

► Factors and Outcomes in the Decent Work in Supply Chains Evidence Hub

Welcome to the Keyword Guide for the Decent Work in Supply Chains Evidence Hub.

The list of outcomes and factors is grounded in the ILO's Supply chain research agenda and definitions were developed in close consultation with ILO colleagues conducting research at the intersection of decent work and supply chains.

If you have any further questions, please contact us at supplychains@ilo.org.

OUTCOMES

Category	Definition
Overall decent work	Decent work is “productive work for women and men in conditions of freedom, equity, security and human dignity.” For more information, see: Decent work International Labour Organization
Freedom of Association, Collective Bargaining, and social dialogue	Freedom of association and the effective recognition of the right to collective bargaining are Fundamental Principles and Rights at Work. Freedom of association applies particularly to the freedom of workers and employers to establish and join organizations of their own choosing without previous authorization. Alternative labels are the right of association or the right to organize Collective bargaining refers to all negotiations which take place between one or more employers or employers' organisations, on the one hand, and one or more workers' organisations, on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers. Social dialogue is a process whereby employers or employers' organizations and workers or workers' organizations agree to negotiate, consult each other or exchange information on matters of mutual interest. It is often practised through collective bargaining and/or workplace cooperation. Alternative Labels are social concertation or social partnership. This can also include cross-border social dialogue, which are social dialogue processes and initiatives developed between or among governments, workers and employers or their representatives, beyond national borders. For more information, see Freedom of association International Labour Organization; https://www.ilo.org/topics-and-sectors/social-dialogue-and-tripartism

Forced labour	The elimination of all forms of forced or compulsory labour is one of the ILO's Fundamental Principles and Rights at Work. Forced labour is all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself [or herself] voluntarily. For more information, see https://www.ilo.org/topics/forced-labour-modern-slavery-and-trafficking-persons/what-forced-labour
Child labour	The effective abolition of child labour is one of the ILO's Fundamental Principles and Rights at Work. Child labour refers to work that: • is mentally, physically, socially or morally dangerous and harmful to children; and/or • interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work. For more information, see https://www.ilo.org/topics/child-labour/what-child-labour
Equality and non-discrimination, incl. gender-based	The elimination of discrimination in respect of employment and occupation is one of the ILO's Fundamental Principles and Rights at Work. Discrimination occurs when a person is treated less favourably than others because of characteristics that are not related to the person's competencies or the inherent requirements of the job. All workers and job seekers have the right to be treated equally, regardless of any attributes other than their ability to do the job. Discrimination may occur before hiring, on the job or upon leaving. For more information, see https://www.ilo.org/topics-and-sectors/fundamental-principles-and-rights-work ; Gender equality International Labour Organization
Occupational Safety and Health	A safe and healthy working environment is one of the ILO's Fundamental Principles and Rights at Work. Occupational Safety and Health (OSH) encompasses the prevention of work-related injuries and diseases, as well as protecting and promoting the health of workers. It encompasses the social, mental, and physical well-being of workers. For more information, see Safety and health at work International Labour Organization
Employment/Job creation	The generation of new jobs through comprehensive strategies, policies, and programs that support enterprise development, promote full and freely chosen productive employment, and promote greater access to income-earning opportunities. Job creation translates in growth in employment, i.e. work done by individuals of working age who were engaged in producing goods or services for pay or profit during a reference period, whether at work or temporarily absent due to reasons like sick leave or annual leave. For more information, see Employment promotion International Labour Organization

Wages	Wage is the payment made for work performed. This variable includes any wage-related study, including minimum wages and living wages. For more information, see Wages International Labour Organization
Skills	A skill is an acquired and practised ability to carry out competently a task or job, usually of a manual nature. Skills also include technical/ digital, soft and managerial skills. In the context of supply chains, studies ask if and how skills upgrading and on-the-job training can lead to higher wages. For more information, see Skills and lifelong learning International Labour Organization
Working terms and conditions, social protection	Working conditions: The physical, social and managerial factors affecting a worker's job environment. This can include, e.g., hours of work, leave entitlements, and rest periods. Job quality includes several dimensions such as contracting procedures and arrangements such as contract types, social security coverage, hours of work, hiring practices, employment status, and social protection. By social protection we refer to the access to social security, unemployment benefits, maternity/paternity protection, and to healthcare. For more information, see Productivity and working conditions International Labour Organization and Social protection International Labour Organization
Informality and formalization	Formalization is the process of bringing informal workers and economic units under the coverage of formal arrangements, while ensuring opportunities for income security, livelihoods and entrepreneurship. The informal economy forms part of the market economy in that it produces (legal) goods and services for sale or other form of remuneration. It covers informal employment both in informal enterprises (small unregistered or unincorporated enterprises), and outside informal enterprises. Informal entrepreneurs and workers share one important characteristic: they are not recognized or protected under existing legal and regulatory frameworks. For more information, see Informal economy International Labour Organization
Economic/business performance	By business performance the following dimensions are considered: Labour productivity: as the output per worker or per hour worked. Competitiveness/competitive advantage as the ability to contend with competitors for the same objective. With respect to enterprises, competitiveness refers to the ability of an enterprise to sell goods and services in a defined market at a better price/quality than its competitors while still generating adequate returns. Economic upgrading: this refers to an improvement in the position in a specific tier and segment of a supply chain. Upgrading is the process by which firms, industries, and countries enhance their capabilities to move from low-value to higher-value activities. This entails increased efficiency in the production process (process upgrading); the move to production of a higher value added product (product upgrading); the move to more complex production practices and higher value added segments of the chain (functional upgrading); or the move to a new, higher value added chain altogether (chain upgrading).

	Sourcing: Practices between buyers and suppliers such as contracts clauses, technical specifications, order placement. For more information, see Productivity and working conditions International Labour Organization and Supply chains International Labour Organization
New technologies and production practices	The process of enhancing the technological capabilities of firms, sectors, regions, or countries, also known as technological upgrading. This includes new technologies such as automation, robotization, and digitalization. For more information see Artificial intelligence International Labour Organization

FACTORS

Category	Definition
Participation in supply chains	<i>Global</i> supply chain refers to “goods and services that cross international borders for consumption or as inputs for further production” and <i>domestic</i> supply chain refers to “goods and services for consumption or as inputs for further production. A supply chain is a “Sequence of processes involved in the production and distribution of a commodity, implying that it considers the steps necessary to get a final product to the consumer. On the other hand, a value chain is defined as the process or activities by which a company adds value to an article, including production, marketing, and the provision of after-sales service, going from the raw materials, until the final product.” For more information, please visit Supply chains International Labour Organization.
Trade	This variable captures the role of trade, international trade flows, imports/exports, and exporting firms. For more information visit Integrating Trade and Decent Work International Labour Organization
FDI	Foreign direct investment (FDI) is an investment made by a resident enterprise in one economy (direct investor or parent enterprise) with the objective of establishing a lasting interest in an enterprise that is resident in another economy (direct investment enterprise or foreign affiliate). The lasting interest implies the existence of a long-term relationship between the direct investor and the direct investment enterprise and a significant degree of influence on the management of the enterprise. According to the OECD, the ownership of 10% or more of the voting power of a direct investment enterprise by a direct investor is evidence of such a relationship. For more information visit XX
Domestic supply chains	A domestic supply chain involves the movement of goods and materials within a country. <i>Domestic</i> supply chain refers to “goods and services for consumption or as inputs for further production” within a given country.

	For more information, please visit Supply chains International Labour Organization .
Trade and investment policies	This variable captures labour proxies in trade policy instrument such as labour chapters in trade agreements, trade preference schemes and forced and child labour import bans, as well as industrial policy, export processing zones, and subsidies. It also includes labour protection-related references in investment agreement and other investment policies such as safeguarding policies of development finance institutions. For more information, please visit ILO Labour Provisions in Trade Agreements Hub
Responsible business Conduct and Human rights due diligence	Responsible business conduct relates to how enterprises can make positive contribution to the realisation of decent work for all; and can minimize and resolve the difficulties to which their various operations may give rise. RBC encompasses private-sector code of conducts and sustainability strategies, the private sector impacts on sustainability in supply chains, private compliance initiatives, corporate social responsibility (CSR), and MNE approaches, behaviours and corporate strategies. Human rights due diligence is a process through which enterprises identify, prevent and mitigate their actual and potential adverse impacts on human rights and account for how they address such impacts. Three international instruments have become the key reference points on responsible business conduct: the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. For more information, please visit https://www.ilo.org/responsible-business-conduct
Labour inspectorates	Workplace inspections carried out by public officials to secure the enforcement of the legal provisions relating to conditions of work and the protection of workers. For more information, please visit Labour Inspection International Labour Organization
ILO interventions in supply chains	This variable capture impact evaluations and impact assessments of supply chain interventions by the ILO. For more information, please visit for instance Supply chains ILO Business case and Our Impact - Better Work
Institutional settings and social dialogue institutions	This variable covers the labour governance of supply chains (including hybrid forms of governance, interaction with multistakeholder initiatives); global labour regulation, and all documents addressing cross border social dialogue, international framework agreements, enforceable brand agreements, global union organizing, worker-driven social responsibility, or labour law reform. For more information, please visit Social dialogue and tripartism International Labour Organization

Access to remedy	Access to effective remedy is a core component of the UN Guiding Principles on the Business and Human Rights, a key element in ensuring sound collective labour relations and a solid foundation for strong employer-employee relationships. For more information, please visit Social dialogue and tripartism International Labour Organization
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