

## TRADE UNION CONTRIBUTION TO THE EU GREEN PAPER CONSULTATION

### INCLUSIVE GROWTH FOR SUSTAINABLE DEVELOPMENT IN THE GLOBALISED WORLD

The trade union movement welcomes the green paper of the Commission on Inclusive Growth and Sustainable Development. It shares the concerns of the commission for improving effectiveness of development outcomes and especially for strengthening the fight against poverty.

The decades of reckless structural adjustments have indeed sharpened the development crisis and the gap between countries and within the countries.

If statistics may show that many people have been lifted out of poverty over the last years, mainly as a result of the performance of a few successful states such as China and Brazil, evidence also proves that inequality has risen sharper than ever. Also the governance crisis is more than ever a fundamental challenge: state and other governance structures have been weakened and reduced to powerless tools by unconsidered deregulations and privatisations of public goods and services and inadequate development support strategies of the past. Governments have been reduced to less than the minimalist state, and blind confidence in the invisible hand of the free market has not delivered but provoked rampant informalisation and precarisation of working populations, which has seriously darkened the perspectives for the new generations. Fragile states, civil wars and exclusion have destroyed societal solidarity and commitment for the common interest of people. Jobless growth patterns and externalisation of profits have deprived many developing countries of the benefit of economic growth for development.

In this context the trade union movement does welcome the emphasis placed by the EU on **inclusive policies** as opposed to development strategies producing growing inequality, jobless growth patterns and a laissez-faire market model, based on externalisation of benefits. The “private turn” in development cooperation policies should be framed, as are the rest of the actions and actors, by the international human rights provisions, including political and social rights, core labour standards, gender equality and environmental justice.

The **Decent Work agenda** is today a central concept in development policy. The concept Decent Work, which was introduced by the International Labour Organisation in 1999, is now target 1b in the MDG-goals, and the EU supported the DW strategic objectives since 2006, publishing its COM (2006) 249 “Promoting decent work for all” – the EU contribution to the implementation of the Decent Work agenda in the world.

Also among the **social partners** (workers' and employers' organisations) in the European Union Member States, there is consensus on the necessity of decent work. The European Economic and

Social Committee (EESC)<sup>1</sup> unanimously carried an opinion (REX/296), in July 2010, in which the EESC underlines the importance of the concept of decent work; recommends a better incorporation of the term in the MDG-goals and urges stronger support to the social partners, being important actors to be fully involved in the political dialogue with the EU on development policies.

The trade union movement also encourages the **EU to consider its development strategy as part of the overall effort of the global community** to come to terms with poverty and social injustice. It therefore underlines the need to establish the necessary coordination on development between the EU and its member states and the relevant UN bodies and agencies as well as with the efforts delivered under the umbrella of the OECD on aid and development effectiveness. The EU should also promote coherence, coordination and harmonisation with the development initiatives set up recently by the G20 and others.

### **HIGH IMPACT AND VALUE FOR MONEY.**

- We share the concern for effective and accountable development policies, including aid. However valid domestic accountability concerns in donor countries should not lead to short term accounting practices that do not do justice to the intricacy and complexity of development. Impact and value for money can only be measured as related to **the contribution aid can make to reach sustainable outcomes**. Impact and value of development is far more than the direct effect of aid, and in no way a linear result of it. This would require a dialogue based and narrative impact assessment rather than the traditional methods that proved very limited in assessing complexity and reality of development beyond money.
- Creating, beyond bureaucratic regulations and accounting sheets, **permanent, rights-based, participative, multistakeholder-structured dialogues on development policies**, is crucial and a prerequisite for ensuring, ex-ante, maximum impact, accountability and visibility.
- In fine, the main value for assessing impact is the broad human rights framework as indicator for the achievement of development results in-country (including human rights, gender equality, decent work and environmental justice). This does not only refer to the established national developmental goals, but refers also to the respect of the internationally agreed commitments such as ILO conventions and standards, UN-based resolutions on human rights, women's rights (CEDAW etc), UN convention on ESCRights, etc.

### **GROWTH FOR HUMAN DEVELOPMENT.**

- Recognising the potential and essential contribution of growth to development, yet there can't be any sustainable development without redistribution of the benefit from growth. In order to ensure this redistribution, the development cooperation policies should :
  - Promote the full ILO Decent Work Agenda respecting its coherence;
  - Enhance the capacities of partner countries to finance their own development.
- **Education for all** is necessary in order to make certain that as many persons as possible are being given livelihoods instruments to lift themselves from poverty. The ITUC's experience is that in

<sup>1</sup> EESC opinion, rapporteur: Mr Iuliano: REX/296, 2010 Development Cooperation Instrument (CDI) of the European Union: the role of organised civil society and the social partners

many developing countries the cost of schooling and the loss of income from potential child labour are the factors that influence a household in their decision to send or not their children to school. Therefore, EU's and Member States' should support the "education for all" strategies making children attending school a more 'profitable' livelihoods option, not only in the long-term but also in the short-term, comparatively to sending children to work. **Vocational training (on-the-job and life-long) /skills development and technology transfers** are crucial elements of improving labour market capacities for development. Vocational training is indeed a multifunctional instrument to promote literacy, employability as well as social cohesion, communicative and participative attitudes, creativity and sense of innovation. It is taking a productivity-enhancing and value-adding approach to the existing and future economic activities. It is furthermore an important tool to combat discrimination and exclusion. Vocational training has to be accessible as a concrete opportunity for the disabled (physical and intellectual) for their full insertion in the society and in coherence with the principle of non discrimination.

- The EU and Member States should implement skills' demand mapping and skills' forecasting exercises in partner countries **in cooperation with the social partners**. Both the enterprises and the workers will benefit from such programmes, and better conditions would be created for the national economic output. Social dialogue has proven in this sense to be an effective and efficient method to reconcile the needs of both workers and business, based on experience and expertise from the work-floor. As a matter of good practice, the EU and its Member States could take into account ILO's experience in skills programmes like the Training for Rural Economic Empowerment (TREE) Programme, which aims at reducing poverty in rural communities, and the ILO/CEDEFOP "Skills for Green Jobs" studies. The EU should work in conjunction with the social partners and the ILO's Skills and Employability Department in creating human resources development programmes in developing countries.

*The EU should also encourage further learning opportunities for employees both in the formal and informal sectors perhaps through specially designed schemes such as "unionlearn" in the UK. [www.unionlearn.org.uk](http://www.unionlearn.org.uk)*

- **Social Dialogue**, bringing together the economic actors, is also an important tool to address the challenges of the informal economy. Informal economy, being a survival strategy, however cannot be part of a development strategy. Informal economy needs to be integrated into the labour market and therefore regulated and lifted out of informality in order to contribute effectively to sustainable growth, redistribution and development. Organising workers and employers in the informal sector and installing a genuine social dialogue is an important step towards and prerequisite off self-regulation and formalisation of working relations, social protection and security.
- **The enforcement of health and safety measures at work.** Victims of industrial accidents and occupational diseases are very often workers from poor and vulnerable communities. The ILO estimates that some 4% of the world's gross domestic product is lost through occupational injury, disease and death. We welcome any initiative by the EU for effective enforcement of occupational health and measures on both economic and social grounds through its development assistance programmes. It is also important that EU development policies to encourage and facilitate the observance of labour standards in recipient countries – including the enactment and enforcement of legislation in order to give effect to the rights and entitlements enshrined in the key conventions.

- **Migration:** The EU and its member-states should ratify the ILO Convention 97 (Migration for Employment) and Convention 143 (Migrant Workers Supplementary Provisions) and the 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families and adopt and support strategies that are in line with their implementation.
- The EU has to promote and support the participation of migrants workers in development programmes as new actors in both societies, in a co-development approach. Cooperation practices to uphold legal migration processes between the origin and destination countries should see a more prominent role and support to social partners, who provide vocational training and orientation services to migrants.

### **GOVERNANCE, SECURITY AND FRAGILITY**

An important factor in governance, and in particular in development governance, is the existence of a vibrant civil society that can act as countervailing power, based on representative, member-base, democratic and self-governed social movements such as trade unions. Supporting the civil society to organise and take up its role as part of inclusive democratic governance should be a key element of the EU and its member states strategies.

- The EU and its member states should take care of detaching the support for civil society of any government control, approval or interference through bilateral and/or multilateral agreements between states and therefore establish, in cooperation with civil society, appropriate channels and mechanisms. According to the EESC opinion (REX/296), international civil society cooperation should be seen as one of the major and effective channels for supporting the in-country development of civil society organisations<sup>2</sup>.
- The EU should work in close collaboration with trade unions and other civil society organisations in the rehabilitation phase. Special assistance should be provided to restore essential public services – schools, hospitals, water and sanitation, destroyed or disrupted during conflict. Moreover, the EU needs to take into account genuine security concerns of some its partner countries prone to conflict.

*The strengthening of civil society in Sierra Leone through capacity building in the trade union movement has contributed to the political stability and peace in the war-torn country. Support for civil society organisations including trade unions has enhanced their capacity to take part in national reconciliation and reconstruction programmes.*

- There is need for reducing inequalities in income and access to basic public services for all sections in society, as injustices or perceived injustices in access to resources often lead to violent conflict.

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<sup>2</sup> See EESC opinion, REX/296, 2010, 1.8 “In this regard, the EESC highlights the need to recognise the international dimension of civil society at both political and operational level. This is most effectively expressed through membership-based organisations in the global north and south: for example, the social partners, the cooperative movement, etc. Because these organisations represent global bodies, it should be possible for them to be consulted officially as part of the process of programming the EU's cooperation policy priorities on a permanent basis.”

- Social dialogue, an essential part of the Decent Work Agenda, is the best framework for ensuring genuine participation of workers and employers in economic and social policy fields and should be funded as an important priority for in-country action.
- “Embedded” through social dialogue and collective agreements, social peace, conciliation, cohesion and democratic participation at social level among groups of interests is essential in transition/fragile situations and should be part of the non-military array of instruments to allow stability and the enabling environment for development. The implementation of social dialogue, established as a model for reaching agreement between social partners in the EU, should also be supported in third countries, where it is precisely the dynamics of democracy that need to be exercised and strengthened. In this respect social dialogue is, by its very nature, an instrument of conflict-prevention as well as conflict-resolution among parties, being based on freedom of expression and association.
- Proactive workplace and vocational training is also here an important developmental tool. It should be provided for allowing demobilisation and social reinsertion of soldiers and armed civilians (child soldiers). These should also be part of literacy programmes and rehabilitation initiatives (especially for vulnerable groups in the fragile states such as young people, women and disabled people).
- Violence against girls and women should be taken up as an essential part in educational and security programmes of development strategies, in particular in fragile and post war situations. Also other vulnerable groups need special attention and care through EU support programmes such as the elderly, the sick and disabled people, as they are often neglected in conflict situations.

*The EU and its Member States should include new or additional instruments and indicators in order to promote economic and industrial relations governance reforms. The ILO's Committee of Experts on the Application of Conventions and Recommendations (CEACR) produces country-focused annual “General and individual observations” and “Direct requests” with a view to promoting compliance of national laws with the eight core labour standards Conventions. In addition, the ITUC produces an Annual Survey of Violations of Trade Union Rights utilising data gathered by its affiliates in more than 150 countries worldwide. In the Survey there is information on the laws that establish trade union rights and information on abuses of rights in practice. Moreover, the ITUC prepares a “Report for the WTO General Council Review of the Trade Policies” based on the WTO's schedule of Trade Policy Reviews. In this country-focused report the ITUC exposes legal and practical deviations from the core labour standards ILO Conventions.*

## **COORDINATION OF AID**

Structured (rights-based) and permanent multistakeholder dialogues are the best way of implementing gradually and effectively coordination and harmonisation. They should be pro-active and involve all stakeholders in shared policy setting and decision-making. They should be an integral part of the bilateral cooperation procedures.

- The EU and its member states should include EU civil society representation in its delegations<sup>3</sup>. They should invite partner governments to do the same and provide incentives for multistakeholder dialogues to take place.
- As already referred to above, the EU and its member-states should take care of detaching the support for civil society of any government control, approval or interference in bilateral and/or multilateral agreements between states. In cooperation with civil society, appropriate channels and mechanisms should be established. Advantage should be taken of the international civil society networks and cooperation structures as one of the major and most effective channels for supporting the in-country development of civil society organisations, insuring their autonomy and right of initiative.
- Coordination and harmonisation/division of labour is also an important focus of the work of the OECD hosted WP on Eff and of the UN DCF. The EU and its Member States should avoid duplication of the setting up yet another level of coordination but rather take an active role in simplifying and intensifying the international aid architecture for coordination and harmonisation.
- The EU should consider to uplift the promises under the Paris Declaration and the AAA as well as within the UN framework, by proposing the adoption by a legitimate international multistakeholder assembly, of an international binding and accountable instrument for development effectiveness, setting international standards and supervisory mechanisms in order to keep pace of engagements and commitments.

### **POLICY COHERENCE FOR DEVELOPMENT**

With the new EAS entering into action, coherence becomes both an asset and a treat for the EU development cooperation. Development cooperation whilst being an essential part of the external action of the EU should serve the international agreed commitments on political/social rights and the developmental objectives of the partner countries as a whole (coherence and alignment on country ownership) and not be aligned or conditioned by unilateral EU driven policy imperatives (trade, agriculture, etc.).

- Permanent, structured and multistakeholder dialogues are the best instrument to assess progress. Therefore the PCD Work Programme, as a potentially effective instrument for PCD, should be part of the structured multistakeholder dialogue on development, including representative civil society organisations (as actors in their own right) and replace the unilateral and ineffective “consultation” (de facto “information”) procedures organised by the commission for civil society.
- PCD, as an instrument of the bilateral action of the EU, should also be embedded in the multilateral frameworks and seek to contribute to PCD globally. The EU and its Member States should consider the setting up of an UN Economic and Social Security Council as an instrument to ensure PCD globally and monitor potential conflicts of interest in the social development.

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<sup>3</sup> Also supported by the EESC in the same opinion



## **PARTNERSHIPS FOR INCLUSIVE GROWTH**

The trade union movement welcomes the emphasis on inclusive and sustainable growth. However, growth should not be considered as an aim/indicator by itself but as a means and thus an (key) element of an inclusive development strategy. Economic governance is an essential part of overall governance, and social dialogue is an essential part of democratic economic governance and for allowing growth to be accountable towards sustainable development goals.

- Effective social and economic governance should be based on respect of rights and decent working conditions, social protection, social security and fair redistribution of incomes.
- Trade unions should be recognised in their role as social partner, economic actor, countervailing civil society organisation and representative citizens' spokesperson.
- Workers and employers organisations should be supported in their long term capacity development initiatives, aimed at taking up their role as representative social partners in a responsible and professional way. Promotion of Decent Work through social dialogue with recognised organisations of employers and workers is demonstrated to be the best way of ensuring sustainable impact of inclusive growth.
- Social partners should also be structurally involved in the EU development policy setting and implementation<sup>4</sup>.
- General education, community and family health, including preventive health education, and basic utilities, including provision of clean water, are all provided essentially through public services. The EU and its member states must also strengthen essential public services and stop enforced privatisation. At the same time, trade unions fully recognise the importance of taking measures to enhance the effectiveness of quality public services. Transparency and accountability help combat corruption, whether in the public sector, or most importantly, at the interface between the public and private sectors. Trade unions, including the unions representing public employees, can play a vital role in combating corruption and in enhancing the effectiveness of essential service delivery.
- The EAS should provide for social and economic monitoring through the appointment of labour attachés in the EU delegations.
- The EESC's role in the institutional development debates should be strengthened.

## **REGIONAL INTEGRATION AND FAIR TRADE**

- The EU should use the Sustainability Impact Assessments (SIAs) as the basis for designing free trade agreements and association agreements that will be better and more beneficial for all. The

<sup>4</sup> As the European Commission itself points out, "[t]he EU believes respect for social rights and labour standards leads to durable and equitable social and economic development" and consequently that "key players are the social partners (business, trade unions) ... trade unions are often the largest mass membership organisations in partner countries, and are watchdogs for international labour standards". Communication from the Commission to the Council and the European Parliament – The European Union's role in promoting human rights and democratisation in third countries (COM(2001) 252 final).

timing for such a move is correct, as the SIAs are currently going under revision in terms of their content and their use in the trade negotiations.

- When EU engages in asymmetric trade, it should be courageous enough to accept many unilateral concessions to its own market and limitations of its access to the developing country's market. Moreover, much longer periods of implementation of the agreed measures for the developing countries could provide the developing economies more space to adapt in the post-agreement realities. The trade arrangements should allow developing countries to develop value-adding industries and diversify their production as well as build the general resilience of their economies.
- The European Generalised System of Tariff Preferences for the Least Developed Countries (GSP+) should foresee measures for the application of the 27 specified international conventions and not mere ratification. The EU should also provide technical assistance and finances in order to help developing countries apply the conventions in practice in cooperation with the ILO and the other relevant UN System International Organisations. The European Union should also utilise its Generalised Systems of Preferences (EBA, GSP, GSP+) in order to promote the respect of ILO core labour standards and human rights and promote sustainable development and good governance. The EU should also raise its capacity to conduct effective and rapid investigations and should exert pressure on developing countries' governments, including by suspending GSP rights, to correct potential abuses of human and labour rights.

### **SUSTAINBLE DEVELOPMENT**

- The EU's development policy should invest in creating an enabling environment for green jobs and for greening the existing economic activities, for anticipating potential losses of economic activity, employment and income in certain sectors and regions, and for protecting the most vulnerable throughout the economy, so that the developing countries achieve a just transition to the low-carbon economy.
- Encouraging public and private investment, transforming industrial sectors and the adopting targets for renewable energy and energy efficiency, recycling, taking measures against deforestation, and transferring necessary technologies to developing countries should be in the heart of the EU development aid policy. Aid and climate finances should be directed in creating a vibrant new industry of environmental goods and services (EGS) in the developing countries through the use of local and indigenous expertise, technology transfers and the enhancement of human resources for sustainability (green skills), as well as with opening all trade for these products.
- Areas with low-density of population are particularly fit for decentralised systems of renewable energy production while densely inhabited areas provide with the advantage of renewable energy grids' creation. The EU has created technology that can address the needs and take advantage of both settings. Helping the developing countries take a different course to development than the polluting and carbon-intensive model of the developed world would be a great deal of an achievement.
- The EU development policy could play a role in guaranteeing developing countries' privileged access to European green technology and prepare the workforce with green skills programmes to install and maintain the renewable energy plants. Development aid should also be directed in the



creation of such technologies in the developing countries, after consultations with the aid partners and after assessment of such investment's efficiency. The programmes orientation should be providing the vision of energy access for all.

## **CONCLUSIONS**

The trade union movement acknowledge the fact that the main purpose of the Union's development policy is *to reduce and in the long term eradicate poverty*; that there is a need for taking the EU's development policy into account in the programming of other policies such as trade, migration, climate and environment; and the necessity of increased effectiveness in development policy, among other things, through better coordination of the Union's and the Member States' efforts within the development area and in the international development fora.

It is beyond doubt that poverty-oriented and inclusive economic growth is a precondition for development. If, however, the profit is not to end up in the pockets of a small and wealthy minority group, it is central that growth is based on decent jobs anchored in a sustainable labour market where social dialogue and respect for fundamental labour standards make up solid pillars.

It is therefore satisfactory that the Green Paper emphasises the need for a *larger and more inclusive growth in the developing countries* and at the same time opens up for a debate on the necessity of *developing joint strategies for inclusive growth* in partnership with private-sector stakeholders, among these the trade union movement and civil society organisations.

Decent Work today stands as a firmly cemented concept and is seen as a significant precondition for combating poverty. The trade union movement consequently believes that it is necessary that the European development policy contain concrete initiatives, supported by financial instruments, as suggested above, which will ensure that Decent Work becomes a central element in the future development policy of the European Union.

Brussels 17/01/2011

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