



TOWARDS A COMPREHENSIVE PARADIGM FOR DECENT WORK AND DEVELOPMENT EFFECTIVENESS

TRADE UNION POSITIONS AND MESSAGES FOR THE FOURTH HIGH LEVEL FORUM ON AID EFFECTIVENESS IN BUSAN – NOVEMBER, 2011

EXECUTIVE SUMMARY

REVISED DRAFT

Despite some progress in advancing the agenda on aid effectiveness for development results, trade unions contend that much more needs to be done if the Paris Declaration/Accra agenda for action (PD/AAA) processes are to move significantly forward in terms of real development effectiveness.

Given the shortcomings of the neo-liberal paradigm that has dominated development policy-making and caused persistent poverty and a huge decent work deficit, trade unions call for a more comprehensive development paradigm that shifts from aid to development effectiveness.

Development effectiveness is defined by trade unions as the generation of positive social outcomes in terms of decent work, social protection, social dialogue, respect for human and trade union rights, gender equality, environmental sustainability, and the enjoyment of decent livelihoods and well being by all.

*To achieve development effectiveness, trade unions call for the adoption by the Fourth High Level Forum of a **Busan Declaration on Development Effectiveness** which should address three major goals:*

- I) achieving development effectiveness,*
- II) realising the commitments made on aid effectiveness, and*
- III) supporting trade union and CSO's as development actors in their own right.*

I. Achieving Development Effectiveness

Because of its capacity to produce self sustaining growth, **the Decent Work Agenda** must be at the heart of development effectiveness, and of the new development paradigm. Decent Work must be an explicit objective of aid and development policies. For each of the four pillars of the Decent Work Agenda, initiatives should be identified for support by donor countries and partners:

1. **Job Creation** – Programme and direct budget support for job-centred growth policies, aimed at stimulating the productive base of local economies and targeting, in particular, women and men in unprotected and informal work as well as young workers. Budget support for the strengthening of active labour market policies, labour legislation and labour inspectorates, with the aim of advancing the Decent Work Agenda at national level.
2. **Core Labour Standards** – in keeping with internationally agreed labour standards, and in the interests of fair, sustainable, inclusive development, the rights to freedom of association of trade unions defending the well-being of workers, should be respected.
3. **Social Dialogue** - in keeping with internationally agreed labour standards, trade unions must be recognised as legitimate social partners in the formulation of development and labour market policies at national and sectoral levels, and in firm-level collective bargaining.
4. **Social Protection** - The Universal Social Protection Floor Initiative should be embraced by partner countries, and should be supported by adequate multilateral and bi-lateral donor funding. It should be gender sensitive, and should aim to provide citizens with key social services and income support to combat poverty.

Environmental Sustainability. In keeping with the goal of environmental sustainability, public and private investments should be harnessed for the purpose of transforming industrial sectors and greening existing economic activities, while creating an enabling environment for green and decent jobs, and incorporating “Just transition” measures aimed at protecting the most vulnerable, and at training and redeploying workers into the new low-carbon economy. Aid and climate finance should be allocated to the creation of vibrant new industries of environmental goods and services (EGS), prioritizing the use of local and indigenous expertise, technology transfer, human resource development, and the opening up of trade for green products and services from developing countries, under conditions of fair trade, and respect for core labour standards.

II. Realising the commitments on Aid Effectiveness.

1. **Democratic Ownership** - Democratic ownership of development strategies by the people, through representative institutions, (national parliaments, local authorities, trade unions and civil society organizations) must be the main instrument to achieve effective governance of development. Respect for the fundamental principles of freedom of association and freedom

of assembly, as enshrined in the Universal Declaration of Human Rights and ILO Conventions 87 and 98 are prerequisites for the creation of an enabling environment for the democratic ownership of development processes.

2. **Ending Policy Conditionality** - Both donor and partner countries must adhere to internationally agreed commitments and multilateral/global standards in the fields of human rights, labour rights, women's rights, and environmental sustainability, complying with obligations administered by the competent multilateral treaty bodies, as well as with fiduciary responsibilities. However, donor countries should not impose economic and political conditionalities on partner countries. These violate the principles of country and democratic ownership, restrict policy space, and undermine the role of governments in providing public services.
3. **Mutual Accountability** - Donor and partner countries should hold each other mutually accountable for multilateral and aid-specific agreements made. They should establish reporting mechanisms that keep stakeholders informed on all relevant aspects of aid modalities, agreements and allocations. A comprehensive reporting/monitoring mechanism should be established, providing for full public disclosure from donor and country systems, and including open, transparent peer reviews, aimed at ensuring systematic and mutual observance of the Paris Declaration/AAA principles, and at countering all practices of corruption and poor governance.
4. **Untying of Aid and Role of the Private Sector** - Aid should be untied, and clear preference given to job-creating local procurement, with the aim of promoting employment and decent work. The terms of engagement of the private sector in development cooperation should be clearly defined. Criteria for awarding contracts should include commitment to decent work objectives, respect for core labour standards, prioritization of pro-poor development outcomes, environmental sustainability and gender equality. Screening processes for contract awards should be transparent and participatory, involving participation of trade union representatives and other stakeholders, and should provide for follow-up monitoring and evaluation, incorporating measures aimed at countering all corrupt or unethical practices. Well-proven instruments exist already incorporating these benchmarks, namely the ILO Tripartite Declaration on Multinational Enterprises and Social Policy, and the OECD Declaration on Multi-national Companies. These should be systematically applied.
5. **Results-based management** - Results-based management must involve, inter alia, the measurement of progress on development effectiveness in terms of reductions in unemployment, income inequality and the decent work deficit, and the creation of decent jobs, as measured by the ILO's decent work indicators, including gender disaggregated markers. ILO Decent work indicators will also facilitate ex-ante benchmarking, and post impact assessments of progress in implementing decent work strategies.
6. **Policy Coherence** - Policy coherence refers to the coherence and consistency between aid/development policies and other policies and frameworks, in the interests of achieving internationally agreed development goals. Aid policies and their implementation should

reinforce, and in no way undermine social goals for the well-being of people and communities. Policy coherence cannot mean that aid/development agendas are instrumentalised in view of trade, investment, financial, foreign policy or military interests.

The Busan Declaration on Development Effectiveness should

- affirm the goal of policy convergence with the UN and ILO normative frameworks on:
 - International labour rights
 - Human rights
 - Gender equality
 - Environmental sustainability,
- commit to coordination between the United Nations Development Cooperation Forum (UN DCF) and the Working Party on Aid Effectiveness, in the interest of achieving policy coherence.
- make specific commitments to increased cooperation with the ILO. Given its unique mandate to promote social justice across all areas of economic and social policy, including trade and finance (the 2008 Declaration of Social Justice for a Fair Globalization), the ILO has the competence to offer development solutions which are coherent, sustainable and effective. .

III. Support for Trade Union and CSO Engagement as Development Actors in their own right.

An important factor in the governance of development cooperation is the existence of a vibrant civil society that can act as a countervailing force to enhance accountability, based on representative, member-based, democratic, autonomous and self-governing arrangements. Trade unions have undertaken their own consultative process, resulting in the adoption of *The Trade Union Principles on Development Effectiveness* (February, 2011). These aim to guide trade union development cooperation activities, including the participation of trade unions in PD/AAA processes. Trade unions have also participated in a similar consultative process of the CSO Open Forum, which resulted in the adoption of the *Istanbul CSO Development Effectiveness Principles* (November, 2010).

In line with Art. 20 of the AAA which recognizes the contribution of CSOs to development, the *Busan Declaration on Development Effectiveness* should give full consideration to these two sets of principles. These should guide partnership arrangements with trade unions and CSOs respectively, in the context of PD/AAA processes. The objective must be to ensure an enabling environment for trade unions and CSOs to reach their full potential as development actors in their own right, based on the autonomy of these organizations, as guaranteed by internationally agreed standards on freedom of association.