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Report of the Director-General

First Supplementary Report: Report of the Technical Meeting on Achieving Decent Work in Global Supply Chains (Geneva, 25–28 February 2020)

Purpose of the document

The document provides information on the technical meeting on achieving decent work in global supply chains that took place in Geneva from 25 to 28 February 2020. The meeting did not adopt any conclusions. The Governing Body may wish to request the Office to follow the guidance provided by its members during consideration of this document (see the draft decision in paragraph 28).

Relevant strategic objective: All.

Main relevant outcome: Outcome 7: Adequate and effective protection at work for all.

Policy implications: None.

Legal implications: None.

Financial implications: None.

Follow-up action required: None.

Author unit: Governance and Tripartism Department (GOVERNANCE).

Related documents: [GB.337/INS/4](#).

▶ Background

1. At its 328th Session (October–November 2016), the Governing Body considered the follow-up to the International Labour Conference [resolution concerning decent work in global supply chains](#), adopted at the 105th Session (2016) of the Conference. Among other things, the Governing Body decided that the Office should convene three further expert or technical meetings: one on export processing zones (EPZs); another on cross-border social dialogue; and, following a mid-term report by the Office, a third on global supply chains (format to be determined), pursuant to paragraph 25 of the 2016 International Labour Conference conclusions. That paragraph reads as follows:
 25. There is concern that current ILO standards may not be fit for purpose to achieve decent work in global supply chains. Therefore, the ILO should review this issue and convene, as soon as appropriate, by decision of the Governing Body, a technical tripartite meeting or a meeting of experts to:
 - (a) Assess the failures which lead to decent work deficits in global supply chains.
 - (b) Identify the salient challenges of governance to achieving decent work in global supply chains.
 - (c) 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.
2. A meeting of experts on promoting decent work and protecting fundamental principles and rights at work in EPZs was held in November 2017. A meeting of experts on cross-border social dialogue was held in February 2019.
3. The Office submitted a mid-term report on the implementation of the ILO programme of action on decent work in global supply chains for discussion by the Governing Body in October 2019.¹
4. In June 2019, the International Labour Conference adopted the ILO Centenary Declaration for the Future of Work (the [Centenary Declaration](#)). It calls on the ILO to direct efforts to “ensuring that diverse forms of work arrangements, production and business models, including in domestic and global supply chains, leverage opportunities for social and economic progress, provide for decent work and are conducive to full, productive and freely chosen employment”.
5. Also in June 2019, the Governing Body decided that the meeting pursuant to paragraph 25 of the 2016 Conference conclusions should be a technical meeting. In November 2019, the Governing Body approved the title of the meeting as “Technical Meeting on Achieving Decent Work in Global Supply Chains”.²
6. The technical meeting took place in Geneva from 25 to 28 February 2020. It was composed of eight titular experts from each of the Employers’ and Workers’ groups, nominated after consultations, together with representatives of 50 Governments.³

¹ [GB.337/INS/4](#).

² [GB.337/INS/PV](#), para. 582(a).

³ Argentina, Australia, Austria, Brazil, Belgium, Botswana, Burkina Faso, Canada, Chile, China, Croatia, Democratic Republic of the Congo, Egypt, Ethiopia, Finland, Gabon, Germany, Honduras, India, Indonesia, Iran (Islamic Republic of), Ireland, Italy, Japan, Malaysia, Morocco, Mozambique, Namibia, Netherlands, Nicaragua, Nigeria, Oman, Panama, Peru, Philippines, Poland, Republic of Moldova, Slovenia, South Africa, Spain, Sri Lanka, Switzerland, Syrian Arab

There were Government observers from an additional 18 Member States,⁴ as well as representatives of the International Organisation of Employers (IOE) and the International Trade Union Confederation (ITUC) and of the following intergovernmental organizations: the European Union, the Council of Europe, the Food and Agriculture Organization of the United Nations and the Office of the United Nations High Commissioner for Human Rights.⁵

7. The meeting was chaired by an independent Chairperson, Ms L. Hasle (Norway). The Vice-Chairpersons were Mr V. Seafeld (Government member, South Africa), Mr M. Mdwaba (Employer member, South Africa) and Ms C. Passchier (Worker member, Netherlands).
8. The Office prepared a [report](#) to serve as a basis for the meeting's deliberations. It built on and supplemented previous ILO reports and discussions on the topic with the most recent analysis and research. The report examined the evolution and variety of trade flows related to global supply chains, the different ways in which global supply chains may be structured, the opportunities they can provide for decent work, and the circumstances in which they can be associated with decent work deficits. The report reviewed action taken by governments and the social partners to advance decent work in global supply chains, and it critically assessed frameworks for labour governance that encompass global supply chains. It concluded by considering the guidance, programmes, measures, initiatives and standards that may be needed to promote decent work and/or facilitate reducing decent work deficits in global supply chains.⁶

▶ Overview of the meeting

9. The meeting agreed on the following points for discussion:
 - (i) What are the failures, which lead to decent work deficits in global supply chains?
 - (ii) What are the salient challenges of governance to achieving decent work in global supply chains?
 - (iii) What guidance, programmes, measures, initiatives or standards are needed to promote decent work and/or facilitate reducing decent work deficits in global supply chains?
10. Participants discussed the significance of international trade as a driver of job growth and, in light of its importance, the need to avoid protectionism. They considered the role of enterprises, efforts by States to attract foreign direct investment, the fragmentation of production in supply chains and their growth across international borders. It was observed that diverse forms of employment arrangements are increasingly common.
11. Participants recalled that domestic and global supply chains are interconnected, and that the greatest challenges for decent work are in the lower tiers of production. In this

Republic, Thailand, Tunisia, Turkey, United Kingdom of Great Britain and Northern Ireland, Uruguay, United States of America, Uzbekistan.

⁴ Algeria, Barbados, Colombia, Cuba, Czechia, Dominican Republic, Ecuador, France, Greece, Iceland, Israel, Kenya, Mexico, Myanmar, Norway, Portugal, Russian Federation, Zambia.

⁵ See the [list of participants](#).

⁶ [Note on the proceedings. Technical Meeting on Achieving Decent Work in Global Supply Chains \(Geneva, 25–28 February 2020\)](#).

context, they considered the relative percentages of employment in domestic and global supply chains, with the vast majority of workers not employed in production for the latter. It was noted that certain groups of workers, including indigenous and tribal peoples, are particularly vulnerable.

12. Participants discussed the governance challenges that lead to decent work deficits. They noted that every employer must comply with national law but that many countries lack the capacity to effectively implement and enforce national legislation. They considered the role of the social partners in enhancing compliance, including through cross-border social dialogue. They noted that while private compliance initiatives – including multistakeholder initiatives – can have positive impacts, this can be limited to the first tier of production. Enterprises are not required to initiate or participate in these initiatives, but where they do, they can be contractually binding. Participants recalled that the [United Nations Guiding Principles on Business and Human Rights](#) call for business enterprises to conduct human rights due diligence and for efforts by States, the social partners and other actors to promote due diligence. They also noted that the Guiding Principles are voluntary, and that practices to implement them vary widely.
13. Participants considered the role of these and other international governance frameworks, including international human rights law and international labour standards. They discussed the nature of such standards and the need for ratified standards to be implemented and enforced. They also discussed whether international labour standards are adapted to the transnational nature of production in global supply chains. Participants considered the differences between voluntary and binding standards, and the fundamental importance of a level playing field for business. They recalled that there are many actors who can play an important role in achieving decent work in global supply chains, and that a combination of measures is needed to promote compliance by all. Participants discussed the importance of the ILO being well positioned to promote decent work in global supply chains, the need for a comprehensive strategy for the Office (noted in the synthesis review of ILO interventions on global supply chains from 2010 to 2019), ⁷ and the appropriate balance between normative and non-normative action.
14. The Office prepared a set of tentative conclusions for consideration by the meeting. The tentative conclusions drew on the different proposals and sometimes divergent positions expressed during the discussion by the various participants, to enable a discussion by a drafting group. After they had been considered in the group meetings, it was evident there was no agreement to proceed to a discussion of the tentative conclusions. Neither was a drafting group established. In an effort to resolve the impasse, the social partners and the governments agreed that the Government group should produce a compromise text, taking account of all concerns expressed by the three groups.
15. The Government group proposed the following text for discussion:

The Office, in concert with a tripartite working group of a manageable size and observing regional balance, should carry out an in-depth review to clearly identify if there are any gaps in the current body of normative and non-normative measures, means of implementation and other measures, to facilitate a discussion on options to ensure decent work in global supply chains, including at sectoral level, where appropriate. The review should provide the building blocks for a discussion at the

⁷ ILO, *ILO decent work interventions in global supply chains: A synthesis review on lessons learned; what works and why, 2010–2019*, 2019.

Governing Body session in March 2021 with a view to agreeing a comprehensive strategy on achieving decent work in global supply chains.

In seeking the implementation of the 2016 ILC conclusions and the ILO programme of action on decent work in global supply chains, based on a working concept of global supply chains, the review could aim to:

- (a) articulate the various outcomes being pursued;
- (b) explain how those outcomes are interrelated;
- (c) make clear how progress is to be measured;

and could consider, among others:

- (a) protection of human rights in global supply chains;
- (b) oversight of social auditing and certification bodies;
- (c) effective access to freedom of association and collective bargaining throughout the supply chain, including in EPZs;
- (d) capacity of national governments to promote decent work in domestic and global supply chains;
- (e) employment relationships with minimum protection at all levels of supply chains, extending protection to non-standard forms of employment, and taking measures to combat disguised and misclassified employment relationships;
- (f) public procurement and in public contracts;
- (g) monitoring and enforcement measures to ensure effective protection of workers, including collaboration between Member States in cross-border cases on labour inspection and access to justice; and
- (h) social dialogue within global supply chains, including cross-border social dialogue.

16. The Government Vice-Chairperson emphasized that the draft aimed to take account of the views expressed by the social partners. The draft took up the idea of a working group, which had been suggested by the Employers' group. He further emphasized that the goal would be to develop a comprehensive strategy.

17. The Employers' group submitted an alternative proposal for discussion, as follows:

That a tripartite working group be established (observing regional balance and supported by the Office) for the purpose of elaborating, for approval by the Governing Body, a strategy to equip the Office with the means to address implementation gaps in law and in practice to achieve decent work in both domestic and global supply chains. Decisions by the working group shall be taken by consensus.

The strategy should support implementation of the 2016 ILC conclusions and the ILO Centenary Declaration and aim to:

- (a) articulate the various outcomes being pursued;
- (b) explain how those outcomes are interrelated; and
- (c) make clear how progress is to be measured.

18. The Employer Vice-Chairperson emphasized that the Employers' group did not consider a review to be necessary. Rather, the goal should be to establish a clear strategy to address decent work deficits in global supply chains.

19. After discussion, the Government representative of the Netherlands proposed a further draft for consideration, as follows:

In seeking the implementation of the 2016 ILC resolution and the ILO programme of action on decent work in global supply chains a two-step process will be adopted.

- (1) The Office will be tasked with conducting an in-depth review to clearly identify if there are any gaps in the current body of normative and non-normative measures, means of implementation and other measures, to facilitate a discussion on options

to ensure decent work in global supply chains, including at sectorial level where appropriate. The review to be delivered by end of March 2021 should provide the building blocks for a review by a tripartite working group of a manageable size and observing regional balance.

- (2) On this basis, the working group will develop and agree upon a comprehensive strategy on achieving decent work in global supply chains and present it for discussion at the Governing Body session in November 2021.

20. After discussion, the Employer Vice-Chairperson presented a further proposal, as follows:

That a tripartite working group be established (observing regional balance and supported by the Office) for the purpose of elaborating, for the approval by the Governing Body, a strategy to equip the Office with the means to address implementation gaps in law and in practice to achieve decent work in both domestic and global supply chains. Decisions by the working group shall be taken by consensus.

The strategy should support implementation of the 2016 ILC resolution and the ILO Centenary Declaration and aim to:

- (a) articulate the various outcomes being pursued;
- (b) explain how those outcomes are interrelated; and
- (c) make clear how progress is to be measured.

The strategy could also consider a data-driven gap analysis that examines root causes of decent work deficits in domestic and global supply chains and assesses the role that workers, employers and government can play in reducing those gaps to achieve decent work for all.

21. The Government group reiterated that its proposal had endeavoured to bridge the gap between the social partners' positions. The Government representative of the United States of America added that 16 Governments had participated in drafting the proposal, and that it had managed to arrive at consensus on behalf of the group.

22. After discussion, the Workers' group proposed an amended version of the text introduced by the Governments (**previous text struck through; new text is underscored**):

In seeking the implementation of the 2016 ILC resolution and the ILO programme of action on decent work in global supply chains a two-step process will be adopted.

- (1) The Office will be tasked with conducting an in-depth review to clearly identify if there are any gaps in the current body of international labour standards, normative and non-normative measures, means of implementation and other measures, to facilitate a discussion on options to ensure decent work in global supply chains, including at sectorial level where appropriate. The review to be delivered by end of March 2021 should provide the building blocks for a review by a tripartite working group of a manageable size and observing regional balance.
- (2) On this basis, the working group will further develop ~~and agree upon~~ a comprehensive strategy building on the 2016 resolution and the programme of action on achieving decent work in global supply chains and present it for discussion at the Governing Body session in November 2021.

23. The Employer Vice-Chairperson presented proposed amendments to the text (**previous text struck through; new text is underscored**):

In seeking the implementation of the 2019 ILO Centenary Declaration, the 2016 ILC resolution and the ILO programme of action on decent work in global supply chains a two-step process will be adopted.

- (1) A tripartite working group, making decisions by consensus and of a manageable size and observing regional balance, and supported by the The Office will be tasked

with conducting an in-depth review to clearly identify if there are any gaps in the current body of normative and non-normative measures, means of implementation and other measures, and to assess the role that workers, employers and governments can play in reducing any gaps to achieve decent work in domestic and global supply chains, to facilitate a discussion on options to ensure decent work in global supply chains, including at sectorial level where appropriate. The review to be delivered by end of March 2021 should provide the building blocks for a review by a tripartite working group of a manageable size and observing regional balance:

- (2) On this basis, the working group will develop and agree upon a comprehensive strategy on achieving decent work in domestic and global supply chains, building on the One-ILO approach, and present it for discussion at the Governing Body session in November 2021.

24. Following further discussion, the meeting ended without adopting conclusions.
25. The points of consensus in the foregoing proposals include the following:
 - (i) that further work is needed to address the challenges of achieving decent work in supply chains, and that the Office should have a role in carrying out that work and delivering on its outcomes; and
 - (ii) that the work should lead to a proposed strategy, for consideration by the Governing Body.
26. The points of disagreement among the foregoing proposals include the following:
 - (i) the respective roles of the Office and a tripartite working group in carrying out the work;
 - (ii) whether the work to be done should address domestic supply chains; and
 - (iii) whether the work to be done should address the roles of employers' and workers' organizations, as well as of governments, in addressing decent work deficits in supply chains.
27. Since the meeting, the COVID-19 pandemic has had severe impacts on jobs in supply chains. Increased uncertainty and income losses are continuing to push consumer demand down in many countries, and the global nature of manufacturing supply chains propagate its impact across borders. In December 2020, more than 190 million jobs – which is nearly one third of all jobs in manufacturing supply chains and about 8 per cent of all jobs worldwide – experienced an either medium or high impact from these losses in consumer demand. While this is considerably less than during the first lockdown period, the number of highly impacted jobs had seen again an upward trend since October 2020, as second waves were hitting a number of countries. On the supply side, the geographical and sector-specific targeting of containment measures by governments significantly reduced input supply disruptions and their adverse impact on jobs that had been more common in the beginning of the crisis.⁸

⁸ ILO estimates, January 2021.

▶ Draft decision

28. **The Governing Body requested the Office to follow, in the way forward, the guidance provided by its members during the consideration of document GB.341/INS/13/2.**