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Subject : Promoting Employment through EU Development Cooperation
- Conclusions of the Council and of the Representatives of the Governments of
the Member States meeting within the Council

At its meeting on 18 June 2007, the General Affairs and External Relations Council and the Representatives of the Governments of the Member States meeting within the Council, adopted the Conclusions set out in the Annex to this note.

**CONCLUSIONS OF THE COUNCIL AND OF THE REPRESENTATIVES OF THE
GOVERNMENTS OF THE MEMBER STATES MEETING WITHIN THE COUNCIL**

on

PROMOTING EMPLOYMENT THROUGH EU DEVELOPMENT COOPERATION

Political commitment

1. The Council recognizes that the employment deficit and the lack of social protection remain daunting challenges at the beginning of the millennium. One-third of the world's labour force is either unemployed, underemployed or belongs to the working poor, often without access to social protection.¹ The number of jobs created as much as their quality are major concerns in developing countries.
2. The Council emphasizes that the promotion of full and productive employment and decent work for all, in line with the conclusions from the UN World Summit in 2005, is a key element to reducing poverty and achieving the Millennium Development Goals, as well as sustainable growth and a fair globalization.
3. The Council underlines the importance in EU development cooperation of promoting full and productive employment and the improvement of working conditions in both existing and new jobs in the formal as well as in the informal economy that respect fundamental principles and rights at work. The Council thus reaffirms its commitment to the integrated approach of decent work in employment strategies that encompasses the four strategic objectives of creating jobs, guaranteeing rights at work, extending social protection and promoting social dialogue and conflict resolution with gender equality as a cross-cutting objective.

¹ ILO 2006: Implementing the Global Employment Agenda: Employment Strategies in support of Decent Work. Geneva.

4. The Council recognizes that partner countries and donors need to scale-up efforts to create more, better and more productive employment, and to develop systems of social protection with broader and effective coverage which should be guided by each country's needs and circumstances, in order not to risk increasingly divided societies where economic growth does not benefit the poor leading to social unrest and increased illegal migration.
5. The Council welcomes the timely Commission Staff Working Document "Promoting Employment through EU Development Cooperation"².
6. The Council notes that the commitment that the EU took in May 2005³ to substantially increase ODA in the next few years provides an important opportunity to address employment and decent work through EU development cooperation.
7. The Council emphasizes that employment policy should take fully into account the experience and views of the social partners and secure their cooperation in formulating, implementing and evaluating employment policies, including the opinions and participation of those working in the rural sector and in the informal economy. Social dialogue is the cornerstone of a credible and effective employment policy formulation and implementation at every level.
8. The Council highlights the need to focus especially on women and young people in the context of a life cycle approach, in line with MDGs 3 and 8.
9. The Council also recognises the need for employment policy in partner countries to take adequate account of the employment needs of vulnerable groups such as migrants, people with disabilities and older people.

² Doc. 8581/07 - SEC (2007) 495 final.

³ Conclusions of 24 May 2005 on the 2005 UN Review of the MDGs (doc. 9266/05).

10. The Council notes that development policy is not the only policy that can help to promote employment in developing countries and that there is a need to coordinate development policy with trade, social, employment, economic and financial, migration and education policies in order to ensure that these are coherent with the objective of creating more and better jobs in partner countries and with the overarching objective of poverty eradication in the context of sustainable development.
11. The Council reaffirms the importance of the Global Approach to Migration with its aim to strengthen dialogue and cooperation between the EU and third countries on migration issues and to advance policy coherence and tackling root causes of migration through the creation of livelihood opportunities for women and men. The Council also emphasises the importance of an appropriate employment policy in minimising the brain-drain and in ensuring that skilled and qualified individuals, often trained at considerable cost, are retained in their countries or regions of origin.

Implementation

12. Underlining its commitment to **create opportunities** for women and men to obtain full and productive work in conditions of freedom, equity, security and dignity while fully respecting the principle of ownership, the Council calls upon the Commission and the Member States to
 - a. step up efforts to promote more and better employment through development cooperation policies and programming, in particular for young people and women, and coordinate and harmonise their activities in this field as laid down in the Monterrey commitments and the Paris Declaration;
 - b. support employment promotion as a cross-cutting issue to be integrated in other areas of development aid, specifically in the fields of private sector development, education, migration, rural development and infrastructure, including through promoting labour-based approaches and employment intensive investment programmes;

- c. define adequate and effective employment strategies within the overall framework of decent work and promote the integration of productive employment, social protection and other decent work objectives into national and regional poverty reduction strategies, country strategy papers and other development strategies as well as into other plans and actions;
 - d. increasingly include employment, social protection, social dialogue and rights at work in the political dialogue with partner countries, possibly linked to budget support;
 - e. support efforts by the ILO and UN and other international entities to include full and productive employment and decent work for all, in the MDG targets and to develop adequate gender disaggregated indicators on more and better employment and decent work for all, including the informal economy;
 - f. foster the positive potential of migration on economies of the countries of origin through increasing cooperation with the diaspora, facilitating remittances transfer and looking into ways to explore circular migration, whereby qualified individuals return to their country of origin with enhanced experience and skills;
 - g. facilitate structural change and flexibility in the labour market through the implementation of effective labour market policies and the development of social protection systems with broader and effective coverage, guided by each country's needs and circumstances, that reduce social risks and enhance the livelihood security of people.
13. Emphasizing that the **private sector** can be the main engine to boost growth and job opportunities, and thus can play an important role in reducing brain drain, the Council calls upon the Commission and the Member States to
- a. support partner countries in creating an enabling business environment for private sector development and investment in cooperation with all relevant stakeholders as well as in encouraging entrepreneurship and self-employment;

- b. support governments' capacities to install and apply predictable rules, secure rights to property and other assets, as well as enforceability of contracts as essential prerequisites for competitive markets and for promoting both domestic and foreign investment;
 - c. promote medium, small and micro businesses, both formal and informal, as important providers of employment and factors of economic development and stability;
 - d. support financial sector development in partner countries in order to create better financial services for both informal and formal medium, small and micro businesses, including long-term lending opportunities and pro-poor financial services.
14. Stressing the need to create credible employment opportunities in **key areas of the public sector** both as a way to minimise brain drain and to ensure the provision of basic social services, the Council calls upon the Commission and the Member States to support partner countries' efforts to secure the sustainable financing of wage bills and pension liabilities in order to attract and retain skilled and motivated teachers, health personnel and other important public sector workers to run essential public services.
15. Recalling that a key challenge in developing countries is to encourage a transition from **the informal to the formal economy**, without taking away the only means of livelihood for millions of people, and given the fact that women more often work in the informal economy with no or limited access to legal services, financial markets and other factors that enable productivity enhancing investments, the Council calls upon the Commission and the Member States to
- a. support efforts to address the challenge of gradually formalizing economic activities in the informal sector by improving the business and investment climate to foster private sector development, by adjusting labour market regulation while preventing the loss of jobs and by setting appropriate incentives for informal businesses to move towards formality;
 - b. support efforts to raise earnings and productivity, improve the working conditions and increase social protection coverage in the informal economy;

- c. promoting regular dialogues with actors in the formal as well as informal economy to identify and overcome the main regulatory and administrative constraints facing informal companies;
 - d. support efforts to integrate employment promotion activities to further women's economic opportunities and empowerment.
16. Highlighting the need to improve the **employability and productivity** of employees in developing countries, the Council calls upon the Commission and the Member States to
- a. support comprehensive national education and technical and vocational education and training (TVET) strategies which cover all levels and types of formal and non-formal education and training and are oriented on labour market needs, with a special focus on women and young people;
 - b. support measures to help the unemployed, underemployed and vulnerable workers, not least those affected by HIV/AIDS; installing policy frameworks for the provision of social protection is important in this context.
17. Emphasizing that good governance is needed to achieve an enabling environment for the creation of employment and other elements of the decent work agenda and that effective labour market policies require appropriately managed institutions, the Council calls upon the Commission and Member States to
- a. support institutional capacity building in partner countries as well as the building of a broad multi-stakeholder partnership, including social partners and non-governmental organisations, in order to formulate, implement and monitor, including through labour inspections, effective employment policies and labour regulations;
 - b. support the establishment and implementation of comprehensive national employment strategies and/or decent work country programs;

- c. continue their long-standing commitment to the promotion and effective implementation of core labour standards and support of the ILO in order to eliminate exploitation and inhuman working conditions;
- d. support partner countries in setting up reliable labour market information systems including national statistical programmes, labour market assessments and/or decent work country programmes.

Follow-up

- 18. The Council highlights the importance of strengthening the effective implementation and follow-up of the objectives of full and productive employment and decent work and invites the Commission to organise an expert level meeting on employment and decent work in development cooperation in the second half of 2007, thus providing the Commission and the Member States with the opportunity of an exchange of good practices and practical steps ahead, and to compile best practices of Member States, the Commission and other donors.
- 19. The Council underlines the Commission's commitment to produce a follow-up report to its Communication "Promoting decent work for all: The EU contribution to the implementation of the decent work agenda in the world"⁴ by mid 2008 and to use this opportunity to review progress in promoting employment and decent work through EU development cooperation.
- 20. The Council invites the Commission to prepare a proposal on social protection in EU development cooperation with a view to present it by the end of 2008.

⁴ Doc. 9988/07 + ADD 1 - COM(2006)249 final + SEC(2006)643.

In adopting these conclusions, the Council refers to the following conclusions and statements:

- 2005 United Nations World Summit Outcome (res. A/RES/60/1: Resolution adopted by the General Assembly, 2005 World Summit Outcome, paragraph 47 page 11)
<http://www.un.org/summit2005/documents.html>;
- Ministerial Declaration of the United Nations Economic and Social Council High Level Segment on 5 July 2006(doc. E/2006/L.8: ‘Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development’;
<http://www.un.org/Docs/ecosoc/meetings/2006/hls2006/outcome.shtml>);
- Millennium Development Goals (UN Millennium Development Goals Report 2006, page 24; <http://www.un.org/millenniumgoals/documents.html>);
- Council Conclusions of 30 November – 1 December 2006 on Promoting decent work for all: The EU contribution to the implementation of the decent work agenda in the world (doc. 15487/06);
- 2005 EU Joint Development Policy Statement ‘The European Consensus on Development’ , OJ C 46, 24.2.2006, paragraphs 38 and 97-99;
- Presidency Conclusions of the European Council on 16-17 December 2004 (doc. 16238/1/04 REV 1, paragraph 53, page 17);
- Presidency Conclusions of the European Council on 16-17 June 2005 (doc. 10255/1/05 REV 1, paragraph 31f, page 9);
- Council Conclusions of 21 July 2003 on Core Labour Standards (doc. 11555/03);
- Council Conclusions of 3 March 2005 on the Social Dimension of Globalisation (doc. 6286/05).