

Comments of CNV Internationaal on the Green Paper on “EU development policy in support of inclusive growth and sustainable development”

General comments

CNV welcomes the fact that the Green Paper focuses more on the importance of inclusive and sustainable economic growth for development than was previously the case in (European) development policy. As the Paper rightfully points out, sustainable economic growth and decent work is crucial in order for countries, and the peoples inhabiting them, to lift themselves out of poverty. CNV agrees therefore with the notion in the Paper that, broadly speaking, development policy can contribute to a growth friendly environment. Although it should of course be noted that economic growth, like development programmes, should be a means not an end, which contributes to the wellbeing of the population at large. Among other things, through the creation of decent jobs. This should be clearly reflected in the new development policy of the EU.

Another thing which should have been emphasised more in the Green Paper is the important role that civil society can play in the realisation of the objectives of EU development policy. This should not only be promoted through programmes supporting the governments of development countries, but also through the support of civil society actors. Trade unions have an important role in this respect, especially when it comes to the promotion of good governance and a growth friendly climate. We will further elaborate on this per the respective paragraphs of the Green Paper.

2.1 Putting “High Impact” cooperation into practice

Although member states contribute considerable sums of money to the development cooperation programmes of the EU, such as the EDF, ENPI and IPA, the public is hardly aware of this. In a time where budgets are under strain this means European development cooperation is an easy target, as was seen last December during the parliamentary debate in The Netherlands about the budget of the ministry of Foreign Affairs for 2011. This means the EU needs to step up the communication of its results if it wants to continue its work in the current form and stop member states from diverting money back to their own development cooperation programmes in times of budgetary strains.

Further, good communication about development programmes means decent reporting about these programmes. Only if the Commission, the EAS and its delegations provide the public with enough examples of good practices and concrete results of EU development programmes, in a transparent rather than a propagandist way, will public trust in the effectiveness of EU development programmes increase.

Thirdly, the European Parliament should also have a say about the EDF budget. Currently this instrument lacks sufficient democratic control, because it is not part of the EU-budget. This undermines the credibility of EU development cooperation, also because there are therefore less incentives for accurate monitoring and evaluation.

2.2 Growth for human development

Aid on education has produced good quantitative results, in terms of the increase of enrolment rates in education systems in developing countries. It has produced less results in terms of quality of the education. Many things can be said about this, but one thing which needs to be improved is the school to work transition. In developing countries a lot of educated workers are unable to find a job, not only because of lack of education, but also because of lack of

education which fits to the needs in the job market. Further, a lack of jobs in general means educated workers often opt to migrate to countries where they hope to find (better) employment. Investment in better skills, which enable a better transition to the job market, is therefore crucial.

Apart from this, the importance of more *decent* jobs should also be noted. Lack of a decent wage, normal workconditions and informal labor-relationships also contribute to the fact that workers migrate to countries where they feel they have a better chance at this. Especially if their wage is not enough to cater for their basic needs.

2.3 Promoting Governance

Good and effective governance is crucial for a sustainable impact of development aid programmes. An important factor to this are civil society and free press as countervailing powers to inform the public and hold government (officials) to account. Trade unions, as democratic member organisations are an important part of civil society and can thus play an important role in fostering good and effective governance. Especially in countries where political parties don't always have (at least not in practice) a perfectly functioning democratic membership structure (but are rather political vehicles for certain 'big' man or woman).

It is therefore important that the EU both politically and financially supports capacity-building of civil society, in particular including trade unions, in order to promote and foster good governance. Apart from its development programmes, the use of political dialogue of the EU HOMs and regular contacts of the EAS should be used to promote the right to organise and other circumstances which enable civil society to play a role as countervailing power, free from repression by the state or other actors.

2.6, 3.2 PCD + 'Trade for development'

When it comes to 'policy coherence for development' an important bone of contention is the EU's trade policy. Although the latest communication on "Trade, Growth and World Affairs" does mention that the new trade policy will "pay systematic attention to coherence with our development policies, such as poverty eradication". Maybe the communication on 'trade&development' due later this year will make clear what progress can be expected in this area. According to many, however, several trade agreements which are currently in their finalising stages or are under negotiation, lack in terms of 'policy coherence for development'. It is still unclear, for instance, whether the FTA with India will include a sustainability chapter and the FTA with Colombia and Peru lacks a good mechanism to ensure compliance with human rights (including labor rights), also compared to the current GSP+ mechanism.

Until now it seems that trade agreements often do more to secure economic interests than development interests. Even though they promise to advance both. A more coherent approach should therefore not just be reflected in the wording of an agreement, but in the mechanism to enforce this. Clauses on human rights should be included and given enough 'teeth', in line with (but preferably stronger) what is currently the case under GSP+, to remind countries that it is in their business interest to adhere to human right standards of the EU.

Currently the impression is still as if the interests of DG Trade, and EU business for that matter, trump those of DG Development, DG Employment and other parts of the European Commission which should have a say on coherent trade policy. In order to change this it might also be interesting to set up an independent 'coherence unit' which checks the external

policy of the EU for coherence. As for example has been done in The Netherlands, where the Ministry of Foreign Affairs has a 'coherence unit'.

As is mentioned above, political dialogue should also be used more as an instrument to advance the objectives of EU development policy. Especially since the coming into effect of the Lisbon Treaty and the EAS, EU delegations should use this instrument more to address issues concerning human rights and political freedom.

3.1 Partnerships for inclusive growth

With reference to the points made above, there are two aspects that are crucial when it comes to fostering inclusive growth: international trade policy of the EU that is really coherent with development policy, both concerning social and ecological aspects, and development programmes that not only focus on building the capacity of governments, but also civil society and trade unions. The last not only because they can play an important role as countervailing power to governments, but also to business. More than NGO's trade unions are member organisations, meaning they have a large network which can provide them with the necessary input to take business into account when they violate labor rights enshrined in national law, OECD guidelines or ILO standards. In short, trade unions have unique expertise on labour law and labour conditions.

Apart from taking companies which violate law to account, trade unions can also be important in order to foster corporate social responsibility by European Multinational Companies which are willing to do business in a sustainable way. Especially in countries where there is a weak government and rule of law, trade unions can be an important partner for companies which want to set up sustainable and inclusive business. In order to stimulate these partnerships between trade unions, ngo's and business the EU should consider exploring the possibilities of setting up public-private partnerships in for instance the field of fair trade (for instance projects to make value-chains more sustainable), meso-finance (in order to support SME's) or food-security.

Trade unions are thus not only important as a countervailing power, but also as a partner, to promote decent work through social dialogue. As studies of the OECD and UNDP, among others, point out social dialogue contributes both to the welfare of workers and companies in a country. Social dialogue between legitimate representatives of the workforce and the employers often leads to outcomes which are acceptable to both sides, therefore improving the social stability and thus the investment climate in a sector, region or even a whole country. The promotion of decent work through social dialogue by recognised and free trade unions and employers' organisations is therefore an important contributor to sustainable growth and should be supported by the EU.

Finally, as mentioned in the beginning. We welcome the fact that Green Paper focuses more on the importance of inclusive and sustainable economic growth for development than was previously the case in (European) development policy. However, we also like to stress that economic growth, like development programmes, should be a means not an end, which contributes to the wellbeing of the population at large. This should clearly be reflected in the new development policy of the EU.