EXECUTIVE SUMMARY

The global economy, and in particular the organization of global production and international trade, has changed significantly in the last three decades. Today, international trade and global production are increasingly organised in highly fragmented and geographically dispersed production networks where transnational corporations (TNCs) break up the production process into different parts and locate them in different countries on a global scale. These transformations have important consequences for workers and the protection of labour rights. The rise of these complex global production arrangements together with a redefinition of the role of the state in the context of globalisation has led to an ‘accountability gap’ regarding labour rights. This raises the question of how transnational corporate activities and global production networks (GPN) can be regulated in order to secure labour and other human rights.

Taking into account these developments, the current report focuses on the options available to secure labour rights in GPN. The development of regulatory mechanisms that are or can be made applicable to secure labour rights in GPN has been slow. This is due to the cross-border dimension of these networks that require cross-territorial cooperation between state authorities as well as to the complexity of and asymmetric power relations between actors in GPN. In particular, GPN relationships have become increasingly complicated from a legal and labour rights perspective as supplier and subcontracting relationships have increased in comparison to subsidiary and equity relationships.

The human rights framework provides an avenue to address problems of responsibility and accountability for labour rights in GPN, as it offers a normative framework that identifies rights-holders and duty-bearers based on universally recognised normative standards. Although, the human rights framework focuses on the state as the key agent in the human rights arena, recently, the focus has started to shift and besides the state also non-state actors such as TNC have been identified as secondary duty bearers. In parallel, the redefinition of the role of the state in the context of globalisation has led to a new set of regulatory mechanisms that emerged at the national and international level. At the international level a variety of primarily soft law instruments which are not legally binding emerged in the attempt to secure key labour rights worldwide, including guidelines by international organisations and self-regulation at the sectoral or firm level. International Framework Agreements concluded between Global Union Federations and TNCs are more recent instruments aimed at securing workers rights on the international level. Given the existing and emerging options at the national, macro-regional (European) and international level, this report attempts to assess the effectiveness of different instruments with regard to labour rights protection in the context of GPN.

Our analysis shows that existing mechanisms to secure labour rights in GPN are still patchy. On the national level new promising instruments that reflect the host states responsibility to protect labour rights have emerged. For instance, some EU member states have introduced legislation to hold companies accountable for labour rights violations in supply chain relationships (“chain liability”). There are important limitations with regard to the territorial reach and categories of workers covered under the current regimes which could however be addressed in the future. The potential of incentive mechanisms such as socially responsible public procurement to enhance labour rights protection in GPN has not been realized so far as most emphasis has been put on national employment and issues of non-discrimination considerations without looking at labour rights further down in the production network. Moreover, host state responsibility for labour rights, especially in countries outside of the EU, may be compromised by a variety of factors in the context of GPN and related com-