

An increasing number of bilateral or plurilateral trade agreements (or regional trade agreements: RTAs) include “labor clauses” that require or urge the signatory countries to commit to maintaining a certain level of labor standards. This paper performs an empirical analysis of the impacts of such labor clauses provided in RTAs on working conditions that laborers in the RTA signatory countries actually face, using macro-level data for a wide variety of countries. The paper first examines the texts of labor provisions in more than 220 effective RTAs and (re-)classifies “RTAs with labor clauses” according to two criteria: (i) the agreement urges or expects the signatory countries to harmonize their domestic labor standards with internationally recognized standards, and (ii) the agreement stipulates the procedures for consultations and/or dispute settlement on labor-condition issues between the signatory countries. Based on this labor-clause RTA classification, the paper estimates the impacts of RTA labor clauses on working conditions in countries with two empirical specifications using the sample covering 136 countries or economies and years from 1995 through 2011. The estimation is extended to take into account possible lags in the labor-condition effects of labor clauses as well as to consider potential difference in the impacts for countries in different income levels. The empirical results for the four measures of labor conditions (mean monthly real earnings, mean weekly work hours per employee, fatal occupational injury rate, and the number of the ILO’s Core Conventions ratified) find no evidence for possible pro-labor-condition effects of RTA labor clauses overall, which should be consistent with the view of economics literature that questions the relevance of linking trade policy with issues in the domestic labor standards.