the absence of effective policy responses to deliver on the needs of working people, we are witnessing increasing calls for protectionist measures. As the crises intensify, the World Trade Organisation (WTO) as an institution, which made critical contribution to the globalization process is at the crossroad. Successive WTO ministerial conferences failed due to huge divergence of policy positions among the WTO members and consensus could not be reached.

However, many WTO members have come together to launch new initiatives including on areas such as electronic commerce, investment facilitation and MSMEs. These plurilateral initiatives by the group of countries, reflect lack of consensus among the WTO members. These developments have caused enormous stress on multilateralism.

Meanwhile, the aggressive free trade policy approaches found alternative routes as many governments signed new generation bilateral and regional trade agreements between north-south countries and blocks to gain new market access going beyond WTO rules and obligations. The new generation Free Trade Agreements (FTAs) and Regional Trade Agreements (RTAs) include De-regulation and deeper liberalisation commitments in areas including elimination of tariffs, services, investment, competition policies, government procurement and intellectual property rights.

Free trade and investment agreements played a crucial role in shifting balance of power against the labour in favour of capital. At many instances, transnational corporations' global value chains were established to take advantage of the cheap labour with scant regard for workers rights triggering the race to bottom. Proliferation of trade and investment agreements coincided / caused gradual erosion of trade union rights, exponential increase in precarious work, poor working conditions and degradation of labour standards significantly in the global south. Large numbers of trade agreements include provisions promoting labour standards. Despite numerous trade union efforts to address workers rights violations, so far there has been no significant outcome achieved through these mechanisms. It is essential to understand shortcomings of labour standard provisions to evolve new trade union approach.

With the Covid19 the international trade is no longer business as usual. The pandemic is posing serious questions to the status quo, future of globalization and efficacy of trade rules. The WTO forecasts a drop of 13 to 32 percent trade this year because of reduced demand and supplies. Over 85 countries imposed some form of export restriction of key medical products to ensure that adequate supplies are available to treat Covid-19 victims in their countries. Export

restrictions, a policy tool which was fiercely opposed as protectionist measure in WTO and in FTAs.

Many developing countries and least developed countries lack technological or manufacturing capacities and are dependent on import of medical products supplied by the industrialized countries. For example 94 percent of Africa's total stock of pharmaceutical products are imported. Many felt the dependency on international supply chain have in fact limited the ability of countries to address the pandemic swiftly as they lacked the ability to produce health products in short notice. This has caused many to rethink over trade and industrial policy.

UNCTAD's World Investment Report 2020 warns that the Covid 19 set to cause severe reduction in foreign direct investment. These trends seem to trigger varied responses in trade and industrial policy approaches in different regions.

On the one hand, to protect themselves against future supply chain shocks, many companies may now reassess their business strategies and re-shore production from the low cost economies to the developed countries. This trend may also increase the pace of automation as the broader digital disruption of the economy in the form of Industry 4.0 is expected to result in pressures on the labour market.

On the other hand, many countries in the global south that were depended upon investments to ramp up their industrial capacity to produce export-oriented commodities, which are often labour intensive and providing employment to large number of women, may face more challenges. They are already taking initiatives to attract international investment, reorienting their industrial policies with the objective to strengthen manufacturing capacity to serve the local and regional markets. In many countries changes in the labour market regulations with the negative implications for decent work and international labour standards seem to be part of this strategy.

According to the recent policy brief of the International Labor Organization (ILO) entitled "COVID-19 and global supply chains: How the jobs crisis propagates across borders", during the COVID-19 pandemic, as of 3 June 2020, more than half of all jobs in manufacturing supply chains, and more than one in seven of all jobs, are currently at medium or high risk, threatened by the drop in consumer demand. In the meantime, the manufacturing sector was experiencing a disruption to 35 per cent of imported input supply due to closures of all but essential workplaces.

Under the circumstance, with the discussion on reconfiguration of international production with different trajectories as mentioned about, industrial policy is an important theme for IndustriALL Global Union and its affiliates since the manufacturing remains crucial for development and well-being. As the world experience of huge transformations and substantial changes, industrial policy is at its core of economic and social policy. It is an experienced reality that no country can overcome poverty or change its relative income status without proper industrial policy to upgrading its manufacturing.

Industrial policy is a systemic approach covering different policy lines, such as energy, trade, tax policies with a clear road map through innovation, education, and sustainability. Industrial policy for industrialized countries should follow a high road strategy that enables structural change within manufacturing. A road map for industrial policy needs to support quality and sophisticated products and develop and apply new technologies including the Internet of things and artificial intelligence.

IndustriALL Global Union wants to do this industrial policy discussion at an international level, through either in its own platforms or inside global governance institutions. This debate requires interactions with political leaders, civic organizations, employers and their organizations. Industrial policy is in nature different across countries in different continents and stages of development, but there are a multitude of positive and negative spillovers between countries and there is a wide scope for mutual learning. This includes trade and investment rules, secure property rights, social standards, and the promotion of energy efficiency and renewable energy.

At this juncture enhanced attention to the details of trade and investment agreements and changing trade and industrial policy frameworks and strategies in the regions such as Asia and the Pacific, Middle East Asia and, Africa, and Latin America will contribute to evolve regional specific strategies and action recommendations for trade unions.

### **3) Scope of the study:**

The proposed research will look into the trade and industrial policy issues primarily from a trade union perspective, and therefore analyze and understand the impact on employment, workers rights and labour standards with a view to developing policy recommendations towards achieving higher labour standards and meeting development objectives of workers and communities.

The term 'industrial policy', covers a wide array of policy initiatives. However, the reference to industrial policy in this proposed study is limited to capture the interplay between trade policies and the governments' use of industrial policy tools to stimulate and promote industrialization process at the national and regional levels, especially in the manufacturing sectors including mining and energy sectors. The interplay between trade and industrial policies will be captured with examples as to how trade and investment rules and commitments undertaken through trade agreements, enable and/ or challenge governments' ability to use industrial policy tools to achieve respective industrialization and development objectives.

The initial focus of the study will be on global trade looking in particular at the WTO. It will then go into region specific analyses, focusing on the four regions of Africa, Asia Pacific, Latin America and the Middle East Asia looking at regional specificities in trade agreements and industrial policies as well as how these relate to specific regional and national issues in the area of employment generation, impact on workers and trade union rights and labour standards.

The study will be a base for policy-making for IndustriALL Global Union's political decisions in its relevant organs.

#### **4) Objectives of the study:**

The proposed research, involving an analysis of trade and industrial policies both at the global level and in key regions from a trade union perspective, aims to evolve policy and action recommendations to fulfill trade unions' sustainable development objectives, defending workers rights, protecting and promoting international labour standards at the national, regional and at the global processes and forums.

As its *specific objectives*, the study will try to look at how trade agreements, industrial policies and related labour market regulations in particular, affect; a) working conditions and decent work, b) employment generation, c) women workers, d) trade union rights, e) labour law changes and impacts on social protection and f) international labour standards. A key priority will be a deep analysis of trade and industrial policies and its impacts on the labour market regulations.

The analysis of trade and investment agreements and industrial policies across the regions will lead to comparable conclusions in order to evolve constructive policy recommendations and support building solidarity of IndustriALL affiliates to take actions to promote industrialization, sustainable development and defend their members' rights.

#### **5) Research Questions:**

On the global trade and industrial policy issues, the proposed research aims to;

- Analyze disruptive trends and the crisis of multilateralism in the trade policymaking process at the World Trade Organization (WTO).
- Provide an overview of industrial policy approaches and its interplay with international trade regime
- Provide an overview of global unions' demands including new approaches recommended towards progressive functioning of the multilateralism to reinforce just trade and industrial policies for the benefit of people.
- Provide recommendation as to how trade unions can play a role to ensure that development agenda can be at the centre of the WTO and labour standards can be an integral part of the WTO work programme.
- The research will also take into account the impact of Covid-19 pandemic on the international trade and industrial policy arena.

At the regional level:

- Provide an overview of state of play of regional trade and investment agreements and outline industrial policy approaches and challenges.
- Analyze the impact of trade agreements and industrial policy approaches on employment, working conditions, trade union rights, labour standards,

gendered impact and socio-economic patterns relevant to the world of work.

- Critically investigate effectiveness of labour standards provisions and implementation mechanisms in the free trade agreements in terms of the specific objectives described above.
- Critically examine how various processes and provisions in the regional trade agreements, its interplay with industrial policies and challenges towards sustainable development from trade union perspective
- Provide trade union action recommendations on trade and industrial policy approaches.

## **6) Scheme of chapterisation:**

The proposed research report will have following chapters:

1. Global trade and industrial policy approaches and workers rights: International trade union perspective
2. Africa – Industrialization, trade and investment policy and workers rights
3. Latin America and the Caribbean: Trade and industrial policy and workers rights
4. Trade, industrial policy and workers rights in Asia – Pacific.
5. Middle East Asia: Trade and industrial policy and workers rights
6. A consolidated charter towards workers’ rights and development objectives.

## **7) Significance of the research:**

The proposed research attempts to provide comprehensive overview of global and regional trade and industrial policy issues from a trade union perspective. This will;

- Strengthen IndustriALL’s efforts in building affiliates capacity to understand trade and industrial policy issues.
- It will also help them evolve cross border trade union solidarity initiatives on trade and industrial policy issues.
- The research will support affiliates efforts in implementing the Action Plan on Trade and Industrial policy effectively.

## **8) Research methods**

The researchers will utilize qualitative research methods to collect required information for this research. They will use primary and secondary documentary sources to analyse trade agreements and industrial policies. They will also conduct structured and unstructured interviews with key informants including trade union representatives, policy experts, and bureaucrats to gather and analyze information to conduct the proposed research.

It is expected that a team of researchers located in the respective regions will carry out the regional specific research guided by a research coordinator. The team will have an online meeting to evolve research design and implementation strategy with timelines. The team will meet again after completing the first draft to share information and ensure the coherence of the research report. The research coordinator will liaise with the designated contact person with the IndustriALL Global Union.

In this process IndustriALL's ten guiding principles of trade and industrial policy action plan, will be utilized in the analysis of bilateral and regional free trade agreements, both in the global as well as the region-specific assessments. Wherever required the researchers will go beyond to judiciously examine the issue towards protecting workers interests in the trade and investment agreements.

#### **9) Expected research products:**

- The final research study will have not more than 45 pages or in total 21000 words.
- The primary audiences for the study are trade unionists. So the trade and industrial policy jargons may be presented in simple terminologies.
- As IndustriALL Global Union affiliates consists of trade unions in the manufacturing sectors, the study may include as many examples possible from the manufacturing sectors in the analysis.
- The regional analysis of various research questions may also include table formats. The final research report will be published in IndustriALL Global Union website.
- Wherever possible primary information sources including internet sources are appropriately referenced.

#### **10) Timeline**

The proposed research study is expected to take about 50 days spread over 2 months starting from 14 August – 15 October 2020. A first draft and an overview of what is left should reach IndustriALL by 1<sup>st</sup> October

#### **11) Essential Requirements**

To carry out this proposed research study we welcome expression of interest from international organizations and networks which fulfill following essential qualifications and requirements

- The international organization or a networks shall have convincing research, campaign and advocacy experience on trade and industrial policy issues at the international level and also in the regions of Africa, Asia Pacific, Latin America and the Middle East Asia.
- The organization may put together a team of researchers who are based in respective regions with a lead researcher who coordinates the research

implementation and monitoring efforts internally while liaising with the IndustriALL contact point on a regular basis.

**12)Submission guidelines:**

- The expression of interest should be submitted on or before 10 August 2020.
  - Brief statement providing organization's capacity to carry out this research
  - It should include research design and qualifications and accomplishments of the lead researcher and members of the research team
  - The maximum budget available for the research project is 20000 Euro, and has to include all costs incurred during the project
  - It should include detailed budget breakdown of fees and research expenses.
  - Expression of interest may be emailed to Manicandan, responsible for the project [mani@industriall-union.org](mailto:mani@industriall-union.org) with a copy Atle Høie, Assistant General Secretary of IndustriALL Global Union [AHoie@industriALL-Union.org](mailto:AHoie@industriALL-Union.org)

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