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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE
EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Promoting decent work for all

The EU contribution to the implementation of the decent work agenda in the world

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1. INTRODUCTION

In September 2005, the United Nations Summit on the follow-up to the Millennium Declaration endorsed the need for fair globalisation. It resolved to include the promotion of productive employment and decent work for all among the objectives of national and international policies. It thus stressed the essential role played by employment and the quality of employment in efforts to combat poverty and promote development: although some progress has been made, half of all workers worldwide earn less than two dollars a day and half of the world's population has no social protection¹.

Prior to the Summit, the Commission, the Council and the European Parliament called for the strengthening of the social dimension of globalisation and for the promotion of decent work for all, in accordance with the ILO's strategy in this area².

The promotion of decent work has been at the heart of the ILO's policy agenda since the year 2000: in its decent work agenda, the ILO proposes giving all men and women real opportunities to acquire decent and productive work, in conditions of freedom, equity, security and human dignity. The decent work agenda has been approved by the governments and social partners within the ILO and encompasses a number of universal strategies which are not tied to a specific developmental model. In 2004, it was incorporated into the recommendations of the World Commission on the Social Dimension of Globalisation (CMDSM).

The decent work agenda is based on an integrated approach covering productive and freely chosen work, rights at work, social protection, the social dialogue and the inclusion of the gender dimension³. It therefore encompasses the "core labour standards" which form the minimum basis of social rights established by the international community and whose implementation the Union already supports. But the decent work agenda implies more than that: it seeks not only to guarantee a minimum basis of rights but also to tailor development to values and principles of action and governance which combine economic competitiveness with social justice.

Combining economic competitiveness and social justice in this way is at the heart of the European model of development. Playing an active part in promoting decent work forms an integral part of the European Social Agenda and of the EU's efforts to promote its values and share its experience and its model of integrated economic and social development⁴.

In supporting the promotion of the decent work agenda the Commission takes the characteristics and diverse nature of the economic and social situations across the world fully into account. It recognises the importance of a step-by-step strategy which will help partner countries to take ownership and is geared to the circumstances and priorities at national and regional level.

¹ Global Employment Trends, 2006, ILO; report by the CMDSM, 2004, ILO.

² COM(2004)383 final; Council conclusions on the social dimension of globalisation, 03.03.2005, doc 6286/05; EP report, A 6-0308/2005 du 15.11.2005; opinion of the EESC of 9.03.2005 and of the Committee of the Regions of 23.02.2005; European Council conclusions of December 2004 and June 2005.

³ For the main reference documents on decent work, see Annexes I and III.

⁴ European values in the globalised world, COM(2005)525 final.

In this Communication, the Commission proposes strategies for ensuring that EU policy and action play a greater part in promoting the decent work agenda. These strategies involve strengthening cooperation between the European institutions, the Member States and all the relevant stakeholders.

The implementation of the decent work agenda will be a central theme at the July 2006 ECOSOC High Level segment. Efforts will continue at international level on the decent work agenda and the Commission intends to contribute fully to these.

2. A FACTOR IN DEVELOPMENT, GOVERNANCE AND PERFORMANCE

Globalisation and developments in technology and demographics have led to considerable changes in the way in which production is organised and services provided at global level and in the structure and distribution of jobs. These changes extend the benefits of international trade to more countries and social groups and can give everyone the opportunity to obtain decent work.

However, economic growth does not necessarily create new jobs or improve existing jobs, thereby reducing poverty. Many developing countries have economies in which the informal sector and poor quality jobs predominate and in which dualism exists in the labour market, particularly in countries in which most people depend on subsistence farming. Women and young people, in particular, form the bulk of those who work in the informal economy and have poor prospects when it comes to income, training and social protection.

Even in the formal sector, the weakness of employment services, governance of the labour market and social protection systems make these countries less able to manage change.

In the emerging countries, growth is not enough to reduce the poverty of significant sectors of the population. A rise in productivity does not always lead to wage increases. The number of poor quality jobs remains high and the size of the informal economy remains significant. In all these countries, but also, to a lesser extent, in the industrialised countries, workers in the informal economy are effectively excluded from rights at work and from social protection.

Promoting decent work calls for a consistent and global strategy. Although action must be taken to combat the most flagrant abuses of core labour standards, such as child labour, it is also particularly important that patterns of development be modified. Experience shows that the elimination of child labour also calls for action with regard to the labour market, the social dialogue and social protection (e.g. benefits to discourage or remove the need for child labour and promote education).

In order to stem poverty, granting subsidies or expecting results from growth and the establishment of international companies is not enough. Action must be taken to create an environment which is conducive to national and foreign investment in the creation of jobs at local level; improve governance, including the social dialogue; identify shortcomings with regard to decent work; establish a legal and regulatory framework to protect workers and ensure equality between men and women; establish viable systems of social protection, education and lifelong learning; ensure legal certainty for businesses; reduce corruption and establish fair rules for competition. Promoting decent work in this way is also a need felt by

the business sector, which takes the view that the responsibility does not lie with employers alone and that the public authorities must also do their bit⁵.

By placing the emphasis on employment, the quality of employment and appropriate social policies, the promotion of decent work is a factor not only in justice and social cohesion but also in economic performance.

The endorsement of social objectives cannot under any circumstances be used for protectionist purposes. The objective is to achieve social progress across the board and ensure that it is spread fairly for the benefit of all.

3. COMMITMENTS AND STRATEGIES FOR EU POLICIES

The EU is actively involved in implementing the Millennium Declaration. It helps to promote growth and sustainable development at global level, in particular through its trade policy and the action it takes regarding development and external assistance. The EU supports the ratification and genuine application by all countries worldwide of the conventions on core labour standards⁶. It could play a specific role in helping to promote decent work by sharing its experience and expertise with international organisations and developing a political dialogue with regions and countries outside the EU. The Commission has already introduced specific measures in this area, such as stepping up its cooperation with the ILO, implementing the Generalised System of Preferences (GSP), developing the European consensus on development and initiating dialogues on employment with the countries in Asia and Latin America.

3.1. Decent work: a commitment for the Union

In the course of its history, the EU has developed a model of economic and social development which extends beyond the diversity of national situations and is based on common values and principles, in particular the objective, affirmed in the Treaty, of promoting hand in hand economic and social progress.

The Community *acquis* in the fields of employment, social policy and equal opportunities in many respects goes beyond the international standards and measures which underpin the concept of decent work and incorporates the major principles of that concept. The ILO standards form the background to a number of policies, laws and collective agreements in the Member States and at European level. The standards and measures of the ILO also complement the *acquis* in areas which are not covered or only partly covered by legislation and Community policies, such as labour administration and inspection, trade union freedom, collective bargaining and minimum standards in terms of social security.

The Member States have already ratified a large number of ILO conventions relating, in particular, to core labour standards, labour inspection, labour administration, employment, social security and wages⁷. A large number have ratified more recent conventions (health and safety at work, working conditions). The very recent ILO consolidated maritime labour

⁵ Decent work: how to make it operational; the employers' point of view, 2002,-IOE (International Organisation of Employers)

⁶ COM(2001) 416 final; Council conclusions of 21/07/2003 and 03/03/2005; EP reports, July 2003 and November 2005.

⁷ <http://www.ilo.org/ilolex/french/newratframeF.htm>

convention (2006) is particularly relevant to the European social dialogue and to the future regulatory activities of the Community and the Member States.

It is important that the Member States continue the process of ratification and application, in particular of conventions which have been brought up-to-date. The Commission will encourage and facilitate this process, where required, while taking account of the relevant areas of responsibility and policies of the Community in this regard.

Beyond the objectives of the decent work agenda, the Lisbon Strategy and the European Social Agenda provide a much broader political framework for resolute action in favour of employment, equal opportunities and social cohesion.

3.2. Raising awareness in order to convince and mobilise more effectively

The Commission will work with the ILO, the UN and other organisations to explore in greater depth the problem of decent work, improve the capacity of the partner countries and develop appropriate indicators, i.e.:

- identify good practice and successes in the field;
- examine decent work in greater depth and the way in which it interacts with other policies;
- develop methodologies for measuring how decent work is affected by trade liberalisation and global production and distribution systems at global level, including in export processing zones; expand the pilot study under way with the ILO in order to measure the impact of trade on decent work;
- examine in greater depth the impact of trade on sustainable development (SIA);
- improve the link between analyses, operational activities and the planning of external assistance; promote a concerted approach between partner countries and regions in order to select priorities more effectively and harness external assistance.

In this context, it is important that the EU's policy on research be brought into play, not only to promote knowledge but also to support social and economic development.

The Commission supports the ratification and application of core labour standards and the implementation of decent work country programmes as agreed in the ILO or an equivalent roadmap in particular in the context of national development strategies. The Commission will cooperate with the ILO, the UN and other international organisations to improve analysis and to develop indicators related to the implementation of the decent work agenda.

The Commission will develop training and information on decent work through its delegations in third countries and will hold regional seminars in order to enhance the capacity of those involved.

3.3. Harnessing the EU's external policies more effectively

Enlargement

In the run-up to accession, the candidate countries are required to adopt the Community *acquis* in its entirety. Alongside the adoption of the Community *acquis*, the pre-accession strategy plays a direct role in helping to promote the decent work agenda in the candidate countries. It is important to stress the relevance of this agenda for the candidate countries while taking account of the EU's commitment to decent work and the complementarity of certain ILO conventions and strategies with the Community *acquis*. In this context, the Commission will support initiatives on:

- promoting trade union freedom and collective bargaining in order to enhance the capacity of the parties concerned to engage in autonomous social dialogue;
- improving labour administration, labour inspectorates and bodies for managing social protection;
- developing prevention strategies in the field of health and safety at work.

Neighbourhood policy, regional and bilateral relations

Neighbourhood

The decent work agenda is also of relevance to countries covered by the European neighbourhood policy, which are gradually growing closer to the Union, even if they are not under the same obligation to adopt the Community *acquis*. The neighbourhood policy will help to promote decent work through:

- implementation of clear reforms concerning core labour standards, employment, social affairs and equal opportunities set out in the action plans agreed between the EU and the countries concerned;
- regular political dialogue concerning issues relating to the institutional structures established as a result of the partnership and cooperation agreements and the association agreements;
- implementation of the five-year work plan agreed as part of the Barcelona process, in November 2005, which seeks to strengthen systems of social protection in the southern Mediterranean countries;
- inclusion of thematic planning and other aspects of cooperation in the strategy documents for each country and region; possible involvement of the countries concerned in certain Community programmes and cooperation with EU agencies, in accordance with arrangements which are still to be determined.

Bilateral and regional relations

The Commission recently redefined its strategic relations with Latin America, the Caribbean and Africa. It included elements associated with decent work in its proposals and will actively implement them.

The Commission will step up cooperation on social cohesion with Latin America and the Caribbean. It has established work programmes with Chile and the Andean Community and is preparing other forms of bilateral cooperation, such as with Brazil and Mexico. It will encourage and support cooperation on these issues between all the countries of Latin America.

The Commission will implement cooperation with the African Union concerning the social dimension of regional integration and decent work, as well as bilateral cooperation with South Africa. It will take decent work into account in the context of the Cotonou Agreement and regional strategies (Africa, Caribbean, Pacific).

The Commission will also address these issues in political discussions with Asian countries. It has launched in 2005 a dialogue with China on employment, labour legislation, social dialogue, social protection and social cohesion. The Commission is also cooperating on employment with India and ASEM with a view to implementing decent work worldwide.

The Commission will support the social dialogue in processes of regional integration outside Europe which are supported by the EU.

Development cooperation

The European Consensus on Development of 20.12.2005, concerning the EU's development policy, is the core document which for the first time focuses the efforts of the European institutions and the Member States on the improvement of the coordination, consistency and complementarity of the action they take. The document recognises social cohesion and employment as an area of Community action and stipulates that the Community and the Member States will promote decent work for all. The Commission will support the following measures as part of thematic programming and the country and regional programming:

- integrate decent work into national and regional strategies to promote development and reduce poverty;
- gradual inclusion of the decent work objective in budget support measures;
- improve the capacity of the competent authorities and civil society organisations;
- development of small and medium-sized enterprises;
- involvement of the social partners and civil society in development strategies and in poverty reduction strategies;
- strengthening of external assistance for social adjustments in countries and regions outside the EU which are involved in trade liberalisation;
- promotion of policy coherence and cooperation with relevant international and regional organisations.

Regulation (EC) No 2110/2005 imposes an obligation on those submitting tenders for contracts financed by Community assistance to respect core labour standards. The Commission plans to extend this provision to contracts financed through the European Development Fund. The Commission calls on the Member States and other donors to adopt the same approach.

Annex II gives examples of actions on promoting decent work that can be developed in the context of external assistance programmes, while taking into account the context and the needs of the countries concerned.

Trade: a factor in sustainable development

Trade liberalisation should help to achieve goals such as high growth, full employment, poverty reduction and the promotion of decent work.

In the Community's trade policy, the instrument of preference for promoting core labour standards is the new GSP and its special incentive for sustainable development and good governance GSP+ (2006-2008).

The new GSP has already had the significant impact of speeding up the ratification of ILO core labour standards conventions.

The Commission will put more of its commercial weight behind efforts to promote social standards and decent work in bilateral and multilateral trade negotiations. In particular, it plans to:

- improve the link between the GSP, the GSP+ and Community external assistance;
- take account of the social dimension, decent work and the recommendations of SIA studies in bilateral and regional trade negotiations (including the APE/EPA, the ACP countries, Mercosur, the Gulf Cooperation Council, MED and Central America));

- make use of EU policies and instruments, such as external assistance, to promote decent work in the context of an open system of trade;
- adopt the approach concerning the interaction between trade, social rights and employment which was presented in 2004 in the submissions to the trade policy review mechanism, and encourage other members of the WTO to adopt this approach;
- promote cooperation between the WTO, UNCTAD, the ILO and other relevant organisations.

3.4. Promoting international and multilateral governance

It is essential that international and multilateral governance be strengthened in order to promote the social dimension of globalisation and ensure that the partners take ownership of the decent work agenda.

As part of economic and social cooperation

The Commission supports the dialogue recently launched between the international financial institutions (IFI), the ILO, the UN and the WTO concerning the complementarity and consistency of their policies and the interdependence of economic growth, investment, trade and decent work. It calls on these organisations and the G8 to help to promote decent work when devising and implementing their policies, strategies and instruments.

It will step up its cooperation with the ILO.

The Commission will contribute not only to the UN's work on the implementation of the conclusions of the 2005 Summit on productive employment and decent work but also, and in particular, to the work of the High-Level Segment of the UN's Economic and Social Council (ECOSOC) in July 2006.

Better management of economic migration

The management of migration calls for cooperation between countries and regions of origin, transit and destination and with international organisations (ILO, IOM, UN).

In 2005, the Commission adopted an action plan on legal economic migration. The Commission supports ongoing efforts to achieve a consistent approach to international migration, such as the report of the Global Commission on International Migration (2005) and the ILO's action plan for migrant workers (2004). It is contributing to the preparations for the UN's high-level dialogue on migration and development (2006).

In order to ensure that EU's policy on migration contributes to development steps must be taken to facilitate the transfer of remittances to countries of origin and their contribution to the development of these countries, mobilise the diasporas, encourage circular migration, mitigate the negative impact of "brain drain" and limit in a responsible way recruitment which undermines development, in sectors confronted with labour shortage, in particular in the health care sector⁸.

Action should also be taken to help the authorities in the countries concerned to manage migratory flows more effectively, protect migrants from exploitation and ensure better

⁸ Communication of the Commission on 'migration and development: concrete orientations', COM(2005)390 final, 01.09.2005.

treatment of migrants resident on their territory. The fight against illegal immigration and human trafficking forms part of such action.

The Commission is also sharing with national and regional authorities its long experience of ensuring the free movement of workers, promoting the rights of migrants, immigration policy and integration of migrants.

3.5. Working with civil society and the business sector

Social partners, social dialogue and partnerships

The Commission will support efforts to:

- strengthen the technical capacity of the social partners and of civil society;
- develop institutions, mechanisms and practices to facilitate and consolidate the process of bipartite and tripartite social dialogue;
- improve the involvement of the social partners and other social society stakeholders in global governance (WTO, IFI) on the basis of the OECD's consultative model;
- conclude transnational collective agreements and global framework agreements.

Corporate social responsibility (CSR)

The Commission acknowledges the important role of CSR, which complements legislation, collective bargaining and control of working conditions. It takes the view that codes of conduct and other CSR instruments should be based on instruments adopted at international level (OECD, ILO).

The Commission will continue to promote CSR. It calls on businesses, the European Alliance for CSR⁹ and other stakeholders to take action to promote decent work for all.

4. CONCLUSIONS

The promotion of decent work forms part of the EU's efforts to promote and share its values and experience.

The EU and its Member States have helped to endorse this objective in the conclusions of the United Nations Summit in 2005.

The Commission plans to make a resolute contribution to the achievement of this objective, while cooperating closely with the parties concerned, partner countries and regions and international and regional organisations. It calls on the other EU institutions, the Member States, the social partners and all those involved to work together to promote decent work for all in the world.

It will harness its external policies, its development aid and its trade policy for this purpose. It calls not only for respect for core labour standards but also for the implementation in all

⁹ Cf. COM(2006) 136 final.

countries of ambitious programmes to promote decent work. It will work with international organisations to establish indicators to follow up the action taken.

The Commission will produce a report on the follow-up to this Communication by the summer of 2008.