

<b>Institution:</b> Queen Mary University of London		
<b>Unit of Assessment:</b> 14 Geography and Environmental Studies		
<b>Title of case study:</b> Labour Rights and Provisions in European Union and United Kingdom Trade Policy		
<b>Period when the underpinning research was undertaken:</b> 2015-2020		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b> Adrian Smith	<b>Role(s) (e.g. job title):</b> Professor of Human Geography	<b>Period(s) employed by submitting HEI:</b> Sept 2003-present
<b>Period when the claimed impact occurred:</b> 2015-2020		
<b>Is this case study continued from a case study submitted in 2014?</b> N		
<b>1. Summary of the impact</b>		
<p>Professor Adrian Smith has produced a body of research on the role of labour rights and provisions in international trade agreements which is impacting on trade policy in the European Union (EU) and the United Kingdom (UK). His Economic and Social Research Council-funded project, "Working Beyond the Border: European Union Trade Agreements and International Labour Standards" (WBB), has impacted on debate and policy regarding the European Union's approach to Trade and Sustainable Development (TSD) in its Free Trade Agreements (FTAs). In particular, it has: (1) informed the European Commission's TSD reform agenda and critical debate in the European Parliament; (2) informed the position of international trade union organisations and Members of the European Parliament on the EU's approach to TSD; (3) contributed to the reform of EU trade policy through the creation of a civil society network; (4) contributed to an International Labour Organisation (ILO) report and training materials, and (5) informed UK government and Labour Party post-Brexit trade policy.</p>		
<b>2. Underpinning research</b>		
<p>Since 2011, the EU has used a framework of Trade and Sustainable Development (TSD) chapters in all its Free Trade Agreements (FTAs) as part of its commitment to including what it calls "European values" and enhanced worker rights in its trade agreements. TSD chapters are vital to current and future EU trade policy and are regularly cited in key policy documents and by important EU officials (e.g. EU President and EU Trade Commissioner) as critical for ensuring that economic growth goes hand in hand with better environmental standards and working conditions in the EU and its trading partners. Between September 2015 and December 2017, Professor Adrian Smith led an inter-disciplinary team of researchers at Queen Mary University of London and the University of Warwick on the Economic and Social Research Council-funded project "Working Beyond the Border: European Union Trade Agreements and International Labour Standards" (WBB). The project investigated the negotiation, implementation and effectiveness of the EU's framework for labour provisions in its FTAs.</p> <p>The project was the most comprehensive examination of the EU's approach to date and produced two primary insights. First, it identified significant limitations in the institutional structures established by the EU's TSD framework and in its operationalisation [3.1; 3.3; 3.4]:</p> <ul style="list-style-type: none"> <li>• trade partner governments have not prioritised labour issues in the implementation of trade agreements with the EU;</li> <li>• EU trade officials have limited knowledge and understanding of labour relations in trade partner countries;</li> <li>• the institutional mechanisms set up for monitoring the provisions and labour standards in trade agreements are hampered by unclear aims, inadequate resourcing and limited influence on the government-led committees to which they ultimately report; and</li> <li>• monitoring mechanisms, centred on civil society groups, are weak.</li> </ul> <p>Second, the research identified the limited applicability of the EU's labour provisions for dealing with working conditions in the leading export sectors impacted by the EU's trade agreements [3.2; 3.4; 3.5]. For example, Smith's case study on the Moldovan clothing sector highlighted the</p>		

importance of poverty wage levels, work intensification, limited representation of workers, and erosion of state capacity to regulate working conditions. These issues are not fully covered in the ILO core labour standards, which are at the centre of the EU's TSD labour provisions. The research also showed how commercial pressures exerted by lead firms down the supply chain constrained the space for enhancing working conditions in supplier firms exporting to EU markets, and that these issues were not accounted for adequately in the EU's TSD approach [3.2].

When the European Commission subsequently sought to reform its TSD chapters to tackle the issues identified in the research, Smith co-led research involving nine leading scholars from across Europe. The resulting publication critically evaluated key aspects of the reform process, identified the importance of ongoing monitoring of how the reforms were enacted, and made proposals for how trade agreements could be harnessed more effectively to improve workers' welfare [3.4].

Finally, drawing on his research into EU trade policy, Smith examined the potential mechanisms for addressing workers' rights in future UK trade agreements. He was co-author of a working paper that makes proposals for how issues should be taken forward in future UK trade deals [3.6].

### 3. References to the research

[3.1] Harrison, J., Barbu, M., Campling, L., Richardson, B. & Smith, A. (2018). Governing labour standards through free trade agreements: limits of the European Union's Trade and Sustainable Development chapters. *Journal of Common Market Studies*, 57(2), 260-277. <https://doi.org/10.1111/jcms.12715>.

[3.2] Smith, A., Barbu, M., Campling, L., Harrison, J. & Richardson, B. (2018). Labor regimes, global production networks and European Union trade policy: labor standards and export production in the Moldovan clothing industry. *Economic Geography*, 94(5), 550-574. <https://doi.10.1080/00130095.2018.1434410>. Included in REF2.

[3.3] Smith, A., Barbu, M., Harrison, J., Richardson, B. & Campling, L. (2017). Labour provisions in the European Union-Republic of Moldova Association Agreement. in International Labour Organisation *Handbook on Assessment of Labour Provisions in Trade and Investment Agreements*, Geneva: ILO, 87-100. [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms\\_564702.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_564702.pdf)

[3.4] Harrison, J., Barbu, M., Campling, L., Ebert, F., Martens, D., Marx, A., Orbie, J., Richardson, B., & Smith, A. (2018). Labour standards provisions in EU Free Trade Agreements: reflections on the European Commission's reform agenda. *World Trade Review*, 18(4), 635-657. <https://doi.org/10.1017/S1474745618000204>.

[3.5] Campling, L., Harrison, J., Richardson, B., Smith, A. & Barbu, M. (2019). South Korea's automotive labour regime, Hyundai Motors' global production network and trade-based integration with the European Union. *British Journal of Industrial Relations*. <https://doi.org/10.1111/bjir.12506>.

[3.6] Harrison, J., Richardson, B., Campling, L., Smith, A. & Barbu, M. (2017). *Taking labour rights seriously in post-Brexit UK trade agreements: protect, promote, empower*, Centre for the Study of Globalisation and Regionalisation, working paper 284/17. <http://geog.qmul.ac.uk/media/geography/docs/research/working-beyond-the-border/284-17.pdf>

#### Evidence of the quality of research

[EQR3.1] Smith, A. [PI]. (2015-2017). Working Beyond the Border: International Labour Standards and European Union Trade Agreements [ES/M009343/1]. ESRC. GBP400,950.

[EQR3.1] Awarded the journal prize for Best Joint Paper Published. *Journal of Common Market Studies*.

#### 4. Details of the impact

Through a variety of activities related to the Working Beyond the Border (WBB) project, Smith has contributed to the reform of trade policy in Europe. This has led to enhanced trade policy provisions, improved agreements between the EU and trading partners, and the further development of sustainability goals in international trade.

##### **The research shaped the European Commission's Trade and Sustainable Development reform agenda and informed critical debate in the European Parliament**

In 2017, Smith organised a stakeholder meeting in Brussels attended by European Commission officials, which led to a co-authored response paper to the Commission's consultation on TSD reform; the response paper included several policy proposals based on Smith's research findings [5.1]. Following this, Commission officials invited the WBB project team to further discuss policy reform. The Trade Policy Officer at the International Trade Union Confederation (ITUC) noted that this response 'gave many civil society organisations a framework to use for their own submissions' to the consultation [5.2]. The submission to the European Commission's consultation process [5.1] was also cited by the Swedish Board of Trade in its submission in December 2017 [5.3].

Smith and his co-author's recommendations were mirrored in the European Commission's 'way forward' document (February 2018) [5.4] and reflected to some degree in future EU trade agreements. This included the need to:

- adequately resource the institutional structures of the TSD process
- widen the remit for civil society engagement and monitoring of EU trade agreements
- move away from a standard template TSD chapter to one that recognises the specific labour and global supply chain issues and priority areas in each context and
- achieve early ratification of international labour conventions to maximise leverage on trade partners to ensure policy change.

For example, the EU-Mercosur 2019 trade agreement includes a new article 11, specifically focused on "trade and the responsible management of supply chains" [5.5], an issue highlighted as a key limitation in previous TSD approaches by Smith's research.

Additionally, Smith gave two invited presentations at the European Parliament, which fed into the policy reform process. The first in June 2017 was to a European Parliament International Trade Committee working group. The event's organiser said the research presented gave a "fresh impetus and new ideas on how our members [of the European Parliament] can push the [European] commission to develop a more effective monitoring process, improve scrutiny and consider new mechanisms for implementation of FTAs" [5.6].

In November 2017 Smith presented his research to a conference on the Future of EU Trade Policy, which Members of the European Parliament (MEPs) and representatives from 12 EU national parliaments attended [5.7, 5.8]. A former MEP who participated said the research "was particularly helpful in identifying the root causes of the inefficiencies of [the] EU's trade policy and proposed action for policy change" [5.7]. This led to a "plenary debate in the European Parliament in January 2018 on the basis of a parliamentary question drafted by our Group", which raised, "in particular the shortcomings in civil society monitoring mechanisms" that the research identified [5.7]. The presentations therefore informed debates in the European Parliament, and recommendations from the research contributed to the adoption by the European Commission of its reform to the TSD model [5.7].

##### **The research shaped debate and policy positions of international trade union organisations on the EU's TSD approach and put pressure on the European Commission for reform**

In 2017, Smith co-organised a series of events for key stakeholders, including:

- An event with the European Trade Union Institute (September 2017), in which he presented WBB's key findings to the European Trade Union Confederation (ETUC), ITUC staff, and delegates attending an ETUC meeting.
- A workshop for trade union participants from EU trade partner countries (Korea, Moldova, Colombia) in December 2017.
- A public discussion on the European Commission's reform proposals involving trade union representatives and 40 participants from key EU institutions and civil society groups in Brussels.
- Ongoing discussions with the ITUC that shaped its position on the effectiveness and potential reform of the Commission's TSD approach.

A key member of ITUC staff stated that, overall, the project was:

of particular importance to my and other colleagues' work because it provided [...] new insight on the nexus between trade and sustainable development [...] The project was impressive in identifying possible roots of the inefficiencies of EU's trade policy and it proposed action for policy change [...] [T]he project has been outstanding [...] both in terms of the quality of its outcomes and the catalytic role it played in organising civil society in Brussels to engage on the trade-sustainable development agenda with a fresh look [5.2].

### **The research contributed to the reform of EU trade policy through the creation of a civil society network**

Smith and WBB colleagues, in partnership with the ITUC and ActAlliance in Brussels, established Domestic Advisory Groups (DAGs) for Change, a civil society/academic group with members of trade agreement labour monitoring mechanisms. The team's research and policy advice influenced the DAGs for Change discussions and informed its response to the European Commission's July 2017 reform consultation. An ITUC member of the group stated that:

[t]he ideas from the WBB project [...] have been important to the work of that group and have been used in the development of common positions [...] on what reforms should be made to TSD chapters [...] Partly as a result of pressure from the trade union and civil society groups who are involved in DAGS for Change, the European Commission is now itself recognising the limitations of TSD chapters within EU trade agreements [5.2].

Members of the DAGs for Change group have used the project's findings to push for various reforms to EU trade and investment policy through the European Commission's Expert Group on Trade Agreements [5.9]. Other members of the international NGO community have also drawn on the WBB findings, including Action Aid [5.10] and Friedrich Ebert Stiftung [5.11].

### **The research informed a major ILO report and contributed to the development of ILO training materials**

The ILO, which sets labour standards worldwide, was engaged in the delivery of the WBB project's impact throughout. Smith and the WBB project co-organised a workshop with the ILO on approaches to assessing the effectiveness of labour provisions in trade and investment agreements (December 2015). As a result of this, Smith was consulted on a review of a major ILO report on labour provisions in trade and investment policy (February 2016), and presented the WBB findings at the launch of the ILO report (December 2016). Smith also wrote a contribution for an ILO handbook [3.3], which is part of the European Commission's training programme and is referenced in the European Commission's policy statement in February 2018 [5.4].

### **The research informed UK government and Labour Party trade policy**

In 2018, Smith was invited to join the UK's Department for International Trade's (DIT) new Trade and Sustainability Expert Advisory Group (ETAG). ETAG, which brings together business, trade union and NGO representatives, is the key advisory body to government on post-Brexit trade and sustainability issues. Based on his research, the group asked Smith and James Harrison (co-I) to draft a common position on trade and sustainability (September 2018). Non-DIT members of the ETAG subsequently adopted the common position recommendations as the basis for their principles of sustainability in future UK trade policy [5.12]. A key member of the group confirmed that:

[t]his was significant as it means a broad range of trade unions, employers, environmental groups and other civil society groups, are aligned in their priorities for trade to support effective enforcement of workers' rights, promote sustainable development and involve civil society [5.12].

The Labour Party also used the project's findings to support the conclusions in its "green paper" on trade, which stated that "sustainable development chapters have not been effective" and "binding social clauses are needed" in future trade agreements [5.13]. This was part of the Institute for Public Policy Research's wider initiative to argue for enhanced protection of labour rights in a future UK-EU trade agreement, which relied on WBB research findings [5.13].

## 5. Sources to corroborate the impact

**[5.1]** [Report] Barbu, M., Campling, L., Ebert, F., Harrison, J., Martens, D., Marx, A., Orbie, J., Richardson, B. & Smith, A. (2017). A Response to the Non-paper of the European Commission on Trade and Sustainable Development (TSD) chapters in EU Free Trade Agreements (FTAs), submitted to the European Commission consultation on its "non-paper". The WBB project's response was subsequently published by the European Commission alongside all submissions to the consultation, available at:

[http://trade.ec.europa.eu/doclib/docs/2018/july/tradoc\\_157122.pdf](http://trade.ec.europa.eu/doclib/docs/2018/july/tradoc_157122.pdf).

The Commission's response and proposals are available at:

[http://trade.ec.europa.eu/doclib/docs/2018/february/tradoc\\_156618.pdf](http://trade.ec.europa.eu/doclib/docs/2018/february/tradoc_156618.pdf).

**[5.2]** [Testimonial] Trade Policy Officer, International Trade Union Confederation (29 November, 2017). **[Corroborator 1]**.

**[5.3]** [Feedback] to debate on Trade and Sustainable Development in EU Trade Agreements, see National Board of Trade Sweden submission to the consultation, 20 December 2017, Reg. No 2017/02011-3, pages 6 and 14 (referencing Barbu et al 2017 **[5.1]**):

[http://trade.ec.europa.eu/doclib/docs/2018/july/tradoc\\_157122.pdf](http://trade.ec.europa.eu/doclib/docs/2018/july/tradoc_157122.pdf).

**[5.4]** [Feedback] European Commission, Feedback and way forward on improving the implementation and enforcement of Trade and Sustainable Development chapters in EU Free Trade Agreements, 26 February 2018:

[http://trade.ec.europa.eu/doclib/docs/2018/february/tradoc\\_156618.pdf](http://trade.ec.europa.eu/doclib/docs/2018/february/tradoc_156618.pdf).

**[5.5]** [Report] EU-Mercosur Free Trade Agreement, chapter on Trade and Sustainable Development, article 11:

[https://trade.ec.europa.eu/doclib/docs/2019/july/tradoc\\_158166.%20Trade%20and%20Sustainable%20Development.pdf](https://trade.ec.europa.eu/doclib/docs/2019/july/tradoc_158166.%20Trade%20and%20Sustainable%20Development.pdf)

**[5.6]** [Testimonial] Political Advisor, Socialists and Democrats Group. International Trade Committee, European Parliament (20 July 2017). **[Corroborator 2]**.

**[5.7]** [Testimonial] (former) Member of the European Parliament, International Trade Committee, European Parliament (7 December 2017). **[Corroborator 3]**.

**[5.8]** [Testimonial] Head of Unit International Trade Committee, Socialists and Democrats Group, European Parliament (7 December 2017) **[Corroborator 4]**.

**[5.9]** [Testimonial] Senior Policy Officer, ACT Alliance EU (20 July 2020).

**[5.10]** [Policy Brief] ActionAid. (2018). From rhetoric to rights: towards gender-just trade. September, page

11: [https://www.actionaid.org.uk/sites/default/files/publications/from\\_rhetoric\\_to\\_rights\\_towards\\_gender-just\\_trade\\_actionaid\\_policy\\_briefing.pdf](https://www.actionaid.org.uk/sites/default/files/publications/from_rhetoric_to_rights_towards_gender-just_trade_actionaid_policy_briefing.pdf).

**[5.11]** [Report] Stiftung, F. E. (2018). Enforcing respect for labour standards with targeted sanctions, page ix: <https://library.fes.de/pdf-files/bueros/singapur/14689.pdf>.

**[5.12]** [Testimonial] Policy Officer, Trade Union Congress (4 February 2020). **[Corroborator 5]**.

**[5.13]** [Report] The Labour Party. (2018). Just Trading.

[http://docs.wixstatic.com/ugd/ac4ab1\\_3ed83d19c5424a30b4644ecb3de8573e.pdf](http://docs.wixstatic.com/ugd/ac4ab1_3ed83d19c5424a30b4644ecb3de8573e.pdf) and Institute for Public Policy Research. (2018). A Level Playing Field for Workers.

[https://www.ippr.org/files/2018-10/1539013433\\_brexit-and-employment-october18.pdf](https://www.ippr.org/files/2018-10/1539013433_brexit-and-employment-october18.pdf)