



International
Labour
Office

Europe, the ILO and Globalization: Common Perspectives

Background Note for the Informal Meeting of Ministers of Labour and Social Affairs of the European Union

ILO Geneva 9 June 2005

The development of the ILO and European integration has been intertwined closely over the last sixty years. Indeed, looking back further, some important elements of what is today often described as the European social model have their origins in the 1919 Constitution of the ILO and the efforts of a number of European countries to establish tripartite institutions. In recent times, the parallels between “Making Decent Work a Global Goal” and “A social Europe in the global economy: jobs and opportunities for all”, the motto of the Commission’s Social Policy Agenda, is very evident.

The capacity of the members of the European Union to ensure that recent and prospective enlargements narrow social divides within and between countries while promoting the EU’s economic competitiveness will be an important influence on the shaping of a fully inclusive and equitable globalization. As is well articulated in the Commission’s Social Policy Agenda, Europe cannot expect to achieve social and economic equilibrium in an unfair and unstable world.

These issues were discussed at the Conference on the Internationalization of Employment jointly organized by the ILO and the French Ministry of Labour, Employment and Social Cohesion in Annecy, France from 11-12 April 2005. The exchanges between French and international researchers provide a stimulating perspective on many issues of current importance on or in the background of the agendas of the ILO and of European institutions. A copy of a summary report of the meeting is attached.

This background note draws on the report of the Annecy Conference to discuss topics for an informal exchange of views between ministers on ways in which the work being pursued in different countries, in various European institutions and the ILO could yield synergies that support the shared goals of social inclusion and equity in Europe and the world.

In this regard, Ministers and the social partners may wish to recall the conclusions of the recent ILO Europe and Central Asia Regional Meeting in Budapest which, inter alia, agreed that “Many elements of a common vision for Europe and Central Asia are shared by ILO constituents across the region. These include growth and competitiveness, more and better jobs and social cohesion, equality and fairness, and respect for fundamental principles and rights at work. ILO cooperation with Member countries of the EU, the CIS and the Stability Pact, and with the European Commission, should serve to reinforce social and economic policies that offer new combinations of opportunity and protection, individual and collective responsibility, in key transitions of work and life.”¹

The Budapest meeting also highlighted the importance of “the valuable working relationship between the ILO and the institutions of the EU [which] can support economic and social policy coherence in the multilateral system, and in shaping development cooperation towards the promotion of decent work in the region and worldwide.”²

¹ Paragraph 5 of GB292/5

² Paragraph 11 *ibid*

The increasing role of European countries and the European Commission in development policy and the region's interest in a stronger emphasis on employment, social and labour dimensions of sustainable strategies for poverty reduction also creates an opportunity for governments to influence global policies. Europe's voice in for example following up and strengthening the decisions of the Monterrey Conference, the Millennium Summit and the Copenhagen Social Summit could impart an important new thrust to efforts to halve poverty by 2015. In this regard, an underemphasised element of the multilateral approach is the creation of productive and decent employment. The review of the Millennium Declaration by the UN Summit in September is an opportunity for EU countries, the Commission and the ILO to present the case for policies to promote Decent Work as foundations for the drive to accelerate the achievement all the Millennium Development Goals. Indications from meetings such as the African Union Summit in Ouagadougou last September on employment and poverty alleviation suggest that many countries around the world share a sense that creating an environment where women and men are able to work themselves out of poverty is not sufficiently prominent in current policies.

The importance of an international approach to employment policies was emphasised by many participants in the Annecy Conference. Major shifts in patterns of trade and investment coupled with rapid technological change is causing considerable turbulence in employment worldwide. Many large and influential global corporations are developing global sourcing strategies to increase the flexibility they want to meet changes in increasing global consumer markets. While viewed from a global perspective this is part of a process leading to higher living standards, the impact of this shifts is often very uneven.

Within countries, layoffs in one sector or location do not necessarily match hiring in other enterprises. Between countries, the trend of recent years shows that most least developed countries are attracting very little foreign direct investment apart from some in mineral extraction. Manufacturing job creation is concentrated in relatively few countries and even in China, which has experienced a boom in certain export sectors, cutbacks in the old state owned enterprises, especially in the North-East and interior provinces, continues to outnumber new employment opportunities in the South-East coastal regions.

In many ways, the experiences of several phases of European market integration are being repeated on a global scale. The enlargement of product markets through the liberalization of trade restraints provokes often significant employment restructuring affecting some workers positively but posing major difficulties for others. In Europe, the policy response both at the national and Europe-wide levels is to develop, often through social dialogue, active employment policies alongside "passive" income support mechanisms to support working women and men and their communities through such changes. The Lisbon Strategy, recently revised, is focussed on improving and pulling together the policy approaches of members of the EU in the face of the common challenges of ensuring growth in employment and competitiveness. Europe's experiences in developing this approach are of considerable importance to the ILO in seeking to use its Global Employment Agenda as framework for policy advice and development.

As the pace of globalization continues to quicken, the importance of the recommendations of the World Commission on the Social Dimension of Globalization are being recognized by many political, business, trade union and civil society leaders. With its focus on the importance of increased opportunities for decent work as a major determinant in shaping a fair globalization, the report has had a particularly strong resonance in Europe. Several European institutions including the Council and the Commission have welcomed the report. Within the UN and the multilateral system, European countries and the Union itself have sought to ensure that full use is made of it in efforts to strengthen and increase the relevance of international cooperation on economic and social policies.

The ILO is working closely with Commissioner Spidla and his colleagues dealing with development cooperation and trade, Commissioners Michel and Mandelson. An ambitious programme of technical cooperation is being developed with the Commission. Eighteen members of the EU, together with the European Commission, provide technical cooperation funds which average around 40 per cent of annual extra budgetary support for ILO activities. Given the close links between the strategic objectives of the EU in the social and labour field and those of the ILO, as outlined in the proposals for the 2006/7 Programme and Budget, EU countries and the Commission are together in a strong position to equip the ILO to increase its capacity to meet constituents increasing requests for advice, information and assistance.

Opportunities to expand collaboration between the members of the EU and the ILO include:-

- Support the accession process of countries as they reform labour and social policies to prepare for EU membership;
- The focussing of ILO Decent Work Country Programmes in key partner countries of the EU on policies to facilitate closer integration, for example in the Mediterranean area and South Eastern and Eastern Europe, and Central Asia;
- ILO support to inter regional dialogue processes between Europe and other parts of the world such as Asia, Latin American and the African, Caribbean and Pacific countries. Such support would naturally be most relevant where the dialogue includes fields of specific expertise of the ILO.

European labour and social affairs ministers are playing a major role in shaping the future of the ILO both directly and through their work in the European Union. The 2005 Informal Meeting provides an opportunity to review the scope for further collaboration and the identification of ways in which common goals can be pursued more effectively. The report of the Annecy Meeting illustrates well the important cross fertilization of ideas and information concerning on the one hand economic and social integration in Europe and on the other the shaping of a fair globalization. Ministers may wish to draw on it and also comment on the issues raised in this background paper.

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