



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 2.7.2008
SEC(2008) 2184

COMMISSION STAFF WORKING DOCUMENT

Report on the EU contribution to the promotion of decent work in the world

{ COM(2008) 412 final }

COMMISSION STAFF WORKING DOCUMENT

Report on the EU contribution to the promotion of decent work in the world

TABLE OF CONTENTS

1.	Introduction	4
2.	Promoting decent work in the world: an EU commitment	5
3.	Strong mobilisation of non-state actors: social partners, business community and other parts of civil society	6
3.1.	Rationale	6
3.2.	Progress made since 2006	7
3.3.	Further progress to make	7
4.	The EU contribution to the development of decent work at international, multilateral and regional level	8
4.1.	Rationale	8
4.2.	Progress made since 2006	8
4.3.	Further progress to make	12
5.	Mobilisation of EU internal and external policies: state of play and perspectives for further uptake	13
5.1.	Decent work under the EU Lisbon Strategy: better linking the internal and external policy dimensions	13
5.1.1.	Rationale	13
5.1.2.	Progress since 2006	13
5.1.3.	Further progress to make	15
5.2.	EU enlargement and bilateral external relations	16
5.2.1.	Rationale	16
5.2.2.	Progress since 2006	16
5.2.3.	Further progress to make	21
5.3.	Development and external assistance	21
5.3.1.	Rationale	21
5.3.2.	Progress since the 2006 Communication	21
5.3.3.	Further progress to make	25
5.4.	Trade and Decent Work	27
5.4.1.	Rationale	27
5.4.2.	Progress since 2006	27

5.4.3.	Further progress to be made.....	30
6.	Ratification and implementation of ILO conventions by EU Member States:	31
6.1.	Rationale	31
6.2.	Progress since 2006.....	31
6.3.	Further progress to make	32
7.	Conclusions.....	33

1. INTRODUCTION

The international community is paying increasingly attention to the promotion of decent work throughout the world as a way of fostering development and shaping fair globalisation. The overall objective is to invest in employment and quality of work as part of an integrated approach covering productive and freely chosen work, rights at work, social protection, social dialogue and the inclusion of the gender dimension.

This is reflected in developments in the United Nations (UN) and the International Labour Organisation (ILO). 'Achieving full and productive employment and decent work for all, including women and young people' is one of the UN Millennium Development Goals. The recent ILO Fundamental Declaration on Social Justice for a fair Globalisation¹ reinforces the framework for promoting decent work for all and for strengthening ILO capacity to assist its member countries.

The Commission plays an active role in the efforts of the international community. In 2006, the Commission Communication on "Promoting decent work for all" set out orientations for shaping the 'EU contribution to the implementation of the decent work agenda', both in the EU and elsewhere². Since then, the other EU institutions have expressed their strong support to the objective of promoting decent work throughout the world.

As part of the "renewed Social Agenda "Opportunities, Access and Solidarity"³, the Commission reaffirms its commitment to promoting the internationally-agreed decent work agenda, including through cooperation with the International Labour Organisation (ILO) and other partners, and the mobilisation of all relevant policies.

The present Report backs up this commitment by highlighting ongoing efforts and challenges in mobilising the EU's internal and external policies and all relevant stakeholders to promote decent work for all – by supporting the setting of policy agendas and standards at multilateral level, developing bilateral relations and exchange on these issues with partner countries and regions, as well as integrating decent work objectives into the EU's trade and development policies. The report also underlines that the EU Member States can set an example by ratifying and applying up-to-date conventions of the International Labour Organisation (ILO). The report fulfils the commitment made by the Commission in the 2006 Communication to present a follow-up report on its follow-up in 2008.

The EU contribution to decent work throughout the world is part of its efforts to strengthen the social dimension of globalisation, both in the EU and outside, and builds on existing EU initiatives in this regard⁴. It is driven by mutually reinforcing economic, employment, social and environmental policies, in line with the internal and external dimensions of the EU Lisbon strategy for growth and jobs and the 2005 European Consensus on Development.

¹ See: http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_094042.pdf

² COM(2006) 249 final and its accompanying report SEC(2006) 643; http://ec.europa.eu/employment_social/international_cooperation/decent_work_en.htm

³ COM(2008) XXX of 02.07.2008

⁴ Such as COM(2004) 383 final and Council conclusions of 3 March 2005 on social dimension of globalisation

The Commission's "Global Europe: Competing in the World" strategy sets out the way in which trade policy can contribute to creating growth and jobs in the EU and elsewhere. The progress since the 2006 Communication clearly demonstrates the Commission leadership in mobilising EU internal and external policies to shape globalisation, promote sustainable development. It reflects the EU values of social justice, equal opportunities and respect for human rights⁵.

The report addresses the following elements: (1) Decent work as an EU commitment, (2) the mobilisation of non-state actors, (3) the EU contribution at international, multilateral and regional level, (4) the mobilisation of EU internal and external policies, (5) the ratification and implementation of ILO conventions by EU Member States and (6) conclusions. It contains an assessment of progress made since 2006 as well as proposals where further headway could be made as part of the strategies outlined in the 2006 Communication on "Decent Work", taking into account new developments. Finally, the report proposes reviewing progress made at EU level and by the Member States in a report to be prepared in 2011.

2. PROMOTING DECENT WORK IN THE WORLD: AN EU COMMITMENT

The 2006 Communication was welcomed and its goals were endorsed by the EU institutions:

- The European Council at its 14 December 2007 meeting reaffirmed "*its commitment with the decent work agenda as a global instrument to promote employment, better labour standards and foster development*". In the EU Globalisation Declaration⁶ adopted on the same day, the European Council underlined that "*the Union's internal and external policies need to be harnessed in order to respond to the opportunities and challenges of globalisation*". In this context, it underlined the EU's commitment to strengthening the social dimension the importance of decent work in the context of development strategies.
- The Council conclusions of 30 November and 1 December 2006⁷ emphasised that the Decent Work Agenda was based upon an integrated approach and was in line with the EU's values and principles as well as with its goal of achieving both economic competitiveness and social justice. The conclusions welcomed the orientations as laid down in the Communication and stressed the importance of promoting decent work in the EU, bilateral and regional relations, development cooperation, trade-related issues, in cooperation with the UN, including the ILO and other relevant actors.
- In a comprehensive Resolution adopted on 23 May 2007, the European Parliament considered that decent work was a central part of the fight against poverty and social exclusion and pointed out that the EU could make a significant contribution

⁵ Council conclusions on decent work, 30 November-1 December 2006.

⁶ The EU Globalisation Declaration is an Annex to the 14 December 2007 European Council conclusions: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressData/en/ec/97669.pdf

⁷ See: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/lsa/91954.pdf

to the promotion of decent work for all through its internal and external policies. It also called for the allocation of adequate resources to implement decent work⁸.

- On 17 January 2007, the European Economic and Social Committee adopted an Opinion on decent work containing recommendations and emphasising, amongst other things, the need to fully involve social partners and civil society at large⁹.

It can therefore be said that the Communication was not only strongly endorsed by the EU institutions but that it had a significant impact on the mobilisation of efforts by EU Member States as well as by other stakeholders, both in the EU and beyond. This mobilisation was clearly illustrated by the active participation of EU Member States and other stakeholders in the two "decent work" conferences in December 2006 and January 2008, organised by the Commission in cooperation with the EU Presidency. The debates at both conferences have fed into ongoing EU internal and external initiatives and into this report. Some Member States have organised or co-organised conferences on decent work or related issues¹⁰.

EU Institutions and Member States have increased their contribution to international multilateral and bilateral debates, actions and initiatives on guiding and implementing the commitments towards fair globalisation, employment and decent work. Examples of this are included in this report.

The Commission has also further developed its internal capacity on fair globalisation, employment and decent work by establishing an inter-service group (ISG) on the external dimension of employment, social policies and decent work. This has given higher prominence to decent work and related issues in the preparation of Commission policies and initiatives.

3. STRONG MOBILISATION OF NON-STATE ACTORS: SOCIAL PARTNERS, BUSINESS COMMUNITY AND OTHER PARTS OF CIVIL SOCIETY

3.1. Rationale

Support and full involvement of organised non-state actors (NSA) is indispensable for effective uptake and implementation of decent work. This is due to its strong governance dimension as well as the need for fairness, performance, productivity, ownership and empowerment. Effective social dialogue also contributes to establishing and implementing effective and fair labour market and social protection frameworks and policies. This makes it easier to combine flexibility and security and to address more effectively the informal economy. It encourages fair income distribution, taking national circumstances into account.

⁸ European Parliament, Ref. 2006/2240 (INI):
<http://www.europarl.europa.eu/sides/getDoc.do?Type=TA&Reference=P6-TA-20070206&language=EN>.

⁹ EESC Opinion, 17 January 2007:
http://eescopinions.eesc.europa.eu/EESCopinionDocument.aspx?identifier=ces\soc\soc250\ces92-2007_ac.doc&language=EN.

¹⁰ For instance the Netherlands in 2008, Germany in 2007 and 2008, Portugal co-organised the ILO forum on decent work for a fair globalisation in 2007, France in 2007 and 2008 on social protection coverage related to health in developing countries.

3.2. Progress made since 2006

Social partners and other parts of civil society are increasingly consulted and involved in EU external policies and initiatives such as development and external assistance, trade and trade-related policies, external relations including the external dimension of employment, social policy, equal opportunities, notably in new policy dialogues with emerging economies – as set out in Section 4.

The EU has also contributed to the growing recognition of the business case for decent work, such as through the adoption of the June 2007 tripartite ILO resolution and plan of action on promoting sustainable enterprises. The EU actively promotes Corporate Social Responsibility (CSR) in the context of globalisation and sustainable development, as an approach complementary to legislation, collective agreements and enforcement. The EU supports internationally agreed CSR instruments (ILO, OECD) and UN Global Compact, and it has contributed to a number of international CSR events over the past years.

The EU supports efforts to conclude trans-national collective agreements and international framework agreements as stated in the 2006 Communication. The European Foundation for the Improvement of Living and Working Conditions has presented in 2008 a report on "Codes of conduct and international framework agreements: new forms of governance at company level". The Commission will issue a report highlighting the importance of company-based trans-national agreements.

There is also a growing interest on the part of the EU and international civil society in decent work, as illustrated for instance by: the launch of the Decent Work/Decent Living Call to Action of the International and European Trade Union Confederations (ITUC, ETUC)/Global Progressive Forum/Solidar/SAI in October 2007; the promotion of extending social protection coverage in developing countries by the European NGO Working Group on Social Protection and Decent Work in development cooperation; or initiatives on decent work in the global supply chain organised by the International organisation of employers (IOE). In some EU Member States, both workers' and employers' organisations are recognised as actors in development cooperation and are supporting decent work related initiatives¹¹.

3.3. Further progress to make

Ensuring decent work will require more support for governance and related capacity-building of social partners, for social dialogue processes, for tripartite consultations and for better involvement of wider NSA. The enabling conditions for the effective involvement of NSA, such as freedom of association and collective bargaining, are not always present in a number of partner countries. This could be done through:

- Support for continued involvement of NSA in programmes and initiatives related to specific areas or themes such as employment, skills development, social protection and human rights;
- Support for specific technical assistance on strengthening capacity-building of social partners and social dialogue processes, in cooperation with ILO and others;

¹¹ For instance Belgium, Denmark, Finland, Italy, Netherlands, Spain, Sweden. In Germany social partners are also involved through Foundations.

- Determined efforts to improve the involvement of social partners and other NSA in global governance (WTO, International Financial Organisations) on the basis of the OECD's consultative model¹²;
- Continued involvement of social partners and other NSA in decent work or related dialogues, actions and development and external assistance.

4. THE EU CONTRIBUTION TO THE DEVELOPMENT OF DECENT WORK AT INTERNATIONAL, MULTILATERAL AND REGIONAL LEVEL

4.1. Rationale

Promoting decent work for all is not only a commitment by the EU but is equally endorsed by developing countries and emerging economies and by international and multilateral organisations. The international community is striving to strengthen its capacity to improve the effective implementation of decent work. The ILO is, for instance, working on strengthening its capacity to assist its members' efforts in the context of globalisation. The UN is engaged in a reform process to promote UN-system-wide coherence in areas of development, and in humanitarian and environmental affairs. The EU and its stakeholders contribute to these initiatives.

In its Globalisation Declaration of 14 December 2007, the European Council indicates that the EU must engage with its international partners in enhanced strategic cooperation and that they must work together within stronger multilateral organisations. The mandate and expertise of international organisations, as well as the involvement of their national constituents, can also contribute to the effective implementation of decent work and related themes.

Decent work and fair globalisation are based on global consensus. This universal recognition facilitates the uptake of these issues through EU bilateral dialogue and cooperation with third countries and regions. This can be beneficial for both the EU and its partners¹³.

4.2. Progress made since 2006

EU contribution to international commitments

Building further on the UN September 2005 Summit outcome, different parts of the international community have taken initiatives to elaborate and implement commitments to decent work and related issues.

The UN Economic and Social Council (ECOSOC) adopted a comprehensive Ministerial Declaration on 5 July 2006 on full and productive employment and decent work for all. It called e.g. for a comprehensive approach to decent work and endorsed the establishment and implementation of Decent Work Country Programmes. As follow-up to that Declaration the

¹² See 2006 Communication and COM (2004) 383 final.

¹³ Communication on launching the new Lisbon Strategy Cycle 2008-2013, COM(2007) 803 final, chapter 3.4.

Chief Executive Board of the UN adopted, in June 2007, a Toolkit for mainstreaming employment and decent work¹⁴.

This will be a very helpful tool in promoting the effective uptake of employment and decent work through the UN system, and its dissemination will be supported by the Commission. The toolkit concentrates on country level and assists the UN country teams, other development partners and social partners in mainstreaming employment and decent work in national development frameworks. The ILO, in cooperation with UN and others, is developing indicators and measurement of decent work.

The UN Commission for Social Development (CSocD) issued, in February 2008, a Resolution on employment and decent work calling, inter alia, for social protection systems to be developed and for particular consideration to be given to universal access to basic social security systems¹⁵. The EU actively contributed to the adoption of both the UN ECOSOC and CSocD commitments¹⁶. These UN actions also paved the way for the official recognition of full and productive employment and decent work for all, including women and young people, as a new MDG Target (target 1B).

The ILO initiative on "strengthening its capacity to assist its members' efforts to reach its objectives in the context of globalisation (SILC)" aims to formalise decent work, promote its implementation at global, regional and national level and enhance ILO capacity to deliver on each of the four decent work pillars and gender mainstreaming. It resulted in the adoption, by global consensus on 10 June 2008, of the ILO Declaration on Social Justice for a Fair Globalisation. The EU contributed actively to this debate through intensive EU coordination in ILO tripartite meetings in 2007 and 2008¹⁷. Decent work is also part of technical assistance and operational activities in the field by ILO and by other UN agencies and programmes¹⁸. Increased cooperation amongst UN agencies has also to be seen against the background of the ongoing UN reform process¹⁹.

¹⁴ The Toolkit is intended to be a very helpful tool in promoting the effective uptake of employment and decent work through the UN system. It concentrates at country level and assists the UN country teams, other development partners and social partners in mainstreaming employment and decent work in national development frameworks.

¹⁵ §14 of the Resolution urges Governments, with the cooperation of relevant entities, to develop system of social protection and to extend or broaden, as appropriate, their effectiveness and coverage including for workers in the informal economy, recognizing the need for social protection system to provide social security and support labour market participation; invites the ILO to strengthen its social protection strategies and policies on extending social security coverage; urges governments, while taking into account of national circumstances, to focus on the needs of those living in, or vulnerable to, poverty and give particular consideration to universal access to basic social security systems. The Commission organised during the 2008 CSocD session, in cooperation with the UN, the ILO and a number of developing countries, a high level side event on strengthening partnerships for extending social protection coverage with the objective being to contribute to the global debate on this important issue.

¹⁶ The 2006 Communication facilitated EU coordination at UNECOSOC and the January 2008 decent work conference has fed into the EU coordination at the February 2008 CSocD.

¹⁷ ILC, 2007, Provisional Record, no 23; ILC, 2008, Report of the Committee on SLIC.

¹⁸ ILO and UNDP signed a cooperation agreement in 2007.

¹⁹ So far, this reform process has led to an UN exercise for "delivering as one" in 8 pilot countries, which aims to bring together the comparative advantages of each part of the UN system within a "One UN" country programme. The ILO is an active part in this process. For instance, Albania is a test case for the ILO to ensure, with the government and social partners, the Decent Work Agenda to become an integral part of the "One UN" process.

Other relevant parts of the international community have taken commitments to decent work:

- The World Bank (WB), the WB group including the International Financial Corporation (IFC), regional development banks such as the European Bank for Reconstruction and Development (EBRD), are more and more engaged in employment, social protection and decent work²⁰. The EU has strongly encouraged these efforts.
- The G8 2007 Summit and both the G8 2007 and 2008 Employment and Labour Ministerial meetings affirmed the G8 commitment to the social dimension of globalisation and to decent work²¹.

Finally, regional Summits in Africa and in the Americas, as well as the regional ILO meetings in Asia, in Africa, in America and in Europe and Central Asia, have all endorsed the goal of full and productive employment and decent work for all. This affirmation is important in the context of the EU dialogue and cooperation on decent work and related issues with other regions, such as through ASEM (Asia-EU), EU-Latin America/Caribbean and EU-Africa (see section 5.3).

EU contribution to decent work, fair globalisation and global governance

The 2004 recommendations of the World Commission on the Social Dimension of Globalisation (WCSDG) stressed the importance of strengthening policy coherence, starting at national/regional level as well as between multilateral organisations. This has resulted in a number of initiatives:

- Policy coherence initiatives mobilising ILO, WB, Regional Development Banks, IMF, WTO, UN and others. Policy coherence and better global governance were also taken up by the UN 2005 September Summit and the UN ECOSOC Ministerial Declaration of July 2006. The EU has consistently supported stronger global governance²².
- ILO and WTO cooperation on analysis of the interplay between trade, employment and social policy. This is fully in line with EU policies endorsing such cooperation. The EU very much welcomed the publication of the first joint ILO/WTO study in February 2007 and strongly encouraged both organisations to intensify their cooperation²³.
- ILO Forum on Decent Work for a Fair Globalisation (Lisbon, 31 October 2007-2 November 2007) with a view to engaging dialogue and cooperation with all

²⁰ Address by the WB President at the ILO Governing Body, (March 2008) session and EU statement at this session; EBRD has recently reviewed its environmental guidelines with a view to widening them to include social and decent work related issues. The Commission directly contributes to this EBRD initiative.

²¹ The Commission, as well as those EU Member States that are equally member of G8, played an important role in this. Germany was holding in 2007 both the EU Presidency and the chair of G8.

²² COM(2004) 383 final, COM(2006) 249 final, Council Conclusions of 3 March 2005, European Council Conclusions of December 2004 and June 2005, European Consensus on Development, European Council Globalisation Declaration of December 2007.

²³ EU Presidency and Commission statements at the ILO Governing Body, March 2007, report of the working party on the social dimension of globalisation.

relevant international organisations and actors. The EU actively supported the ILO Forum²⁴.

The Commission has intensified its cooperation with ILO. This is highly appreciated by other EU institutions and non-state actors. This cooperation covers EU internal and external dimensions and involves many Commission services. The October 2006 and November 2007 annual high-level meetings between the Commission services and the ILO Office identified a significant number of issues for cooperation and mobilisation policies as well as actions related to employment, social affairs, equal opportunities, labour migration, education and skills development, maritime transport and policy, environment, economic affairs, trade, development, external assistance and external relations. Social protection is now also part of the strategic partnership in the field of development cooperation between the two institutions. The above-mentioned ILO Declaration on Social Justice for a Fair Globalisation should help to further intensify the cooperation between EU and ILO.

EU contribution to decent work instruments, tools and programmes that are being devised and implemented

- The ILO has adopted a number of new Conventions that have the potential to achieve a very high number of ratifications, by both developed and developing countries (e.g. the 2006 ILO Maritime Labour Convention and the 2007 Convention on Work in the Fishing Sector (No 188); the 2006 Promotional Framework for Occupational Safety and Health Convention (No 187).) The ILO has also established action plans and frameworks such as the 2006 multilateral non-binding framework for labour migration and the 2007 resolution and action plan on sustainable enterprises.
- Decent Work Country Programmes are endorsed or under preparation at national level as part of broader development strategies and frameworks as well as poverty reduction strategies.
- The UN, UN agencies, such as ILO and the World Health Organisation, and the World Bank, cooperate on the campaign to extend social protection coverage to all.

The Commission and the EU Members States are increasingly active in key ILO and other UN debates and negotiations such as on recently adopted ILO Conventions as well as on policy and action-oriented frameworks. The EC promotes decent work and related issues through co-funding of ILO technical cooperation and of initiatives by other relevant international organisations and actors and through bilateral cooperation with partner countries and regions (see section 5 of this report). EU Member States are also engaged as active donors.

²⁴ EU Presidency and European Commission statements at the ILO Governing Body, March 2007 session; co-funding of the Forum by the EU Presidency and the European Commission. The EU has supported the holding of a second session of the ILO Forum, by EU Presidency and Commission statements at the March 2008 ILO Governing Body.

4.3. Further progress to make

Multilateral initiatives for decent work, fair globalisation and policy coherence have increased considerably. The EU has been supporting them. However these initiatives are relatively new and have to take into account also new developments. Moving from words to action requires substantial and sustained efforts and commitments at all levels, starting at home:

- The overall UN Development reform, the aid effectiveness agenda as well as the foreseen scaling-up of official ODA, should also contribute to a better implementation of decent work.
- Ratification of core labour standards conventions, and other conventions classified by ILO as up-to-date, is improving, but universal adherence is not yet achieved²⁵. Ratification is one thing, application another. The reports of the ILO supervisory system illustrate that effective application is far from being achieved. Further support for ongoing ILO efforts to promote worldwide ratification and application of up-to-date ILO conventions, including core labour standards, will be required. The EU can build further on a number of external policy initiatives such as GSP, GSP plus, cooperation and agreements with third countries and external assistance²⁶.
- Half of the world's population have no social protection; in many developing countries the majority of workers are employed in the informal economy, with low productivity and income and no social or labour protection. The international community will strengthen its efforts on social protection and on addressing the informal sector. The EU can play an important role in these endeavours.
- The three pillars of sustainable development (economic, social and environment) should be promoted in a mutually reinforcing way. Climate change is among the most important sustainable development issues and the EU is playing a leading role in shaping the world's strategic response. A holistic policy on climate change should address more comprehensively its possible positive and negative consequences on employment, social policy and decent work, exploiting the positive impacts and keeping the negative ones to a minimum. To this end, ILO has started working on a green jobs strategy²⁷.

²⁵ Report on Decent Work by the ILO Director General presented to the 2008 ILC, §90-95.

²⁶ For internal EU efforts see section 5.1. For external EU efforts see section 5.2-5.4.

²⁷ EU intervention on climate change and social dimension of globalisation at the Working Party on the Social Dimension of Globalisation, ILO Governing Body session of November 2007; the G8 2008 Employment and Labour Ministerial adopted conclusions on the relationship between climate change, employment and social policy (Niigata, Japan, 13 May 2008).

http://www.ilo.org/global/About_the_ILO/Media_and_public_information/langen/WCMS_092657/index.htm

5. MOBILISATION OF EU INTERNAL AND EXTERNAL POLICIES: STATE OF PLAY AND PERSPECTIVES FOR FURTHER UPTAKE

5.1. Decent work under the EU Lisbon Strategy: better linking the internal and external policy dimensions

5.1.1. Rationale

The EU is committed to promoting decent work, both in its internal and external policies. Within the EU, the "Community *acquis*" in the field of employment, social policy and equal opportunities addresses important aspects of ensuring quality in work, going beyond the international decent work standards and measures²⁸. In addition, the EU Lisbon Strategy and the European Social Agenda provide – in terms of objectives and instruments – a framework for action in favour of more and better jobs, managing change, social cohesion and equal opportunities.

Reinforcing the linkages, and tapping the synergies between the internal policies and the EU's external action to promote the decent work agenda will contribute to the EU's overarching goal of shaping a fair globalisation. Decent work is an agenda which needs to guide the policies also within the EU. The credibility of the EU's role in this matter will depend on effective delivery of the Lisbon Strategy in terms of quality jobs.

5.1.2. Progress since 2006

a) Key developments in EU employment and social policies

Over the past two years, the EU has made considerable progress in employment, with almost 6.5 million new jobs²⁹. But it is essential that the creation of jobs goes along with improvement in the overall quality of jobs. The EU needs to step up its efforts in combating precarious working conditions and exclusion from the labour market, and ensuring modern, socially adequate, and financially viable social protection systems within the EU. This also means fully exploiting social dialogue as an instrument for adaptation to change. Equally, providing high-quality education and investing in human capital throughout people's lives is essential in a globalised world.

Further to the Commission's Strategic Report, the March 2008 European Council launched the second three-year cycle of the Lisbon Strategy for growth and jobs, confirming the current Integrated Guidelines for the period 2008-2010³⁰.

- **'Flexicurity'** is a key element in moving forward with the Lisbon agenda, and it can make an important contribution to promoting decent work – within the EU and beyond. Flexicurity is an integrated strategy to enhance, at the same time, flexibility and security on the labour market and helps both employees and

²⁸ COM (2006) 249 final and SEC(2006) 643

²⁹ European Commission Communication "Strategic Report on the renewed Lisbon strategy for growth and jobs: launching the new cycle (2008-2010)", COM (2007) 803 final.

³⁰ For information on the Lisbon Strategy see: http://ec.europa.eu/growthandjobs/index_en.htm; for the European Employment Strategy see: http://ec.europa.eu/employment_social/employment_strategy/index_en.htm

employers to seize the opportunities globalisation offers³¹. The March 2008 European Council called *'on the Member States to implement the agreed common principles on flexicurity by outlining in their 2008 National Reform Programmes the national arrangements giving effect to those principles'*. The emphasis on different pathways for implementing the flexibility approach may also facilitate its adaptation to different political, economic and institutional frameworks in partner countries, where an increasing interest in the EU's flexicurity debate is visible.

- The December 2007 and the Spring 2008 European Council also reconfirmed the importance of the social dimension of the EU as an integral part of the Lisbon Strategy and stressed the need to further integrate economic, employment and social policies. The streamlined Open Method of Coordination on Social Protection and Social Inclusion has further advanced. Social protection reforms and anti-poverty strategies have visibly contributed to higher growth and more jobs in Europe over the past few years. However, still more needs to be done to ensure that these benefits reach those at the margins of society and improve social cohesion. It is important to develop an active inclusion approach, based on a combination of minimum income, active labour market policies, and access to basic social services, in order to promote effective access to the labour market for those most excluded³².
- **Health** concerns should be adopted in all policies, including promoting healthy lifestyles, while social protection should ensure access for all to quality healthcare and long-term care and promote prevention, including for those most difficult to reach. While pension reforms are well under way, they need to be monitored regularly as regards their impact on future sustainability and adequacy, particularly for those with atypical career patterns.
- A public consultation on adapting **labour law** to the present world of work, launched by the European Commission in 2007, highlighted – despite divergent views – the fact that labour law was central to managing the EU's workforce and providing workers with a sense of security. Many replies underlined, in particular, the need to implement existing labour legislation fully in all Member States and to reach agreement on ongoing issues such as the proposals on Temporary Agency Workers and the review of the Working Time Directive (for which Council reached agreement on 10 June 2008)³³.
- European **social dialogue** has continued to address decent work in the context of economic change. Over the last two years, concrete outcomes include the Agreement on maritime labour standards (May 2008), a Joint analysis of the key challenges facing European labour markets (October 2007), or, the Framework agreement on harassment and violence at work (April 2007)³⁴.

³¹ European Commission Communication "Towards Common Principles of Flexicurity: More and better jobs through flexibility and security", COM (2007) 359 final.

³² http://ec.europa.eu/employment_social/employment_strategy/flex_ingredients_en.htm

On EU policy coordination in the fields of social inclusion and social protection see:

³³ http://ec.europa.eu/employment_social/spsi/poverty_social_exclusion_en.htm

³⁴ http://ec.europa.eu/employment_social/emplweb/news/index_en.cfm

For developments in social dialogue see:

http://ec.europa.eu/employment_social/social_dialogue/index_en.htm

- In the area of **occupational safety and health** (OSH), the new Community Strategy 2007-2012 highlights the EU's interest in raising labour standards throughout the world³⁵.
- In a similar way, the Commission's 'roadmap for equality between women and men 2006-2010' highlights the promotion of **gender equality** in external and development policies as one of its six priority areas³⁶. In the candidate and pre-candidate countries, apart from the alignment to the EU-acquis, the roadmap puts an emphasis on awareness-raising. Within the Euro-Med Partnership, the Istanbul Ministerial Conference of November 2006 launched an ambitious Framework of Action on Strengthening the Role of Women. The Commission also stepped up work on gender equality in development policies³⁷.

b) Linking the internal and external dimension of the Lisbon strategy

The Lisbon Strategy was initially conceived as a way of mobilising stakeholders within the EU to respond to the challenges of the knowledge economy by combining economic competitiveness, employment and social cohesion. In the face of increasing globalisation and interdependence, complementing this internal dimension with a strong external dimension is essential to contribute to the shaping of globalisation in line with the EU's values and experiences, as has been underlined in the EU Declaration on Globalisation, adopted by the December 2007 European Council³⁸.

The European Commission, in its 'Strategic Report on the Lisbon Strategy' of December 2007, pointed out that globalisation must be built more effectively into the delivery of the Lisbon Strategy. The report emphasised that thanks to its experience with the single market, the EU can contribute specific expertise – referring to, inter alia, social protection, employment, workers' rights – which could be beneficial to its key partners, whilst discussions could also lead to solutions in areas where the EU has strategic interests – explicitly referring inter alia to decent work³⁹. The strategy report was backed-up by detailed actions for an external agenda in the Lisbon Community Programme 2008-2010⁴⁰.

5.1.3. Further progress to make

The increased attention paid to the linkage between external and internal policies, highlighted in the Lisbon Strategy and in the renewed Social Agenda, should make it possible to tie more closely together the different dimensions of the EU's decent work agenda, including:

³⁵ European Commission: Communication "Improving quality and productivity at work: Community strategy 2007-2012 on health and safety at work", COM(2007) 62 final.

³⁶ See the roadmap's 2007/2008 activities in Commission services working document: "Feuille de route pour l'égalité entre les femmes et les hommes 2006-2010. Programme de travail: réalisations 2007 et prévisions 2008", SEC(2008) 338.

³⁷ Communication "Gender Equality and Women Empowerment in Development Cooperation", COM(2007) 100 final.

³⁸ Annex to the Presidency Conclusions of the European Council, 14 December 2007
http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/97669.pdf.

³⁹ COM (2007) 803 final, pages 9-10.

⁴⁰ European Commission: Communication "Proposal for a Community Lisbon Programme 2008-2010", COM (2007) 804 final, pages 13-14.

- identifying lessons from EU experience in employment/social protection/social inclusion/social dialogue/non-discrimination for exchange and dissemination at bilateral and/or multilateral level;
- exploring ways of cooperating with the ILO in developing employment guidelines for middle income and low income countries;
- giving greater consideration to decent work aspects in policies to better manage economic migration and for migration and development;
- contributing to EU input to possible future work by ILO on an additional standard on basic social security systems in line with the UN CSocD Resolution of February 2008 and G8 2007 outcome through mobilising EU expertise and support, including by the organisation of a conference in 2009;
- in cooperation with the ILO⁴¹, further developing the work on indicators (relevant for the measurement of quality in work and decent work) and promoting the UN toolkit on mainstreaming employment and decent work.

5.2. EU enlargement and bilateral external relations

5.2.1. Rationale

The accession process promotes decent work in the candidate and potential candidate countries, at different stages, by their alignment with the EU *acquis* on social policy and employment as well as strengthening institutional capacity and stakeholder involvement in this area.

At the same time, there is a growing international interest in the EU experience on employment, social policy and equal opportunities. The European Commission's 'Strategic Report on the renewed Lisbon strategy for growth and jobs' of November 2007 called on the EU to "upgrade its strategic dialogues with key third countries to develop mutually beneficial solutions, and promote higher standards and greater regulatory convergence"⁴². In this context, it referred specifically to social protection, employment and workers' rights, as well as decent work as an area of strategic interest. Particular emphasis is put on the European Neighbourhood Policy, dialogue with emerging economies and cooperation at regional level. International scientific cooperation contributes research relevant for decent work.

5.2.2. Progress since 2006

a) EU enlargement

Relatively low employment rates, high unemployment, a large proportion of workers in the informal economy and/or in poor working conditions, social exclusion, high levels of early school leaving, and a lack of social dialogue continue to be key decent work challenges in large parts of the candidate and potential candidate countries.

⁴¹ Work on indicators also involves cooperation with UNECE

⁴² European Commission: Strategic Report on the renewed Lisbon strategy for growth and jobs: launching the new cycle (2008-2010), COM(2007) 803 final.

The candidate countries (Croatia, Former Yugoslav Republic of Macedonia, and Turkey) continued with their alignment to the EU acquis in the areas of labour law, health and safety at work, employment, social dialogue, social inclusion, social protection, anti-discrimination and gender equality. According to the Commission's assessment in the 2007 Enlargement Progress Reports, their efforts produced mixed results⁴³.

A Joint Assessment of Employment Priorities (JAP) and a Joint Inclusion Memorandum (JIM) have been signed between the Commission and Croatia. They set out the country's commitments in the areas of employment, social inclusion and social protection, with a view to ensuring their implementation and preparation for future participation in the respective EU policy coordination processes. The finalisation of the JAP and JIM documents with Turkey is still pending, while a preparatory process has been launched with the Former Yugoslav Republic of Macedonia.

A particular priority for all candidate and potential candidate countries is the development of administrative and enforcement capacity in areas relevant to decent work, notably as regards active labour market policies, employment services, and labour inspectorates. Developing the framework for trilateral and bilateral social dialogue and building the capacity of social partner organisations is another specific focus. Technical exchange in these areas is provided through the TAIEX programme.

The Instrument for Pre-Accession Assistance (IPA) provides financial back-up for the accession process, including issues related to decent work. A dedicated human resources development component of IPA is available for candidate countries, while all countries can benefit from IPA funding on institution building.

A number of regional initiatives in the area of employment policy, social issues and social dialogue have taken place in the Western Balkans over the last two years with Commission support⁴⁴. Under the "Bucharest Process", initiated under the "Stability Pact", reviews of each country's employment policy continued and work was initiated on occupational health and safety and on networking public employment services. In October 2007, common policy priorities were agreed by Western Balkan ministers for employment, labour and social affairs.

Cooperation between the Commission and the ILO has been strengthened by joint activities on enlargement issues to reinforce synergies between the adoption of the EU acquis and adherence to certain ILO conventions and strategies.

⁴³ European Commission: Communication Enlargement Strategy and Main Challenges 2007-2008, COM(2007) 663 final
The summary conclusions concerning the progress of the candidate countries in the Social Policy and Employment Chapter were as follows:

- Croatia: "Some progress has been made concerning the acquis on social policy and employment. Increased efforts are needed to complete alignment and especially to strengthen administrative and enforcement capacity."
- former Yugoslav Republic of Macedonia: "As regards the acquis on social policy and employment, some progress has been made as regard the development of strategies in the area of social policy and employment. However, because of insufficient political determination and administrative capacity, actual progress in implementing these policies remains limited."
- Turkey: Concerning the acquis on employment and social policy, Turkey made little progress in aligning with acquis. Social dialogue needs to be enhanced and the informal sector curbed.

⁴⁴ European Commission: Communication on Western Balkans: Enhancing the European perspective, COM(2008) 127 final.

b) European Neighbourhood Policy

The European Neighbourhood Policy (ENP) has attached growing importance to social issues and the promotion of decent work.

- All bilateral Action Plans with the EU's southern and eastern neighbours contain provisions on social reform and development as well as on the promotion of decent work, social dialogue and equal opportunities and they advocate cooperation with the International Labour Organisation (ILO). Since 2006, the coverage of the ENP has been expanded with the adoption and entry into force of five new Action Plans with Armenia, Azerbaijan, Georgia, Egypt and Lebanon⁴⁵.
- In April 2008, the Commission released a package of reports assessing the implementation of the ENP in 2007⁴⁶. For the first time, these ENP reports attach greater importance to employment and social issues. The Commission Communication explicitly highlights the promotion of decent working conditions as a 'key challenge' in the ENP area. The sectoral progress report underlines the need for significant reforms 'to implement effective labour market policies and to promote decent work, aiming at productive employment, rights at work, social protection, social dialogue and equal opportunities for men and women'⁴⁷. The reports were generally well received by the ENP partners as useful guidelines for internal reforms. Most of them are working on operational action plans to address the shortcomings mentioned in the reports.
- At regional level, for the first time, employment and decent work have been placed on the agenda of the **Euro-Mediterranean Partnership** as part of a genuine social dimension. Decent work was one of the three focal areas of the Euro-Med Employment Workshop in December 2007, thus paving the way for a Euro-Med Ministerial Conference in November 2008, which will address "human development and concrete initiatives and proposals to promote employment creation, the modernisation of labour markets, and decent work".

c) Bilateral policy dialogue and cooperation:

The Commission has a longstanding experience of policy dialogue with industrialised countries such as Japan and the US, within the OECD or through bilateral exchanges. In the context of globalisation, the emerging economies are increasingly key partners for the EU. Cooperation aims at better understanding the transformations taking place in these countries, supporting their reform efforts in response to rapid economic and social change. Decent work issues are at the core of the dialogues on employment and social policy.

⁴⁵ Dedicated sub-committees on social affairs were subsequently convened with Lebanon and Egypt in the course of 2007 thus enabling in-depth discussions and exchanges of expertise also with these partners.

⁴⁶ European Commission: Communication on Implementation of the European Neighbourhood Policy in 2007, COM (2008) 164 final. In addition to the Communication the package comprises progress reports on the implementation of the individual Action Plans and a sectoral progress report.

⁴⁷ The sectoral progress report identifies a number of issues where further efforts are needed: fight against poverty and unemployment; prevalence of the informal sector putting workers in vulnerable situations without social rights and social protection; lack of qualified workers, as education and training systems do not match labour market needs; demographic change (with a rapidly increasing workforce in the south, and demographic ageing in some eastern partner countries); development of social protection; strengthening of social dialogue; and combating the discrimination against women.

China:

At the 10th EU-China Summit in Beijing on 28 November 2007, *‘leaders expressed their satisfaction on the cooperation between the EU and China in the field of employment and social affairs, as an important element of the dialogue on sustainable development and decent work’*. Based on a 2005 Memorandum of Understanding, the cooperation with the Ministry of Human Resources and Social Security (MoHRSS) involves a structured dialogue on labour, employment, human resources development, social protection, labour legislation, labour relations and social dialogue⁴⁸. Complementary to this cooperation, a Social Security project, running from 2006 to 2010, assists China in reforming its pension system. In January 2008, a separate Memorandum of Understanding formalised ongoing cooperation with the Chinese Academy of Social Sciences (CASS), aiming at an exchange of experience and analysis of long-term trends on employment and social policies. Lastly, the EU-China Summit in November 2007 strongly supported the launch of a formal dialogue in the field of health and safety, with a particular focus on the coal mine sector, which is currently under preparation.

India:

As part of the 2005 EU-India Joint Action Plan, a structured dialogue on employment and social policy issues was launched in 2006, with annual seminars on issues related to decent work (on vocational training in 2006 in Delhi; on social protection and social security in 2007 in Lisbon), tripartite events involving social partners and the agreement to launch a joint study on selected decent work aspects with a focus on the extension of social protection to the informal sector.

Brazil:

The structured dialogue on social policies between the Commission and Brazil was launched in April 2008, based on a Memorandum of Understanding. The two sides will share knowledge on legislation, policies and programmes with a focus on improving social assistance and social security systems.

Mexico:

Also in April 2008, dialogue on social policy and employment was started with Mexico, as had been envisaged in the EU-Mexico Association Agreement. It aims particularly at joint activities in favour of the promotion of the decent work agenda and of social protection reforms in Mexico.

Chile:

Following the EU-Chile Association Agreement, a sector dialogue on employment policy started in 2005. In 2007, it focussed on public employment services and social protection reform.

⁴⁸

In the past two years, the cooperation included a seminar on Mobility of Workers in November 2006, a High Level Round Table on Social Security in June 2007, and a Seminar on Labour law/Dispute settlement in November 2007.

South Africa:

Under the new 2007-2013 Indicative Programme, promoting pro-poor, sustainable economic growth, including in the second economy, i.e. economic growth that focuses on generating employment, reducing inequality, developing skills and tackling social exclusion, is one of the 2 main areas of development cooperation.

In addition in 2006 the EU and South Africa have agreed to establish a Strategic Partnership and have adopted an Action Plan to implement it in May 2007. Employment and social policy are among the areas on which enhanced cooperation would be envisaged. South Africa has also shown an interest in the EU's experience in implementing regional policy and particularly as regards the European Social Fund with a view to modernising its labour market and social protection system.

d) Cooperation at regional level:

As a complement to bilateral relations, policy dialogues on employment and social issues, including decent work, have been developing at regional level over the last two years:

Latin America:

The overall focus of cooperation between the EU and Latin America is on social cohesion (in a broad sense including employment, inequalities, social cohesion etc.) to which Latin American governments are paying increased attention. In May 2008, at the EU-Latin America/Caribbean Summit, leaders underlined their commitment to developing 'more effective labour and employment policies, through social dialogue and the cooperation of governments, employers and workers and the implementation of corporate social responsibility and respect for workers rights, including collective bargaining, with a view to the generation of decent and productive work for everyone'. An EU-Latin America Ministerial seminar on social cohesion in Chile in September 2007 paved the way to preparing the Summit's conclusions on some of these issues.

ASEM:

Within the ASEM framework of regional dialogue and cooperation between the EU and 16 selected Asian countries, a dialogue on employment and social policy was launched at the first ASEM Labour Ministers meeting in autumn 2006⁴⁹. The follow-up meeting in Bali will take place in October 2008. Feeding into its preparations, a first ASEM "Social Partners Forum" in July 2008 will, for the first time, provide a regional forum for EU-Asia exchanges on social dialogue.

Africa:

Employment and decent work including social protection are part of the Africa-EU Partnership on Mobility, Migration and Employment in the Africa-EU Joint Strategy, adopted at the Summit of Heads of State in December 2007 in Lisbon. The main purpose is to implement and follow-up the 2004 Ouagadougou Declaration and Action Plan on Employment and Poverty Alleviation in Africa.

⁴⁹ ASEM also involves the EC and the ASEAN Secretariat as full members.

5.2.3. *Further progress to make*

- Candidate and pre-candidate countries will be encouraged, within the accession process, to step up their response to decent work challenges, by further aligning with the Community acquis and by building effective institutional capacity.
- Within the ENP dialogue on specific decent work issues should be intensified (e.g. by ad hoc technical meetings or TAIEX multi-country seminars). Cooperation with the ILO should aim at consistency between Decent Work Country Programmes and the relevant priorities of the ENP Action Plans. In liaison with the ILO, assistance should be provided to facilitate the ratification and application of ILO fundamental conventions, where necessary.
- Within the Euro-Mediterranean Partnership, the Ministerial Conference on Employment should be followed-up by a framework of actions addressing decent work issues.
- At bilateral and regional levels, the cooperation frameworks launched between the Commission and its partners need to be consolidated, while deepening the policy exchange. Specific attention should be paid to enhancing the knowledge base on decent work, including by joint action with the ILO.
- The identification of decent work challenges within the ENP and within bilateral policy with emerging economies and regional entities should lead to a better linkage with external assistance, where appropriate.

5.3. **Development and external assistance**

5.3.1. *Rationale*

Promoting full and productive employment and decent work is an objective in EU external assistance and development cooperation. It is also recognised that employment and decent work for all, in line with the conclusions from the UN World Summit in 2005 and the ECOSOC Ministerial Declaration of 2006, is a key element to reducing poverty and achieving the Millennium Development Goals, as well as sustainable growth and a fair globalisation. 'Achieving full and productive employment and decent work for all, including women and young people', is now officially a new MDG Target (target 1B).

5.3.2. *Progress since the 2006 Communication*

At EC level there has been substantial progress on promoting Decent Work since the Commission presented its Communication in 2006. Decent work and related issues had already been included in the *European Consensus on Development* adopted jointly by the Commission, the Council and the European Parliament in December 2005. In this document employment and social cohesion constitute one of the nine recognised areas of Community action to support development. Gender equality is a cross-cutting issue.

The 2006 Decent Work Communication was followed-up in April 2007 with a Commission Staff Working Document entitled 'Promoting Employment through EU Development Cooperation'. The Staff Working Document looks in greater detail on how to use EU development policies and instruments to promote decent work and to feed into the programming of EU aid.

It also highlights that employment and decent work may be taken up as a component of other focal areas. Particularly relevant in this context are infrastructure, rural development and trade. An additional objective of the document was to trigger a broader debate with the EU Member States. The Council welcomed the timely Staff Working Document in the Council Conclusions on the same subject on 21 June 2007 and invited the Commission to use this Report to review progress in promoting employment and decent work through EU development cooperation.

Geographical programmes and policy initiatives at regional and country level

Partner countries and regions have shown a growing interest in the EU's experience of integrated economic and social development. In response to this, the EU has intensified its dialogue with low and middle income countries on decent work and its various components. EC assistance is tailored to respond to the needs of partners. Therefore it builds on and reinforces their ownership for new measures or home-grown reforms. On that basis the EC supports decent work according to demands and feasibility conditions.

Consequently, in the programming of external assistance, decent work challenges have been integrated into some country and regional strategy papers and into the corresponding national and regional indicative programmes either as one of the nine focal areas or have been taken up indirectly in other focal areas notably infrastructure, rural development and trade.

Bilateral cooperation programmes that focus on strengthening related decent work issues such as employability or social protection are increasingly being implemented via sector budget support. This requires that partners develop a long term and sustainable strategy, in particular for budgetary issues.

Employment and decent work including social protection are included in the Joint Africa-EU Strategy and its Action Plan (2008-2010) adopted at the EU-Africa Summit in December 2007 in Lisbon. It is one of the three pillars of the Partnership on Migration, Mobility and Employment.

Examples of EU Member States initiatives on Decent Work

As highlighted in the 2006 Communication promoting Decent Work and the related Council Conclusions, EU Member States have an equally important role in promoting Decent Work. Taking stock of Member States activities is not within the scope of this Report but will be taken up in the next report. Below is an example of how Denmark is promoting Employment in Africa.

Employment/Youth/Africa

The Danish Government has established a new Africa Commission chaired by the Danish Prime Minister. The Commission consists of Heads of States and Governments, experts, business people, etc, the majority from Africa. The overall focus of the new Commission will be Youth and Employment. The first meeting took place in Copenhagen on 16 April 2008. The final meeting will take place in May 2009 where the Commission will present its recommendations. The work will build on 'recent analyses of development assistance to Africa, assessments of the development framework and principles for its implementation (Paris Declaration, EU Code of Conduct etc.)'. The Commission's work is to be seen in the context of the Africa-EU Partnership agreed in Lisbon, not least the Africa-EU Partnership on Migration, Mobility and Employment and should contribute to implementing it.

More information: <http://www.africacommission.um.dk/en>

Employment support programme in the Republic of South Africa

In addition to existing programmes for the promotion of the private sector and employment, in 2008 the EC will contribute (100 million €) to employment creation under the government's Economic Programme of Action in South Africa. The programme aims at increasing long term quality employment particularly for the economically marginalised.

The funds will contribute to the improvement of economic structures and facilitate the transition from the informal to the formal economy and stimulate job creation, reduce inequality, develop skills and address social exclusion. The added value of this intervention is the focus on cross-departmental as well as public-private partnerships in the field of employment creation. Strengthening policy and regulatory support, provision of labour market information, and monitoring are also part of the programme.

Latin America

Social cohesion is one of the main priorities of the EU in its relations and development cooperation programmes, with the region, the sub-regions and the individual countries in Latin America. The promotion of decent work is increasingly seen as a key element for social cohesion. The Declaration of the 2006 EU-LAC Summit in Vienna addressed the interconnecting themes of growth and employment underlining that decent work was a key element for sustaining economic and social development. The 2008 EU-LAC Summit in Lima also prioritised the fight against poverty, inequality and exclusion, i.e. the promotion of social cohesion.

Approximately 40% of all EC geographic cooperation funds available for the region in 2007-2013 have been allocated to promote social cohesion. Programmes including job creation, poverty alleviation and institutional capacity building measures designed to eliminate discrimination and the recognition of fundamental social rights are funded in several Latin American countries, including specifically on DW in Bolivia⁵⁰ and on the support of decentralisation programmes which facilitate social inclusion in the regions of Peru.

An important tendency is to strengthen cooperation projects oriented to supporting sector policy dialogues (e.g. in Chile, Brazil and Mexico) and exchange of good practices between the EU and Latin America (e.g. the employment strand of Eurosocial and the inter-sectorial activities related to social protection). These programs are essentially to help Latin American governments and stakeholders to adopt and implement the legislative, institutional, fiscal and financial reforms appropriate for their internal situation.

Asia

EC supports the modernisation and the introduction of new strategies to improve social protection systems via sector budget support in Kyrgyzstan and Tajikistan. The reform of social security system is also supported in China and the development of the social assistance system is promoted in Afghanistan.

⁵⁰ More specifically on decent work, the National Indicative Programme of Bolivia for 2007-2010 foresees 55% of the funds available for generating sustainable economic opportunities for decent work in micro-enterprises and small-and medium sized enterprises.

Demand driven TVET reforms are funded in Bangladesh, Vietnam and in Central Asian countries (Kyrgyzstan, Kazakhstan) and is under preparation for Pakistan. Combating child labour in Pakistan is supported by the EC through cooperation with ILO.

European Neighbourhood Area (ENP East-South)

In the ENP area the EC is supporting poverty reduction strategies and socio-economic development through social funds, reforms of health, education and TVET systems in several partner countries through the MEDA programme and recently under the European Neighbourhood Policy Instrument (ENPI). In most Southern neighbouring countries the EC supports labour market driven reforms of the technical and vocational training system which aim at improving employability, productivity and competitiveness with the involvement of social partners in the designing and steering of TVET. In the Eastern neighbouring countries this support is only now starting to evolve from stand alone technical assistance projects to sector wide supports. In Moldova for example, the EC supports also the modernisation of the national social protection systems in line with ENP Action Plan.

Thematic Programmes

Under the new Development Cooperation Instrument (DCI), activities in the area of "social cohesion, employment and decent work" and related issues are now eligible for funding in the period 2007-2013 under the thematic programme *"Investing in People"*. This is an important step forward compared to the previous situation when there were no specific budget lines for such issues. The 2007 *"Investing in people"* provides support to promote productive employment and decent work in developing countries through joint management with the ILO. This initiative is composed of two actions. The first on *"development of decent work indicators disaggregated by gender"* in low-income and middle-income developing countries aims at producing the necessary tools and capacity to monitor trends on decent work and to undertake high-quality policy analysis. The second action *"managing labour market adjustment to maximise the benefits of trade in developing countries"* aims at improving the evaluation on the impact of trade on employment and decent work by enhancing capacity in some countries. Another theme of the *"Investing in People"* programme focuses on "children and youth". The theme aims at addressing topics related to the defence of children's rights with a focus on child labour. In this framework, an agreement with ILO was signed in December 2007 to tackle the worst forms of child labour in the situation of armed conflicts.

The programme also reflects on the growing global concerns over the expanding informal economy where it is particularly difficult to establish and follow-up the conditions for decent work. It will therefore support actions to explore the potential ways to build bridges between the informal and the formal economy and to improve the living and working conditions of those employed in the informal economy. Three actions are under consideration for 2008 namely social protection and an inclusive labour market, occupational safety and health (OSH) and demand driven TVET based on labour market information systems.

The thematic programme *"Migration and Asylum"* was preceded by the AENEAS programme.⁵¹ In the years 2004-2006, 19 projects supporting economic migration management were selected for the sum of almost 17.700.000 EUR in third countries and regions. The projects are conducted in many different regions and countries. Relevant

⁵¹ For the moment it is too early to provide information about the thematic programme "Migration and Asylum" because the selection procedure is still ongoing.

international organisations such as ILO, UNIFEM and IOM are partners in several projects. Some of the initiatives expand networks and initiatives funded under the B7-667 programme that preceded AENEAS.

The aforementioned examples illustrate that the EC – via external aid and cooperation - already provide support for exploring and developing methodologies and promotes exchanges of experiences across regions with its partners in the field of decent work. Decent work related issues are also eligible for support via the thematic programme on "Non-State Actors in Development" and the European Instrument for Democracy and Human Rights.

Awareness raising on decent work in development cooperation across regions

Awareness raising actions are valuable tools for the promotion of DW in development cooperation. The EC has made considerable efforts to mainstream employment and social protection by organising regional seminars with EC delegations and ILO local offices in all geographical regions on DW. These seminars raised awareness of the importance of DW and also demonstrated how to address DW in social cooperation programmes. Regional seminars were organised for Asia (2006), for Latin America (2007) and there will be a seminar for ACP countries in 2009.

These events also serve to develop strategic partnerships at local level and to improve mutual understanding, co-operation and synergies. They also provide an opportunity for international organisations such as the ILO to familiarise itself with EC sector support methodologies and for the EC delegations to gain insight into the integrated approach of Decent Work Country Programmes.

5.3.3. Further progress to make

Although important progress has been made in the area of EC development cooperation, further progress is needed. The mid-term review of ECs external programming in 2009 represents an opportunity to suggest adjustments as appropriate on the current policy orientations, while respecting the principle of ownership and the demand-driven nature of development cooperation.

It will continue to be important to effectively address employment challenges both in the formal and the informal economy including strengthening the knowledge base. This knowledge-building process could be supported by targeted research initiatives.

Social protection challenges both in the formal and informal economies must be addressed. This has become increasingly evident in light of the recent rises in food prices. Social protection is an effective way of enabling the poor to deal with such shocks. Partner countries and donors need to scale up efforts to develop systems of social protection with broader and effective coverage adapted to each country's needs and circumstances. One important aspect is the focus on the issue of financing of health systems within the wider context of social protection and to identify ways in which the EU can support the development of health systems which preserve individuals access to health care and which do not drive them into poverty through having to deal with catastrophic health expenditure. It is important to support the on-going ILO campaign and efforts to extend social protection for all, including for workers in the informal economy and the promotion of universal access to basic social security systems.

Although actions must be taken to combat for instance the most flagrant abuses of core labour standards, such as child labour, it is also important to take a holistic approach to development.

Experience shows that the elimination of child labour also calls for actions with regard to the labour market, social dialogue and social protection⁵². The 2008 Communication on "*A special place for children in EUs external action*" aims at establishing a comprehensive EU approach towards the protection and promotion of children's rights in third countries. Such an approach must be based on a holistic and universally applicable view of children's rights and be part of broader development and poverty reduction strategy. The Communication stresses that children's rights are closely linked in particular to the rights of their mothers. The absence of sexual and reproductive health and rights of mothers and the lack of basic social protection coverage have direct effect on the situation of the children⁵³.

Other initiatives to be considered:

- Step-up efforts in the area of technical vocational education and training especially for women and young people working in the informal economy;
- Increase the coherence of policies, e. g. between migration and employment by addressing both the question of legal economic migration and the issue of the brain drain comprehensively, and, between environment/climate change and employment by taking full account of the potential social impacts of environmental policies. In general, strong international cooperation is required to tackle the possible negative impacts of climate change on partner countries' development;
- Support for development and effective implementation of assessment methodologies to gauge the progress of countries in implementing their decent work strategies and programmes including support for strengthening stakeholders' involvement in implementation of decent work;
- Support for employment promotion as a cross-cutting issue to be integrated in other areas of development aid such as private sector development, education, migration, rural development and infrastructure, including promoting labour-based approaches and employment intensive investment programmes whenever the right conditions are in place;
- Efforts to strengthen the role of social partners and to promote social dialogue in development cooperation. In light of the large informal economy in many developing countries, it would be especially important to strengthen the organisation and representation of workers and employers in the informal economy;
- Improve synergies between support for technical cooperation on implementing ILO Conventions, including core labour standards on the one hand and GSP, GSP plus and EU cooperation and agreements with third countries on the other hand.

⁵² COM (2008) 55 final and COM (2006) 249 final.

⁵³ COM (2008) 55 final SEC (2008) 135 and SEC (2008) 136.

5.4. Trade and Decent Work

5.4.1. *Rationale*

Sustainable development is a central theme in EU trade policy. Trade policy can contribute to creating growth and jobs in Europe and elsewhere, supporting sustainable development objectives, including social development and decent work. The aim is to promote adaptation, sustainable growth and employment.

Promotion of social rights and decent work are positive elements in fostering the competitiveness of countries. Decent work can contribute to domestic demand, social cohesion, human capital investment and public and political support for open markets. Hence, the endorsement of social objectives should not be used for protectionist purposes; the objective is to achieve, social progress across the board, in the context of global competitiveness and an open trade policy and to ensure that it is spread fairly for the benefit of all⁵⁴.

5.4.2. *Progress since 2006*

a) Key developments

The European Commission strategy "Global Europe: Competing in the World" sets out how trade policy can contribute to creating growth and jobs in the EU and beyond. The Global Europe strategy underlined that "as we pursue social justice and cohesion at home, we should also seek to promote our values, including social and environmental standards and cultural diversity, around the world".

Consequently, the EU has put its commercial weight behind efforts to promote social standards and decent work through its trade policy, not least in the context of negotiation of free trade agreements with third countries, in line with the 2006 Communication on decent work. The EC has intensified its efforts by a variety of instruments and initiatives based on incentives and cooperation: The EU GSP and GSP+ scheme, bilateral trade and economic partnership agreements; trade sustainability impact assessments; WTO trade policy reviews; cooperation with ILO on measurement of decent work in developing countries and assessing and addressing the relation between trade and decent employment⁵⁵; fostering cooperation between international organisations (e.g. WTO, UNCTAD, ILO and OECD); aid for trade and trade related technical assistance; fair and ethical trade, the promotion of corporate social responsibility (CSR)⁵⁶ and consultation and involvement of civil society. These instruments are addressed in more detail below.

⁵⁴ COM (2006) 249 final, Council conclusions on decent work, 30 November and 01 December 2006.

⁵⁵ See also section 5.3 on Development and external assistance.

⁵⁶ For CSR and involvement of non-state actors see section 3 on "Strong mobilisation of non-state actors".

b) Specific developments

GSP and GSP+⁵⁷

The GSP and GSP+ incentive schemes continues to be central EU trade policy instruments, notably through the explicit linkage to the respect for core labour standards and other international conventions regarding environmental protection and good governance.

The EU GSP scheme offers developing countries preferential access to the European market. Some or all of these benefits can be temporarily withdrawn in case of serious and systematic violation of ILO core labour standards and if the country concerned does not take remedial action. Indeed, since 2007, GSP benefits for Belarus have been suspended due to the systematic and serious violation of freedom of association and collective bargaining (ILO Conventions No. 87 and 98). The suspension procedure was based on a complaint lodged by European and international trade unions⁵⁸. In line with the EU support for multilateralism, the EC analysis is based on the findings of the ILO supervisory system in particular⁵⁹.

Under the EU GSP + scheme vulnerable economies can obtain additional preferential tariffs on the condition that they ratify and commit to effectively implement the ILO core labour standards conventions as well as a number of other international conventions on environmental protection and good governance. The EU can temporarily withdraw some or all of the additional tariff benefits following an investigation in case of violation of this commitment. Relevant findings of the competent ILO bodies would be taken into account. A number of beneficiary countries have ratified core labour standards conventions as a result⁶⁰. The GSP+ scheme can also operate as an incentive for governments to engage in technical cooperation with the ILO in order to improve the implementation of core labour standard conventions.

Free Trade Agreements

As part of the Global Europe strategy, the EU has entered into negotiations for free trade agreements with a number of important trading partners, based on economic criteria and considerations, to ensure that trade policy helps create jobs and drive growth. Negotiations are currently ongoing with countries in Asia (ASEAN, India and South Korea), Latin America (Central America, Andean Community) and Ukraine. Meanwhile, negotiations continue on comprehensive Economic Partnership Agreements with African, Caribbean and Pacific countries (ACP) countries.

One objective is to strengthen sustainable development in our bilateral trade relations through new cooperative provisions on labour standards and environmental protection. In this context,

⁵⁷ Generalised System of Preferences.

⁵⁸ The withdrawal is to be seen in the context of considerable efforts devoted, both by the EC and the international community, and in particular the ILO to engage in a dialogue with Belarus with a view to address the application problems and to implement the recommendations of the ILO Commission of Enquiry. However, this dialogue did not result in effective improvement in the application of the Conventions.

⁵⁹ GSP and GSP + Regulation, No 980/2005 for the period 2006-2008; the new Regulation for the period 2009-2011 is expected to be adopted by mid 2008, Commission proposal COM(2007) 857.

⁶⁰ El Salvador ratified Conventions No 87 and No 98 on freedom of association and collective bargaining; other examples on the ratification of one or more ILO conventions include Colombia, Bolivia and Venezuela.

decent work issues are taken up systematically in all ongoing bilateral Free Trade Agreements (FTA) and Partnership Cooperation Agreements (PCA) negotiations with a view to including chapters on trade and sustainable development in all agreements⁶¹. In particular, the EU aims to incorporate shared commitments to trade and sustainable development objectives based on a dynamic framework for cooperation and dialogue, together with a strong monitoring mechanism and transparency provisions. Progress has already been made in some negotiations setting useful precedents, but there is a need to take account of different levels of development, internal policy priorities and political sensitivities of negotiating partners. In the context of EPAs, the EU-Cariforum Economic Partnership Agreement of December 2007 includes a substantive chapter on trade and sustainable development.

Multilateral and international initiatives

A number of promising developments have taken place at multilateral level:

- The first joint WTO-ILO report on trade and employment released in 2007 provides a useful analytical input to policy considerations related to trade and decent work. The report highlighted the need for coherence between trade and employment policy to help workers and labour markets adjust to changing patterns of global trade, and underlined that the understanding of how trade agreements affect labour markets and the quality of jobs, especially in poorer countries, needs to be further improved in order to help countries maximise the benefits of trade opening and support the most vulnerable into decent jobs. The EU welcomed this first WTO-ILO joint report and invited further joint work. More generally, the EU has encouraged closer cooperation between WTO and ILO⁶²;
- The EC consistently raise employment and labour issues in the context of the WTO trade policy review mechanism (TPRM). This has helped build further understanding of the linkages between trade and employment. Social issues have also been addressed in the context of WTO accession negotiations.

Aid for trade and trade-related technical assistance

- In the 2007 EU Strategy on Aid for Trade⁶³, the Commission and Member States are jointly committed to promote the social sustainability of Aid for Trade and to explore possibilities for consultation with stakeholders, in particular local ones and small producers.
- The EC participated in the WTO's first global review of aid for trade in November 2007 which aimed inter alia at developing roadmaps for mainstreaming trade in national development strategies and discussing ways of better monitoring improvements of trade capacity.

⁶¹ The EESC supports this approach in its Opinion of April 2008.

⁶² EU statement at the Working Party on the Social Dimension of Globalisation, ILO Governing Body, March 2007 session; Press release European Commission at the occasion of the presentation of the joint study at the WTO.

⁶³ See Council Conclusions of 15 October 2007 (No. prev. doc. 13070/07).

- The 2007 OECD and the WTO first joint global “Aid for Trade at a Glance report” underlined that the key challenge was one of global policy coherence, better harnessing trade for development, and development assistance for trade.

Strengthening the knowledge basis and better linkage with policies and stakeholders

- The EC has continued to carry out Trade Sustainability Impact Assessments (SIAs) for all major bilateral and multilateral trade negotiations, with increasing attention to the analysis of quantitative and qualitative employment and social impacts of trade agreements. SIAs also aim to identify measures to mitigate any negative employment and social impacts of future trade agreements, and to point to the scope for cooperation activities in the area of trade and decent work⁶⁴.
- The EC holds regular civil society dialogue meetings, including in partner countries in the context of Trade Sustainability Impact Assessments, to enhance transparency of and knowledge about EU trade policy⁶⁵.
- The EC and the ILO have carried out a pilot project on the development of decent work indicators and are finalising the preparation of a jointly managed programme, in the framework of the EC thematic programme on human and social development (‘Investing in people’). The aim is to improve the methodology and build capacity to assess the inter-linkages between trade and decent work with a view to designing effective and coherent policies and institutions that respond to adjustment challenges and promote decent work.
- The EC/EU has supported an OECD project on trade and structural adjustment, studying linkages between international trade and labour market adjustment. The project aims at identifying, for both developed and developing countries, the requirements for successful trade-related structural adjustment via the reallocation of labour and capital to more efficient uses, while limiting adjustment costs.

5.4.3. Further progress to be made

The progress made is consistent and encouraging and has produced positive results in a number of areas in line with the 2006 Communication and with the overall objectives of EU trade policy. The challenge in the coming years will be to further build on the progress made to strengthen the synergies between policies and policy instruments. Among the key challenges in the coming years are:

- The continued effective implementation of EU GSP and GSP+ on the one hand as well as the link to programming of EC external assistance on the other hand⁶⁶;
- Implementing aid for trade with a view to better addressing the interaction between trade and decent work and strengthening capacity of developing countries in relation to social adjustment and managing change;

⁶⁴ http://ec.europa.eu/trade/issues/global/sia/index_en.htm .

⁶⁵ <http://trade.ec.europa.eu/civilsoc/index.cfm> .

⁶⁶ See also section 5.3.

- Bringing ongoing FTA negotiations to a successful conclusion in reflecting adequately EU sustainable development objectives as set out in the 2006 Global Europe strategy;
- Developing further dialogue on trade and decent work with interested countries;
- Engage with the ILO and partners to follow up on the "ILO Declaration on Social Justice for a Fair Globalisation";
- Strengthening cooperation between relevant international organisations, including ILO-WTO cooperation on trade and employment to develop further the knowledge basis and improving policy coherence;
- Continuing the dialogue with and involvement of social partners and civil society in the trade policy debate.

6. RATIFICATION AND IMPLEMENTATION OF ILO CONVENTIONS BY EU MEMBER STATES:

6.1. Rationale

In many areas, the EU acquis goes beyond international decent work standards. However, ILO and UN standards and measures are at the same time complementary where they address areas not or only partly covered by EU legislation. Examples are the conventions on freedom of association and collective bargaining, labour administration and inspection, wages and minimum standards on social security⁶⁷. This is the reason why ratification and application of the related conventions by the Member States add value to the EU's drive for more and better jobs.

Moreover, the Member States' own records in ratifying and applying the up-to-date ILO conventions are an important element for the EU's credibility in promoting decent work throughout the world. Finally, the Member States' efforts in this respect are part of their overall ambition to promoting decent work through their diverse policies and programmes

6.2. Progress since 2006

The Council in its Conclusions of 30 November and 1 December 2006 on Decent Work for All explicitly welcomed "the Commission' commitment ...in its Communication on decent work to encouraging and facilitating the ratification and adaptation of the ILO Conventions on core labour standards, and other ILO Conventions that have been classified by the ILO as up to date".

- Since 2007, all 27 EU Member States have ratified the **eight fundamental ILO conventions (CLS)**. The 2001 Commission Communication on the promotion of the core labour standards and related EU initiatives has helped as a catalyst in promoting these ratification processes.

⁶⁷ Also the conventions and protocols of the Council of Europe.

- EU Member states have also ratified a large number of ILO conventions related to labour inspection, labour administration, employment, wages and social security. More and more EU Member states have ratified or are engaged in ratification of more recent conventions on health and safety at work and working conditions.
- However, it is important that all EU Member States ratify and apply those **conventions** that have been **classified by ILO as up to date**. This should deliver a clear message that globalisation also requires the ratification and application of up to date global standards by all countries in the world.⁶⁸ The ILO's Fundamental Declaration on Social Justice for a Fair Globalisation of June 2008 has called on the countries to progressively increase the ratification coverage of each of the four pillars of decent work (employment, rights at work, social dialogue, and social protection) and underlines also the particular importance of the four priority conventions and their protocols on: employment policy (No. 122), labour inspection (No. 81, 129 and the 1995 Protocol), and tripartite consultations (No 144). Some of these conventions such as convention No 81 have been adopted many years ago, but they are still considered up-to-date and valid by the ILO.
- The Commission's 2006 Green Paper and its subsequent 2007 Blue Book on maritime policies called on Member states to ratify the recent **ILO maritime Conventions**, notably the 2006 Consolidated Maritime Labour Convention, the 2007 Work in Fishing Sector Convention No 188 and the Seafarers identity card Convention No 185.⁶⁹ In this respect, the Commission has also presented proposals for Council Decisions authorising the ratification in the interest of the Community as these instruments affect EC exclusive competences, while the Community cannot adhere to or ratify ILO Conventions under current international law. At the same time, EU social partners in the maritime sector signed in November 2007 an EU framework on minimum standards in shipping, largely based on the ILO 2006 maritime labour convention and requested the Commission to implement the agreement through a proposal for a Council Decision.

6.3. Further progress to make

In its renewed Social Agenda, the Commission calls upon all Member States to set an example by ratifying and implementing the ILO Conventions classified by ILO as up to date. These conventions include inter alia:

- the four priority conventions, which have been reconfirmed by the new ILO Fundamental Declaration of 10 June 2008, namely the Convention on labour inspection, 1947 (No 81) and its 1995 Protocol, the Convention on labour inspection in agriculture, 1969 (No 129), the Convention on employment policy, 1964 (No 122) and the Convention on tripartite consultations, 1976 (No 144);

⁶⁸ COM (2006) 249 final; Council conclusions on decent work also encourages EU MS to continue their efforts to ratify and implement ILO conventions that have been classified by ILO as up to date.

⁶⁹ EU 2006 green paper on maritime policy and 2007 blue book on maritime policy.
http://ec.europa.eu/maritimeaffairs/policy_en.html
http://ec.europa.eu/maritimeaffairs/index_en.html.

- recent health and safety Conventions that have reviewed and updated, supplemented or consolidated existing Conventions: the Promotional Framework for Occupational Health and Safety Convention, 2006 (No 187) and the related general provisions Convention on Occupational Safety and Health, 1981 (No 155) and its 2002 Protocol and the Convention on Occupational Health Services, 1985, (No 161);
- two new conventions on the Private Employment Agencies Convention, 1997 (No 181), the Maternity Protection Convention, 2000 (No 183).

Ratification should be followed by effective application of ILO conventions, taking into account the comments by the ILO supervisory system in relation to a number of cases in EU Member States⁷⁰. The Commission will monitor policy developments with regard to this ratification process. The outcome of this analysis will be incorporated in the follow-up report to be published in 2011.

7. CONCLUSIONS

The overview of progress made since 2006 clearly demonstrates that a number of important achievements have been made in both internal and external EU policies. The EU actively contributed to international, regional and national initiatives, with a view to move from words to action. The added value of the EU contribution and the leadership of the Commission in this have been widely recognised and appreciated.

The mobilisation of EU institutions, EU Member States and stakeholders is on track. There is consensus, both in the EU and internationally, that decent work is a factor in development, governance and performance and that its implementation calls for sustained, coherent and integrated policies and close involvement of social partners and wider civil society.

The international campaign for a worldwide ratification of the eight core labour standards (CLS) Conventions has contributed to a significant increase in the global ratification level. All 27 EU have ratified the CLS Conventions since 2007. The EU's GSP plus scheme has for instance contributed to these efforts in a number of third countries. Ratification of other ILO conventions, classified by ILO as up to date, is also improving. Decent work instruments, tools and programmes are being elaborated and implemented.

The objective of decent work for all is now part of mainstream international development goals and frameworks and poverty reduction strategies. Promoting decent work is part of EU development and external assistance cooperation, of a number of EU partnership agreements and cooperation with third countries and regions and of ongoing discussions on EU bilateral trade agreements with third countries. Decent work is an element of the internal and external dimension of the EU Lisbon strategy for growth and jobs.

⁷⁰ As the ILO supervisory system is covering all ILO Member states and is treating all countries, developed and developing countries, alike, it is not exceptional that EU Member states are also subjects of comments, observations and conclusions. See: <http://www.ilo.org/ilolex/>.

However many challenges lie ahead as:

- Recognition of decent work as part of key international development goals and national poverty reduction strategies is a recent evolution; therefore the effective implementation of decent work in development policies and poverty reduction strategies, programmes and frameworks is often still at an embryonic phase in many developing countries and in many donor operations;
- Decent work operates in an increasingly complex international context such as the intensification of globalisation and its relationship with issues such as climate change, trade and higher food prices; all this provides both opportunities such as the employment potential of climate change, as illustrated by the ILO green jobs strategy discussion, and challenges such as labour market transitions to a low carbon economy;
- Decent work as a factor of governance directly relates to the persisting deficits in effective global governance and in labour market governance at national and regional level. This is illustrated by the lack of effective application of ILO Conventions, including CLS, in too many countries and the existence of a large informal economy in most of the developing and emerging economies.

The proposals on "further progress to make" as included in the different sections of this report are intended to improve further the effective implementation of the orientations and strategies made in the 2006 decent work Communication, taking into account also some new evolutions as referred to above.

All EU institutions have called on ensuring an effective and regular follow-up and coordination of the initiatives and actions to promote decent work both by the EU institutions, the EU Member states and stakeholders. As a response to this call, and in view to strengthening synergies and cooperation, it would be appropriate that the EU reports in 2011 on efforts, both by EU institutions, Member States and stakeholders, on promoting decent work throughout the world.