
CONFERENCE PROMOTING DECENT WORK IN THE WORLD -THE CONTRIBUTION OF THE EU

Brussels, 4-5 December 2006

**Report by Maria João RODRIGUES
07.03.10**

First of all, this Conference was useful to illustrate, on the one hand, different insights on the Decent Work Agenda taken by the various stakeholders and, on the other hand, the general support they are giving, in spite of their differences, to the documents recently adopted by the European Institutions on this issue and which were presented by the Commissioner Vladimir Spidla and the Finnish Minister Tarja Filatov:

- the Communication from the European Commission “Promoting Decent Work for all”, COM(2006) 249;
- the Council Conclusions on Decent Work adopted in November 2006 (15496/06).

Moreover, this Conference was also instrumental in answering the next following questions:

1. How can we go further in the implementation of the Decent Work Agenda?
2. What can be the specific role of the European Union in this process?

The present report aims at summing the added-value of this Conference in answering these two questions.

1. How can we go further in the implementation of the Decent Work Agenda?

1.1. A new context

We should first put the Decent Work Agenda into perspective in its more general context. Some positive developments which took place recently should be underlined.

At international level:

- the position taken by the United Nations General Assembly, September 2005, paragraph 47;
- followed by ECOSOC in July 2006, recognising decent work as a central theme;
- the UN Commission for Social Development is now committed to make the annual follow-up of this theme;
- in the meantime ILO and WTO have published a joint study on “Trade and Employment”;

At European level, besides the documents already mentioned above:

- a new generation of the EU cooperation programmes is being prepared, based on the new political orientations defined by the “European Consensus”, COM(2005) 311;
- a new approach is being developed in trade policy in connection to the Lisbon agenda, which aims at preparing Europe for globalisation using trade combined with basic standards as a major lever for growth and more and better jobs, COM(2006) 278;
- a broader approach is also being developed for the external action of the Union, which combines CFSP, trade and cooperation policies with the external projection of the internal policies of the Union. This means that the external action of the EU should also integrate the external dimension of policies such as research, environment, education and employment, COM(2006) 278.

In this new context, the debate on the Decent Work Agenda can get central relevance for two main reasons:

- because it can evolve to a broader debate on a development agenda;
- because it involves a central debate on the basic rules to be ensured to make globalisation work for all.

1.2. From a Decent Work Agenda to a development agenda

The four main components of the Decent Work Agenda are labour standards, social dialogue, social protection and employment policies. They have been elaborated in order to make the bridge between the social and economic dimensions and to enable an interface with the poverty reduction strategies, where they apply.

Further developments can lead to more policy coherence by formulating more comprehensive development strategies. The following references built on the European experience can provide some useful inputs for this process of enriching the agenda:

- a. the employment policy is, by definition, a central bridge between social and economic policies because it combines the factors influencing labour supply with those influencing labour demand, such as trade, industrial and macroeconomic policies;
- b. the social protection policy provides also a central bridge because it should be envisaged as a productive factor and also because it should take its financial sustainability into account;
- c. the implications of trade cannot be dissociated from capacity building policies such as infrastructures, innovation, industrial and education and health policies. The policies concerning the transition to a knowledge society should always play a central role, whatever the level of development.

These are some of the central ideas shaping the Lisbon strategy, meaning the European agenda for growth and jobs in a framework of sustainable development. That is why the current Lisbon national reform programmes should be considered the equivalent to the Decent Work Country Programmes in the EU.

That said, many conclusions of the European experience cannot be directly transposed due the wide range of national specificities. The

specificities concerning the weight of the informal employment, the role of social entrepreneurship or the level of the thresholds regarding the basic social standards were particularly underlined in this Conference. This means that the general framework to be adopted should be flexible enough to take into account the national diversity.

1.3. Basic rules for globalisation

The debate on the Decent Work Agenda is also a debate on basic rules for globalisation, to make it work for all. In fact, these rules are crucial to support the implementation of the Decent Work Country Programmes. These rules are emerging in different policy fields such as finance, environment, intellectual property and labour. Nevertheless, they still lack clarification, enforcement and coordination.

Regarding the clarification of labour standards, the Conference emphasized the need of distinguishing:

- their dimension of fundamental human rights;
- their dimension of productive factors, where realistic thresholds should be set.

Regarding the enforcement of labour standards, the role of public authorities was underlined as well as the role of social partners.

Finally, the coordination of labour rules with rules in other fields was also discussed, concerning the interface between UN Agencies and the Bretton Woods institutions as well as the interface between ILO and WTO, where the following possibilities were identified:

- a. to define how could WTO take into account the ILO role;
- b. to create a Committee on Trade and Decent Work in WTO;
- c. to define the role of specific indicators to introduce in the negotiation process;
- d. to go further by deciding that the ratification of the ILO core labour standards should be a pre-requisite for membership of WTO.

2. What can be the specific role of the European Union in this process?

The European Union can play a very relevant role in developing and spreading the Decent Work Agenda, by different means:

- by providing a positive example in implementing the Decent Work Agenda in its own Member States (see point 1.2);
- by including the Decent Work approach in its enlargement and neighbourhood policies;
- by including the Decent Work Agenda in the various components of its external action: cooperation policy, external projection of its internal policies, trade policy and foreign policy regarding countries, macro-regions and multilateral organisations.

2.1. Decent Work Agenda and the EU cooperation policy

The next generation of the EU cooperation programmes can play a very relevant role in spreading the Decent Work Agenda if this is integrated in the strategies to promote development and reduce poverty. This important potential was largely underlined by the Conference, but a dilemma was identified: should these national programmes for partner countries cover all the priorities or just address some of them? And, in this case, how to choose the priorities?

A third approach was suggested to overcome this dilemma, based on two different steps:

- a. encouraging a preliminary step, by requiring a more comprehensive development strategy in this specific country, defining a strategic framework;
- b. focusing support on some concrete priorities, complementing other sources in the framework of this more comprehensive strategy. The other sources can have very diverse origins: multilateral organisations, non-European countries, EU Member States, other EU policies including the external projection of internal policies of the Union such as research, education, environment, employment.

A more effective programming of cooperation should be able, at least, to combine the core cooperation measures with this external dimension of the EU internal policies.

Nevertheless, it was emphasized, this third approach requires improvements in the methodology for technical assistance in the programming phase regarding:

- the discussion of a more comprehensive strategy for development;
- the choices for focalisation;
- the measures to enhance the knowledge base and the technical expertise to support the policy making process.

Regarding the implementation phase, the Conference underlined the need to enforce the ILO core conventions and to develop new governance mechanisms:

- strengthening ownership of all the relevant stakeholders;
- building coalitions for change;
- monitoring and evaluating the impact of public policies in economic and social change.

2.2. The Decent Work Agenda and the EU trade policy

According to the Commissioner Mandelson's statements and the recent communication, the EU is engaged in developing a social dimension in trade policy. From this view point, it is regrettable that basic labour standards were not included in GSP and in GSP plus, with implications for the Doha Round.

Nevertheless, the European Union can introduce them in its negotiations of bilateral agreements. The current perspective of negotiating agreements with macro-regions in process of regional integration can open important windows of opportunity, even if a special effort will be required to address new and specific problems regarding the social dimension of the regional integration. The main assumption to be taken is that regional integration can become an important leverage to promote trade with decent work.

The EU approach should create an effective environment for this negotiation by combining incentives and sanctions. To improve this combination, it is particularly important to strengthen the coordination between trade, cooperation and the other components of the external action of the Union, including the external projection of the internal policies of the EU.

The impact assessment of trade on labour standards should also be improved, not only *ex-post* but also *ex-ante*. For this, it is necessary to

develop a clearer framework to analyse the relationships between trade, growth, jobs, capacity building and raising social standards.

The role to be played by companies investing abroad in promoting better labour standards was also emphasized by many as a basic component of corporate social responsibility. It was even suggested that partnerships to improve labour standards should combine the EU agreements with the role to be played by European companies in partner countries.

2.3. The Decent Work Agenda and the need of a more consistent and coherent external action of the EU

The development and the diffusion of the Decent Work Agenda depend crucially of a stronger ownership by the multilateral institutions and the European Union has a special responsibility about this. Therefore, a more effective action of the EU in this direction is required, notably:

- a. in the board of the World Bank and IMF;
- b. in the UN system, more specifically in the ECOSOC and in the UN Commission for Social Development;
- c. in the interface between ILO and WTO;

In conclusion, the implementation of the Decent Work Agenda is challenging the *consistency* and the *coherence* of the external action of the European Union.

The *consistency*, because if the Union is trying to improve the consistency of its internal policies for economic, social and environmental in the framework of the Lisbon agenda, the degree of consistency between policies prompted by the EU external action in partner countries should also be improved.

The *coherence*, because the action of the EU to reform the multilateral system and to improve the basic rules for globalisation requires a much stronger coordination between the EU and its Member States in the multilateral arenas.

The Conference was closed with a commitment made by the European Commission to make the follow-up of the process with the next report to be presented in 2008 and with the next Conference to take place in 2007, involving other partner countries.

BIBLIOGRAPHY

Council of the European Union, Employment, Social Policy, Health and Consumer Affairs, *Decent Work – Adoption of Council Conclusions* (Public debate), 15496/06, Brussels, 2006.

European Commission, Commission Staff Working Document, SEC(2006) 1230, *Global Europe: Competing in the World – A Contribution to the EU's Growth and Jobs Strategy*, Brussels, 2006.

European Commission, Commission Staff Working Document, COM(2006) 249 final, *Promoting decent work for all: The EU contribution to the implementation of the decent work agenda in the world*, Brussels, 2006.

European Commission, COM(2005) 311 final, *Proposal for a Joint Declaration by the Council, the European Parliament and the Commission on the European Union Development Policy “The European Consensus”*, Brussels, 2005.

European Commission, Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, COM(2006) 249, *Promoting decent work for all – The EU contribution to the implementation of the decent work agenda in the world*, Brussels, 2006.

European Commission, Communication from the Commission to the European Council of June 2006, COM(2006) 278 final, *Europe in the World – Some Practical Proposals for Greater Coherence, Effectiveness and Visibility*, Brussels, 2006.

European Commission, External Trade, Policy Paper: *Global Europe Competing in the world – A Contribution to the EU's Growth and Jobs Strategy*, Brussels, 2006.

International Labour Office, *Implementing the Global Employment Agenda: Employment Strategies in Support of Decent Work, “Vision” Document*, Geneva, International Labour Office, 2006

International Labour Organisation and World Trade Organisation, *Trade and Employment: Challenges for Policy Research*, WTO Secretariat, Geneva, 2007.

United Nations Economic and Social Council, *Draft ministerial declaration of the high-level segment submitted by the President of the Council on the basis of informal consultations* (E/2006/L.8), Geneva, 2006