

# The future of GVCs from the political economy perspective: Social Responsibility



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# Social Responsibility in a GVC context

## What is Responsible Business Conduct?

- Firms adhering to certain standards in the course of their operations, supply chains and business relationships.

## What standards?

- Human Rights, Labour and Industrial Relationships, Bribery....

## Who?

- Firms operating at home
- Firms in trading partner economies



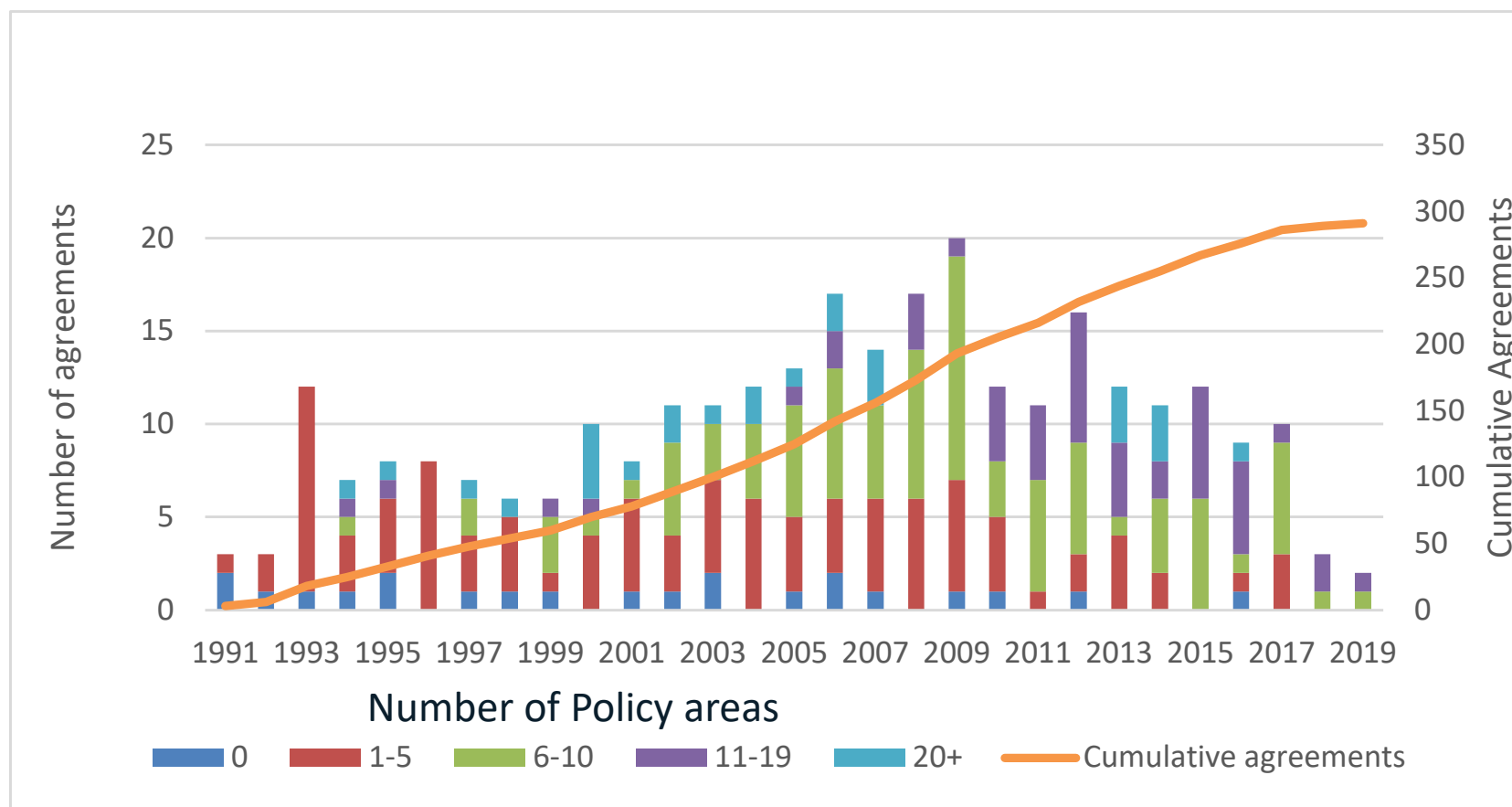
# Instruments: effectiveness and political economy

- **Domestic law:** requiring firms operating at home adhere to certain standards, e.g. not purchasing from suppliers that use forced labour.
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- **Trade agreement provisions:** requiring that firms abroad meet certain standards to gain market access.
- **Multilateral guidelines and standards:** OECD MNE Guidelines and Due Diligence Guidance for Responsible Business Conduct.



# Trade Agreements and Responsible Business Conduct

## Number of Policy Areas in Preferential Trade Agreements 1991-2019



# The OECD and Responsible Business Conduct

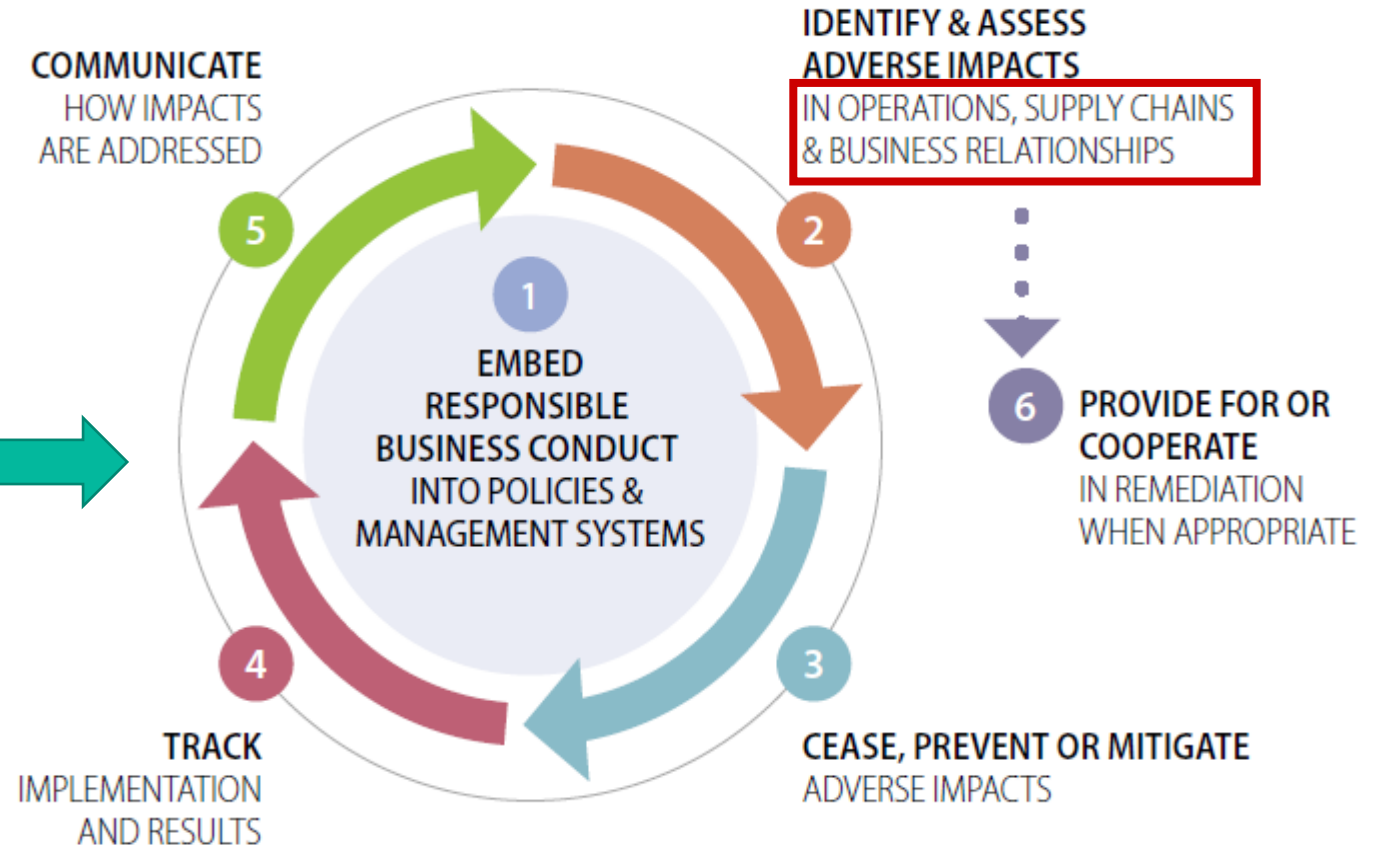
## Due Diligence Guidance and Process

OECD MNE Guidelines

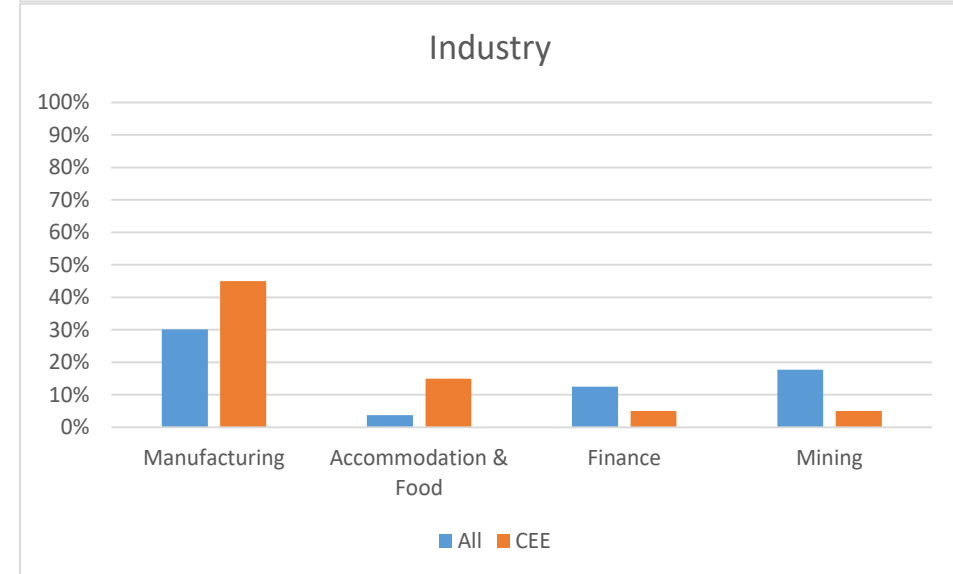
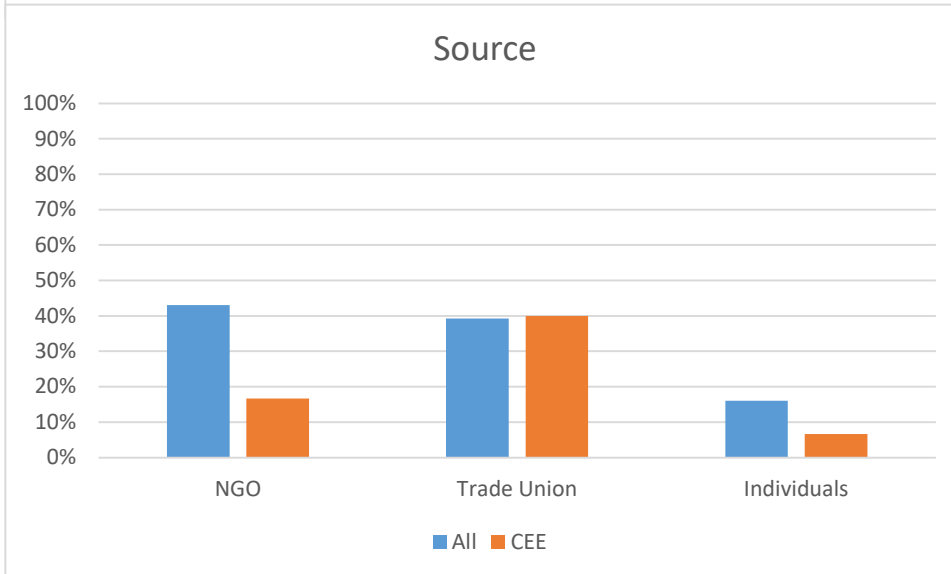
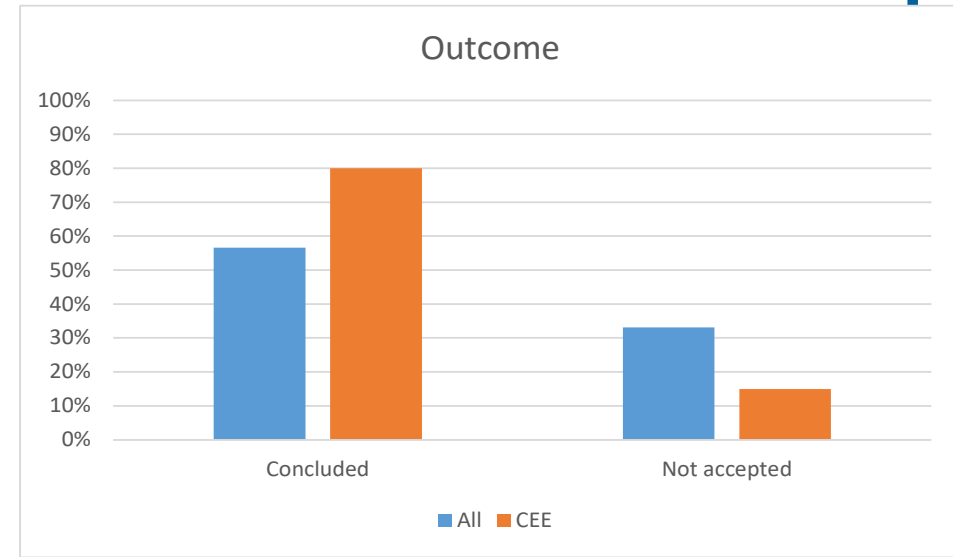
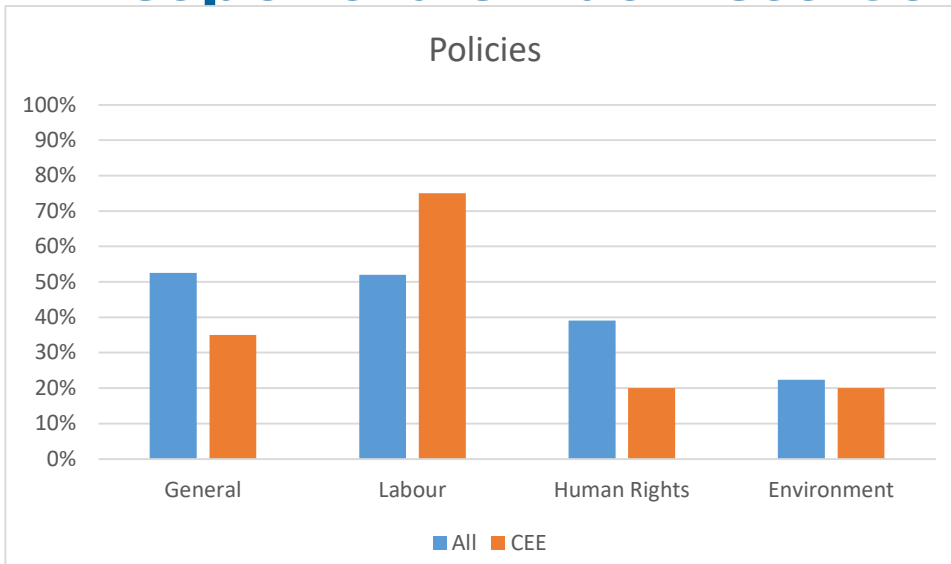
National Contact Points

OECD Due Diligence Guidance for Responsible Business Conduct

International dialogue: Working Party on Responsible Business Conduct



# Responsible Business Conduct: Central and Eastern Europe



# *Thank you*

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