



TRADE POLICY AND SUSTAINABLE DEVELOPMENT MEETING

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TRADE, JOBS AND SUSTAINABLE DEVELOPMENT

Session-1

Mr. Raymond TORRES

Director, ILO Research Department
International Labour Organization

Trade, jobs and sustainable development

*Raymond Torres, Director, ILO Research
Department*

Decent work as necessary condition for trade to lead to sustainable development

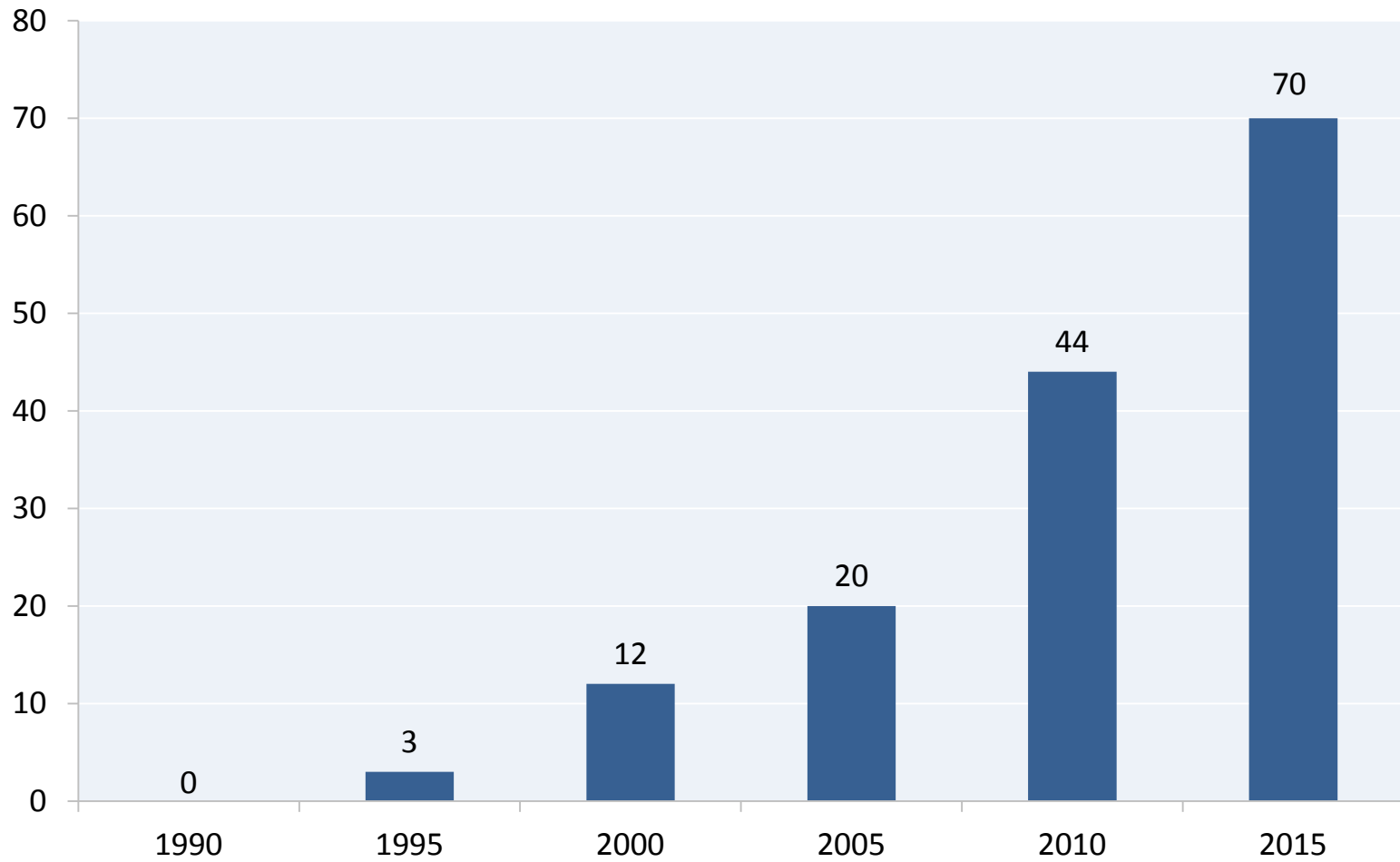
- It boosts productive basis of the economy, thus backward linkages of trade
 - Informality reduces linkages between dynamic export sectors and rest of the economy; tackling low-productivity traps
- It supports internal engines of growth, which are needed to exploit benefits from trade
 - social protection floors
- Decent work facilitates fair trade, therefore sustainable development
 - core labour standards; functional distribution of income

Policies to enhance complementarity between trade and decent work: international dimensions

1. Trade & investment agreements

- Labour provisions in trade agreements
- Balancing investment protection with labour protection
- Regional integration, which facilitates production diversification

Number of trade agreements with labour provisions



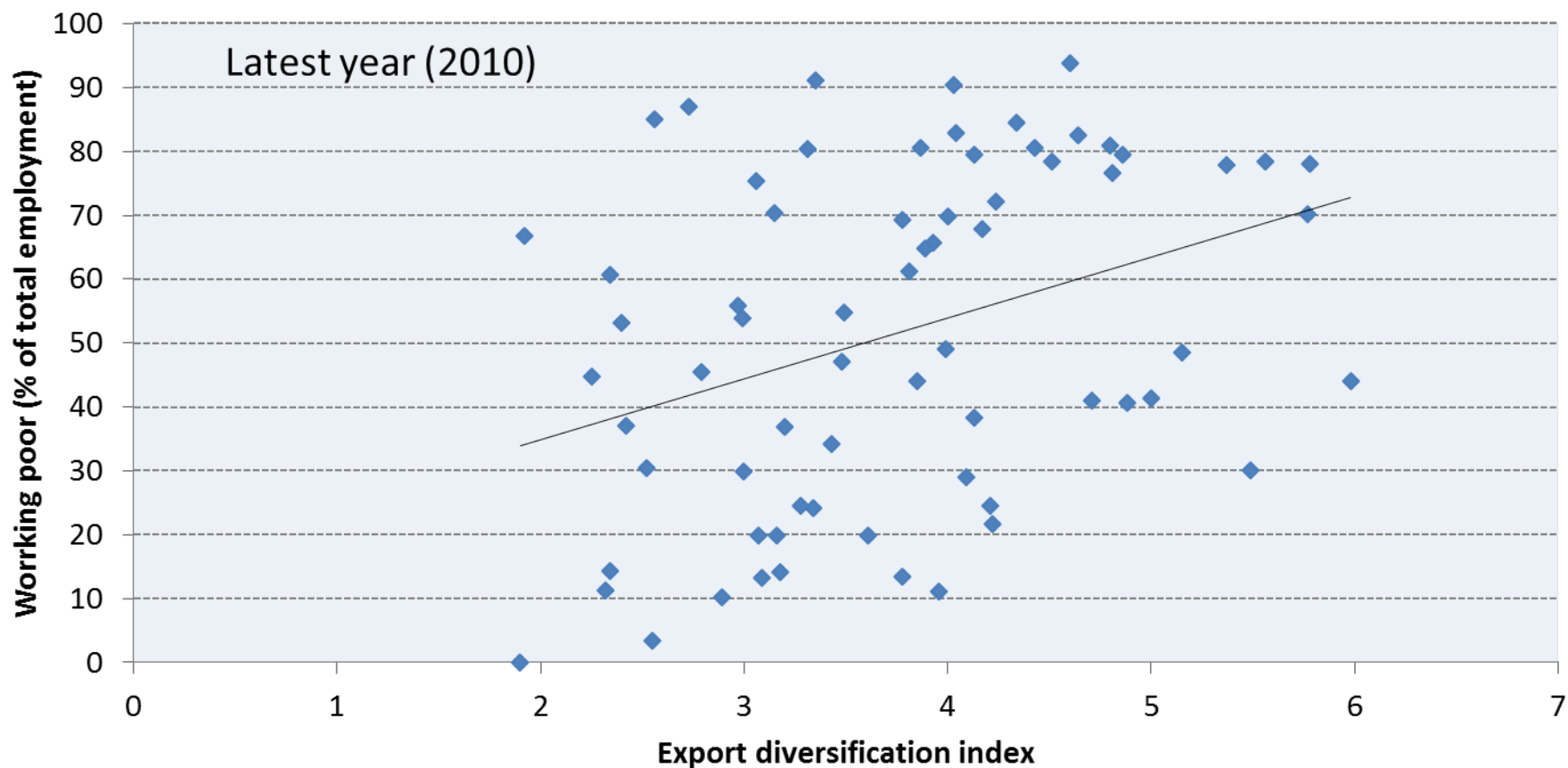
Note: 2015 data is as of the end of January.

Source: ILO Research Department based on WTO RTA Database



Export diversification correlated with lower working poverty

Export diversification and working poverty (2\$ a day threshold), 2010



Source: IMF Export Diversification Index; ILO, Trends Econometric Models, October 2014.

NOTE: The higher value of Export diversification index indicates lower diversification.

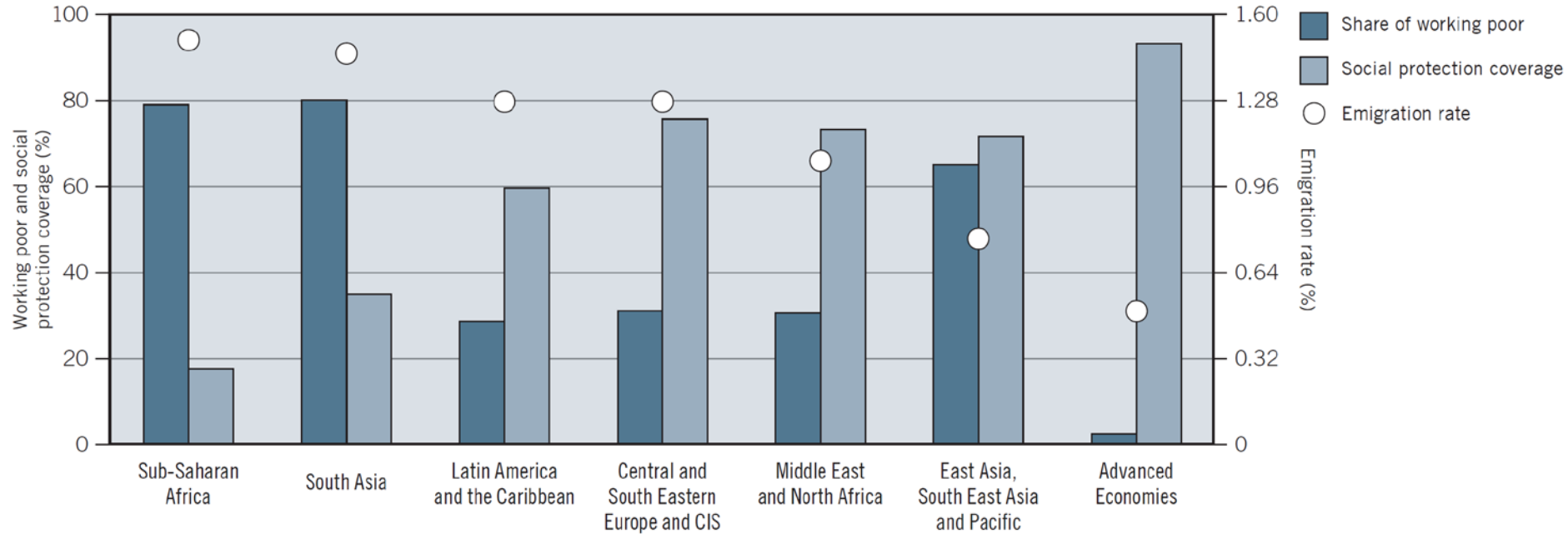
*Policies to enhance complementarity between trade and decent work:
international dimensions (cont'd)*

2. Development cooperation

- Strengthen focus Official Development Aid (ODA) on institutional dimensions
- Sharing of policy experiences, e.g. social programmes, transitions to formality
- Migration for development

Working poverty as a factor of emigration

Figure 9.1 A snapshot of global emigration rates, 2005–10



Note: Emigration rate (2005–10) is based on the data by Abel and Sander (2014).

Working poor and social protection coverage are the ILO's estimates.

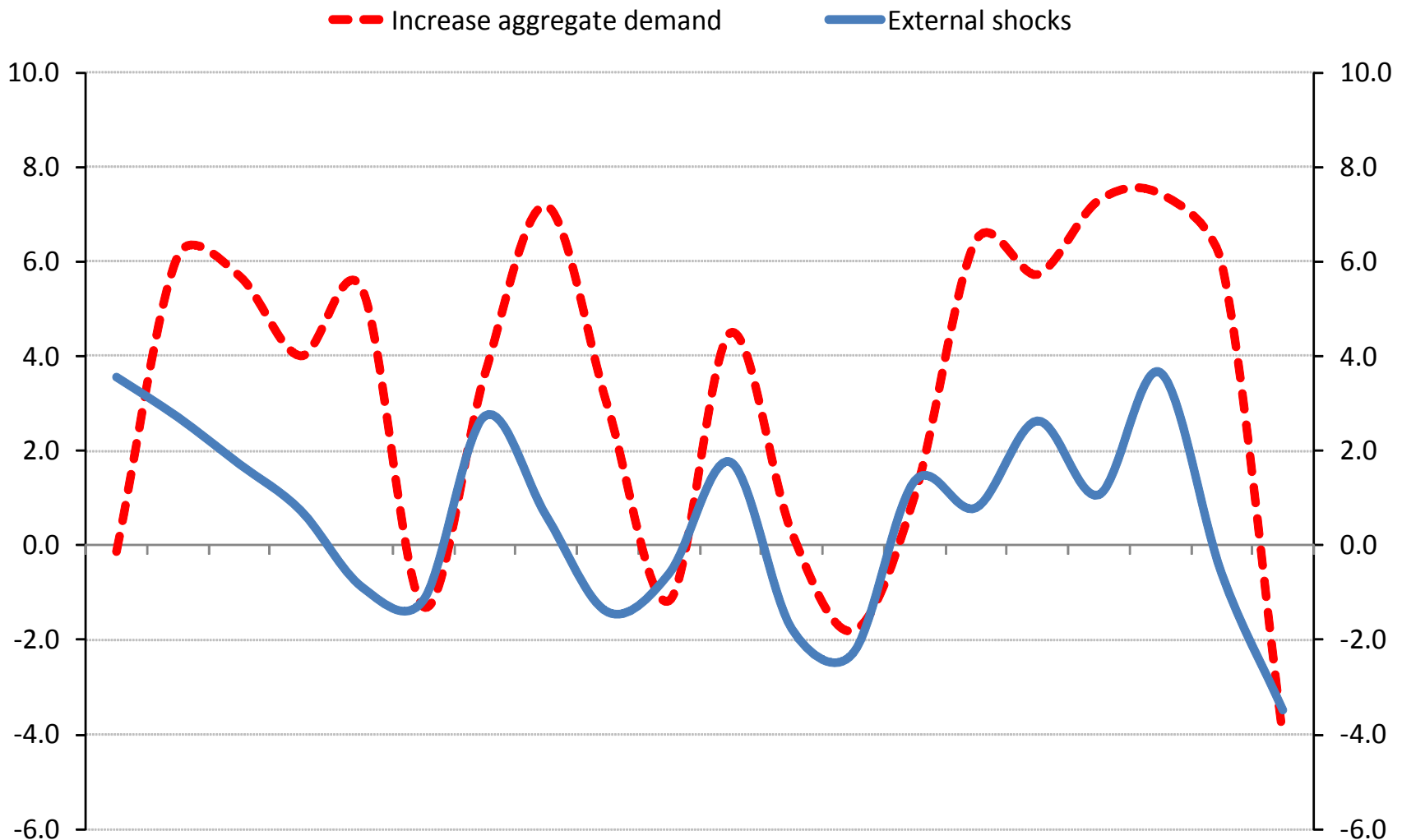
Source: ILO Research Department.

*Policies to enhance complementarity between trade and decent work:
international dimensions (final)*

3. Taxation and financial issues

- Tackling international tax competition (erodes the basis for pro-sustainable development policies)
- Tackling excessive capital volatility (blurs horizon for long-term investments; reduces economic predictability)

Latin America (19 countries): external shocks and aggregate demand, 1990-2009
(% of GDP, and annual rate of variation)



Source: Ffrench-Davis, International Labour Review, 2012

Concluding remarks

- Decent work is crucial to making trade & investment a driver of sustainable development
 - It is also a direct engine of sustainable development, so part of the post-2015 agenda
- There is scope for improving complementarities between DW and trade & investment policies
 - Inter-agency cooperation, including UNCTAD-ILO, especially post-SDGs
 - ILO forthcoming report on ending poverty