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Is the European Union's GSP+ incentive scheme effective in promoting labor rights?

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A comparative analysis

Abstract

Since July 2005 the European Union (EU) uses the 'Generalized Scheme of Preferences +' (GSP+) arrangement to govern the access to its Single Market. The GSP+ is an incentive arrangement that rewards developing countries with reduced tariffs for ratifying and effectively implementing 27 international core treaties, including the eight International Labor Organization's (ILO) fundamental conventions. Since the incentive scheme was repeatedly criticized for being ineffective in promoting the standards enshrined in these eight conventions, the EU has introduced a reformed scheme in January 2014. Aiming to ensure a more effective application of the ILO conventions, it provides stronger economic benefits for GSP+ beneficiary countries and it contains a strengthened monitoring system to detect quicker non-compliant behavior. Although the reformed incentive arrangement has drawn scholarly attention, a renewed systematic analysis of the scheme's effectiveness to protect labor rights abroad has not been carried out yet. By means of a co-variational approach, this study fills this gap. Following institutionalism, the hypothesis is developed that the modifications introduced under the reform, have the power to shift the incentive structure of GSP+ beneficiary countries towards a more effective implementation and application of the labor rights in question. However, drawing upon ILO progress reports of the years 2014 – 2016, the conducted pairwise comparison of GSP+ beneficiary countries with states that do not benefit from the EU's foreign policy tool, could not confirm the initial hypothesis. Instead, the three most severe labor rights violators of all 16 studied cases are GSP+ beneficiary countries. The policy's continued failure to effectively promote labor rights can have various reasons, such as the Union's reluctance to make use of the enforcement measures the policy provides for; or the fact that the provided benefits might not be equally attractive for all beneficiary countries. In any case, the European Union should reconsider its GSP+ incentive arrangement.

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List of abbreviations

CAS	Committee on the Application of Standards
CEAR	The Committee of Experts on the Application of Conventions and Recommendations
CFA	Committee on Freedom of Association
COI	Commission of Inquiry
EBA	Everything But Arms
EC	European Community
EU	European Union
GATT	General
GDP	Gross domestic product
GSP	Generalized Scheme of Preferences
GSP+	Generalized Scheme of Preferences +
ILO	International Labor Organization
IR	International Relations
pp	percentage point
PTA	Preferential trade agreement
TFEU	Treaty on the Functioning of the European Union
UDHR	Universal Declaration of Human Rights
WTO	World Trade Organization

1. Introduction

"If Europe must have a stronger social dimension, so should its trade policy."

- Former EU Trade Commissioner Peter Mandelson, 26 May 2005 (European Commission, 2005)

1.2. Background information and research question

Since July 2005 the European Union (EU) uses the 'Generalized Scheme of Preferences +' (GSP+) arrangement – a foreign policy tool – to govern the access to its Single Market.[1] The GSP+ is an incentive scheme that rewards developing countries with reduced tariffs for ratifying and effectively implementing 27 international core conventions concerning international human and labor rights, good governance, and environmental standards. The goal of this foreign policy tool is twofold: first, to support developing countries in their effort to stimulate economic growth; second, to promote sustainable development by upholding the objectives of the international conventions. These include the eight International Labor Organization's (ILO) fundamental labor rights conventions. The GSP+ arrangement has frequently been criticized for being ineffective in promoting compliance with these eight labor rights treaties (Aaronson & Rioux, 2008; Orbie & Tortell, 2009; Orbie, 2010, Wardhaugh 2013). In 2010, the European Union commissioned a study to assess its Generalized Scheme of Preferences. The Centre for the Analysis of Regional Integration at Sussex (CARIS) that was entrusted with the study, found that in the three studied cases, namely Georgia, Nicaragua and Peru, transposition of ILO conventions into national legislation was insufficient (CARIS, 2010). The study concluded with regards to the ILO treaties "that available data are largely consistent with the hypothesis that the GSP+ scheme and its conditionality has not yet resulted in significant changes in the situation 'on the ground' in beneficiary countries" (CARIS, 2010:166). Due to these deficiencies, the policy was reformed in 2012 aiming to "strengthen the GSP+ monitoring mechanism to ensure that those rights are properly respected" (European Commission, 2013). The reformed scheme came into force January 1, 2014 (European Parliament and Council of the EU, 2012). Despite its efforts to strengthen the policy, the EU was criticized for not addressing what some scholars consider to be the main reason for non-compliance, namely the EU's preference for cooperative mechanisms and dialogue instead of enforcement actions in case of human rights violations (Vogt, 2015). Three years

[1] Throughout this study, American spelling will be used. Thus, despite the fact that the EU uses the British spelling in its documents published in English, the name of EU policies and programs will be spelled according to American English, too.

after the reform, enough time has passed to allow for a systematic analysis of the effectiveness of the policy. This study will, therefore, answer the following question:

Does the EU's 'Generalized Scheme of Preferences+' incentive arrangement effectively promote compliance with the ILO core conventions on labor rights?

1.2. Relevance of research

According to Lehnert, Miller and Wonka (2007), it is desirable for academic research to not only entail a scientific, but also a societal relevance. Considering that academic research is publicly funded, this is a logical request (Bouter, 2010). Lehnert et al. (2007) claim that a study in political science is societal relevant if first, the studied social phenomenon has the power to affect someone and second, this impact must be either positive or negative with regards to an evaluative standard. The scholars emphasize that the second criterion is not redundant, but adds an important evaluative aspect that the first requirement does not contain. "Many consequences do not interfere with our welfare, utility, or happiness. […] Social relevance not only means that people are affected by some phenomenon but also that they evaluate the various possible consequences differently" (ibid.:26). Consequently, in order to entail societal relevance, the findings of the study must have a value for the people affected by it. Ideally, they multiply voters' political awareness and therefore "make a noticeable contribution to public opinion or political decision making" (Bouter, 2010:10). On the contrary, a study is regarded as scientifically relevant if it contributes to a theoretical discourse (Blatter and Haverland 2010, Lehnert et al. 2007). It can be argued that the more the study achieves to increase the understanding of the studied phenomenon, the bigger is the contribution to the scientific discourse (Lehnert et al., 2007). As Lehnert et al. emphasize (ibid.), there is no trade-off between these two dimensions of relevance. The following study entails a scientific and societal relevance.

Scientific relevance

This paper will have implications for two academic discussions. First, it obviously contributes to the ongoing debate if the EU's GSP+ policy is effective in promoting sustainable development by fostering labor rights. Since coming into force in 2005, the policy has received praise and criticism equally. Whereas some scholars have argued that the policy would create high economic incentives for developing countries to implement the core labor standards into domestic legislation (e.g. Yap, 2013), others have accused the old scheme of having too low eligibility criteria, leading to the admission of countries with long human and labor rights violation records and thus, obviously to the failure of promoting labor rights by rewarding developing countries that have proven to be labor rights advocates (Orbie & Tortell, 2009; Orbie & De Ville 2010, Wardhaugh 2013; Vogt, 2015). Under the new

scheme, the European Union has tried to address this deficiency. So far, only Vogt (2015) has analyzed the effectiveness of the new scheme to protect the ILO labor rights. However, his paper is based on anecdotal arguments. A study that analyzes the reformed GSP+ policy in an empirical way is still missing. This work will fill this gap.

By doing so, this study is also part of the wider debate about the power of trade policies that entail social conditionality. Ever since the linkage of trade and labor rights protection became more prominent in the international sphere in the late 1970s and then especially during the 1980s, scholars started to be more and more interested in this phenomenon (e.g. Hanson, 1983; Charnovitz, 1987; Frundt, 1998; Hafner-Burton, 2005). It is no surprise, that also this higher-level discussion is equally controversial. By analyzing a PTA, the following study will also contribute to this superordinate debate.

Societal relevance

The thesis entails a societal relevance for several reasons. First and foremost, the findings of this studies are relevant for the workers and in a more broader sense, for this part of civil society of the GSP+ beneficiary countries that fights for the respect of labor rights in their state. Especially the latter link to the Union's GSP+ arrangement the hope that the labor rights situation and therewith the living standard in general is improved (e.g. Stakeholder Forum GSP+ Pakistan, 2016). This study can help to clarify if this hope is justified.

Furthermore, it can be argued that the effective protection of labor rights abroad is also in the interest of the European citizens. This is not only due to ethnic considerations that become increasingly important for many European consumers buying more and more products that are manufactured in countries with lower labor rights standards than in Europe (Rudell, 2006; Goworek, 2011). It is also due to the indirect consequences that effective labor rights protection entails. Since extreme gender discrimination, human trafficking, exploitation and enforced labor – to name a few labor rights violations – are among the root causes of forced migration (Schmelz, 2012), a successful combat thereof would relieve to some extent the European society from the pressure that recent migrations flows have exerted upon it.

Finally, it can be argued that the answer to the research question has implications for the Union's reputation. Under Art. 3(5) and 21(1) of the Treaty of Lisbon the EU obliged itself to promote economic and social rights at the international stage, including in its external trade relations. A failure to do so might further sharpen the "image of a distant, ineffective, bureaucratic Europe" (Tajani, 2017) and therewith even strengthen anti-European sentiments. Also, if the EU wants to be seen as a normative power on the international stage (Manners, 2009), it should comply with its statutes. Otherwise, it risks losing partially its credibility.

The study is structured in the following way: the subsequent chapter will present an overview of the GSP+ arrangement. A sound understanding of the reformed incentive arrangement is important to develop a hypothesis for the study. The second section then provides an outline of the academic discussion about normative and positive aspects of the trade-labor linkage. These explanations will subsequently be used to identify the most suitable International Relation's (IR) theory in chapter 3. The fourth part will set the methodological stage for the actual analysis which will be carried out in chapter 5.

2. The GSP+ arrangement

2.1. Historical origins and organizational embedding

As the name suggests, the EU's GSP+ incentive arrangement is a variant of the Union's "Generalized Scheme of Preferences" (European Parliament and Council of the EU, 2012). The origins of this program which allows developing countries to sell their exports at preferential conditions to the European Single Market can be traced back to the 1960s. At the first sessions of the United Nations Conference on Trade and Development (UNCTD), the western industrialized countries – having been pressured by its former colonies - agreed on granting facilitated market access to developing countries through non-reciprocal preferential tariff schemes (Duran, 2012). In 1971, the European Community (EC) met this request by launching its GSP program (Bartels, 2007). At that time, the policy's aim was to foster industrialization and to support export-led economic growth of the poorest countries in the world (ibid.). Consequently, the focus laid on manufactured products for which quotas were reduced (Duran, 2012). Over time, the GSP program was reviewed leading to an inclusion of a broader range of products as well as to a change in quotas and beneficiaries. As a result of the Ugandan massacre in 1977, the European Community exercised for the first time conditionality. Sanctioning the behavior of the Ugandan government, the Community halted its development aid to the African country.

Since 1995, labor rights conditionality has been incorporated in most of the EU's international trade agreements including in its GSP program (Orbie and Tortell, 2009; Vogt, 2015). At that time, only the two fundamental ILO conventions concerning abolishing forced labor were introduced in the scheme, namely the *Forced Labor Convention* (No. 29) and the *Abolition of Forced Labor Convention* (No. 105) (Ebert and Posthuma, 2011). The ILO played a minor role in the Union's monitoring system (Orbie and Tortell, 2009). Since its introduction in 1995, the sanction clause has been applied to Burma (1997) and Belarus (2007) (ibid.). In 1998, the Community introduced a variant of the ordinary GSP program in the form of the 'GSP Drug Regime' which provided on top of the ordinary scheme additional trade benefits for developing countries that effectively fight drug production and trafficking (Bartels, 2007). However, initiated through a complaint by India, the World Trade Organization's (WTO) Appellate Body ruled in 2004 that the 'Drug Regime' had violated international trade laws (WTO Appellate Body Report, 20 April 2004). Consequently, the EU replaced this incentive arrangement with the GSP+ scheme in 2005, including now the promotion of all four core labor standards that are enshrined in the eight fundamental ILO conventions: i) freedom of association and the right to collective bargaining (Conventions No. 87 and 98); ii) the elimination of all forms of forced or compulsory labor (Conventions No. 29 and 105); iii) the abolition of child labor (Conventions No. 138 and 182); and iv) the elimination of discrimination in employment and occupation (Conventions No. 100 and 111). For least developed countries, the EU introduced the 'Everything But Arms' (EBA) scheme in 2001, granting duty-free access for all products except arms. All three variants – the 'General Arrangement', the GSP+ incentive

arrangement and the EBA scheme have been reformed over time. Under the latest reform of 2012, the 'General Arrangement' offers duty reductions for two-thirds of all EU tariff lines/categories; the GSP+ incentive arrangement provides zero duties on the same tariff lines, and the 'EBA' offers full duty and quota free access for all tariff lines except for arms and ammunition (European Parliament and Council of the EU, 2012). Beneficiary countries of the EU's GSP program need to respect human as well as labor rights (ibid.). Being part of the Union's external action, it is the Council together with the Parliament that is responsible for shaping the General Schemes of Preferences.

2.2. Content and rationale

This subchapter provides an overview of the policy's content; meaning the eligibility criteria of the incentive scheme will be presented, as well as the obligations and benefits coming with it. The section will end with the EU' rationale behind the policy.

A country is eligible for the GSP+ incentive arrangement if it meets several criteria. First, it must be "considered to be vulnerable due to a lack of diversification and insufficient integration within the international trading system" (European Parliament and Council of the EU, 2012: Art. 9(1)(a)). According to Annex VII of the regulation, an economy is "vulnerable", if "the seven largest GSP sections of its imports into the Union of products listed in Annex IX represent more than the threshold of 75% in value of its total imports of products listed in that Annex" and if the country's exports covered under the GSP scheme amount to less than 2% of the Union's total imports. Having increased this percentage by 1 percentage point (pp) under the reformed scheme, the Union claimed to have aligned the policy on the countries "most in need" (EU Commission, 2015:6). Legal scholars claim, however, that defining a country's economic vulnerability in terms of its share of total European imports is independent of the beneficiaries' actual needs (e. g. Bartels, 2007). Second, the country must have "ratified all the conventions listed in Annex VIII (the 'relevant conventions') and the most recent available conclusions of the monitoring bodies under those conventions (the 'relevant monitoring bodies') do not identify a serious failure to effectively implement any of those conventions" (European Parliament and Council of the EU, 2012: Art. 9(1)(b)). Vogt (2015) criticizes that there is no official EU definition of a 'serious failure'. Instead, having had insight in staff working documents of the Commission, he states that the Commission would consider a serious failure present only if the ILO Conference Committee on Application of Standards (CAS) included a 'special paragraph' – a condemnation in case of severe and continued violations of the ILO core conventions – in its reports. Third, an applying country must provide a "binding undertaking to maintain ratification of the relevant conventions and to ensure the effective implementation thereof" (European Parliament and Council of the EU, 2012: Art. 9(1)(d)). Fourth, it must "accept [ ] without reservation the reporting requirements imposed by each convention

and give [ ] a binding undertaking to accept regular monitoring and review of its implementation record in accordance with the provisions of the relevant conventions" (ibid.: Art. 9(1)(e)). And finally, it has to "give [ ] a binding undertaking to participate in and cooperate with the monitoring procedure [provided by the Regulation]" (ibid.: Art. 9(1)(f)).

As mentioned before, in case of admission, the country is granted tariff-free access to the Single European Market for 66% of the EU's tariff lines. Under the reformed incentive arrangement, four new tariff lines had been added.

It is examined if a country has met its obligations through a biennale reporting system which article 14 of the 2012 GSP Regulation provides for. For the information needed, the Commission draws upon the 'relevant monitoring body' of each of the conventions as well as upon information that it 'considers appropriate'. Since the latter has not been considered under the previous GSP regulation, the Union claims to have strengthened its monitoring system.

The rationale behind this non-reciprocal incentive scheme is described in recital 11 of the regulation, stating that its goal is to "help them [developing countries] assume the special burdens and responsibilities resulting from the ratification of core international conventions on human and labor rights, environmental protection and good governance as well as from the effective implementation thereof" (ibid.: Recital 11). Thus, the granted benefits are supposed to be a reward for exemplary behavior.

2.3. Legal basis

The GSP+ has its legal basis in Art. 208 (1) of the Treaty on the Functioning of the European Union (TFEU). This article states the following:

> *"Union policy in the field of development cooperation shall be conducted within the framework of the principles and objectives of the Union's external action. The Union's development cooperation policy and that of the Member States complement and reinforce each other.*
>
> *Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty. The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries."*

Being part of the Union's external action, it is the Council together with the Parliament that are responsible for shaping the General Schemes of Preferences. The implementation, hence the granting of GSP+ status lies, however, in the hands of the Commission.

However, the General Agreement on Tariffs and Trade (GATT) – an integral part of the WTO and therewith a decisive pillar of the international trade system[2] – does not allow non-reciprocal trade arrangements such as the GSP. The so-called 'Most Favorite Nations' principle (MFN) enshrined in Art. 1 of the GATT, requires from any member country granting a preferential trade concession to another, to subsequently extend it to all other member countries (GATT Art. I (1), General Most-Favored-Nation-Treatment). Discrimination against other member states is forbidden. However, when the industrialized countries decided to grant non-reciprocal preferential tariff schemes to developed countries, the 'Enabling Clause' was included into the GATT (GATT Document L/4903, 28 November 1979). This article provides for an exemption of the MFN principles and permits member states to grant developing countries preferential trade concessions if these privileges contribute to the alleviation of the developing countries' development, financial and trade needs. The EU's GSP program makes use of this regulation. However, some legal scholars question that the non-reciprocal trade policy meets the conditions of the Enabling Clause (Bartels, 2007; Wardhaugh, 2013)

[2] In 1993, the GATT, dating back to 30 October 1947, were modified; thenceforward, officially referred to as "GATT 1994". In April 1994, at the Marrakesh Ministerial Conference, it was agreed upon to integrate GATT 1994 into the newly established WTO (Agreement Establishing the WTO, 1998). In the case above, it is referred to the GATT 1994.

3. Literature Review

Linking trade with labor rights is an issue that has been controversially discussed for several decades by academics and politicians alike. Essentially, the debate centers around two main points: the normative rationale to link trade with labor rights and the effectiveness of trade policies that do so. Both aspects are relevant for this study. Consequently, in the first part of this chapter, the rationale behind the trade-labor linkage as well as its criticism will be presented. These explanations will serve as a basis for implications the study will make. In the second part, the positive debate about the effectiveness of trade agreements that intend to promote compliance with labor rights will be briefly outlined. This second part will present the literature gap which this study aims to close.

3.1. The trade-labor rationale

Since the core labor standards – namely freedom of association, prohibition of forced labor, prohibition of exploitative child labor and nondiscrimination in employment - can be found in the Universal Declaration of Human Rights (UDHR, Art. 23), they can be considered as human rights (Hafner-Burton 2009a). Drawing on this, three rationales to link labor provisions with trade can be identified in the literature – namely a human rights, an economic and a social rationale (Velluti, 2016).

3.1.1. The human rights rationale

Various scholars argue that the current international order is incapable to protect human rights. Hafner-Burton, for example, remarks: “Despite best intensions, existing human rights institutions – whether regional or global – are not able to sufficiently protect human rights, most powerless to enforce the norms they proffer” (2009b; see also Neumayer, 2005). Similarly, Brown, Deardorff and Stern judge the ILO as not as powerful enough to enforce compliance with its conventions: “Its ‘enforcement’ powers consist primarily of several mechanisms for monitoring and reporting abuses of the standards, but there is little that it can do to a country, even if the country flaunts a standard, except to publicize the fact” (2002:8). Therefore, it has been argued that labor rights should be included in bilateral and especially multilateral trade agreements since an integration would finally provide an enforcement tool, such as sanctions. With regards to the ILO Brown et al. emphasize that “it is this lack of ‘teeth’ in the ILO that has led to interest, on the part of many who wish to advance labor rights, in incorporating them somehow into the WTO” (2002:8).

However, developing countries generally reject this rationale. By pointing to the fact that developed countries only want a selective choice of labor rights included in a multilateral framework, many developing countries claim that this rationale is a disguised argument to protect the economies of developed countries (Salazar-Xirinachs, 2000). Similar reservations are made with regards to the economic rationale.

3.1.2. The economic rationale

The advocates of a trade-labor linkage who draw upon the economic rationale, claim that unequal levels of labor protection lead to unfair economic competition (Burtless, 2001). Underlying this argument is the assertion that countries with low labor protection have a competitive advantage compared to economies in which workers enjoy core labor rights. However, this assertion is somewhat controversial. Using the Heckscher-Ohlin model, Busse could demonstrate that forced labor and child labor lead to a cost advantage in unskilled-labor-intensive goods (2000). Maskus (1997), however, employing a demand-supply model, finds that cost-advantages gained through limitations of core labor standards do generally not increase exports in labor-intensive goods. He claims that the underlying reason for this phenomenon is distortionary effects (ibid.). The only exception in this regard constitutes the exploitation of child labor. His findings suggest that the use of child labor can expand exports in labor-intensive industries. Rodrik (1996) was able to empirically prove the latter.

Advocates of the economic rationale call for a 'level playing field' to prevent any unfair competition due to limitations of core labor standards (Velluti, 2016). Such a 'level playing field' is achieved if all countries participating in the global trade system implement the core labor standards and effectively protect their laborers. Violators would be punished with economic sanctions or other enforcement actions. In this way, fair trade becomes a means to foster free trade (Reddy, 2015). Yet, some economists reject such a linkage, emphasizing that it would undermine the competitiveness of developing countries and thus, ultimately protect the developed countries' economy (Bhagwati, 1995; Bhagwati & Srinivasan 1996). Interestingly enough, the former Trade Minister of Costa Rica, Salazar-Xirinachs (2000), assures that developing countries generally do not share *per se* these concerns. According to Salazar-Xirinachs, most of them do not aim to create or maintain a competitive advantage based on low laborer protection. However, the fact that developed countries would refuse to include issues that are relevant for most developing countries, such as rights of migrant laborers, and the fact that the developed countries' preferences for the inclusion of a social clause could often be traced back to lobbying groups "interested in defending protection and privileges" (ibid.:380), less developed countries consequently believe that it is not about creating a 'level playing field' or about humanitarian issues, but about protecting the economy of the most developed states.

3.1.3. The social rationale

Finally, the social rationale uses labor provisions as a means to safeguard social protection (Velluti, 2016). It has been argued that economic globalization can lead to a 'race to the bottom' in labor standards (Chan and Ross, 2003; Mosley and Uno 2007). Since private businesses usually seek the most cost-effective suppliers and investment location, economies come under pressure to provide these

factors (Mosley and Uno, 2007). It is conceivable that this leads to competition among states, making it unattractive for countries with high labor provisions to sustain them (Maskus, 1997). Consequently, it has been suggested that the participation in the global trade system leads to deficient labor rights provisions.

Mosely and Uno could indeed prove that the more open an economy is for trade, the less tend labor rights to be protected (2007). Even though they could also demonstrate that the higher the amount of foreign direct investments a country attracts, the better the domestic workers tend to be protected, it is the negative consequences of economic globalization on labor provisions that led to the idea that a trade-labor linkage could provide redress against the adverse effects. In other words, a so-called 'social clause' should ensure that the negative social effects of globalization are retained (Velluti, 2016). Brown et al. (2002) have rightly emphasized that the inclusion of a social clause would also provide governments with more leverage to argue against influential private businesses pressuring the state to implement rather weak labor provisions. International trade agreements that demand high labor standards enable governments to easily justify strict labor rights measures (ibid.).

3.2. Linking trade and labor – an effective alliance?

Developed countries have used trade policies to promote human rights abroad for a long time. The United States adopted as early as 1890 the so-called 'McKinley Act' which prohibited imports produced by prisoners (Brown, Deardorff and Stern, 1996). As mentioned above, the European Community only included in the 1990s human rights and democracy clauses in its external agreements (European Commission, 1995). Irrespective of those bilateral ventures, some developed countries tabled the proposal to include labor right standards in the international trade system at several rounds of GATT trade negotiations (Maskus, 1997). However, due to the objection of developing countries, so far without success. On the agenda of the still ongoing Doha Round, labor standards are not listed (Samet, 2003). Consequently, the trade-labor linkage can mainly be found in trade policies governing bilateral trade relations.

Scholars discuss the effectiveness of the linkage in these trade policies controversy. Alvarez (2002), Leebron (2002) and Trachtman (2002) all suggest that such a linkage is only effective under a narrow set of specific conditions. Whereas Trachtman (2002) emphasizes the influence the choice of institution and the nature of international law have on the effectiveness of a trade-labor conjunction, Leebron (2002) highlights that linking two areas bears the risk that one of them becomes predominant, overshadowing the goals of the other area or even completely scarifying them. Consequently, he stresses that the choice of regime to include a problematic issue strongly determines the success of

the linkage (ibid.). Maskus even proclaims that "attempts to link international labor standards and trade policy have a long history, mostly unsuccessful to date" (1997:65).

Not all scholars see a trade-labor linkage equally critical. The findings of researchers who claim that trade agreements including a social clause can raise the level of labor protection abroad, can be divided into two groups: findings that suggest that those trade agreements have the power to shift a state's behavior towards compliance with human rights treaties *ex-post* the ratification of the trade agreement and findings implying that such an effect occurs *ex-ante*. A very cogent analysis of *ex-post* effects of trade agreements including a social clause provides Hafner-Burton (2005). In her cross-national analysis, Hafner Burton draws upon human rights records of 177 countries between 1976 and 2001. Her findings have two implications. First, human rights treaties alone, lacking strong incentive measures can rarely ensure compliance. Second, states belonging to PTAs which include some kind of hard – thus, coercive – mechanism have a lower probability of violating human rights compared to countries that are not part of such PTAs. Hafner-Burton explains those findings by pointing to the change in the repressor's preferences which a 'hard PTA' is more likely to achieve than a 'soft' human rights agreement: in most cases, Hafner-Burton argues, human rights violators receive gains from forcible suppression. In order to change this preference, it is necessary to create a situation in which the cost of defection from the international convention is higher than the gains from repression. According to her, 'hard PTAs' can create such a situation. A recent study by Postnikov and Bastiaens (2014) qualifies Hafner-Burton's findings. By analyzing the level of protection of labor rights in countries that signed a PTA with the European Union before and after signing the agreement, the two scholars aimed to examine if the EU's softer, no-sanctions approach, has the power to influence the labor rights provision in EU partner countries. Their findings suggest that this is the case. Postnikov and Bastiaens argue that this *ex-post* effect is a result of learning by civil society actors in the EU partner country (ibid.).

Kim (2012) however, denies *ex-post* compliance effects and claims that an improvement of labor rights provision in developing countries rather happens *ex-ante* signing the agreement. The scholar argues that countries increase the level of labor rights protection before they sign a trade treaty including a social clause or even before they enter into negotiations, to become more attractive for large developed economies as a trading partner (ibid.). Hence, the benefits in prospect – in the literature often described as 'carrot', in contrast to the penalizing 'stick' – are, according to Kim, the crucial factor for countries to comply with labor rights.

These suggestions are questioned by Spilker and Böhmelt (2013). The academics hold the realist view that international agreements do not have the power to change states' behavior. Rather, countries would only be willing to include and respect 'hard measures' in PTAs if they are inclined to comply with

human rights in the first place anyways (ibid.). Spilker and Böhmelt conclude that "this leads to the paradoxical situation that enforceable human rights standards are included in those circumstances in which they are needed the least" (ibid:358). However, the scholars' argument is questionable for two reasons. First, even if only those countries that have the tendency to comply with human rights treaties in the first place will sign constraining PTAs, it can be argued that the international trade agreements still have the effect to accelerate the process of official implementation of labor standards, creating more legal certainty for workers. Thus, the treaties would have an effect. Secondly, the fact that persistent human rights violators could be found among the beneficiary countries of the EU's GSP incentive arrangement questions Spilker and Böhmelt's suggestion that only countries that "have a general propensity to abide by human rights in the first place anyway" (ibid.:345), will be willing to submit themselves to PTAs including a social clause can also be applied to the EU's old GSP policy. Guatemala systematically violated the Freedom of Association, but was a beneficiary country of the EU's old GSP+ arrangement (and also of the U.S.-American GSP); similarly, due the EU's GSP arrangement Pakistan, Bangladesh and Cambodia received for several years preferential access to the European market despite serious labor rights violations (Vogt, 2015). These cases rather seem to suggest that developing countries get attracted by the benefits PTAs provide them, but lack the political will or the administrative and legal capacities to ensure a comprehensive protection of their laborers.

In the case of the old GSP+ scheme, most of the scholars indeed assert that the incentive scheme provided attractive economic benefits. Cirera, Foliano and Gasiorek (2015) could demonstrate that the arrangement had a positive impact on the beneficiaries' exports to the EU. Bandara and Naranpanawa (2015) proved that the withdrawal of the GSP+ status from Sri Lanka in August 2010 led to a decrease in the country's real exports of 1.02 pp, a decline of real gross domestic product (GDP) of 0.6 pp and a reduction of overall employment of 1 pp. Consequently, he suggests to Sri Lanka to "fulfill [the] GSP Plus criteria to regain trade concessions from the EU" (2015:1458).

A comprehensive analysis that could empirically prove the attractiveness for the reformed policy scheme is missing so far. However, the fact that four new tariff lines were added as part of the reform and the fact that the Sri Lankan government reapplied in July 2016 for the scheme (European Commission, 2017a), suggest that the incentive arrangement has at least not lost its economic attractiveness.[3]

The scholarly assessment of the policy's effectiveness to increase the level of labor rights in EU partner countries is so far less positive than the academic evaluation of its economic attractiveness. Orbie and Tortell (2009) examined in how far the Commission's practice to sanction human rights violations of

[3] The EU has recently admitted Sri Lanka for the GSP+ incentive scheme (European Commission, 2017b).

GSP+ beneficiary countries is consistent with the recommendations and assessments given by the ILO committees. Their findings suggest two things. First, in some cases, the Commission's decision to grant a certain country the GSP+ status was contradictory to the ILO committee's recommendations. Second, even though the ILO's condemnation of some partner countries was severe enough to withdraw the GSP+ status, the EU was reluctant to do so (ibid.). They explain the latter finding by means of the diplomatic damage the EU would endure in the case of a withdrawal. In addition to that, they suggest that the Commission is reluctant to take such a decision since the Council would have to agree as well. As it could be observed in the case of Belarus – complaints were filed against the GSP beneficiary country in 2003, but sanctions only followed in 2007 - including the Council in this decision-making process would take lots of time and demand extensive political negotiations (ibid.).

As mentioned above, the Commission decided to reform the policy to strengthen the overall effectiveness of the scheme. Vogt (2015) analyzed the reformed arrangement about one and a half years after it came into power. For several reasons, he concludes that the arrangement is still unable to increase the level of labor rights protection in the European partner countries. Firstly, Vogt claims that the reformed scheme runs the risk to accept countries that are labor rights violators: According to him, the new eligibility criterion demanding that "the most recent available conclusions of the relevant monitoring bodies [of the ILO] do not identify a serious failure to effectively implement any of these conventions" (Art. 9(1) EU Regulation No. 978/2012), is a step back compared to the previous regulation (2015). Whereas the 2008 GSP Regulation classified a country eligible only if it had "ratified and effectively implemented all of the conventions" (Art. 8(1)(a), Vogt claims that the introduction of the term 'no serious failure' allows for some degree of violation, thus, also accepting countries for the scheme that do not fully protect its laborers' rights (ibid.). Secondly, Vogt argues that the Commission still misunderstands the ILO's monitoring system, leading to deficient assessments of the labor rights situation in beneficiary countries (ibid.). The scholar claims that the Commission, fatally enough, would not give the recommendations and assessments of all four ILO committees equal weight, but would consider the evaluations by the Committee on Applications of Standards as the 'official' and thus only important ones (ibid.). This would lead to an incomplete picture of the labor rights situation in the partner country and would consequently make potential sanctions less likely (ibid.). Finally, Vogt accuses the Commission's preference for dialogue and other cooperative measures over sanctions as another reason why beneficiary countries do not exercise care and diligence to protect its laborers (ibid.). However, as discussed earlier, Postnikov and Bastiaens' study (2014) could show that the EU's 'soft approach' towards labor rights violators can still lead to improvements.

Vogt's study is so far the only scientific work that analyzes the effectiveness of the reformed policy to promote labor rights. However, Vogt's findings are exclusively based on anecdotal arguments. An empirical analysis is still missing. This thesis aims to fill this gap.

To conclude, the literature disagrees about the question if PTAs including a social clause can change states' behavior. Those scholars that claim that those preferential trade agreements have the power to increase the level of laborer protection abroad, underline the importance of the institutional design. Especially for the case of the GSP+ incentive scheme, scholars emphasize the importance to apply the enforcement measures consistently that the regulation provides for. These recognitions are important for the next chapter, in which a theoretical framework will be chosen.

4. 'Compliance' and its theoretical explanations

'Compliance' is a multidimensional and complex phenomenon (Thomann, 2011). Since it is the crucial term for this study, it must be specified what is meant by it. Therefore, a definition will be given in the first part of the chapter. In the second part, it will be outlined how the three main theories of international relations – namely neorealism, institutionalism, and liberalism – explain compliant behavior by states. Based on these explanations and based on the discussions of the literature given in the previous chapter, the most suitable theory for this study will be selected. Following Walt's dictum stating that "we need theories to make sense of the blizzard information that bombards us daily" (Walt, 1998:29), the chosen theory will lead to a hypothesis that will be stated in the end of this chapter.

4.1. Defining compliance

Compliance is the subject of a vast body of literature in international relations and international law alike. This study is exclusively concerned with the definitions given in the international relations literature.

Oran Young defined compliance in his widely-respected study 'Compliance and Public Authority' in the following way: "Compliance can be said to occur when the actual behavior of a given subject conforms to prescribed behavior, and non-compliance or violation occurs when actual behavior departs significantly from prescribed behavior" (1979:3). Even four decades later, this is the most commonly used definition for compliance in international relations (Thomann, 2011). As some academics claim, Young's definition would differentiate between compliant behavior and implementation (Simmons, 1997). Thomann (2011) emphasizes that these two aspects may not be confused. Implementation is in most cases a necessary step to compliant behavior. It refers to those measures at the domestic level that might be necessary for a state to put the international agreement into practice. These can include legislative and administrative changes, the setting up of institutions, and procedures to enforce the new rules. Usually, the implementation measures are left to the discretion of states. Despite the fact that implementation is often an imperative step to compliance, those two aspects are not necessarily interlinked.(ibid.). As Thomann remarks "compliance may […] occur without any implementation efforts at all, if for instance the obligations of an agreement already match the current practice of a state" (ibid.:23). However, given the fact that the ratification of the fundamental ILO conventions requests its subsequent implementation[4], it can be argued that implementation is part of "prescribed behavior" in this case. Therefore, implementation will be considered as a part of compliance.

[4] For example, Art. 4(1) of the *Worst Form of Child Labor Convention* states that "The types of work referred to under Article 3(d) shall be determined by national laws or regulations or by the competent authority, after

In addition to that, the literature points out that many international agreements entail two different dimensions of compliance referring to two types of obligations: substantive and procedural obligation (Jacobsen and Weiss, 1995; Thomann, 2011; Zhelyazkova, Kaya and Schrama, 2017). Substantive obligations refer to necessary legislative and practical implementation measures that accrue from the treaty (Jacobson and Weiss, 1995). Procedural obligations, on the other hand, are compulsory measures that aim to make states' behavior transparent (Thomann, 2011). The most important procedural obligation is the requirement for states to periodically report on the progress made to fulfill the obligations stated in international agreements (ibid.). Even though these dimensions are related, they are not interlinked. As Thomann notes, "states may comply procedurally and fail to do so substantively – and vice versa" (2011:25). To account for the here outlined complexity of compliance, this study will work with the definition by Thomann who defines compliance as "the congruence between the provisions of an international agreement on the one hand and the specific behaviour of states to put these commitments into practice on the other" (2011:23).

Since the implementation and application of provisions stated in an international agreement is in the discretion of the state, it is firstly in the evaluation of state officials to assess if domestic legislation and its application is compliant with the treaty in question. They might consider the legal situation within and the behaviour of their state as compliant, whereas the monitoring body of the convention does not (fully) support this view (Thomann, 2011). Consequently, compliance bargaining games may emerge, in which the degree of (non-)compliance is negotiated (Jönsson and Tallberg, 1998). Thus, compliance cannot be regarded as a binary choice which occurs in a clear-cut state, it rather manifests itself in different gradations (Thomann, 2011). Considering the possibly necessary political, legal, and administrative measures, reaching full compliance is seldom a quick, but rather a lengthy process. These remarks will be especially important for the considerations in chapter 5.4. in which different methods to measure compliance will be discussed. Having defined compliance, the following subchapter will briefly outline how the three main IR theories explain compliance.

4.2. Theoretical explanations for compliance

The following subchapters will give an overview of the theoretical explanations for compliance. Each theory chapter starts with the assumptions the theory is based on. Subsequently, it will be explained

consultation with the organizations of employers and workers concerned, taking into consideration relevant international standards, in particular Paragraphs 3 and 4 of the Worst Forms of Child Labor Recommendation, 1999."

how the theory in question explains interstate cooperation and ultimately compliance. These explanations will help to select the most suitable theory for this study.

4.2.1. Neorealism

Neorealism is often considered as the "mainstream" approach of international relations, that has become the point of departure for the development of new theories (Wagner, 2014: 106). The theory provides the most negative perspective on compliance with international agreements and international law in general (Mearsheimer, 1994). For neorealists, power and interest are the primary factors that determine interstate relations (Simmons, 1998).

Assumptions:

According to Mearsheimer (1994), neorealism is based on five assumptions. Firstly, anarchy defines the international system. States are sovereign, there is no central authority above them. Secondly, states possess some offensive military power. Thirdly, due to the states' military capabilities, no state can be certain of the intention of other states. Fourthly, survival is the principle goal of each state. Fifthly, states are rational actors and therefore pursue the goal of survival in a strategic way.

Acknowledging these assumptions, neorealists assert that the international system is shaped by competition in which the most economic and military powerful states are the determent actors (Mearsheimer, 1994; Simmons, 1998).

Cooperation:

As Mearsheimer (1994) points out, under these conditions, cooperation between states is difficult to achieve. Essentially, two factors inhibit cooperation: relative-gains considerations and concerns about cheating. According to the before mentioned assumptions, each state cannot be sure about the intentions of the other states in the international system and survival is the primary goal. Consequently, to ensure its own power position, it is important for each state to do better – at least not worse – than other states in the international system. A weakening position would rise the risk of getting attacked by other states. As a result, neorealists claim that states are not guided by absolute, but rather by relative gains. However, this concern about "how the pie is divided" (ibid:12), makes cooperation among states very difficult. To achieve relative gains for all states is impossible. Likewise, cheating is regarded as an obstacle to cooperation. For fear that the contracting party will defect from agreements and thus gain a relative, states are reluctant to engage in cooperation in the first place.

Despite these obstacles, realists assure that cooperation in the form of international treaties and institutions – defined by Mearsheimer as "a set of rules that stipulate the ways in which states should cooperate and compete with each other" (1994:8) - is still possible. The advocates of neorealism claim that this is the case if the most powerful states have an interest to reach an agreement (e.g. in order to form a military alliance against an enemy). At any rate, this interest can be reduced to their eagerness to maintain or rather increase their share of power. Many neorealists claim that international agreements serve as a means for states to 'lock-in' their power position. As a result, it is suggested that agreements and institutions reflect the distribution of world power among states (Mearsheimer, 1994).

Compliance:

Thus, since agreements and institutions are considered to be a mere reflection of the distribution of power, neorealists generally maintain that those two forms of international relations themselves do not have the power to shift states' behavior. In fact, it is suggested that they do not matter, or in other words, they are seen as "window dressing" (Abbott and Snidal, 2000:422). Consequently, the neorealist approach rejects the idea that PTAs including a social clause could increase compliance with human rights. It rather suggests that compliance can only be enforced through state power (Slaughter, 2013). So far, the literature body applying the realist approach to trade policies in general and to the EU's trade policies in particular is rather limited. As mentioned in chapter 3.2., Spilker and Böhmelt seem to follow the neorealist argumentation by suggesting that PTAs linked to labor standards are not able to increase the level of labor rights protection abroad. Instead, they argue that a certain degree of compliance can be observed because only those countries that are willing to comply with labor rights in the first place will sign PTAs including a social clause. Garcia (2013), analyzing the EU's preferential trade agreement, argues that the Union, following its competitiveness-driven 'Global Europe' strategy (2006), shifted its trade policy in the past decades from an idealist approach – oriented towards democracy, good governance and sustainable development – to a more realist approach centering around economic power maximization.

Applying these explanations to the GSP+ policy, a realist would see in the incentive arrangement a means to defend the EU's economic power position. Following the criticism of the economic rationale to link trade and labor presented in part 3.1.2., a realist could argue that the conditionality included in the incentive scheme is a disguised measure to protect the European economy. Compliance with the ILO core conventions – a necessity to create a 'level playing field' – could, however, not be ensured by the arrangement itself, but by the fact that the EU is an "economic giant" (Medrano, 1999). Its economic strength provides the EU with the power to influence its trade partners according to its interests. The incentive arrangement itself, a realist could argue, is primarily needed to officially

comply with the WTO rules that pose requirements to allow for discrimination under the enabling clause.

However, these explanations using the realist approach are not convincing. If the EU would be indeed guided by realist considerations, one would expect the Commission to strictly apply the enforcement measures that the regulation provides for. According to the realist explanatory approach, ensuring compliance with the labor standards is crucial for the EU in order to mitigate the cost-advantage that the beneficiary countries might hold in comparison to the European economies. However, as Vogt (2015) could show, this has clearly not been the case. Instead, the Commission has engaged in dialogue and cooperative measures in case of labor rights violations on the part of the GSP+ beneficiary countries (ibid.). Considering these explanations, realism is not a plausible approach on which a cogent hypothesis could be developed for this study.

4.2.2. Institutionalism

In the second half of the 1970s, more and more scholars started to challenge the pessimistic view of neorealism and developed step-by-step an approach which was known as 'institutionalism' since it is guided by the belief that institutions - defined as a "set of rules, norms, practices and decision-making procedures that shape expectations" (Slaughter, 2013:10) – can change states' behavior and lead to cooperation (Keohane and Martin, 1995, Sterling-Folker, 2013).

Assumptions:

The liberal scholars aimed to challenge the neorealist approach on the basis of the theory's own assumptions. Keohane declares in his book *After Hegemony*, "I propose to show, on the basis of their own assumptions, that the characteristic pessimism of realism does not necessarily follow. I seek to demonstrate that realist assumptions about world politics are consistent with the formation of institutionalized arrangements […] which promote cooperation" (as cited in Mearsheimer, 1994). Consequently, institutionalism follows neorealism in assuming that sovereign states interact in an anarchic environment (Oye, 1986, Keohane, 1995). Furthermore, institutionalists assert that states are unitary, rational actors that weigh costs and benefits against each other. (Thomann, 2011). In order to survive, states try to maximize their material conditions (Slaughter, 2013).

Cooperation:

Just like neorealists, institutionalists admit that cooperation is difficult to achieve under these conditions. Still, both approaches coincide that cooperation among states can be achieved if especially the powerful states deem it as beneficial for themselves. However, whereas realists claim that relative

gains concerns and the fear of being cheated renders cooperation difficult, institutionalists claim that cooperation in form of an institution can largely overcome these collective action impediments (Keohane and Martin, 1995). As a result, institutionalists assert that cooperation is easier to achieve than neorealists assume (Mearsheimer, 1994).

Concerning relative gains, institutionalists claim that they are not as important as realists suggest. Duncan Snidel (1991) could show that relative gains are only substantial in the two-actor case, but not in a multilateral environment. For the two-actor case, however, Keohane and Martin (1994) assert that, providing that the two states are generally inclined to cooperate, institutions can alleviate the relative gains concern. By providing information about the distribution of gains and by supplying a platform for discussion, the two scholars claim that institutions help to promote distributive justice. The fear of a state's relative loss is thereby mitigated. Consequently, institutionalists do not consider relative gain concerns as an obstacle for cooperation.

According to institutionalists, also the second obstacle to cooperation that neorealists have identified – the fear of cheating – can be solved by means of institutions (Sterling-Folker, 2013). Firstly, by promoting the exchange of information institutions foster transparency among states and therefore make states' behavior more predictable. Cheating is easier to detect and thus, according to institutionalists, less likely (Simmons, 1998; Slaughter, 2013). Secondly, it has been claimed that the iterative interaction between states that institutions cause, changes states' incentive structure away from defection towards compliance (Keohane and Martin, 1994). Like the famous 'prisoner dilemma' suggests, states are less likely to 'get away with cheating' in iterative interactions (Jervis, 1978). A state that defects from an agreement, will most likely get punished in the next interaction by the other side through defection in return. A continued breach of agreement from both sides, however, makes all involved actors worse off in the long term, than consistent complaint behavior. Consequently, it is argued that the iterative interactions that institutions cause, decreases the risk of cheating. As a result, institutionalists claim that the impediments to collective action identified by neorealists can be overcome by means of institutions (Slaughter, 2013).

Compliance:

Just like cooperation, (non-)compliance is a rational choice (Thomann, 2011). As can be seen from the above, the benefits and costs that determine considerations concerning cooperation are closely linked to the advantages and disadvantages ultimately leading to (non-)compliant behavior. Nevertheless, the costs and benefits determining the two calculations are not identical. Following the rationale that compliant behavior can be expected if the benefits of doing so outweigh the costs (Keohane and Martin, 1994), Thomann suggests that "achieving compliance first requires an analysis of the

underlying incentive structure" (2011:29). Simmons (1998) asserts that reputational considerations primarily determine a country's cost-benefit calculation: a country that cheats will suffer from a loss of reputation in the international sphere. Shihata (1965) claims that these considerations are taken into account in particular by developing countries and states that join an institution. Franck (1990), Tascan (1992) and Peck (1996) all underline the importance of the normative power that can result from international agreements leading to compliance expectations not only at the international, but also at the domestic level.

Thomann (2011), not only emphasizes the costs that are related to non-compliant, but also the ones that compliant behavior implies. These can be significant for example if the standards provisioned in the convention are not compatible with domestic legislation. Since states only have limited resources, they will evaluate carefully if compliant behavior is more beneficially for them than violating an agreement (ibid.). In order to increase the level of compliance, the institutionalist approach aims to "alter the pay-off structure of states be it in economic, political, or reputational terms - in such a way that non-compliance becomes increasingly costly and cheating thus unattractive" (Thomann, 2011:29). According to Thomann, shifting states' pay-off structure towards compliance also demands an effective monitoring system that detects non-compliant behavior and provides for punishment measures. By arguing that enforcement measures need to be included in institutions, Thomann rejects the idea that the mere iterative interactions and the exchange of information that institutions cause, can shift alone a country's pay-off structure towards compliance. Thus, he argues in line with Hafner-Burton's (2005) findings suggesting that PTAs including enforcement measures are more effective in increasing the level of compliance with human rights conventions than agreements that only include soft approaches. However, as the presentations of the different literature in chapter 3.2. has shown, scholars that confirm that international institutions have the power to shift states' behavior towards compliance, disagree about the most appropriate design to achieve this effect (Hufner-Burton, 2005; Orbie and Tortell, 2009; Postnikov and Bastiaens, 2014; Vogt, 2015; see also Zhou and Cuyvers, 2011).

In each case, the GSP+ policy constitutes a trade agreement that aims to increase or at least to maintain the level of compliance with international labor conventions. By providing strong benefits in the form of tariff eliminations and by including a monitoring system that was refined in the reformed policy, it can be argued that the policy is positioned at the countries' incentive structure. Therefore, the institutionalist theory seems to be a suitable and reasonable fundament on which a hypothesis can be developed for this study. However, before making a definite choice, the remaining theory shall be presented as well.

4.2.3. Liberalism

The beginnings of liberalism can be traced back to philosophers and political thinkers such as Immanuel Kant, Hugo Grotius and John Locke (Russett, 2013). These classical analysts set the fundament for a theory that centers around the idea of the freedom of the individual and the importance of (certain) human rights. Consequently, liberalism takes in contrast to the other two presented theories, a "bottom-up view of politics in which the demands of individuals and societal groups are treated as analytical prior to politics" (Moravcsik, 1997:517). This in turn has important implications for the liberalist explanatory approach for compliance.

Assumptions:

According to Moravcsik (1997), who was the first to define a set of comprehensive, positive assumptions for liberalism, the theory is based on the following three premises. First, liberalism assumes that the dominant actors in international politics are not states, but rational, risk-averse and self-interested individuals and private groups. These societal actors define their interests and pursue them through collective actions and political exchange (ibid.). However, this implies not automatically harmony. Cooperation as well as conflict within society is possible and according to Moravcsik (ibid.), three factors directly influence it: the relation of actors' interests towards each other, the availability of goods, and the ratio of actors' political power. Whereas divergent interests generally increase the likelihood of conflict, convergent preferences foster harmony and cooperation. Similarly, it is assumed that the scarcity of goods leads to fierce competition; sufficient provision of them, on the contrary, decreases the danger of conflict. Finally, the liberalist approach suggests that an unequal distribution of power renders harmony and ultimately cooperation difficult. Vice versa, where the actors are similarly influential, less conflict is expected.

Second, in contrast to neorealism and institutionalism, liberalism does not assume that the state is a unitary actor. Instead, it is presumed that the state represents societal actors' different interests, norms and beliefs – in short, their preferences. To advance their preferences, individuals and groups constantly try to "capture and recapture" the state (ibid.:518). In other words, these actors trying to influence or even put themselves in the position of decision makers to design policies consistent with their interests. A change in their preference or a rebalancing of actors' power consequently alters state preference. As Moravcsik emphasizes, this implies "that states do not automatically maximize fixed, homogeneous conceptions of security, sovereignty, or wealth per se, as realists and institutionalists tend to assume" (ibid.:519). Instead, states pursue those forms and degrees of security, sovereignty, political structure etc. that the most powerful actors in civil society prefer. Consequently, liberalism

assumes, in contrast to realism and institutionalism, that states do not necessarily pursue the same goals at international level (Slaughter, 2013).

Finally, liberalism assumes that interdependency characterizes the international system. From this follows that states, or rather the underlying societal actors, consider the other states' preferences when pursuing their own interests. This implies that the dominant actors within one society can be constrained, but also encouraged by the behavior of the most powerful actors in another society. Liberalism consequently rejects the realist assumption that states are naturally conflictual (ibid.). Instead, the preferences of different states, or rather of the dominant actors thereof, can be compatible or rather unaffected from each other, or conflicting. Thereby, it is assumed that preferences are conflicting, if the behavior of one government poses costs (negative externalities) on the society of another country (ibid.). Preferences are unaffected or in harmony when the cost-benefit calculation that results from another state's behavior is a zero-sum game or positive (ibid.). No surprise, both scenarios – compatible preferences and conflictual ones - have different implications for the likelihood of cooperation between states.

Cooperation:

If the preferences are convergent or unaffected from each other, the liberal theory suggests that states will coexist in peace (ibid.). Conflict is unlikely and so is interstate cooperation. Since the behavior of any creates negative externalities for another society, there is no incentive to initiate collective actions. However, if the situation is not pareto-efficient, the likelihood of cooperation increases (ibid.). Where, on the other hand, preferences are deadlocked or conflicting, interstate tensions are likely, but the incentive to cooperate might also increase. A willingness to cooperate, however, will only emerge, if the most dominant groups of the affected states will benefit from a collective action (ibid.). Consequently, the bottom-up approach that the liberalist theory takes, suggests that state's willingness to cooperate at the international level depends on the composition of preferences.

Compliance:

Once states have decided to cooperate in form of an agreement or an institution, liberalists assert that compliance cannot be ensured. It is argued that two factors influence compliance: the preferences of states - or rather their underlying actors - for common norms and the regime type of the states involved.

As mentioned above, liberalism assumes that states cooperate to solve a common problem, when the dominant groups and individuals in the different countries share common norms and beliefs on how to solve the problem. However, a shift in power within a state, might change the state's preference

from compliant to non-compliant behavior. In this case, Moravcsik (1995) suggests that pressure to comply can be exerted from two sides. First, from the rest of the international community that still shares the common norms and beliefs. For this case, Moravcsik (1995) claims that the stronger the international consensus for collective action is, the higher will be the pressure. Second, pressure can also be exerted from those groups and individuals at the domestic level that have preferred compliant behavior before. They can realize their preference more easily if they can rely on an independent domestic legal system that considers the international obligations when passing judgements (ibid.). The theory claims that this is especially the case in democratic states (Simmons, 1997).

The literature assumes that democratic states in general are more likely to comply with international legal obligations (ibid.). Whereas an independent legal system that ensures a certain legal justice from which the society in these states can benefit is one reason for this claim, closely linked to that is the second reason; namely the "affinities for prevalent international legal processes" (Simmons, 1997:83) that liberal societies tend to share. According to Dixon (1993), the appreciation for independent legal systems stems from the 'legal culture' often prevalent in democratic regimes. This culture comprises factors such as respect for judicial processes, binding court verdicts and constitutional constraints. The underlying norms and beliefs would be carried over in the realm of international politics (ibid.). On the contrary, it is argued that autocratic states, lacking such a legal tradition, tend to trust and respect less international agreements and institutions (Simmons, 1997).

By arguing that not preferential trade agreements, but the preference of civil society for human rights increased the level of human rights protection in the trade partner's society, Kim (2012) and Postnikov and Bastiaens (2014) follow the liberalist approach. However, by centering around the idea that domestic actors not an agreement or an institution itself determines state's behavior, the liberal approach is not expedient for this study that aims to test the effectiveness of the GSP+ policy. Therefore, it will be not further considered.

4.2.4. Derivation of a hypothesis

To sum up, the institutionalist theory is regarded as the most suitable approach for this study. By centering around the idea that institutions not only foster cooperation, but ultimately possess the power to change state behavior towards compliance, the institutionalist approach must be regarded as a reasonable point of departure to answer a research question that addresses the effectiveness of an institution – as such the GSP+ policy must be regarded considering the definition given in part 4.2.2. As the literature review in subchapter 3.2. and the theoretical explanations in part 4.2.2. have shown, some scholars suggest that institutions are especially effective if they include an effective monitoring

system that provides for enforcement measures in case of non-compliant behavior. This is the case of the GSP+ policy, especially since its latest reform. The aim of the 2012 reform was to strengthen the policy's 'carrot' as well as its 'stick'. The product lines that benefit from tariff-elimination were widened and the monitoring system draws now upon a broader base of information. As the theoretical approach suggest, it can be expected that these two changes shifted the GSP+ beneficiary countries' incentive structure further in the direction of compliant behavior. Since the vast majority of the literature considered the GSP+ incentive scheme to be economically attractive for developing countries already before the reform, this must be even more the case for the new scheme that includes four additional tariff lines. Thus, it can be argued that both reasons for non-compliant behavior that are indirectly stated in the literature – lack of political will to comply (Hufner-Burton, 2005) and the lack of capabilities to ensure compliance (Thomann, 2011) – are addressed by this measure. States that lack the political willingness are now even more incentivized to comply, and governments that lack the capabilities will be rewarded for compliant behavior through higher financial reliefs.

Furthermore, it can be argued that the Commission's decision to broaden the information basis for monitoring the beneficiaries' behavior, leads to a higher probability for labor rights violators to get detected. Consequently, it is reasonable to suggest that the mere awareness of that will shift states' behavior towards compliant behavior. These two aspects lead to the following conclusion:

The reformed GSP+ policy does promote compliance with the ILO conventions on labor rights.

5. Research Design

In the previous chapter, a hypothesis was developed based on theoretical assumptions. The hypothesis is used to identify independent and dependent variables which will be done in the first part of this chapter. Once these variables are determined, the chapter will discuss the different possible research methods to test the hypothesis and will hereinafter, single out the most appropriate one. In the following part, suitable cases will be selected. Finally, it will be explained how compliance will be measured in this study and which data will be used for it.

5.1. Determine Independent and dependent variables

As Leufen remarks, "theory defines the variables that are to be included in the research design" (2007:145). According to the institutionalist approach clarified in the previous chapter, to alter states' behavior towards compliance, it is necessary to change their cost-benefit ratio in such a way that compliant behavior is more attractive than defecting. As it has been argued in the previous chapter, the reform strengthened the incentive scheme. Consequently, it is hypothesized that the reformed GSP+ policy promotes compliance with the eight ILO core labor conventions. For this hypothesis, the independent variable is 'GSP+ status', whereas the dependent variable is 'compliance with the ILO labor treaties'. The values of the independent variable are easily quantifiable: a state is either a GSP+ beneficiary country or not. Thus, the independent variable can take the values 'yes' or 'no'. More complex is the situation with regards to the dependent variable. As Thomann notes, "compliance can not be considered as an 'on-off switch' or a question of binary choice" (2011:24). It must rather be expected to appear in various gradations (Young, 1979). A precise indication which values the independent variable can take, cannot be made at this point. This will be done, once the method to measure compliance is selected in part 5.4..

5.2. Discussion and selection of research design

The literature on social science methodology usually distinguishes between two main types of research designs, namely small and large n-designs (Gschwend and Schimmelfennig, 2007; Blatter and Haverland, 2012; Toshkov 2016). The choice of the suitable design depends not only on the research subject, but also on the number of observations and cases to be studied (Gwschend & Schimmelfennig, 2007).

5.2.1. Small or large n-research design?

As suggested in the previous part, 'GSP+ status' will be the independent variable in the research design. Considering that there are currently eight GSP+ beneficiary countries - namely Armenia, Bolivia, Cape

Verde, Mongolia, Pakistan, Paraguay, the Philippines, and the Kyrgyz Republic –, the number of cases that will yield 'yes' for the independent variable and are thus of specific interest for the research question, are quite limited. Even though Gschwend and Schimmelfennig emphasize that the scale of cases does not automatically determine the choice of the research design (2007), eight cases does not justify the usage of a large n-research design. According to the two political scientists, large n-research designs are usually chosen for studies that employ "50 and more cases" (2007:11). Therefore, a small n-design will be used. However, the pick of this type of research design is not only due to the limited number of cases, but also for methodological reasons. As mentioned before, the for this study deployed institutional approach regards the concept of compliance as a complex phenomenon. (Non-)compliant behavior is not only influenced by several factors, but it can also be observed in various gradations (Thomann, 2011). When it comes to selecting a research design for a study of compliance these circumstances have to be taken into account. This is especially important for the following analysis, since a comprehensive answer to the research question, demands the ascertainment of the different degrees of compliance among the GSP+ beneficiary countries. Large n-research designs can leverage "data-set observations" and score therefore high on generalization (Gschwend & Schimmelfennig, 2007:10). However, they are "unable to explain any single case precisely" (Ibid.:11). On the contrary, "small-N research is better able to achieve concept validity […] because focusing on a few cases allows variables to be conceptualized in complex and multidimensional ways" (Blatter & Haverland, 2012:34). Thus, a small-n research design is more suitable than their counterpart to account for the complex dependent variable 'compliance'.

Blatter and Haverland distinguish between three types of small-n case studies: congruence analysis, causal-process tracing and the co-variational approach (2012).

5.2.2. Congruence analysis

The objective of the congruence analysis is to contribute to the theory development (ibid.). This can be done in two ways: firstly, by testing the explanatory relevance of two or more competing theories for a specific phenomenon; secondly, by providing explanatory insights through the usage of a specific (ibid.). However, the goal of this study is not to contribute to theoretical innovation. The aim is rather to determine if a certain factor – namely the GSP+ policy – influences another factor, that is to say compliance. To analyze this relation, the congruence analysis is not a suitable design.

5.2.3. Causal process-tracing

Likewise, the causal process-tracing design is not expedient for this research question. This approach analyzes the process from causal factors to a specific outcome (Ibid.). Thereby, this method puts the

dependent variable in the center of the focus. It aims to verify the causal factors of an outcome. However, since this study does not want to answer the question which factors cause (non-)compliant behavior, the causal process-tracing design is neither suitable.

5.2.4. Co-variational analysis

Rather, the co-variational must be considered as the most appropriate design for this study. According to Blatter and Haverland this approach "presents empirical evidence of the existence of co-variation between an independent variable X and a dependent variable Y to infer causality" (2012:33). In other words, the co-variational approach is used to determine if a specific factor has a causal effect on another factor or not (Gschwend, 2007). Thus, it is an X-centered approach which is expedient for the above stated research question. The examination of the effect of the independent factor is done by confronting different cases and comparing their variation in independent and dependent variables (Blatter & Haverland, 2012:35). In order to do so, the co-variational analysis uses an experimental design: the cases to be studied are assigned to two (or more) different groups, according to their value of the independent variable. One group is composed of the 'treated' cases – in other words, they exhibit the factor of interest, the other group contains the cases to be controlled with. To infer causality from the comparison of the two groups, the cases of the control group must be most similar to the 'treated' cases with regards to the control variables, but most different with respect to the independent variable. The criticism that this approach assumes that a causal effect is not the result of a single, but rather of a combination of several factors is justified (Goldthorpe, 1997). However, by selecting comparable cases in which confounding variables are controlled for, the effect of the independent variable is as far as possible isolated (Blatter & Haverland, 2012; Gschwend, 2007). Without doubt, this strict need to select similar cases and to control for noisy factors limits the scope of generalization (Blatter & Haverland). At the same time, this necessity leads to an increase in explanatory power for similar cases especially compared to large n-research designs.

The co-variational approach acknowledges four different modes of comparison: intertemporal comparison, cross-sectional comparison, cross-sectional-intertemporal comparison, and counterfactual comparison (ibid.). These modes differ in the way they exploit variation of the independent variable. As the name implies, the intertemporal comparison is used to exploit variation over time. "The score of the dependent variable is compared before and after the score of the independent variable has changed" (ibid.:46). Applying the intertemporal comparison to the matter at hand, the level of compliance of each GSP+ beneficiary country would have to be compared before and after the reform of the incentive scheme. However, this mode is not suitable for two reasons. Firstly, only two of the current eight GSP+ beneficiary countries – namely Bolivia and Mongolia - had the GSP+ status also before the reform of the policy. Consequently, the population of relevant cases

would be diminished even further, leading to even more limited possibilities to generalize from the studied cases. Secondly, the research question is not about a change in the independent variable that occurred over time, but about the effects of an independent factor on a dependent variable during the same period of time. In other words, the research question aims to determine the effect of the reformed GSP+ incentive scheme on labor rights in beneficiary countries.

Instead, the cross-sectional comparison is assessed to be suitable. This mode of comparison is the most used one in case studies and is therefore very well tested (ibid.). It exploits spatial variation across cases at the same period of time (ibid.). In other words, by comparing the variations in the independent and dependent variables of two or more cases, it examines if the independent variable makes a difference.

For the sake of completeness, the appropriateness of the two remaining modes should be discussed very briefly. As the name implies, the cross-sectional-intertemporal comparison combines the cross-sectional with the intertemporal comparison (ibid.). Due to the fact that it includes the latter mode, this approach is for the above stated reasons not suitable for this study. Finally, the counterfactual comparison usually examines one event in a specific time and can therefore neither exploit spatial nor temporal variation. Instead, it applies a thought experiment to determine which score the dependent variable would have, if the independent variable had another value (ibid.). Since the cases to be studied allow for spatial variation, a counterfactual comparison is not necessary.

5.3. Control variables and case selection

According to Blatter and Haverland, "the selection of appropriate cases is a crucial (if not *the* crucial) element of this approach" (2012:41). The properties of selected cases strongly influence the validity of causal inferences the researcher can draw from the study (ibid.). As stated above, causal inferences are strengthened, if the effect of the factor of interest is singled-out. To this end, the chosen cases must be as different as possible in the independent variable, but as similar as possible with regards to the control variables.

5.3.1. Control variables

Following Hafner-Burton (2009), Kim (2012) and Postnikov and Bastiaens (2014), it will be controlled for political and economic factors. Regarding political variables, it will be, firstly, included '*degree of democratization'.* Academics have found that democracies tend to protect their laborers better than autocratic regimes (Neumayer & de Soysa 2005; Mosley and Uno, 2007). Furthermore, democracies are more inclined to allow workers and NGOs to express their concerns (Postnikov and Bastiaens, 2014). By controlling for the '*degree of democratization'*, it is thus also ensured that the different levels

of NGO activity that might influence the level of laborer protection as well are leveled as much as possible. Following Hafner-Bruton (2009) and Kim (2012), it will be drawn upon the latest version of the well-known Polity IV database that categorizes political systems from 10 (most democratic) to -10 (most autocratic) (Polity IV Project, 2015).[5]

The second political variable that will be controlled for is '*civil conflict'.* A state which is politically unstable may not be able to uphold labor standards to the same degree as a country in which harmony is predominant among societal actors (Mosley and Uno, 2007). Thus, the variable will measure the level of civil conflict drawing upon the database of the Uppsala Conflict Data Program (UCDP) (UCDP, 2015). The values range from 0 (no civil conflict) to 2 (war).

Finally, the economic factors that need to be controlled for are '*trade volume'* – since Mosley and Uno's (2007) finding suggests that trade leads to a 'race to the bottom' in labor rights - and '*GDP per capita'.* The latter can be regarded as an indicator to assess the level of economic development. It can be argued that high developed economies tend to protect their laborers better than lower developed countries (Postnikov and Bastiaens, 2014). '*Trade volume*' will measure the sum of a country's total imports and exports as a share of GDP. '*GDP per capita*' will be measured in current US dollars. The data for these two economic control variables will be taken from the World Bank's *World Development Indicators* (World Bank, 2017). Since not all values are available for the year 2016, they will be taken for the year 2015.

5.3.2. Case selection

Besides the 'treated group' which contains the eight GSP+ beneficiary countries, the control group needs to be set up. Since the population of the 'treated group' is very diverse in their control variables and therefore not considered to be suitable for any type of aggregation, a pairwise comparison shall be carried out. This means, the level of compliance of one GSP+ country will be compared with the level of compliance with one country of the 'control group' that is considered to be most similar with regards to the control variables. Since only developing countries come into question for the GSP+ policy, the point of departure of the selection process is the pool of states that the World Bank classifies as 'lower middle-income countries'. The decision to reduce the number of possible countries in this way was taken due to the fact that 'upper middle income' and 'high income' countries are addressed by the 'General Arrangement' and 'low income' countries by the 'Everything But Arms' program. The population was further reduced by excluding those countries, that formerly benefitted from the GSP+

[5] The scores of the Polity IV index reflect the different regime types in the following way: a score of 10 is assigned to "full democracies", a score of 6 to 9 to "democracies", a score of 1 to 5 to "open anocracies", a score of -5 to 0 to "closed anocracies" and a score of -10 to -6 is assigned to "autocracies" (Polity IV Project, 2014).

incentive arrangement. Former GSP+ beneficiary countries would confound the analysis, since they might score on average higher on compliance with the core ILO conventions than states that have never been a beneficiary country. Finally, for each GSP+ beneficiary country one correspondent from the remaining population was selected based on their scores of the control variables. In order to match countries that are most similar with regards to their control variables, only a ten percent deviation in their scores of the control variables '*GDP per capita*', '*Trade volume*' and '*Degree of Democratization*' was tolerated. Since the variable '*Civil conflict*' only takes three different values, it has been attempted to match only countries with the exact same score in this variable. Thus, for each GSP+ country, a country was chosen that exhibits the same score of '*Civil conflict*' and a maximum of 10% deviation with regards to the scores of the other variables. Although the final pool of possible countries for the control group still consisted of 38 states, it was not possible to assign each GSP+ beneficiary country a counterpart that is 'most similar' in all four control variables. In most of the cases they are only similar in three of the four control variables. Table 1 shows the most appropriate country pairs with the country's individual scores in the control variables.

Table 1: Country pairs with scores[6]

GSP+ beneficiary countries	Civil conflict	Degree of democratization	GDP per capita (current $)	Trade volume (% of GDP)	'Control group'
Armenia	0	5	3489,1	71,8	
	0	4	1399,0	75,7	**Côte d'Ivoire**
Bolivia	0	7	3076,8	67,8	
	0	9	3346,5	41,9	**Indonesia**
Cape Verde	0	10	3080,2	95,3[7]	
	0	8	1369,7	99,2	**Ghana**
Kyrgyzstan	0	7	1103,2	108,4	
	0	8	1067,0	127,5	**Lesotho**
Mongolia	0	10	3967,8	90,4	
	0	7	3822,4	92,6	**Tunisia**
Pakistan	2	7	1434,7	27,6	
	2	7	2671,7	21,4	**Nigeria**
Paraguay	0	9	4081,0	84,5	
	0	7	1304,9	84,3	**Zambia**
The Philippines	1	8	2904,2	63,0	
	1	9	1376,7	44,8	**Kenya**

[6] As stated above, the values for the control variables were taken for the year 2015.
[7] Trade volume of the year 2013. Neither the data for 2015, nor the one for 2014 was available.

For overview purposes, table 2 shows the country pairs again without scores:

Table 2: Country pairs

GSP+ beneficiary countries	**'Control group'**
Armenia	Cote d'Ivoire
Bolivia	Indonesia
Cape Verde	Ghana
Mongolia	Tunisia
Pakistan	Nigeria
Paraguay	Zambia
Philippines	Kenya
Kyrgyzstan	Lesotho

All of the eight countries in the 'control group' are – like the GSP+ beneficiary countries - members of the ILO. The mere membership requires them to respect and promote the principles of the eight ILO core conventions. However, the "lack of teeth" that Brown et al. (2002) are missing in the ILO supervisory system, might be a reason why strong labor rights protection in those countries cannot automatically be expected. This makes it even more interesting to compare the selected countries with the GSP+ beneficiary countries in order to analyze if the EU's policy can make a difference.
Having identified the most appropriate cases, the next subchapter will discuss how compliance will be measured and what kind of data will be used to do so.

5.4. Data selection and measuring compliance

According to Gschwend and Schimmelfennig, the measurement of the dependent variable must "both be valid and reliable" (2007:5). A method that determines a countries (non-)compliant behavior by analyzing its legislative, administrative, and judicial documents would fulfill the requirement of being valid, since it "measure[s] what it is supposed to measure" (Giannatasio, 2008:111). The fulfillment of substantive obligations could be assessed in legal texts, the handling of procedural obligations in administrative documents. If it will also score high on reliability – the method's ability to produce for a new measurement series, under the same conditions "the same results for the same phenomen" (Miller, 2007:92) – depends on the accuracy of the benchmark that is used to assess the degree of (non-)compliance. However, this method is impractical for two reasons. First, it is doubtful that the

needed documents are easily accessible. Second, even if they will be accessible, language barriers do not allow an analysis.

Another method to assess compliance is to evaluate the annual progress reports of the ILO. The four committees of the ILO monitor very carefully member states' compliance with the different labor rights treaties and record their observations in several different reports. The Committee of Experts on the Application of Conventions and Recommendations (CEAR) meets each year in November/December and analyzes the progress reports which governments must submit every two years for a previously announced group of conventions. Based on these reports, the CEAR assesses the application of international labor standards in each contracting party. Its comments are noted down in a report which is forwarded to the Conference Committee on the Application of Standards (CAS). Once per year, this body, which consists of representatives from governments, employers and workers, meets in June during the International Labor Conference. At its yearly session, it usually discusses about 20 infringement cases that were stressed by the CEAR. The CAS on its part, produces a report stating the course of discussion and the conclusion for the individual issues. For cases involving freedom of association, the Committee on Freedom of Association (CFA) decides upon complaints three times per year – in March, June and November. For individual complaints, the ad hoc Commission of Inquiry (COI) is set up. All four committees record their observations and assessments in reports. As Orbie and Tortell consequently note: "The reports of these four committees, therefore, provide the authoritative technical assessments of labor standards implementation" (2009:674).

In their reports, the committees use very careful and precise but diplomatic wording. Furthermore, the fact that the ILO constitutes an UN agency, a circumstance, it can be argued, that contributes to its independence, make those reports a fairly unbiased and for this case suitable data source. In order to evaluate these reports, it is necessary to 'decode' its diplomatic language. Based on the wording therein and based on the ILO escalation procedure which the organization uses for cases of non-compliance, a "Pyramid of condemnation" (Orbie and Tortell, 2009:672) can be set up by which means the different degrees of compliance can be measured. The CEACR and the CFA constitute the pyramids bottom and middle part. The CEAR acts as a sort of filter, making direct requests to countries in case of minor infringements that can usually be solved quickly and are therefore not published in the committee's report and therefore neither considered by any other committee. The more severe infringements are published in the report and are admonished at different levels recognizable by means of the used wording. Whereas the term *'The committee expects…'* suggests only a minor non-compliant behavior, the expression '*The committee notes with concern…*' indicates a more severe case of non-compliance and the statement '*The committee notes with deep concern...*' an even more serious infringement. If the committee concludes that mere admonitions are not sufficient, it can put

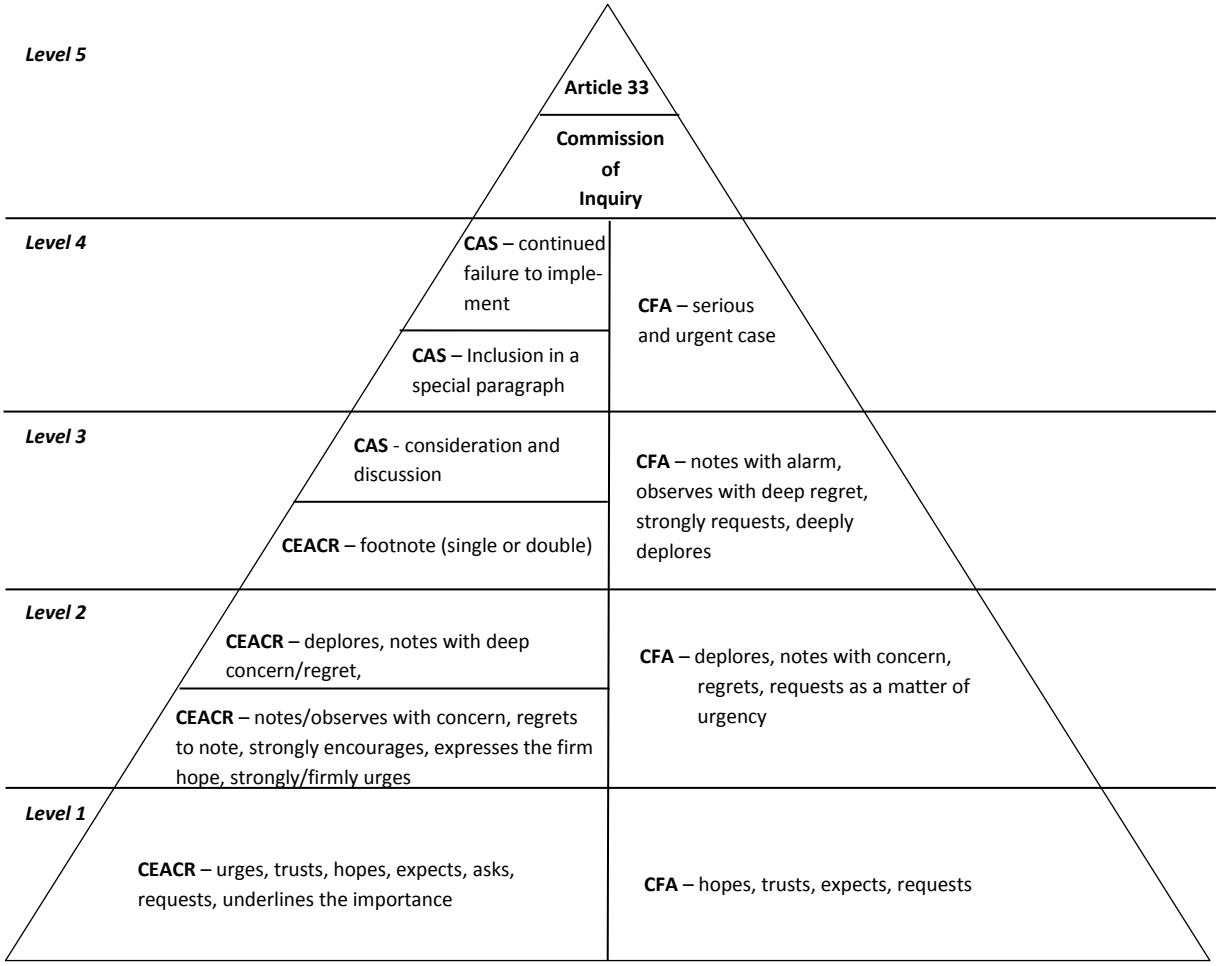
additional pressure on the labor rights violator by asking the state in question to provide a report not after two, but already after one year. Such a request is stated in a 'single footnote'. In case the CEACR requests to also provide full particulars to the International Labor Conference, the country receives a 'double footnote'. These cases are then discussed at the next session of the CAS in June.[8] In case the summoned government representative of the non-compliant state does not convince the committee of credible government measures that will ensure the effective application of the conventions, the CAS can mention the case in a 'special paragraph'. In this way, the conclusion to the concerned case are mentioned twice in the report. Right after the case itself and in the beginning of the report in its 'General Part'. By doing so and especially by recognizing a 'continued failure to implement', the committee draws the special attention of the Governing Body to the case in question. The Governing Body might then form a Commission of Inquiry which is the ILO's highest-level investigative procedure.

The Committee on Freedom of Association considers all levels of violations concerning the freedom of association and the right to bargain and organize. Once again, the wording used within the reports of the committee indicates the severity of infringement.

Figure 1 visualizes the benchmark which will be used to assess compliance of the countries in the two groups.

[8] If the CAS considers it necessary, it might also discuss the most severe single footnote cases.

Figure 1: A pyramid of ILO Condemnation



Source: Orbie & Tortell (2009:675)

This pyramid was developed by Orbie and Tortell (2009) who successfully applied it in their study about the consistency of the EU Commission's practice to sanction non-compliant behavior of GSP beneficiary countries with the recommendations of the ILO. Since the terms '*asks*' and '*underlines the importance*' were - despite their appearance in CEACR reports – not mentioned in the original pyramid, they have been added. Considering the original wording of level 1 and 2 of the pyramid and considering the severity of the infringement for which the CEACR used these expressions, it has been chosen to assign these two terms at level 1 of the pyramid. Following the same logic, the terms '*observes with concern*', '*strongly encourages*', '*expresses the firm hope*' and '*strongly urges*' were added to level 2 of the condemnation pyramid.

This study will make use of this benchmark to determine if the EU's GSP+ policy is effective in promoting labor rights. In order to do so, a 'non-compliance score' was developed. For each violation by a country that is mentioned in the various reports, it will be verified by means of the wording and by means of the escalation stage at which level of the pyramid the committee in question condemns

the concerned country. Following the levels of the pyramid, non-compliance points will be assigned. For a condemnation of a country at level 2, for example, two non-compliance points will be counted for the country. The sum of these points over the studied period will indicate a country's total non-compliance score which allows to compare the two states of a single pair. In case the same infringement is mentioned in different reports, it will be counted only once, but at the highest condemnation level. Thus, for a country that is criticized at level 3 on the pyramid by the CEACR, and later for the same at level 4 by the CAS, will be noted 4 non-compliance points, instead of 7. Furthermore, since direct requests are not published in the reports, they will not be considered. Moreover, in case a committee noted infringements against different provisions of the same convention and condemned these infringements at different levels, only the one with the highest condemnation will be counted. Reports of three years, 2014 – 2016, will be considered. Thus, the period since the reformed GSP+ policy came into power is covered. Furthermore, three years equals a reporting cycle of the ILO. By choosing a three-year period, it is ensured that each country has to report at least once about the application of all 8 core conventions. However, this does not mean that for each country the application of all eight conventions are commented on in the CEACR report. If no or only minor infringements are noted by the Committee of Experts, the country will at the most be mentioned in form of a direct request. Finally, it must be said that in the case of the CEACR, the year of its reports only indicates the publishing date, but not the year in which the committee met. Since the CEACR meets in December, its reports are published in the following year. Thus, the CEACR report of 2015 contains the committee's comments and conclusions for the year 2014. Consequently, for the studied period, the CEACR reports of the years 2015 – 2017 will be taken into account.

This method of measuring compliance fulfills the criteria of being valid and reliable. It is valid since both dimensions of compliance are measured. The ILO committees report on substantive as well as on procedural compliance. Furthermore, the pyramid accounts for the different degrees of compliance which add to the method's validity. At the same time, this way of measurement is very reliable since the pyramid represents a standardized and precise benchmark which prevents subjective evaluation of the committee's recommendations and assessments. The measurement of a country's level of compliance with a certain convention should produce the results independent of the person who is measuring.

6. Empirical Results

This chapter finally represents the core of the study. Each analysis of the individual pairs begins with a brief explanation of values of the control variables that allow for a comparison. Subsequently, the analysis of the reports will be presented. The subchapters will close with a conclusion stating which country of the pair displays a higher level of non-compliance.

6.1. Armenia and Côte d'Ivoire

Relatively peaceful anocracies

Since 1991, the GSP+ beneficiary country Armenia is officially a parliamentary democracy. However, according to the researchers of the Polity IV Project, its democratic system is highly deficient. Despite a constitutional referendum held in November 2005 aiming to reduce the extensive power of the Armenian president concerning the dismissal of the national assembly, the control of the judiciary and media and the appointment of ministers, the academics emphasize that "not much has really changed in the structure of governance in this country" (Polity IV Country Report Armenia, 2010:2). Due to these democratic shortcomings, the Polity IV score of the country is 5, suggesting that the political system is an anocracy, rather than a democracy (Polity IV Project, 2015).[9]

The scholars of the Uppsala Conflict Data Program have not determined any major conflict within the 3 million population, yielding a civil conflict score of 0. Interstate conflicts, such as the Nagorno-Karabakh conflict that led to the closure of the Armenian-Azerbaijanian and the Armenian-Turkish border in 1991 and 1993 respectively, are not taken into account for the score of this variable. However, the geographic isolation of the West-Asian country certainly has hampered its economic development (Central Intelligence Agency, 2017). In 2015, Armenia had a GDP of USD 10.5 billion (World Bank, 2017) which yields a GDP per capita of 3,490 USD (ibid.). The country's imports and exports amounted to 71,8 % of the country's GDP (ibid.). In January 2015, Armenia joined the Eurasian Economic Union (Central Intelligence Agency, 2017).

The West-Asian country will be compared with the sub-Saharan state Côte d'Ivoire. The political system of the African republic lacks certain democratic characteristics, too. Due to wide-spread corruption and weak political institutions (Polity IV Country Report Ivory Coast, 2010), the country has a polity IV score of 4 (Polity IV Project, 2015). Thus, the West-African state is claimed to be an anocracy,

[9] The Polity IV dataset categories that the scores reflect can be found on the

too. Thanks to a UN-peacekeeping mission that has expired in June 2017, the country's inner conflicts could be stopped, yielding a civil conflict score of 0.

The country's GDP amounted to 32.8 billion USD in 2015 (World Bank, 2017), resulting in a GDP per capita of 1400 USD (ibid.). Being the world's largest producer and exporter of cocoa beans, the African republic is heavily dependent on the agricultural sector in which roughly two-thirds of the country's workforce earns its living. The trade volume of Côte d'Ivoire is similarly high as the one of Armenia, amounting to 75,8% of the republic's GDP (ibid.).

Analysis

For the studied period, the GSP+ beneficiary country Armenia demonstrated non-compliant behavior in one case. The Committee of Experts on the Application of Conventions and Recommendations found that the principle "equal remuneration for work of equal value", enshrined in the *Equal Remuneration Convention* (No. 100), is not fully implemented in the Armenian labor regulations. Therefore, the committee "asked" the government to amend the concerning regulations in order to "give full legislative expression to the principle" (ILC 2017:366). This call equals level 1 of the pyramid. Apart from this case, the ILO committees did not determine any other core labor rights violation.

On the contrary, Côte d'Ivoire was criticized for several substantive as well as procedural infringements. With regards to the substantive obligations, the CEACR recognized that child labor is still a widespread problem in the African country. Having "noted with concern" (ILC 2015:215) that about 1,570,000 children work in the agricultural sector and an additional 517,520 in the service sector, the committee "urged" the Ivorian government to "intensify its efforts to improve the situation regarding child labor in the country" (ibid.) – equating an admonition at level 2 of the pyramid. Secondly, the committee also noted a violation of the *Worst Form of Child Labor Convention* (No. 182). Having taken note of the fact that children work under hazardous conditions in cocoa plantations and in gold mines, the country was condemned this time at level 1, since the committee "urged" the government of the African state "to take immediate and effective measures to put an end" to these practices (ibid.). Finally, the committee has been dissatisfied with the country's efforts to protect employees of the public sector – a provision enshrined in the *Discrimination (Employment and Occupation) Convention* (No. 111). Since the initiated legislative reform that aimed to effect compliance with the convention has stalled, the committee "requests the government once again", in its latest report, "to take the necessary measures to repeal those regulations that are not in conformity with the Convention" and instead to "consider the possibility to include provisions defining and prohibiting any direct or indirect discrimination" (ILC 2017:384). Thus, the country is once again admonished at level 1 of the pyramid.

With regards to its procedural obligations, the African republic was condemned two times in the CEACR reports of the year 2015 and 2016 at level 1, in each case for not indicating if it fulfilled its duty to send reports on the ratified conventions to the individual national representative workers' and employers' organizations and for not reporting if the conventions and recommendations adopted by the conference were forwarded to the competent national authorities (ILC, 2015; ILC, 2016). Finally, the Conference Committee on the Application of Standards criticized Côte d'Ivoire in two consecutive years for not taking part in the conference discussions concerning the country's own cases– equating a condemnation at level 3 (CAS, 2014; CAS, 2015).

To conclude, having been condemned once at level 1, Armenia receives the non-compliance score of 1. Côte d'Ivoire on the other hand, was condemned six times at level 1, once at level 2, and twice at level 3 leading to a non-compliance score of 14.

6.2. Bolivia and Indonesia

Equally wealthy democracies

The Plurinational State of Bolivia is a presidential republic (Central Intelligence Agency, 2017). While "Bolivia's three branches of government are separated and mutually balanced" the researchers of the Polity IV Project note that "the judiciary […] is corrupt and inefficient" (Polity IV Country Report Bolivia, 2010:2). In 2015, the country received a polity score of 7, reflecting among others, these democratic deficiencies (Polity IV Project, 2015). Despite political tensions that result from time to time in violent clashes – as happened in September 2008 (ibid.) – the Uppsala Conflict Data Program records no major civil conflict for Bolivia which results in civil conflict score of 0 for 2015.

In the same year, the South-American country which counts 11 million inhabitants, produced goods and services with a market value of about US-$ 33 billion (World Bank, 2017), equating a GDP per capita of US-$ 3077 (ibid.). Even though 13% of the country's GDP is generated in the agricultural sector, roughly one third of the republic's workforce works in farming or agricultural related activities (Central Intelligence Agency, 2017). Despite the fact that the South-American state is rich in resources, such as natural gas, it is one of the least developed countries in Latin America due to state-oriented policies that hinder investment and growth (ibid.). In 2015, the country's trade volume amounted to 68% of its GDP (World Bank, 2017.

Due to its similar scores in the variables '*degree of democratization*', '*civil conflict*' and '*GDP per capita*', Bolivia is suitable for a comparison with Indonesia. The South-East-Asian republic exhibits a slightly higher Polity IV score than the South-American state, namely 9 (Polity IV Project, 2015). Since the

collapse of the authoritarian regime of President Suharto in 1998, several constitutional reforms in the past two decades were implemented that "created a more independent executive branch, while maintaining institutional constraints on executive power" (Polity IV report Indonesia, 2010:3). Having taken these developments into account, the political scientists of the Polity IV Project evaluate the South East-Asian republic as almost perfectly democratic.

Like Bolivia, the Indonesian state is not shaken by any major intrastate conflicts, leading to a civil conflict score of 0. In 2015, the 260 million inhabitants of the island state generated goods and services that amounted to US-$ 861 billion (World Bank, 2017). With a GDP per capita of US-$ 3346 the Indonesian people is on average as wealthy as the Bolivian people. Similar to the South-American republic, about one-third of the Indonesian workforce earns its living in the agricultural sector (Central Intelligence Agency, 2017). In 2015, the country's trade volume amounted to 42% of its GDP (World Bank, 2017.

Analysis

Since the GSP+ reform is in power, Bolivia has exhibited non-compliant behavior in many cases. In its reports published in 2015 and 2017, the CEACR noted that the legislation of the South-American republic is not in conformity with different provisions of the *Abolition of Forced Labor Convention* (ILC, 2015), the *Freedom of Association and Protection of the Right to Organize Convention*, the *Right to Organize and Collective Bargaining Convention*, and the *Equal Remuneration Convention* (ILC, 2017). The committee urged the Bolivian government to amend the legislation accordingly – condemning the country in each of the four cases at level 1 of the pyramid (ILC, 2015; ILC, 2017). Furthermore, the committee "noted with regret" (ILC, 2015:193) that Bolivia's country report did not indicate if the republic had undertaken – like previously requested by the committee - any measures to eliminate "worst forms of child labor in the sugar cane and Brazil nut harvesting plantations" (ibid.). Considering the wording, the admonition falls within level 2 of the pyramid. Moreover, with regards to the *Minimum Age Convention*, the Committee of Experts "strongly deplored" (ILC, 2015:192), that the government had amended the country's *Children's and Adolescents' Code*, allowing then children aged 10 – 14 years to work under certain conditions. Since the convention only permits in special cases children to work with a minimum of 12 years of age, this unconformity caused the country a double footnote, consequently leading to a discussion before the Conference Committee (ILC, 2015). Since the Conference Committee neither decided to include its conclusion to this case in a special paragraph, nor did it find a 'continued failure to implement' (CAS, 2015), the issue falls within level 3 of the pyramid. Taking note of the fact, that the Bolivian government assured before the Conference Committee in June 2015 that the legislative amendment in question is a "provisional" one, that would be brought in conformity with the convention by 2020 (CAS, 2015:124), the CEACR condemned the

country for this case in its subsequent report at level 2 (ILC, 2016). Finally, there have been three complaints filed against the country before the Committee on the Freedom of Association. All three of them fall within level 1 of the pyramid (CFA, 2014-March; CFA, 2014-November; CFA, 2015-March).

Regarding procedural obligations, the Committee of Experts admonished Bolivia in its report published in 2016 for not indicating if it had forwarded reports on ratified conventions to the national employer's and worker's organizations (ILC, 2016) and another time in the report of the subsequent year for not reporting if the government had submitted the recommendations and protocols to the national parliament that had been adopted by the conference (ILC, 2017). Suggesting a lack of commitment to the ILO's labor standards, the country was condemned at level 1 in both cases.

The ILO committees similarly often admonished Indonesia. Due to allegations concerning violence and arrests in relation to demonstrations and strikes as well as due to legal unconformities with the provisions enshrined in the *Freedom of Association and Protection of Right to Organize Convention*, the South-East Asian country was mentioned in a single footnote in the CEACR report published in 2016 (ILC, 2016). Owing to the seriousness of the case, the government was furthermore requested to present its stance before the CAS (CAS, 2016). Similarly to the before mentioned case of Bolivia, since neither a special paragraph was opened, nor a 'continued failure to implement' determined, the issue represents an admonition at level 3. Considering that the Indonesian legislation was regarded to be non-compliant with provisions enshrined in Convention No. 87, it is no big surprise that the CEACR also noted several unconformities with the *Right to Organize and Collective Bargaining Convention* (ILC, 2016). Criticizing mainly that the legislation would not provide enough protection against anti-union discrimination, the committee requested also in this case a report from the government for the subsequent year; thus, again the country was condemned at level 3. This time, however, Indonesia did not have to appear before the Conference Committee. Moreover, having noted that approximately 1.76 million children were engaged in prohibited child labor in Indonesia, the committee of exports condemned the Asian country at level 1 with regards to the provisions of the *Minimum Age Convention.* Furthermore, having taken notice that approximately 30 per cent of the women in prostitution in Indonesia are below the age of 18, with 40,000–70,000 Indonesian children being victims of sexual exploitation, the committee "urged the Government to intensify its efforts to protect children under 18 years of age from this worst form of child labor" (ILC, 2016:215). As the wording of this admonition and equally the other terms used for condemning legislative unconformities with the *Worst Forms of Child Labor Convention* suggest (ILC, 2016), the country was criticized at level 1 of the pyramid.

The country was also condemned at level 1 several times in the CEACR report published one year later; due to requests for information regarding the application of the provisions of the *Freedom of*

Association and Protection of the Right to Organize and the *Right to Organize and Collective Bargaining Convention*, but this time also for a weak application and enforcement of the provisions stated under the *Equal Remuneration Convention* and the *Discrimination (Employment and Occupation) Convention* (ILC, 2017). What is more, the Committee of Experts "noted with concern" the high number of cases of human trafficking in conjunction with sexual exploitation or other forms of enforced labor (ILC, 2017). Due to that, as well as due to the fact that the national penal code of the South-East Asian republic allows for prison sentences including prison labor, the country was condemned at level 2 with regards to the *Forced Labor Convention* and with regards to the *Abolition of Forced Labor Convention* (ibid.).

Finally, there were three complaints filed against the country before the CAS – all of which were not discussed in one of the other committees - leading to admonitions that fall within the level 1 of the pyramid (CFA, 2015 – March; CFA, 2016 – November). Moreover, Indonesia was also condemned at level 2 once by the committee, since it failed to submit its stances for a case (CFA, 2016 – June).

To sum up, the GSP+ beneficiary country Bolivia was condemned by the ILO committees 9 times at level 1, two times at level 2 and once at level 3; amounting to a non-compliance score of 16. Indonesia, on the contrary, was admonished 9 times at level 1, three times at level 2 and two times at level 3; resulting in a non-compliance score of 21.

6.3. Cape Verde and Ghana

Peaceful democracies

Due its scores in the control variables '*degree of democratization*', '*trade volume*' and '*civil conflict*' Ghana and Cape Verde are suitable for a comparison. According to the latest Polity IV country report, the GSP+ beneficiary Cape Verde has one of Africa's most stable democratic system (Polity IV Country Report Cape Verde, 2010). For several decades now, the transfer of power has occurred without any coercion. Furthermore, "the courts are impartial and independent although inexperienced and inefficient" (ibid.:2). The responsible scholars of the Polity IV Project evaluate the island's state level of democratization with the highest possible score, 10 – suggesting that is fully democratic (Polity IV Project, 2015). Due to the harmony that prevails within the republic's 550,000 inhabitants counting population, the civil conflict score of Cape Verde yields 0.

The goods and services produced in the Western African island state amount to USD 1,5 billion (World Bank, 2017). However, remittances contribute as much as 20 % to this number (Central Intelligence

Agency, 2017). The GDP per capita equals USD 3080 (World Bank, 2017). The trade volume of the country amounts to 95,3 % of its GDP (ibid.).

The trade volume of the West-African republic Ghana is similarly high – 99,2% of its GDP (ibid.). Main export goods are gold, cocoa and oil. Despite the country's richness in natural resources, it remains poor (Central Intelligence Agency, 2017). The republic's GDP per capita amounts to US-$ 1370 (World Bank, 2017). Varying in this regard in comparison to Cape Verde, Ghana's political system is regarded as rather democratic, too; it scores an "8" in the Polity IV index (Polity IV Project, 2015). And similar to Cape Verde, the population of Ghana – counting almost 27 million inhabitants – is not shaken by any major conflict leading to a civil conflict score of 0, too.

Analysis

In the period between 2014 and 2016, Cape Verde was condemned twice in the analyzed ILO reports. In one case with regards to its substantive, in the other because of its procedural obligations. In the CEACR report published in 2017, the Committee of Experts remarked that the principle "equal remuneration for work of equal value" has not been fully implemented yet in the labor regulations of the island state. Consequently, the committee "asked the Government to take the necessary measures without delay to ensure that full legislative expression be given to the principle of equal remuneration for men and women for work of equal value" (ILC, 2017:375); thus, the committee admonished the country at level 1.

In the second case, the Committee of Experts "noted with concern" that the island state had not replied to "all or most observations and direct requests of the Committee" (ILC, 2017:13), consequently admonishing Cape Verde at level 2.

In contrast to Cape Verde, Ghana was only condemned for substantive infringements.[10] In the report published in the year 2015, the CEACR "requested" the government of the African state to amend its labor regulations according to the provisions of the *Right to Organize and Collective Bargaining Convention* (ILC, 2015). This appeal falls within level 1 of the pyramid. In the report published in the following year, the CEACR "noted with concern the significant number of children below 18 years of age engaged in hazardous conditions of work in the agricultural sector, including in the cocoa industry" (ILC, 2017:241). Likewise, the committee "noted with concern" that the so-called trokosi system – a ritual during which a young girl has to serve at a local shrine in order to expiate for the

[10] Ghana was also admonished for not replying to "any or most of the observations and direct requests of the Committee of Experts" in the CAF's report of the year 2014 (CFA, 2014:47). However, as mentioned in chapter 5.4., the report is not considered for infringements regarding procedural obligations.

alleged sins of a family member – is still present in the country (ILC, 2017). These infringements against the *Worst Forms of Child Labor Convention* caused for the African republic a condemnation in form of a single footnote – representing an admonition at level 3 of the pyramid.

Since no other infringements were noted in the reports of the various ILO committees for these two countries, Cape Verde's non-compliance score amounts to 3, the one of Ghana to 4.

6.4. Kyrgyzstan and Lesotho

Peaceful merchants

The Republic of Kyrgyzstan is often described as Central Asia' "island of democracy" (Schenkkan, 2015). After the country faced two political revolutions in the first decade of the 21th century (2005 and 2010) leading to the expulsion of the president in both cases, the first peaceful transfer of presidential power in independent Kyrgyzstan's history took place in December 2011 (Central Intelligence Agency, 2017). While this development is an example for the stability of the country's young democracy, the country "is marked by intense personal, clan and ethnic rivalries" (Polity IV Country Report Kyrgyzstan, 2010:3). Whereas the North is Russian-speaking, dominated mainly by Kyrgyz people and rather urbanized, the South is ethnically diverse, controlled by Uzbeks and largely rural (Central Intelligence Agency, 2017). Despite the existing tensions between Uzbeks and Kyrgyz living within the Central-Asian country, the responsible researchers of the Uppsala Conflict Data Program record a civil conflict score of 0 for Kyrgyzstan; the level of democratization is evaluated with a "7" in the Polity IV dataset (Polity IV Project, 2015).

In 2015, Kyrgyzstan had a GDP of USD 6,7 billion (World Bank, 2017), amounting to a GDP per capita of USD 1103 (ibid.). The country's trade volume yields 108 % of its GDP (ibid.) – it is one of the highest scores recorded for the studied cases. The main export goods include cotton, gold, mercury, uranium and natural gas (Central Intelligence Agency, 2017). Kyrgyzstan is a member of the Eurasian Economic Union which allows the country to ex- and import goods to the member states of the union without paying any tariffs.

The African Kingdom of Lesotho is suitable for a comparison with Kyrgyzstan since it has a similarly high trade volume (128 % of its GDP), and is on average equally wealthy (GDP per capita of USD 1066). Like Kyrgyzstan, it is heavily dependent on agriculture and remittances (Central Intelligence Agency, 2017). The government of the Kingdom is the country's largest employer (ibid.).

Furthermore, the two countries are comparable with regard to its scores in the two political variables. Lesotho's political system is regarded as rather democratic; it was assessed with a score of 8 in the

Polity IV index (Polity IV Project, 2015). The population counting about 2 million people, lives in harmony yielding a civil conflict score of 0.

Analysis

With regards to the Kyrgyz Republic it is noteworthy that all the 12 infringements that the country has been confronted with in the various ILO reports were linked to failures to attend its constitutional duties. In all three years, the CEACR criticized the country for not indicating if the instruments that had been adopted by the Labor Conference between 1992 and 2011 were submitted to the competent national authorities. The CEACR condemned the Asian state for this infringement in the first two cases at level 1 of the pyramid (ICL, 2015; ILC, 2016), in the report published in the year 2017 at level 2 (ILC, 2017). Furthermore, in the CEACR reports published in 2016 and 2017, the Kyrgyz Republic was criticized for not having replied to "all or most of the observations and direct requests" of the Committee of Experts (ILC, 2016:40). Again, this provoked a level 2 condemnation for each case (ibid.). Moreover, the failure to reply caused the Committee of Experts to repeat its previous comments regarding the country's implementation and application of the relevant fundamental conventions in both reports, leading to two level 2 admonitions for each year (ILC, 2016; ILC, 2017). Finally, in none of the three years did the Central Asian – despite an invitation - take part in the conference discussions concerning its own cases (CAS, 2015; CAS, 2016; CAS, 2017). Since the CAS condemned this infringement in its report, but did not determine a 'continued failure', it falls within level 3 of the pyramid. There were no complaints filed with the Committee on Freedom of Association.

Kyrgyzstan's correspondent Lesotho, on the contrary, was condemned four times for infringements concerning substantive obligations, but only once for an infraction concerning its procedural obligations. In the CEACR report published in 2015, the African kingdom was criticized for not having ensured yet, that "public officers' associations established under the Public Services Act were guaranteed the right to establish federations and confederations and affiliate with international organizations" (ILC, 2015:109). According to the committee, this failure represents an infringement of the *Freedom of Association and Protection of the Right to Organize Convention*; therefore, the country was condemned at level 1. Likewise, the African state was condemned at level 1 for legislative unconformities with the provisions of the *Right to Organize and Collective Bargaining Convention* (ILC, 2015), the *Minimum Age Convention* and the *Worst Forms of Child Labor Convention* (ILC, 2016). Finally, the CEACR "noted with regret" that Lesotho had not answered the committee's request if the African state had submitted the "instruments adopted by the Conference at its 99th, 100th, 101st, 103rd and 104th Sessions" to the National Legislature (ILC, 2017:606). Thus, the African kingdom was admonished at level 2 of the pyramid.

To sum up, the GSP+ beneficiary country's non-compliance score amounts to 25, the one of Lesotho to 6.

6.5. Mongolia and Tunisia

Equally wealthy merchants

The political system and the therewith connected processes of Mongolia are considered to be fully democratic; it was assessed with the score of 10 in the Polity IV index (Polity IV Project, 2015). "The country has experienced multiple turnovers of power through democratic mechanisms" (Polity IV Country Report Mongolia, 2010:1). The functional processes of democratic opinion-forming might be one reason the country has not been shaken by any major civil conflict in the past years, yielding a civil conflict score of 0.

The Mongolian economy generated goods and services amounting to USD 11,7 billion (World Bank, 2017). Foreign direct investment in the republic's extractive industries has fueled economic growth in the past years (Central Intelligence Agency, 2017). In 2015, the country's GDP per capita yielded USD 3967 (World Bank, 2017). In the same year, Mongolia's trade volume grew to 90 % of its GDP (World Bank).

In these regards, Tunisia is comparable to the Central Asian state. The North-African country trades goods and services whose market value yield 92 % of its GDP (World Bank, 2017). Despite the fact that Tunisia is a member of the Greater Arab Free Trade Area, its main trade partner is the European Union (Central Intelligence Agency, 2017). To promote sustainable economic growth, the African economy "is seeking increased foreign investment and working with labor unions to limit labor disruption" (ibid.). The country's GDP per capita amounts to USD 3822 and is consequently similar high (World Bank, 2017).

Also with regards to the political variables, the two countries are comparable. Tunisia has a Polity IV score of 7 (Polity IV Project, 2015) – reflecting that the country has "made significant political progress with parliamentary and presidential elections in 2014", however, "threats of violent extremism with roots at home and in the surrounding region" are persistent (United State Institute of Peace, 2016a). Similar to Mongolia, no major civil conflict is threatening the harmony among the 11 million Tunisian citizens.

Analysis

The GSP+ beneficiary country Mongolia was in total five times admonished in the ILO reports. In the report of the 104th session of the International Labor Conference, the Central Asian country was called

upon to amend its legislation in accordance with the *Equal Remuneration Convention* as well as with the *Discrimination (Employment and Occupation) Convention* (ILC, 2015). In both cases, these appeals fall within level 1 of the pyramid. In the report of the following year, the CEACR "urged" Mongolia with regard to its draft Labor Code to specify therein "the conditions in which, light work may be undertaken for persons 13 to 15 years of age" (ILC, 2016:287) – also admonishing the country at level 1. Another level 1 condemnation caused the country through not having taken "the necessary measures in law and in practice, to ensure that no child under 18 years of age is employed as a horse jockey" (ILC, 2016:289). As the committee noted, about 10,000 children are hired each year to work as a child jockey during the National Naadam Festival. Having acknowledged the risk which entails such a job, the committee assessed it as a case of 'hazardous work' which is prohibited for children under the *Worst Form of Child Labor Convention.* Finally, the CEACR criticized the country for not indicating in its periodic report if copies of reports on ratified Conventions had been submitted to the national representative employers' and workers' organizations – causing another admonition at level 1 (ILC, 2016).

Mongolia's correspondent Tunisia was condemned six times in total. The country did not submit its comments to the Committee of Experts for the 104th session of the International Labor Conference – causing a condemnation at level 2 (ILC, 2015). Furthermore, the CEACR noted in its report published in 2016, that the country's labor regulations did not give fully effect to the Freedom of *Association and Protection of the Right to Organize Convention* – resulting in an admonition falling within level 1 of the pyramid (ILC, 2016). In addition to that, the Committee of Experts "noted with concern" that - despite previous request by the committee - the country's periodic report did not "contain any information on measures taken or envisaged with a view to expressly prohibiting all discrimination on grounds other than sex". This sluggishness to fully implement the *Discrimination (Employment and Occupation) Convention* consequently resulted in a level 2 condemnation (ibid.). Legislative inconformity with the provisions of the Equal *Remuneration Convention* caused the country another reprobation in this report, this time at level 1 (ibid.). Finally, two complaints against the country were brought before the Committee on Freedom of Association in the studied period. The first one constituted a case in which the Tunisian General Confederation of Labor denounced acts of interference in its internal affairs by the airline TUNIS AIR – leading to requests and appeals by the committee that fall within level 1 of the pyramid (CFA, 2015 – November). The second concerned anti-union acts which the authorities of Northern African country had committed according to Tunisian Labor Organization (CFA, 2016 – June) – resulting in appeals falling within level 1 as well.

Following these presentations, Mongolia was condemned five times at level 1 – resulting in a non-compliance score of 5; Tunisia was admonished four times at level 1 and twice at level 2, amounting to a non-compliance score of 8.

6.6. Pakistan and Nigeria

War-torn democracies

The GSP+ beneficiary country Pakistan is a parliamentary republic that exhibits some severe democratic deficiencies. One of them is the continuing influential role of the Pakistani army on the country's political developments (Polity IV Country Report Pakistan, 2010; Pervaiz, 2016). Another one is the state's failure to "reliably provide peaceful ways to resolve competing interests" (United States Institute for Peace, 2017). The responsible researchers of the Polity IV Project assessed the country's level of democracy with "7" on their scale (Polity IV Project, 2015). The decades-long armed conflicts between the Pakistani army and militant groups, including the Tehrik-e-Taliban Pakistan (Central Intelligence Agency, 2017), might be a reason for the state's civil conflict score of 2 – implying a state of war within the country.

In 2015, the Pakistani economy generated goods and services worth USD 271 billion, yielding a GDP per capita of USD 1434 (World Bank, 2017). One fifths of the country's economic output are produced in the agricultural sector; two fifths of the country's workforce earn its living in this sector (Central Intelligence Agency, 2017). Pakistan trades goods and services yielding 27,6 % of the economy's GDP (World Bank). Main export goods are textiles and apparel (Central Intelligence Agency, 2017).

In these political and economic aspects, the African state Nigeria is comparable to Pakistan. Like the Asian country, the African republic is neither an 'ideal democracy'. Whereas the presidential elections of 2015 marked a milestone in the country's democratic development - the first peaceful transfer of power to a winner from an opposition party - there remains "an urgent need to deliver reforms on economic policy and inclusive governance" (United States Institute of Peace, 2016b). Furthermore, "ethnic-based factional tensions, endemic corruption and the overtly political ambitions of the military" remain a problem in the country (Polity IV Country Report Nigeria, 2010:2). Identical to Pakistan, the Polity IV score of the country yields 7 (Polity IV Project, 2015).

Nigeria's population, counting over 186 million inhabitants, is composed of more than 250 ethnic groups (Central Intelligence Agency, 2017). This heterogeneity as well as religious fundamentalism – practiced for example by Boko Haram - are root causes for inner conflicts (ibid.). The responsible

scholars of the Uppsala Conflict Data Program classify the situation in Nigeria as a "war", yielding a civil conflict score of 2.

The country's GDP per capita is USD 2672 (World Bank, 2017). This modest wealth is mainly based on oil and agricultural products such as cocoa, peanuts, cotton and palm oil (Central Intelligence Agency, 2017). Like Pakistan, the trade volume of the West-African state is limited (21 % of its GDP).

Analysis

During the studied period, the ILO committees noted several non-compliant by Pakistan. For all three years, the CEACR noticed a 'failure to submit' the instruments adopted by the Conference to the country's respective competent authorities. Whereas this infringement was condemned at level 1 in the reports published in 2015 and 2016 (ILC, 2015; ILC, 2016), the continued violation had been finally admonished at level 2 in the committee's latest report (ILC, 2017). Furthermore, the Asian country was condemned at level 3 for not taking part in the conference discussions concerning its own cases in the years 2014 and 2016 (CAS, 2014; CAS, 2016).

Regarding substantive obligations, the Committee criticized the deficient implementation of certain standards enshrined in the *Equal Remuneration Convention* into the country's labor regulations. Having taken note, for example, of the Pakistan Workers Confederation's allegation that "most employers do not utilize objective job appraisal schemes", the committee "encouraged the Government to take measures to ensure that objective job appraisals on the basis of work performed are integrated into the new provincial labor legislations" (ILC, 2016:337); thus, admonishing the country at level 1. Furthermore, in the same report the committee "requests" the government to provide information on the implementation of the various labor acts that the Pakistani government had introduced to "protect men and women equally against sexual harassment" at the work place (ibid.:337). Thus, this request falls within level 1 of the pyramid. In its latest report, the CEACR admonished the country for legislative unconformity with the standards of the *Freedom of Association and Protection of the Right to Organize Convention* and of the *Right to Organize and Collective Bargaining Convention.* Whereas the committee condemned the country in the first case at level 1 (ILC, 2017), it asked the government of the Asian country in the second case to "reply in full to the present comments in 2017" (ibid.:115). Since this request is known as a 'single footnote' in ILO terminology (ibid.:15 – 16), the country has thus been condemned at level 3 of the pyramid. Finally, five complaints were filed before the Committee on Freedom of Association which all caused a level 1 condemnation by the committee (CFA, 2014- June; CFA, 2015 – March; CFA 2015 – June; CFA, 2016- March; CFA 2016 – June).

Nigeria displayed non-compliant behavior regarding its procedural obligations in only two cases. First, the country was condemned at level 1 for not indicating in its report if it fulfilled its constitutional duty of submitting "copies of reports on ratified Conventions to representative employers' and workers' organizations" (ILC, 2016:39). Moreover, the CEACR "noted with concern" in its report published in 2015 that the African country had not replied to many of the comments made by the committee – condemning it at level 2 (ILC, 2015:17). This infringement also caused the committee to repeat its comments regarding the *Freedom of Association and Protection of the Right to Organize Convention* and the *Discrimination (Employment and Occupation) Convention*. Consequently, in the first case, the African country was again admonished at level 1, in the second one again at level 2 (ILC, 2015). In the following year, the African country did submit its responses to a few of the committee's comments again, revealing severe infringements against the *Freedom of Association and Protection of the Right to Organize Convention*. Having taken note of alleged anti-trade union acts happening in the country including "denial of the right to join trade unions; massive dismissals for trying to join trade unions; mass persecution of union members; arrests of union members; and other violations" the Committee "requested" the leaders of the state to comment on these allegations (ILC, 2016:98). Furthermore, the committee "requested" information on the judicial proceedings concerning an assassination of a trade union leader (ibid.). These two concerns *inter alia* caused the CEACR to ask the government of the African country "to reply in detail to the present comments in 2016" (ILC, 2016:100) – equating level 3 on the pyramid. The Committee of Expert's comments concerning the *Discrimination (Employment and Occupation) Convention* remained still unanswered – forcing the committee to repeat them once again; thus, the country was another time admonished at level 2. In addition to that, the African state was also criticized for its sluggish application of the standards formalized in the *Worst Forms of Child Labor Convention.* As a report of the Secretary-General to the Security Council had revealed, children had been "recruited and used by Boko Haram in support roles and in combat" (ibid.:307). Therefore, the CEACR "strongly urged the Government to take measures as a matter of urgency to ensure the full and immediate demobilization of all children and to put a stop, in practice, to the forced recruitment of children under 18 years of age into armed groups" (ibid.). Considering the wording, the condemnation falls within level 2 of the pyramid. The country also had to face in this report an admonition in the form of a double footnote (ibid.). Since the Nigerian legislation did not properly protect children working in the informal economy, according to the committee, and since the regulations in power had allowed children from the age of 12 years on to do an apprenticeship, the CEACR noted severe infringements against the *Minimum Age Convention* (ibid.). For those reasons, the government was asked "to supply full particulars to the Conference at its 105th Session and to reply in detail to the present comments in 2016" (ibid.:307). Since the discussion of this case before the

Committee on the Application of Standards did not lead to an even higher level of condemnation (CAS, 2016), the admonition falls within level 3 of the pyramid.

Finally, the country was condemned at level 1 in the CEACR's latest report for infringements against the *Freedom of Association and Protection of the Right to Organize* as well as against the *Discrimination (Employment and Occupation) Convention.* Moreover, the continued legislative unconformity with the *Minimum Age Convention* caused the country another admonition in form of a single footnote (ILC, 2017).

To conclude, the GSP+ beneficiary country was condemned ten times at level 1, once at level 2 and three times at level 3; amounting to a non-compliance score of 21. Nigeria, on the contrary, was admonished four times at level 1, four times at level 2 and three times at level 3, resulting in a non-compliance score of 21, too.

6.7. Paraguay and Zambia

Relatively stable and peaceful democracies

The GSP+ beneficiary country Paraguay is a presidential republic (Central Intelligence Agency, 2017). However, the transition from the military dictatorship ending in 1989 to a democratic state "has proven to be quite tumultuous" (Polity IV Country Report Paraguay, 2010:2). The military still holds "reserved domains of power" (ibid.). Yet, since the country's return to democracy in 1992, "Paraguay has held relatively free and regular presidential elections" (Central Intelligence Agency, 2017). For 2015, the Polity IV index records a level of democracy of "9" (Polity IV Project, 2015). Since the population of the South-American state that counts 6,9 million inhabitants, largely lives in harmony together, the civil conflict score of the country is 0.

A similar picture is observable in the African state Zambia. However, yielding a 7 in the Polity IV index, the level of democratization is slightly lower in the African republic (Polity IV Project, 2015). This could be due to the significant presidential power which is only limitedly checked by the other two branches (Polity IV Country Report Zambia, 2010). Like in the case of Paraguay, no major conflict is observable in the Zambian population, yielding a civil conflict score of 0.

With regard to the economic variables, the two countries are primarily comparable in trade volume. Both economies trade goods and services that amount to 84 % of the countries' GDP (World Bank, 2017). Whereas Paraguay generated a GDP USD 27,3 billion in 2015, the African state produced in the same year goods and services worth USD 21,2 billion (ibid.). The difference in population size presupposes a GDP per capita of USD 4081 for Paraguay and of USD 1305 for Zambia (ibid.).

Analysis

The GSP+ beneficiary country Paraguay did fulfill its procedural obligations in the studied three years, it was, however, criticized several times for infringements against the content of the conventions. Due to pending legislative issues aiming to implement several standards formalized in the *Freedom of Association and Protection of the Right to Organize Convention*, the committee "expressed the firm hope that it will be able to note tangible progress regarding all referenced legislation in the near future" (ILC, 2016:104); condemning the country at level 2 of the pyramid. In addition to that, the committee noted also legislative unconformity with the *Right to Organize and Collective Bargaining Convention*, causing the country a level 1 condemnation (ILC, 2016). In the subsequent report, the CEACR denounced the South-American country for its deficient application and enforcement of the *Minimum Age Convention* (ILC, 2017). Even though the government ensured to have initiated programs of action to combat child labor, the report stated that still "22.4 per cent of children and young persons under 18 years of age […] are engaged in work below the minimum age for admission to employment or are in one of the worst forms of child labor" (ILC, 2017:313). The Committee of Experts therefore "requested that the Government continue[s] its efforts to improve the situation of child labor in the country" and to provide information on any further measures taken as well as on the results achieved (ibid.). Considering the wording, the appeal falls within level 1 of the pyramid. The committee also requested a "continued effort" from the government with regards to the measures initiated to eliminate child trafficking and sexual exploitation (ibid.:315). Consequently, to combat these aspects of *Worst Forms of Child Labor,* the committee admonished the country another time at level 1 of the pyramid. Furthermore, the South American republic caused a level 2 condemnation due to severe legislative unconformities with the *Forced Labor Convention* (ILC, 2017).

Paraguay seems to have a major problem with ensuring the freedom of association. During the studied period, six complaints were lodged against the South American republic before the CFA. Due to new allegations and additional replies, two of these cases were discussed twice by the committee, leading to a total of eight conclusions. In six out of them the committee admonished the country at level 1, in the remaining two at level 2.

Also, its African correspondent Zambia, was mainly admonished for infringements against substantive obligations. In the CEACR report published in 2016, the African state was condemned at level 1 for slow legislative implementation of the standards formalized in the *Freedom of Association and Protection of the Right to Organize* (ILC, 2016). Furthermore, the "allegations of acts of anti-union discrimination, including harassment, intimidation and dismissal on grounds of trade union membership and participation in strikes" submitted shortly before the committee meeting in September 2015 by the International Trade Union Confederation caused besides other concerns the committee to ask the

Zambian government "to reply in detail to the present comments in 2016" (ibid.:168). Thus, this single footnote represents a condemnation at level 3 of the pyramid. Since the government did not reply to these allegations in the course of the subsequent year, the committee repeated it comments in the CEACR report published in 2017. Strangely enough, even though the committee previously concluded its admonition with a call for a reply in detail for the subsequent year, the committee concluded its condemnation this time with the "hope that the Government will make every effort to take the necessary action in the near future" (ILC, 2017:168) – falling within level 1 of the pyramid! Considering the fact that the committee never moderated its admonition before when repeating it, there is no obvious reason why the committee did it this time. The African country was furthermore condemned at level 1 for its deficient enforcement of the standards of the *Forced Labor Convention* and the *Worst Forms of Child Labor Convention* (ILC, 2017). In addition to that, the fact that "a large number of children are engaged in child labor, including in hazardous work in the country" was "noted with concern" by the committee (ibid.:357); thus, the country was admonished at level 2 on the pyramid. Finally, the committee's request to the Zambian government **"**to provide information on the submission to the National Assembly of the instruments adopted by the Conference at its 99th, 100th, 101st, 103rd and 104th Sessions" (ibid.:611) represents a level 1 condemnation.

To sum up, the GSP+ beneficiary country Paraguay was nine times condemned at level 1 and four times at level 2, resulting in a non-compliance score of 17. Zambia was five times admonished at level 1, once at level 2 and once at level 3, amounting to a score of 10.

6.8. Philippines and Kenya

Conflictual democracies

The Philippine political system is a presidential republic which is recreated according to the US-American constitutional separation of powers between the executive, legislative and judicial branch (Polity IV Country Report, 2010). However, the presidential power within the Philippines has even been stronger than in the United States, causing a mitigation of the legislative power at the same time (ibid.). Despite this imbalance, the Polity IV index records a "8" for the island state (Polity IV Project, 2015). The decade-long operations by the communist New People's Army as well as activities by terrorist groups, threaten the peace of the country, resulting in a civil conflict score of 1.

In the African Republic of Kenya, a very similar picture is observable. The democracy is comparatively stable and well developed (Polity IV Country Report Kenya, 2010). The March 2013 general elections were relatively calm and without irregularities (United States Peace Institute, 2015). The Polity IV index evaluates the level of democratization of Kenya with score 9 (Polity IV Project, 2015). Similar to the

Philippines, Kenya is equally threatened by extremist violence, particularly by the militant group al-Shabab (ibid.). The country's civil conflict score of 1 reflects this situation.

With regards to the economic variables, the two countries are slightly less suitable for a comparison. Whereas the Philippines boast a GDP per capita of USD 2904 (World Bank, 2017), Kenya's wealth per person amounts to USD 1377 on average (ibid.). In 2015, the Philippine's trade volume amounted to 63 % of its GDP, the one of Kenya to 45 % of the African country's GDP (ibid.).

Analysis

The Philippines belong to the countries studied in this paper with the most infringements identified by the various ILO committees. In the CEACR report published in 2015, it was condemned at level 1 for not having fully implemented the principle 'equal remuneration for work of equal value' formalized in the *Equal Remuneration Convention* (ILC, 2015). Moreover, having noted that women have been "overrepresented in service activities, such as activities of households as employers of domestic personnel, and undifferentiated goods and services-producing activities of households for own use" the Committee of Experts denounced the island state in its report published one year later for a deficient enforcement as well as for an incomplete legislative implementation of the standards enshrined in the *Discrimination (Employment and Occupation) Convention* (ILC, 2016: 341). The hereby used terminology implies a level 1 condemnation. In addition to that, the island state was accused by the International Trade Union Confederation for not combatting anti-union acts including killings and harassments of trade union members, arrests and false criminal charges, enough (ILC, 2016). Due to these concerns as well as due to legislative unconformities with the *Freedom of Association and Protection of the Right to Organize Convention*, the committee asked the Philippine government to "supply full particulars" to the subsequent conference and to "reply in detail" to the committee's comments in these matters (ibid.:111). Thus, having caused a double footnote, these infringements were discussed before the Conference Committee on the Application of Standards. Since the Conference committee did not determine a 'continued failure to implement' (CAS, 2016), the mere discussion by the Conference Committee implies a level 3 condemnation. What is more, the CEACR noted that the rights for collective bargaining for employees in the public sector were limited suggesting a legislative unconformity with the *Right to Organize and Collective Bargaining Convection*. By "requesting the Government to take the necessary legislative or other measures to expand the subjects covered by collective bargaining, so as to ensure that public sector employees not engaged in the administration of the State fully enjoy the right to negotiate their terms and conditions of employment" (ibid.:113), the committee admonished the country at level 1. In its latest report, the committee noted some improvement concerning the application and implementation of the *Freedom of Association and Protection of the Right to Organize Convention* in comparison to the year before,

but it “expressed its firm hope that the investigations into the serious allegations of killings of trade union leaders as well as the ongoing judicial proceedings in this regard, will be completed in the very near future” (ILC, 2017:163) and that the necessary legislative amendments would be passed soon (ILC, 2017). Furthermore, the South East Asian republic was admonished in this report for infringements against the *Forced Labor Convention,* the *Abolition of Forced Labor Convention*, the *Minimum Age Convention* and the *Worst Forms of Child Labor Convention* (ibid.), in each of the four cases at level 1.

The only admonition concerning an infringement of the country’s procedural obligations is stated in the CEACR report published in 2016. The country was criticized at level 1 for not indicating if copies of reports on ratified Conventions had been submitted to the country’s representative employers’ and workers’ organizations (ILC, 2016).

Finally, three complaints were lodged against the country before the CFA. All ended with conclusions that fall within level 1 of the pyramid. The other two included severe human rights violations such as killings, witch-hunting and physical assaults against trade union members. Due to “the serious and urgent nature of the matters” of the two cases, the committee “drew the special attention of the Governing Body” to it (CFA, 2016 – June:183; CFA, 2016 – November:236). Considering this wording, the admonitions fall within level 4 of the pyramid.

Kenya, on the contrary, does not exhibit similar severe labor rights violations. The African state was condemned by the CEACR at level 1 for having a legislation in force on which basis citizens could be forced to perform a service in connection with the conservation of the country’s natural resources (ILC, 2016). According to the committee, this regulation represented a violation of the *Forced Labor Convention.* However, having taken note of the government’s efforts to replace this regulation, the committee admonished the country only at the lowest level of the pyramid. Furthermore, the Committee of Experts condemned the African republic for infringements against the *Abolition of Forced Labor Convention,* the *Minimum Age Convention,* and the *Worst Form of Child Labor Convention*; for each of the three cases the admonition falls within level 2 of pyramid (ILC, 2016). The only condemnation concerning a violation of its procedural obligations Kenya received in the latest report of the CEACR (ILC, 2017). Herein, the African state was criticized at level 1 for not indicating if it had elucidated the national representative employers’ and workers’ organizations about the country’s recently ratified conventions.

To sum up, in the studied period, the GSP+ beneficiary country Philippines was nine times admonished at level 1, once at level 2, once at level 3 and twice at level 4, resulting in a non-compliance score of 22. Kenya, on the other side, was twice criticized at level 1 and three times condemned at level 2, amounting to a non-compliance score of 8.

6.9. Findings and discussion thereof

The results of the previous analysis are displayed in table 2.

Table 3: Non-compliance scores of GSP+ beneficiary countries and its correspondents

GSP+ Beneficiary Countries		**Control group countries**	
Armenia	1	14	Côte d'Ivoire
Bolivia	16	21	Indonesia
Cape Verde	3	4	Ghana
Kyrgyzstan	25	6	Lesotho
Mongolia	5	8	Tunisia
Pakistan	21	21	Nigeria
Paraguay	17	10	Zambia
Philippines	22	8	Kenya

Only in four out of the eight compared cases, namely Armenia – Côte d'Ivoire, Bolivia – Indonesia, Cape Verde – Ghana, and Mongolia – Tunisia, the GSP+ beneficiary countries showed a lower non-compliance score – suggesting that these four countries were more compliant than their correspondents of the control group. Pakistan and Nigeria displayed the same level of non-compliance during the studied period. The GSP+ beneficiary countries Kyrgyzstan, Paraguay and the Philippines were each less compliant than its correspondent from the control group. Interestingly enough, the three countries with the highest non-compliance score are all GSP+ beneficiary, namely Kyrgyzstan (non-compliance score of 25), the Philippines (non-compliance score of 22) and Pakistan (non-compliance score of 21). Considering these findings, it cannot be concluded that the EU's GSP+ incentive scheme effectively promotes labor rights in the beneficiary countries.

The findings suggest that the rationale behind the policy which is to "help them [developing countries] assume the special burdens and responsibilities resulting from the ratification of core international conventions on human and labor rights, environmental protection and good governance as well as from the effective implementation thereof" (European Parliament and Council of the EU, 2012, Recital 11) is missing its point. This is salient in the case of Kyrgyzstan. All the country's cases of non-compliant behavior stated in the various ILO reports referred to the republic's failure to submit reports and to respond to requests of the ILO. Despite the tariff relief that can arguably lead to an economic upswing in the export sectors and therewith to an increase of the beneficiary country's tax revenues, the Kyrgyz government has not been able to build up enough administrative capacities to fulfill its procedural obligations. In this case, Vogt's (2015) claim to apply enforcement measures that the policy provides for – namely the withdrawal of the GSP+ status - is not expedient. The cooperative measures that the EU uses, such as dialogues with the countries in question on progress and obstacles to implementation,

seem to be more reasonable. This opinion is in line with the findings of Zhou and Cuyvers' study on the effectiveness of sanctions under the Union's 'General Arrangement' (2011). By analyzing the cases of Myanmar and Belarus from which trade preferences were withdrawn in 1997 and 2006 respectively, they found "using the EU's GSP regime to sanction countries which violate the core labor standards has very limited effectiveness" (ibid.:65). Nevertheless, the EU needs to think about a way to adopt the design of its policy to strongly increase the effectiveness of its policy.

7. Conclusion

The previous analysis has shown that the GSP+ policy is not effective in promoting labor rights. Only in four out of the eight cases, the GSP+ beneficiary countries proved to be more compliant than its comparison group. These four states are Armenia, Bolivia, Cape Verde, and Mongolia. The beneficiary country Pakistan proved to be as (non-)compliant as its comparison country Nigeria. Furthermore, it must be noted that the three countries with the highest non-compliance score – in other words, the most severe labor rights violators in this study - are countries that benefit from the EU's incentive arrangement – namely Kyrgyzstan, the Philippines and Pakistan. Regarding these results, the research question *Does the EU's 'Generalized Scheme of Preferences+' incentive arrangement promote compliance with the ILO conventions on labor rights?* must be answered with a clear 'No'! The policy is not able to make a visible difference. The GSP+ incentive arrangement proves to be a further ineffective trade tool linking trade with labor rights.

These findings are not only disappointing for the workers and NGOs in beneficiary countries that link the hope of a noticeable improvement of the labor rights situation in their country to the EU's incentive program, but the results of this study should also be worrying for the EU itself. The fact that the EU uses a foreign policy tool that fails to reach its goal might contribute to a public image of an ineffective Brussels. If the EU wants to promote social justice in the world, as it has obliged itself to do so in the Treaty of Lisbon, it needs to address the failure of the policy tool.

Some scholars claim that the ineffectiveness of the incentive scheme is due to its deficient application. Vogt (2015) claims that the weak results of the GSP+ scheme can be found in the Union's preference for dialogue and other cooperative measures over sanctions that the policy provides for. Also, Orbie and Tortell (2009) suggest that the EU is reluctant to apply sanctions in case of non-compliant behavior since the diplomatic damage following the application of sanctions would often be higher than the benefits resulting from it. Furthermore, they underline that in order to apply sanctions, the Council would need to agree. This, however, would cause extensive political negotiations which the Commission and probably also members of the Council, are reluctant to conduct. However, the case of the GSP+ beneficiary country Kyrgyzstan might indicate that the general call for sanctions neglects the individual reasons for non-compliant behavior. All reported cases of non-compliant behavior of the Central-Asian country concerned the state's failure to fulfill its procedural obligations. This indicates that not political willingness to comply is missing, but rather a lack of administrative capacities. In cases in which countries do not meet their procedural obligations, it is highly questionable if sanctions are the right tool to shift a country's behavior towards compliance. It rather seems that the EU's

cooperative measures, such as capacity building projects,[11] seem to be more reasonable. However, in those cases in which countries continuously fail to meet their substantive obligations, the EU needs to make use of the enforcement measures the policy provides for. Otherwise, it is doubtful if the effectiveness of the incentive scheme can be improved.

Limitations of the study

Despite the rather obvious result of the study, certain practical limitations that became apparent while writing it, have weakened its explanatory power.

First of all, since the used research design did not allow to exploit variation over time, no answer can be given if the policy is especially effective for countries exhibiting specific political and/or economic characteristics (e.g. size of trade volume, degree of democratization etc.). It would be interesting to know for example, if Armenia and Mongolia were particularly compliant because of a successful shift in the countries' incentive structure that the scheme was able to realize due to specific national political and/or economic conditions. If so, a redesign of the policy tool taking these specifications into account, would be another step to make the GSP+ arrangement more effective. The question if national conditions influence the effectiveness of the scheme could be a starting point for future research.

Second, the data that the study draws upon can only give a limited snapshot of the labor rights violations committed in the individual countries. This is due to the fact that the countries monitored and evaluated by the ILO play a major role in the organization's supervisory system. The ILO committee that regularly deals with the application of standards of all conventions – namely the Committee of Experts on the Application of Conventions and Recommendations – bases its assessments and recommendations on the reports submitted by the individual member states. If a country does not submit a report - a problem especially among least developed and developing countries - the expert committee can only repeat its previous assessments. Consequently, the Conference Committee on the Application of Standards cannot do its work either. In this case, only the Committee on Freedom of Association which is not dependent on the cooperation of member states can shed some light on the labor rights situation within the different countries. Future research can avoid this pitfall by drawing upon several different data sources.[12]

[11] The European Commission has recently provided a grant to fund an ILO project that aims to strengthen the administrative capacities to meet the countries' obligations resulting from the eight fundamental ILO conventions (Generalized Scheme of Preferences, 2017).

[12] One interesting possibility would be to use real-time data from crowdsourcing data banks such as laborvoices.com.

Third, the herein used ‘pyramid of condemnation’ proved to be unable to measure the labor rights violations precisely. Even though the graduated levels of the pyramid aim to grasp the different ‘condemnation wording’ used in the different ILO reports, it became apparent that it could not do so. Consequently, certain expressions needed to be added to the pyramid. Furthermore, the pyramid was only able to measure the level of the conclusive remarks that a committee made with regard to the application of a specific convention. The detailed and often numerous assessments of the individual standards of one conventions could not be grasped with this benchmark.

Thus, the conclusions of this thesis must be regarded as a first spotlight that might be useful for the purpose of orientation. However, it is advisable for researcher that aim to measure compliance with the eight fundamental ILO conventions in the future, to base their study on several different data sources and to use another benchmark to measure compliance.

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