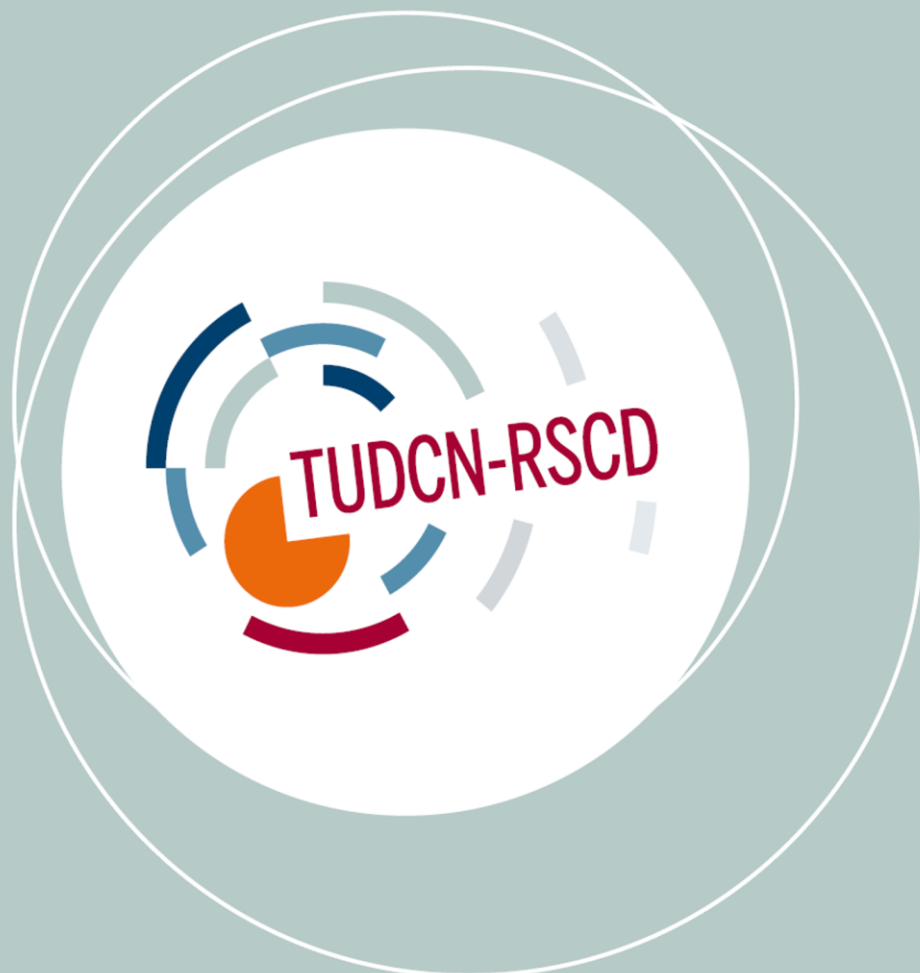


Decent work and social dialogue to leave no one behind

Trade union position on the revision of the
European Consensus on Development

September 2016



Trade union priorities for the new European Consensus on Development

Inclusion, equality and decent work:

- The EU and its Member States should work towards an inclusive, effective and results-oriented new European Consensus on Development, that fosters the participation of civil society and social partners in policy-making and implementation.
- The EU should be at the forefront of 2030 Agenda implementation and follow up, through EU development policy and development policies of the Member States.
- The EU should contribute to a rules-based global order that puts sustainable development at the heart of global development debates and policy-making.
- Make “leave no one behind” a reality by recognising and taking action on the ever increasing inequalities people face, within and between countries.
- Work for inclusive societies in partner countries, that provide opportunities for decent work for all, reducing inequalities and effectively eliminating poverty.
- Make the four pillars of the Decent Work Agenda – social dialogue, social protection, rights at work and employment – indispensable building blocks of sustainable development.
- The EU should recognise the contribution of social dialogue to the realisation of the 2030 Agenda.
- The EU should support civil society and social partners in developing countries, whose role is critical to tackling inequalities.
- The new Consensus should highlight the positive aspects of labour migration, but also the negative aspects which force people to migrate, including global inequalities, economic disparities and systemic issues.

Private sector accountability:

- Grant accountability of private sector as development cooperation partner.
- Set eligibility and assessment criteria of private sector impact in development.
- Private sector should not become a suitable replacement to the state in delivering essential public services.
- Business compliance to binding social and environmental standards must be granted if we want to achieve sustainable development.
- Privatisation of the development agenda should be fought, including the uncritical approach on mechanisms such as blending and public-private partnerships (PPPs).

Climate change and just transition:

- A just transition should invest in decent work opportunities in sectors which reduce emissions and help communities adapt to climate change.
- Foster social dialogue, which can play a pivotal role in assisting workers and communities whose livelihoods depend on sectors that must reduce carbon emissions.

Financing for development:

- The EU should realise its commitment to achieve the 0.7% ODA/GNI target, in line with DAC principles.
- The EU should support partner countries in claiming what is theirs, primarily uncollected tax due to tax evasion, tax dodging and illicit financial flows.
- Aid resources should be used to reduce poverty and inequality and achieve the SDGs.
- All EU trade instruments should be aligned with the SDGs.

Introduction

The revision of the European Consensus on Development is a much-awaited process that responds to the adoption of the 2030 Agenda for Sustainable Development, the Paris Climate Agreement and the launch of the Global Strategy for the European Union's Foreign and Security Policy.

The world has changed dramatically since the 2005 Consensus. High and rising inequality has a significant social and economic cost. **The current rise in inequality is increasingly at odds with established paths towards sustainable development.** Climate change jeopardises the livelihood of workers and their families. Fragility and security hampers the development of countries, and forces millions into migration and forced labour.

The EU can contribute to a rules-based global order that puts sustainable development at the heart of global development debates and policy-making. Developing countries need a global champion that promotes a human rights based approach, **an increased participation of civil society and social partners in policy-making and implementation**, and a force for good in the championing of development effectiveness, tax collaboration, decent work and social dialogue, an enabling environment and a people-centred use of ODA.

The new EU development framework must fully align with the 2030 Agenda commitments, and set up a clear implementation and follow-up roadmap, both at EU at Member State level. This necessarily means an **alignment and coherence between internal and external policies of the EU dealing with development**, i.e. trade, human rights, climate change, with Policy Coherence for Sustainable Development (PCSD) as a guiding tool.

The EU should promote a rules-based global order with multilateralism as its key principle and the United Nations at its core. Trade unions demand that labour standards and binding mechanisms for private sector accountability in development are part of these efforts, including the rules governing global value chains.

The Trade Union Development Cooperation Network (TUDCN) puts forward its main priorities for a New European Consensus on Development, for the consideration of the European Commission, the European Parliament, the European External Action Service and the Council of the European Union, in view of achieving an **inclusive, effective and results-oriented new Consensus**. This position paper is based on the trade union contribution to the EU consultation on revising the European Consensus on Development.¹

A new EU Consensus for the SDG era

High and rising inequality has a significant social and economic cost. Evidence shows that rising inequality, combined with the behaviour of financial intermediaries contributed to the financial bubble prior to 2008. **The current rise in inequality is increasingly at odds with established paths towards sustainable development.**

The new global development agenda, enshrined in the 2030 Agenda for Sustainable Development and its Sustainable Development Goals, has since the early days of its negotiation been accompanied by the slogan and ambition to "leave no one behind". For workers and the union movement this means **recognising and taking action on the ever increasing inequalities people face, within and between countries.**

Decent work, poverty eradication and environmental sustainability are three of the defining challenges of the twenty-first century. Economies must be productive to meet the needs of the world's growing population. **Societies must be inclusive, providing opportunities for decent work for all**, reducing inequalities and effectively eliminating poverty.

¹ Trade Union input on revising the European Consensus on Development (22 August 2016), TUDCN-ITUC: <http://www.ituc-csi.org/EU-Consensus-on-Development>

The role of social dialogue in ensuring prosperity for all

The four pillars of the Decent Work Agenda – **social dialogue, social protection, rights at work and employment** – are **indispensable building blocks of sustainable development** and must be at the centre of policies for strong, sustainable and inclusive growth and development.

Trade unions call on the **EU to mainstreaming decent work throughout the external implementation of the 2030 Agenda**, with a stronger focus on decent work (SDG 8), including social protection, and the fight against inequalities (SDG 10), including wage policies.

Social dialogue and collective bargaining play crucial roles in ensuring fair wage distribution, while also tackling informality. **Addressing the issue of a minimum living wage for the “working poor”, constitutes one of the most important priorities to fight inequalities.** The erosion of workers’ bargaining rights over the last decades explains to a large extent the current divergence between productivity growth and wage increases for a majority of workers. The divergence between productivity increases and wage increases is indeed at the heart of inequalities.



Social dialogue requires an enabling environment and an effective institutional framework. This begins with respect for **freedom of association and the right to collective bargaining**. Representative and independent employers and workers’ organisations (social partners), sound industrial relations practices, functioning labour administrations, including labour inspection are the other building blocks of social dialogue.

As an instrument of social and economic governance for development, **social dialogue can contribute effectively to the realisation of the 2030 Agenda.**² It provides more ownership to people, in particular workers, helps to increase accountability and strengthen domestic policies, and contributes to the design and implementation of better redistribution policies. Social dialogue also facilitates social peace and is a forceful instrument for reconciliation and reconstruction.

In many conflict-afflicted areas, reconstruction and reconciliation are key to community and state building. In many post conflict situations and countries transitioning to democracy, **social dialogue has proven to be a powerful tool to stabilise societies.** It can pave a way forward by bringing around the table economic and social actors and governments.

Private sector in development must be accountable

Trade unions demand an **increased accountability of the private sector as actors of development and development cooperation.**³ While trade unions understand the contribution the private sector can make to job creation and economic growth, this should not preclude the private sector and multinational enterprises of greater responsibility and duty to ensure that their involvement in developing countries truly benefits the societies in which they operate.

² The relevance of social dialogue in development (March 2016), ITUC-TUDCN and CPDE: <http://www.ituc-csi.org/social-dialogue-development>

³ Business Accountability FOR Development: Mapping business liability mechanisms and donor engagement with private sector in development (April 2016), ITUC-TUDCN, CPDE and Eurodad: <http://www.ituc-csi.org/business-accountability-for-development>

Private sector should not become a suitable replacement to the state in delivering essential public services, and as a result public finance should continue to be used to strengthen state institutions and strong public services.

With increasing interest in the private sector as a development actor, **existing instruments for responsible business conduct should assume additional importance**. Adherence and implementation of internationally recognised guidelines and principles concerning business behaviour and their accountability instruments should become a key condition to granting private sector support in development cooperation.

The **EU and its member states should agree on a coherent narrative on the role of the private sector** in development in order to make sure that no regions or countries in need are left behind. Also, the EU should agree on a global framework, modelled on the development effectiveness principles and commitments that can also be applied to all forms of support to the private sector.

Business compliance to binding social and environmental standards must be granted if we want to achieve sustainable development. Compliance with ILO labour standards and environmental commitments, social dialogue, corporate accountability/transparency, country ownership, and development effectiveness principles must be the key compulsory criteria for any participation of private-sector actors in poverty eradication efforts and transition to sustainable production.

Responsibility cannot be a voluntary concept as it concerns accountability for the consequences of one's actions. Moreover, the UN Guiding Principles on Business and Human Rights are clear that **business enterprises must respect all of the recognised human rights**. Operationalizing UN Guiding Principles are essential to any private sector role in rights-based development programs.

Adherence and implementation of internationally recognised guidelines and principles concerning business behaviour and their accountability instruments should become key conditions to granting private sector support in development cooperation.

Compliance should be linked to eligibility and an adequate monitoring system should lead to suspension of financial support in case of violations. To ensure policy coherence, the EU should also include these accountability mechanisms in the policies of investments banks such as the EIB.

Trade unions denounce the sustained **privatisation of the development agenda**, and the uncritical approach taken by international organisations and development finance institutions of mechanisms such as blending and public-private partnerships (PPPs). **PPPs have often proven to lead to over-priced public services as well as to situations in which gains are privatised, while losses are socialised**.⁴

The often blind support for PPPs in developing countries – as opposed to traditional public procurement and public services – is irresponsible in the view of trade unions. **Trade unions insist on greater transparency and accountability for blending mechanisms**, which can become instruments for tied aid.⁵ 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.

The SDGs call for a just transition

Climate impacts hit working people first, and with extreme weather events, changing seasons and rising sea levels, whole communities stand on the frontlines. **In order to stabilise the climate, profound changes need to be made to energy systems** – and therefore to all economic sectors. Trade unions are involved in every aspect of this challenge.

Leaving no one behind means working for a just transition, and EU development policy can also work for this endeavour. For instance, during the energy transition process, required by the Paris Agreement and consistent with 2030 Agenda, **social dialogue can play a pivotal role in assisting workers and communities whose livelihoods depend on sectors that must reduce carbon emissions**, and to explore the incentives, regulations and finance needed to assist the industrial transformation and community renewal through facilitating new opportunities.

⁴ The Private Sector and its role in Development: A trade union perspective (April 2014), ITUC-TUDCN: <http://www.ituc-csi.org/the-private-sector-and-its-role-in>

⁵ The development effectiveness of supporting the private sector with ODA funds (June 2016), ITUC-TUDCN and CPDE: <http://www.ituc-csi.org/DFI-study>

A just transition should invest in decent work opportunities in sectors which reduce emissions and help communities adapt to climate change; respect the contribution that workers in fossil-fuel industries have made to today's prosperity; guarantee social protection and human rights; invest in community renewal to gain the hope and trust of regions and townships at the forefront of industrial transformation or climate impacts; support innovation and technology sharing; formalise jobs associated with rescue, restoring communities' and building resilience to climate disasters; and be based on social dialogue with all relevant parties, collective bargaining with workers and their unions for workplace change.



The EU should support civil society and social partners

The EU should continue promoting a human rights-based approach (HRBA) in international development arenas and processes, for the promotion of human rights, democracy, rule of law and good governance. This is crucial for the realisation of the SDGs, particularly in fragile contexts. The respect of basic human rights also is a pre-condition for the creation and sustainment of decent work, social dialogue and social protection.

The EU recognises the role of civil society and social partners in helping ensuring societal resilience, particularly in a global context of shrinking space for these actors, including through violations of the freedoms of speech and association. **The EU should commit for long-term support to global and local civil society**, also through their involvement in early warning and conflict prevention.

The role of civil society and social partners is critical to tackling inequalities, but their participation is quite often dwarfed as basic human and labour rights are consistently violated or not respected or enacted. In line with SDG16 on transparent, participatory and accountable governance, the EU should promote greater participation of civil society and social partners in all aspects of governance in developing countries, and ensure this participation is institutionalised, as is the case with social dialogue.

The EU should sustain and increase its support for non-state actors in development. This is particularly critical in the case of authoritarian and repressive regimes, where civil society and social partners find it difficult to defend their priorities and constituents. This is why pursuing an actor-based approach ensures the most relevant priorities in development, including decent work and social dialogue.



EU delegations should include labour officers with close relations to the social partners in those countries, as well as with the international social partners (including the ITUC and its relevant regional organisations) and with enhanced contacts with the European social partners, including the ETUC. Trade unions encourage the EU to work closely with the International Labour Organisation (ILO) in the promotion of international labour standards.

Trade unions reiterate their offer to EU to work closely in alliance so as to identify credible, representative and democratic unions in each partner country, who actively strive to promote and defend workers' rights. These unions deserve the support of the EU in building their capacity so as to be credible vehicles for development, decent work - including social protection - and the reduction of inequalities - including wage policies.

As CSOs and social partners, trade unions have among the highest degrees of representativeness and outreach, which can be translated into an effective implementation of the 2030 Agenda both inside and outside the EU. **Trade unions are actively involved in the implementation and monitoring of the 2030 Agenda**, including of EU development policies

Migration in the spotlight

Trade unions believe that opportunities offered by migration should be matched with greater observance and respect of human rights for migrants, particularly those in a situation of forced and slave labour. **The new Consensus should highlight the positive aspects of labour migration**, but also the negative aspects which force people to migrate, including global inequalities, economic disparities and systemic issues.

Forced displacement should be clearly distinguished from migration issues. Whereas migration has in most cases an economic motivation, forced displacement can be motivated by climate disaster, humanitarian need and conflicts like war, as well as human trafficking and forced and slave labour.

Migration is recognised in the 2030 Agenda as a potential development enabler. For this to work, migration has to be addressed through a human rights-based approach, targeting the root causes of migration flows, ensuring the respect for fundamental rights of migrants and deconstructing the discourse of the securitisation of borders.

Resources to make the 2030 Agenda a reality

The implementation of the new EU Consensus on Development will need resources that ODA cannot match. **Trade unions reiterate the EU's commitment to achieve the 0.7% ODA/GNI target in line with DAC principles.**

EU development policy should become more flexible, with stable funds but shorter programming cycles, and more flexibility in making limited sums available for civil society support.

The EU should support partner countries in claiming what is theirs, primarily uncollected tax due to tax evasion, tax dodging and illicit financial flows. Partner countries could benefit from assistance in domestic resource mobilisation, such as the establishment and/or enforcement of tax capacity and the fight against tax evasion and tax dodging by multinational companies that operate in their territory.

As regards ODA, **financial additionality should be ensured by establishing indicators that assess financial needs as well as opportunity costs in relation to other development concerns**, and by creating eligibility criteria that favours the domestic private sector that abides to ILO standards and takes into account track records of the private sector actor in delivering development results.

Aid resources should be used to reduce poverty and inequality and achieve the SDGs. The aim of engaging the private sector in development should be to produce positive development outcomes and this should not be compromised by the drive to create and increase profit.

All EU trade instruments should be aligned with the SDGs, including Economic Partnership Agreements (EPAs). The labour chapter of these trade agreements should be aligned with SDG8. Future trade agreements should include strong chapters on sustainable development with enforceable labour and environmental provisions, as well as political dialogue, with a focus on participation of non-state actors and social dialogue as essential building stones for democratic governance.

Poverty anywhere is a danger to prosperity everywhere. **The EU approach to middle-income countries (MICs) should be holistic and based on instruments beyond macroeconomic indicators, which hide fundamental internal inequalities.** The EU should take into account other indicators of economic performance, notably informal labour, social protection ratio, safety nets, wage policies, etc. MICs cannot be singled out as a homogeneous group of countries. They differ in terms of economic and social development, infrastructure and access to markets.

The Trade Union Development Cooperation Network (TUDCN) is an initiative of the International Trade Union Confederation (ITUC), bringing together affiliated trade union organisations, solidarity support organisations, regional ITUC organisations, the Global Union Federations (GUFs), the European Trade Union Confederation (ETUC) and the Trade Union Advisory Committee to the OECD (TUAC). TUDCN's objective is to bring the trade union perspective into the international development policy debates and improve the coordination and effectiveness of trade union development cooperation activities.

Le **Réseau syndical de coopération au développement (RSCD)** est une initiative de la Confédération syndicale internationale (CSI) réunissant des organisations syndicales affiliées, des organisations de solidarité, les organisations régionales de la CSI, ainsi que les Fédérations syndicales internationales (les fédérations sectorielles - FSI), la Confédération européenne des syndicats (CES) et la Commission syndicale consultative auprès de l'OCDE (TUAC). Le RSCD a pour but de traduire la perspective syndicale dans les débats sur la politique en matière de développement international et d'améliorer la coordination et l'efficacité des activités syndicales dans le domaine de la coopération au développement.

La **Red Sindical de Cooperación al Desarrollo (RSCD)** es una iniciativa de la Confederación Sindical Internacional (CSI), que agrupa a diversas organizaciones sindicales afiliadas, organizaciones solidarias (OS), organizaciones regionales de la CSI, las Federaciones Sindicales Internacionales (FSI), la Confederación Europea de Sindicatos (CES) y la Comisión Sindical Consultiva ante la OCDE (TUAC). El objetivo de la red es aportar la perspectiva sindical a los debates políticos y mejorar la coordinación y la eficacia de las actividades sindicales relacionadas con la cooperación al desarrollo.



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