



The EU Council conclusions on the role of private sector in development overlook decent work and social dialogue

On 12th December, European Foreign Affairs Council adopted a [second set of conclusions on the role of the private sector in international development](#). The document follows the EU Commission's communication, released on 13th May 2014, and the first set of Council conclusions, published on 24th June 2014.

Trade Unions are deeply disappointed that the promotion of decent work (and its four pillars), as fundamental component of sustainable development, has been overlooked in the conclusions. The notion of “decent jobs” quoted in the document, is not sufficient to reflect the rights-based approach of the decent work agenda, including the ILO standards and conventions, as binding commitments, collective bargaining and social dialogue.

The role of social dialogue is omitted. Social dialogue constitutes not only a means to improve socio-economic conditions (mode of implementation of sustainable development), but it is also a concrete tool to grant accountability of business as opposed to voluntary approaches and to achieve ownership of development policies. Unfortunately, the current conclusions do not retain social dialogue in either of these dimensions.

The overall approach to business accountability for development is insufficient. Although we welcome the framework of principles and criteria (including fiscal standards) stated by the Council, we strongly regret that this is still seen as mere “guidance in assessing the appropriateness of proposals for direct support” to private sector. This degree of discretion fully contradicts the compulsory nature that the framework should have when it comes to implementation.

The private sector structured dialogue model neglects once again the specific role of social partners (employers and workers representatives). Trade Unions demand that social partners are included on an equal footing in policy-making processes around private sector support in development, at global, regional and national levels.

Trade unions welcome the priority to support local social enterprises and cooperatives through access to capital and long term financing and particularly to support the “social and economic empowerment of women and youth.” On the other hand, the stand of the Council on blending and PPPs as primary private sector support modalities in developing countries,



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seem hardly compatible with flourishing of local private sector actors. Blending and PPPs are often used for implicit support to public subsidy of European/international businesses operating in developing countries, risking undermining country ownership and untied aid commitments

Trade Unions appreciate the promotion of the implementation of “internationally recognized guidelines and principles” concerning business behavior. However, § 22 stresses the relationship between the integration of human rights and the competitiveness and sustainability of a company. It also promotes the idea that the private sector be motivated to “go beyond internationally agreed standards in order to develop voluntary approaches”. These ideas evoke the old EU definition of CSR. Responsibility cannot be a voluntary concept as it concerns accountability for the consequences of one’s actions. Moreover the UN Guiding Principles are clear that business enterprises must respect all of the recognised human rights whether or not this is good for enterprise.

The emphasis given to the UN Guiding Principles on Business and Human rights is welcome but important concepts should be explicit. Operationalizing UN Guiding Principles are essential to any private sector role in rights-based development programs. Due diligence and addressing negative impacts of business activities are the essence of this approach and constitute the expectations of what constitutes responsible business behavior.

Finally, trade unions call EU member states to take the lead for bringing consistence and coherence in development taking into account earlier adopted polices, in particular the Agenda for change where the role of decent work and social dialogue has been fully recognized in the context of sustainable development.

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