

# INTERNATIONAL FORUM ON DECENT WORK

Brussels, 11-12 October 2010

\*\*\*\*\*

## Report of Proceedings<sup>1</sup>

### Introduction

In recent years, the European Union as well as global policy statements, such as the 2009 ILO Global Jobs Pact and G20 declarations, aimed at putting quality jobs at the centre of crisis response. While economies are gradually recovering one should ask whether efforts at promoting Decent Work made over the last decade have been maintained during and beyond the crisis; whether, possibly, out of the crisis a new global momentum for enhancing the Decent Work agenda is emerging and a new consensus on the social dimension of globalization; and what the European Union's stake in all this would be.

The International Forum on Decent Work, jointly organised by the Belgian EU Presidency, the European Commission, and the ILO, met at the Academy Palace in Brussels, on 11-12 October 2010. It reviewed recent developments in respect of Decent Work and prospects for the years ahead. It discussed how policy dialogue at bilateral, regional and multilateral levels could yield more effective employment and social policies and promote respect for labour standards. Zooming in on priority issues, namely youth, green jobs, and trade, it was intended that participants would share and learn from experience and thus contribute to further developing the internal and external dimensions of pertinent EU policies.

Speakers, panelists, discussants and other participants included representatives of EU member-States and institutions as well as representatives of a number of third countries, notably some key emerging economies as well as developed market economies; also represented were the ILO, the OECD and other international organizations, as well as the social partners, that is, national, EU- and international employers' and workers' organizations, and civil society organizations.

The Belgian Presidency of the Council of the EU communicated the outcomes of the International Forum on Decent Work to the Council in a Note dated 15 October 2010 as may be found in an Annex to this report.

---

<sup>1</sup> The present report provides a summary of proceedings rather than a verbatim record. It is largely based on speaker notes made available to the rapporteur, as well as notes made by the rapporteur himself. In a few instances the audio recordings of the event were consulted. Minor discrepancies may therefore occur between what was put in writing and what was said.

## Opening Session

On behalf of the Belgian EU Presidency, the Forum was opened by Ms. Joëlle Milquet, Deputy Prime-Minister of Belgium and Minister of Employment and Equal Opportunities, in charge of Migration and Asylum Policy. In her opening remarks she introduced the main objective of the forum as well as the key questions and priority issues to be addressed. The overall objective set for the meeting was to reflect on how the EU at home and beyond should promote Decent Work and respond to challenges faced in providing for a truly social dimension of globalisation. Against the background of the financial, economic and employment crisis and the need for global socio-economic governance, it was important together to consider the emerging consensus on the social dimension of globalisation. Recent developments in this respect such as the dialogue between the ILO and the IMF, and the G20 meeting of employment ministers, had shown the need for increased policy coordination at the international level. Given the fact that the global employment crisis was far from over, it was essential, she insisted, that economic growth strategies incorporate employment and social policies. We should therefore explore how common European views on such policies and on Decent Work could be promoted at the international level, that is, within the G20 and multilateral economic and financial institutions; and how the universal role of the ILO in respect of employment and social policies, and as guarantor of labour standards, could be strengthened. We should be ready to propose the holding of regular meetings of the G20 employment ministers in the margin of G20 and G8 summits. And we should support regional dialogues and strategic partnerships in respect of employment and social policies. Finally, we should organise ourselves at home so as to better coordinate our efforts. In this context she thought that the proposal to create a high-level group on international social policy issues, or a group of specialists of the EU Council, should be examined. She then referred to the three themes the Forum would discuss that had priority in elaborating the external dimension of employment and social policies. In the light of major problems that young people around the world were facing in getting jobs, let alone decent work, the Minister wanted the Forum to help point at what could be done concretely to improve their situation. She considered the transition towards a green economy another global challenge and found the Decent Work approach particularly pertinent in coping with the employment dimension thereof. As in the case of youth employment, she proposed in order to move forward to enter into structured dialogue at regional and bilateral levels and to develop partnerships around concrete projects such as on skills development or on occupational safety and health. A third priority theme concerned the relationship between developing trade agreements and promoting Decent Work. Major concerns existed in various quarters at both ends of trade about the impact of such agreements on employment and working conditions. She suggested a review of different types of labour clauses included in trade agreements and the development of mechanisms to verify compliance with such clauses, to address application problems, and to assess the social impact of such agreements. Corporate social responsibility could be an important instrument in all instances.

An opening statement was also made by Mr. László Andor, European Commissioner for Employment, Social Affairs and Inclusion. The Commissioner noted that the Forum took place at a time when economies were slowly emerging from the worst financial crisis for almost a century. Despite some positive growth, many of the problems brought about by the economic crisis were far from being solved, however.

The EU unemployment rate alone currently stood at 9.6%; in other words over 23 million individuals in Europe were out of a job. He stressed that we needed to make sure that employment and social issues – including job quality, skills development and poverty reduction – remained at the heart of national and global economic strategies to ensure strong, sustainable and balanced growth. He highlighted the fact that in the wake of the crisis important advances were made in global governance and said we should ask ourselves whether there was new momentum among international actors to further the Decent Work agenda at global level. An unprecedented emphasis on the employment and social impact of the crisis as part of global coordination efforts better reflected the challenges of globalisation, as well as the rise of new global players from the emerging economies. He referred, in particular, to the outcome of the Toronto Summit in which G20 Leaders had recognised both the pivotal role of open markets in supporting growth and job creation, and the importance of strong job growth and the need to provide social protection to all citizens. They had also supported the results of the preceding G20 Labour and Employment Ministers Meeting in Washington – and these would now be implemented within agreed timelines. There had been strong cooperation between the European Commission and its global partners to make this happen. And he would make certain that the employment and social dimension would continue to be taken into account within the G20. The crisis had shown that now, more than ever, integrated and coherent policy approaches were needed to address the complex economic and social challenges we faced. International organisations had a key role to play in focussing multilateral crisis efforts on strategic initiatives. The recent cooperation between the IMF and the ILO was a vital step in this direction. On our journey back to full recovery, he said, we needed to make sure that fiscal consolidation was both growth- and employment-friendly. Preventing structural unemployment against a background of fiscal austerity measures that were necessary for maintaining macro-economic stability was in fact one of the EU's main challenges. The EU social agenda put a strong emphasis on strengthening the social dimension of globalisation. The Commission had therefore developed concrete cooperation projects with international organisations, in particular with the ILO. Moreover, it had expanded bilateral and regional dialogues with strategic partners on employment and social policy. The Commissioner stressed that EU institutions had underlined their commitment to the promotion of Decent Work for all within the Union. The Commission had made it a cornerstone in their external employment and social policies, as well as part of EU trade policy. GSP Plus, part of the EU's Generalised System of Preferences, provided preferential treatment for vulnerable countries that had ratified and effectively implemented core labour standards; sustainability impact assessments had now become a generalised practice within the framework of bilateral Free Trade Agreements negotiations; and recently negotiated Free Trade Agreements included specific chapters on sustainable development, under which both parties committed to the respect of core labour standards and to Decent Work. Thus it was now time to take stock of our actions and look ahead. We should consider how the external dimension of employment and social policy could contribute to the implementation of the Decent Work agenda, and how cooperation with global partners could contribute to the internal EU goals set out in the Europe 2020 Strategy.

## **Key note address: Decent Work in times of recovery**

Mr. Raymond Torres, Director of the International Institute for Labour Studies of the International Labour Office (ILO), found that a paradox existed in that, on the one hand, policies inspired by the Decent Work agenda had helped avoid a major crisis and were still relevant today at times of recovery. On the other hand, new obstacles complicated the implementation of the Decent Work agenda. By implementing policies consistent with that agenda and with the 'Global Jobs Pact' that was agreed at the International Labour Conference in Geneva in June 2009, countries had been able to avoid a major jobs crisis. Such measures had a double-dividend: they had boosted aggregate demand - which was key in the aftermath of the crisis - and they had also helped to reduce the number of jobs lost as a result of the recession. For example, job maintenance policies, such as reduced working hours in factories faced with lower demand, had helped to limit job losses in several countries including Germany, the Netherlands, Argentina and Mexico. In many EU countries, activation policies, financial support, and skills training for the unemployed, had been implemented to mitigate social hardship while keeping people in touch with the labour market. Brazil had increased minimum wages by 5% and strengthened its social protection systems. Meanwhile, India had extended the availability of financial support to unemployed workers. China had also expanded its social protection systems in recent years. A new employment contract law, in force since 2008, had been instrumental in helping to avoid a worsening in working conditions. Targeted tax measures had helped small businesses that were key providers of jobs, for example, in South Korea. The Global Jobs Pact was still useful today as economies recovered. It was still important for governments to stimulate demand. The private sector did not yet have sufficient strength to grow autonomously and there was still a significant risk of persistent long-term unemployment. In addition, social cohesion was at stake. In the majority of countries, there was a growing sense of unfairness and people worried about their children's future. Youth unemployment was reaching alarming levels and income inequalities were on the rise. Meanwhile banks had made solid profits in 2009 and again this year, leading to the payment of large bonuses. Mr. Torres saw major new challenges. Firstly, the shift to fiscal austerity, designed to reassure financial markets, was slowing employment recovery and affected policies that strengthened social cohesion. This happened despite the fact that measures that the ILO advocated were not very costly to the public purse. Moreover, measures that promoted employment recovery supported fiscal goals in the medium term. Secondly, while policy coordination was achieved to some extent at the start of the crisis, the interests of countries had now diverged. And, within countries, the interests of those who cared about financial stability had started to diverge from those who cared about employment and social goals. It was crucial to realize, however, that in the end it was in the interest of both the economy and society to pursue job-centered policies.

## **Round table: is a new global consensus on the social dimension of globalization emerging? And what is the EU's stake in it?**

A first round table was chaired by Mr. Pierre-Paul Maeter, Chairman of the Board of Directors of the Federal Public Service for Employment, Labour and Social dialogue, Belgium. It considered whether and how over the last two years of crisis and recovery, more intense global debate and coordination in the area of employment and

social policy, such as within the G20, UN, OECD frameworks, and in bilateral and regional fora, had furthered the international Decent Work agenda.

Mr. Wolfgang Heller, Director, European Union, European Employment and Social Policy, Federal Ministry of Labour and Social Affairs, Germany, recalled how the Decent Work agenda had been shaped at the ILO, been taken up by the European Commission, and come to form a major part of the EU's enlargement and neighbourhood policy. With the Global Jobs Pact adopted at the zenith of the crisis, the ILO had taken a further decisive step in pursuing adherence to the principles of Decent Work. The Pact had taken policy coherence seriously as it deliberately placed labour and social concerns on the same footing as financial and economic policy. Various EU institutions had adopted a similar stand and European countries belonging to the G20 had successfully advocated taking account of the Jobs Pact in their latest Summit Declaration. Europe had also had an unmistakable hand in convening a first meeting of G20 employment ministers, preceding the Summit, in which social partners had also taken part. The momentum should be maintained as putting people's living and working conditions firmly on the agenda helped raise confidence in the G20 beyond its own circle. EU members should go on promoting ideas such as adopting a social protection floor, stepping up efforts at skills development, and promoting social dialogue, both in international fora and in their bilateral relations.

Mr. Mário dos Santos Barbosa, Special Advisor for International Affairs at the Ministry for Labour and Employment, Brazil, said that the promotion of Decent Work represented a political priority of his government as well as other governments in their region. A series of high-level international meetings had pleaded to incorporate productive employment and Decent Work as core elements in economic and social policies. In 2003, President Lula and the ILO Director-General had signed a memorandum of understanding that provided for a special programme of technical cooperation in promoting Decent Work. In 2006 the Brazilian Government in consultation with the social partners launched a National Decent Work Agenda. His country's experience had shown that a strong and efficient state was an essential factor in ensuring a strong domestic economy and in withering crisis. While the global crisis had also negatively affected Brazil, they had not given up their combat against poverty, which had indeed declined significantly over the last two years. In this context he welcomed the dialogue with the EU both at the bilateral and regional level. Maintaining and strengthening a strategic partnership with the EU aimed at putting Decent Work at the centre of social policy, was of major mutual benefit.

Mr. Wang Yadong, Deputy Director-General, Department of Employment Promotion, Ministry of Human Resources and Social Security, China, said that the Chinese government had fully implemented the Global Jobs Pact over the past two years. In the wake of the global crisis it had adopted a major stimulus package to increase domestic demand and promote economic growth. Millions of people had benefited as jobs had been saved and others created, and as a special vocational training scheme and a new rural pension scheme had been set up. Moreover, for the sake of harmonious labour relations, improvements had been made in social dialogue and the tripartite system. His Government considered that employment was a top priority in improving people's livelihoods and that there should be Decent Work for all. China was actively engaging with other countries and international organizations, such as

with the ILO and APEC, and in the context of the G20, to share experience and further pursue the principles and policies proposed in the Global Jobs Pact.

According to Mr. Siphon Ndebele, Labour Attaché at the South African Mission in Geneva, the unanimous adoption of the Global Jobs Pact had had a huge impact on the global financial crisis debate, placing employment and social protection firmly on the agenda. There should be no doubt that, as a result, positive results in labour markets had been achieved. However, while the global economy was said to recover, many countries were still facing strong headwinds in terms of unemployment and the need to embark on fiscal consolidation. As was pointed out in the ILO's 2010 World of Work report, the early withdrawal of stimulus measures but also the fact that root causes of the crisis had not been properly tackled, had clouded recovery prospects. In South Africa the rate of contraction in employment appeared to have slowed but the main issue of the moment was a rapid increase in the number of discouraged job seekers, particularly young people. The crisis had opened space for policy innovation and countries should not fall back in the default mode, meaning orthodoxy. We had to continue to advocate putting employment creation at the heart of economic recovery and making full employment a key objective alongside low inflation and sound fiscal policies. In sum, the current situation gave credence to the argument that there was no recovery without jobs recovery.

Michael Morass, acting Head of Unit, International Affairs and Enlargement, Directorate-General for Employment, Social Affairs, and Equal Opportunities, European Commission, recalled the strong support of the EU to a global governance where employment and social objectives went along with economic ones. What we had seen had not been a deviation from the existing consensus on Decent Work, but rather its reaffirmation and expansion in the face of the crisis. The G20's call to place employment and poverty alleviation at the centre of economic policies underlined this clearly. The momentum was continuing. Getting more people in employment, while public expenditure was being cut in many EU countries due to excessive deficits, meant that one should focus on improving the cost-effectiveness of labour market policies. However, the EU put also renewed emphasis on inclusive growth, with ambitious targets for employment growth and poverty reduction. Along with a new consensus, there was also a greater attention to the exchange of experiences among global partners. As examples he cited the social protection programmes driving domestic demand in emerging economies, and short-term-working arrangements, the role of public employment services, or a focus on new skills and jobs within the EU. Europe had showcased the role of social protection systems as automatic stabilisers that had cushioned negative effects of the crisis in many Member States. The EU's promotion of Decent Work involved a variety of instruments including policy dialogue with global partners, development cooperation, and trade policy. Employment and social policy dialogues played an increasing role at regional level such as in the context of the enlargement process and the European Neighbourhood Policy. Such dialogues were also in place, however, at the bilateral level, such as with China, India, Brazil, the US, Canada, and Japan. In the view of the Commission, it was essential to build synergies between bilateral policy dialogues, regional and global policy frameworks. Finally, he stressed that social dialogue was an essential component of the European social model and the involvement of social partners, not only within the EU, but also in its external relations, therefore all the more essential in current recovery efforts. Thus had Leaders at the recent ASEM Summit agreed that

effective dialogue between social partners should be encouraged in order to promote mutual understanding on issues of productivity, working conditions, remuneration and economic change.

Mr. Emmanuel Jahan spoke on behalf of the European Centre of Employers and Enterprises providing Public Services. As to whether the EU should impose social conditionality in international trade, he noted that the application of the eight core ILO standards within Europe was not perfect and that therefore any moralising or arrogant discourse should be avoided. Social conditionality should before all be an approach that was shared between the actors that were directly concerned with the support of a tripartite organization, the ILO. To be effective in setting conditions in trade agreements, the field should be limited. Associating social and environmental standards with the broader notion of Decent Work involved different actors and raised issues that stood in the way of reaching concrete results before long. His third point was that in order to be competitive, enterprises did not particularly look for countries where labour standards would not be applied. What mattered most was efficiency along the delocalised production chain and the availability of skills. Wages nonetheless remained a crucial variable in being competitive and in penetrating western markets. In any event, they were not subject of any of the core labour standards. While core labour standards remained inalienable, cultural differences could not be swept aside in the name of a unilateral approach to setting social conditions. The example of child labour showed the complexity of the matter suggesting that, beyond merely recalling certain standards, well-defined objectives had to be set. There was a danger of protectionism if social conditionality would fix hard-to-meet objectives. Objectives should be set on a case-by-case basis in tripartite agreements, possibly with a role to play for the ILO. As problems addressed by core standards often had economic roots, the application of such standards might have to be accompanied by well-conceived financial assistance. Financial support would be more effective than sanctions. In conclusion, social conditionality should be well managed with precise and to begin with none too ambitious objectives. Rather than verifying whether or not standards were observed, progress on the way to meeting them should be monitored and evaluated by those concerned, taking account of problems that might be encountered.

Mr. Torres briefly addressing the question about there being a new consensus or not, saw one first in people finding that benefits for all in globalisation were far from automatic and that employment and social policies played a critical part in better spreading such benefits. Secondly, the Decent Work approach was seen as important for enterprises and countries and, as the case of Brazil had illustrated, it was possible to be both economically efficient and meet social aims. There appeared to be no global consensus, however, about the idea that non-respect for international labour standards could not be seen as a comparative advantage, or, in other words, that respecting such standards was part of the rules of the game - as was stated in the 2008 ILO Declaration.

The Chair had picked up a few elements of a consensus around the Decent Work agenda, namely that it served both social and economic ends, including facing environmental challenges. Promoting Decent Work necessitated regional coordination, such as in the framework of Mercosur or the EU 2020 Strategy. And it demanded consultation and cooperation between international organizations covering

the economic and social domain, and social dialogue, notably with social partners. In the ensuing plenary discussion the question was raised how to explain that certain G20 countries had not ratified the eight core international labour standards and how this would impact on their policy decisions. A second remark concerned the coherence in the definition and application of standards such as set by the ILO and the WTO if the former had not even observer status in the latter organization. Mr. Torres said it was not easy to respond. There were technical reasons for G20 countries not to have ratified all of the ILO core conventions, such as in the case of federal states. Perhaps some countries had at some stage also found it difficult to interpret certain conventions or appreciate the consequences of ratification. However, the unanimous adoption of the 2008 Declaration suggested that further progress in ratification could be made. As regards ILO observer status at the WTO, he believed that certain obstacles might meanwhile have been lifted. Just recently two joint studies had been successfully completed and mutual understanding had no doubt increased. But in the end it was a matter for WTO members to decide on. A Canadian Government representative confirmed that even if his country respected their objectives, it had not so far ratified all eight ILO core conventions. While in being a federal state the agreement of all provinces was needed, his government also took a legal approach in finding, unlike most other countries, that conventions should only be ratified if it was absolutely certain that they could be fully implemented. Speaking of conventions and their ratification, Mr. Jahan had noted an evolution in that in earlier days conventions adopted by the ILO had inspired national legislation to be adopted or adapted whereas now the opposite appeared to happen. Countries would verify whether a convention suited them and only ratify when their national legislation corresponded *ex ante*. Mr. Wang, Chinese Government, said labour standards represented one of four pillars of Decent Work as proposed by the ILO. His country had ratified some ILO conventions in recent years, such as C111 on Discrimination, and they had adopted several new labour laws such as on labour contracts, employment promotion, and labour arbitration. In response to the international financial crisis, Decent Work had been subject of discussion in many conferences and seminars. For developing countries the most important concern was to generate jobs for the unemployed, to extend social security to workers and to promote social dialogue between employers and workers. But they were at the same time paying more and more attention to protecting the basic rights of workers and a lot of research had been done into the ratification of ILO basic standards. An EC official thought that one should perhaps not focus too much on whether a country had ratified a convention or not as the key question was whether it effectively implemented the principles contained in those core conventions. She illustrated her point by referring to the Minimum Age and the Forced Labour Conventions where issues of interpretation had prevented certain countries from ratification whereas others had been cited for non-compliance. Mr. Torres thought that if countries first had to check whether everything in its national laws fully complied with a convention before ratifying it, standards risked losing their purpose, namely to make sure that everyone went in the same direction. There might well be issues of interpretation but he thought it would be better for countries to be involved in the process of discussing these directly rather than staying out by not ratifying.

## **Priority theme I: Learning from policy dialogues on Decent Work. Promoting Decent Work for young people**

The session, chaired by Ms. Susanne Hoffmann, Director, ILO Regional Office for Europe and Central Asia, focused on the possibly severe repercussions of the crisis for the employment of young people if effective measures were not taken. It discussed how international exchanges, such as the employment dialogues between the EU and its partners around the world, addressed the issue of Decent Work and young people.

Ms. Christiane Westphal, of the Directorate-General for Employment, Social Affairs and Equal Opportunities at the European Commission, considered it a good sign that promoting decent (and not just any) work for young people was the first priority theme on the Forum's agenda. Millions of young people around the globe were desperately looking for employment, or at work in no-or-low-salary, precarious and dangerous jobs. To address the situation, the EU used legislative instruments where it had competence and it coordinated Member States' policies in areas of national competence. Youth employment had now come to the fore in policy debates in view of the magnitude of the problem, a real fear about a lost generation, and an increasing awareness of mismatches between available skills and labour demand. The crisis had given new impetus to dealing with these issues, such as evident, for example, in the recent 16-country OECD 'Jobs for Youth' review. It found that it was necessary for education and labour market institutions to work hand-in-hand to ease the transition from school to Decent Work. At EU level this imperative had been translated into a set of clear-cut policy priorities in the 'Youth on the Move' flagship initiative. These included a sound preparation in general education, early guidance and counseling in choice of pathway, quality vocational education and training, higher education with labour market relevance, job search support, special support where risk existed of an unsuccessful transition, and the removal of recruitment obstacles. It would also include provisions to stimulate entrepreneurship among young people. In practice this required strong political commitment and an integrated strategic approach. The crisis had shown that labour market reforms needed to take account of the impact they would have on young people. In some countries, for example, the burden of additional labour market flexibility was mainly on young people, adding to their vulnerability. The Commission had called on Member States to redress such imbalances and to strengthen social safety nets for young people. Moreover, public employment services should be strengthened and labour market intelligence improved. Investment in education should ensure that young people did not leave school early for work. The EU had taken such policies and good practice into account in adopting the Europe 2020 strategy, a vision put forward by the Commission of Europe's social market economy for the 21st century. It showed how the EU could come out stronger from the crisis and how it could be turned into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. In concluding, she stressed two general points, namely the important role of the social partners for youth employment and the participation of young people themselves in policy making both at national and European level.

Mr. Mohamed Fofana, Technical Advisor to the Prime Minister, Mali, said that Decent Work for young people was a burning issue in Sub-Saharan Africa where in fact a growing majority of the population was young. Governments, including his own, had therefore in their efforts at reducing poverty engaged in policy dialogue to

bare the complex roots of employment problems and decided on pertinent policies. With technical support from the ILO and 27.4 million Euros from the Malian government budget, a 5-year Youth Employment Programme had been implemented with four components: employability, entrepreneurship, rural employment, and facilitating access to credit. An Agency and a National Fund for Youth Employment had been set up. Some projects aimed at young people were undertaken with the support of certain European countries. With EU support a sub-regional Information and Management Centre for Migration (CIGEM) was set up in 2008 to deal in a concerted manner with migration problems and to create links between migration and development.

Mr. Akihiro Nakajima, First Secretary in charge of health, labour and welfare, Mission of Japan to the EU, said that his Government was fully committed to promote Decent Work opportunities for young people. Youth unemployment rates had gone up during the crisis and were at 8.3% in August 2010 still higher than in 2008. Recent high school and college graduates found it more difficult to get a job than before the crisis. Moreover, a significant number of young people, known as “freeters”, were looking for, or had entered into temporary jobs, hopping from one to another, and back into unemployment. A series of preventive and curative measures were being implemented through public employment offices throughout the country to guide young workers into stable jobs, to prevent them from becoming ‘freeters’, and to help youth go forward who were neither in education nor in employment (“neet”).

Mr. Scott Barklamb, Senior Advisor at the International Organisation of Employers, said that we all knew that there were no magic bullets, that no country had really solved youth unemployment. But we did know the basic elements of the equation, namely overall demand for labour, education, skills and employability, labour market services, self-employment and entrepreneurship. Some mix of these and possibly other policies was the key to increasing youth employment. He suggested six principles or lessons from an employer perspective on how policy makers should go about this: (i) work with employers, (ii) recognise that labour demand is critical, (iii) know that employers need and want skilled, employable young people, (iv) reduce structural barriers to youth employment and allow flexibility in how work is undertaken, (v) let countries be guided by their own priorities rather than global prescriptions, and (vi) recognise that developed countries do not necessarily or always know best when it comes to employing young people. A proper role for international dialogue and cooperation was equipping countries, based on their own and international experience, to address their priorities by using their respective strengths.

Mr. Tim Noonan, Director, Campaigns and Communications, at the International Trade Union Confederation, said that youth employment problems had been an intractable feature of the global economy for many years and that the crisis, which was far from over, had made things much worse. The risk of a lost generation was becoming more of a probability than a risk. After decades of low job growth it was abundantly clear that these problems could not be tackled in the absence of a macro employment-centered approach. Without it, specifics such as education and training, job placement assistance and subsidy schemes would not have real and lasting meaning. Governments, instead of cutting public services to address fiscal deficits, should follow pathways that would maintain demand and generate tax revenues to deal with the deficits. “Exit strategies” should be far more balanced and social

dialogue to find real and durable employment-oriented solutions should be at the heart of policy-making. Effective regulation of financial markets beyond the modest steps that had been taken was urgently needed. A global financial transactions tax should be introduced to dampen speculation and at the same time generate resources needed for investment in job creation, public services, development assistance and tackling climate change. Among specific policy initiatives to be taken were introducing a global social protection floor, setting minimum wages that reflected prevailing economic realities in the countries and sectors concerned, ensuring that young people's fundamental rights at work were respected, investing in education, training and job placement, and providing subsidies for training and employment of young people. Such should be the core of the external dimension of the EU's employment and social policies, not to mention their policies at home.

Mr. Luca Scarpiello, Board Member of the European Youth Forum said that as a result of the crisis, social pacts were at risk of being redrawn and that young people would be the losers. Ever more young people had problems in their transition from school to finding stable employment. In more countries young people stayed at home longer for being unable to earn a decent living. They were often discouraged and unsure about their prospects. Quality was now a major challenge. Good quality education should also focus on soft skills, as these were increasingly important in a knowledge-based society. Young people wanted decent working conditions and job security. And the road from school to Decent Work should also be improved considerably. Within the EC's Youth on the Move initiative a quality charter for internships would be developed together with the social partners. Partnership was indeed crucial and youth should be represented in structured social dialogue. National level solutions to coping with the consequences of crisis for young people should be integrated into global solutions so as to avoid increasing global inequalities.

In the plenary debate the question was raised how effective international efforts had been so far as there seemed to be no lack of good declarations but a problem with implementation. The Chair concluded that there should be more concrete cooperation, partnership-programmes and triangular or rather multilateral initiatives. The Mali case being presented during the panel had been a successful and very useful example in this respect. Several speakers brought up the issue of internships and temporary work for young people and whether and how these should be regulated. It was agreed that no one solution would fit all circumstances. Employers argued that they should be encouraged and supported rather than forced. Guidelines might in some cases be helpful. From a trade union perspective it was pointed out that smooth industrial relations in labour markets would benefit employers in handling these issues. The EC reiterated that it was committed to work on a quality frame for traineeships and that a study of regulation and practices in Member States would be undertaken shortly.

## **Priority theme II: Learning from policy dialogue on Decent Work. Addressing the new challenges for Decent Work in the green economy**

The session, chaired by Ms. Laurence Weerts, Deputy Head of Cabinet of the Minister for Employment and Equal Opportunities, Belgium, examined the challenges of Decent Work as part of the move towards a low carbon, resource-efficient and

green economy. The greening of economies was expected to trigger substantial changes in the nature and extent of employment around the world.

Mr. Cornis Van der Lugt, Resource Efficiency Coordinator at the United Nations Environment Programme (UNEP), introduced the theme. He pointed out that the greening of economies was both a goal and a process. There were both strong economic and social arguments for it. UNEP, the ILO, and the International Trade Union Confederation, later joined by the International Organisation of Employers, had launched a Green Jobs Initiative in 2007. It meant to promote coherent policies and effective programmes leading to a green economy with green jobs and Decent Work for all, in a climate-challenged world. The main output of the initiative was the 2008 report “Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World”. The drivers of green jobs were environmental pressures, resource scarcities, the global economic crisis, consumer and investor demand, and a global market for environmental goods and services estimated to be worth €2,200 billion by 2020. Key policies were subsidies, carbon markets, tax reform, environmental standards, energy alternatives, product take-back, eco-labeling, research and development (R&D), and international aid. Green jobs were defined as positions that would contribute substantially to preserving or restoring environmental quality. They would be new jobs or existing jobs redefined in terms of skills required or work methods. The aim was to go for jobs that were both environmentally sound and decent, mindful that there were degrees of “green” as well as direct and indirect impacts. The Green Jobs report illustrated that excellent potential existed for creating millions of such jobs worldwide notably in the renewable energy, transport and construction sectors, but also in other industries such as in agriculture, forestry and fishery. He made special mention of the relevance of recycling in the context of a transition towards green jobs. He concluded by pointing at the cost of inaction. If for example fish were to disappear from the seas as a consequence of over-exploitation, millions of jobs and billions of dollars in income would be lost not to mention the fact that over a billion people relied on fish as their main or sole source of animal protein.

Mr. Paul Swaim, Senior Economist, Employment Analysis and Policy Division, OECD, presented insights from the OECD project to develop a green growth strategy. Labour markets needed to be “greened” as they had a central role in “greening” the economy. A transition to sustainable low-carbon growth was urgent. Time was running out for climate change mitigation. Other environmental problems, such as water shortages, were approaching critical thresholds. Major changes were therefore required in what was being produced, how and where. While the impact on total employment was likely to be small, certain jobs would disappear and new types of “green” jobs would sprout; continuing jobs might have to be re-engineered. Workers might be confronted with changes in job-skill requirements, working conditions, job safety, wage rates and commuting patterns. A high level of unpredictability complicated the green challenge for labour market and training policies. The greening of jobs was likely to be the biggest impact, however, as was illustrated by the construction sector. Good policy could contribute to an efficient, equitable and politically sustainable transition to green growth by assuring that workers would acquire the needed “green” skills quickly, and that those who had to change jobs or occupations or sector were adequately protected. Enhancing life-long learning and skills development, as well as social dialogue, were key to success. Governments should adopt policies to reconcile structural adjustment with social protection.

“Flexicurity” was a key concept in this context. Other measures might be needed to maintain political support for green growth. In conclusion, both green and decent work needed fostering and this required careful, coherent policy making as well as mobilizing the social partners and all of civil society.

Mr. Egbert Holthuis, EC Directorate-General for Employment, Social Affairs and Equal Opportunities, said that the Commission was dealing with these complex issues notably in the context of its Europe 2020 strategy for smart, sustainable and inclusive growth. The EC realised that promoting a more resource-efficient, greener and competitive economy implied that new jobs would be created, while others would be lost. As had been mentioned, the greening of economies would primarily affect the composition and geographical location of employment rather than overall levels. A lot of questions still required answers, such as how green jobs would impact on the quality of work, how safe and healthy they would be, where they would be located, or how well they would pay compared to similar jobs in traditional sectors. Other questions concerned access to life-long learning and the role of social partners and collective bargaining. A recent conference on green jobs (la Hulpe, 28-29 September) had set out a series of policy recommendations, including on “Green job opportunities; Skills; Greener workplaces; and Joint responsibility of social partners and public authorities”. These recommendations needed to be translated into concrete policy measures. To seize green job opportunities, governments and the EC should be proactive, set clear policies, give preference to employment-friendly instruments, and support small and medium-size enterprises. Labour market restructuring should be facilitated and accompanied by active measures such as to train workers and extend security to those who needed it. Skills development played a key role. Social partners should be fully implicated in bringing the transition towards greener workplaces and production methods about and share responsibility for it. International cooperation was important and should be reinforced.

Mr. Jong-Cheol Kim, Labour Attaché at the Permanent Mission of the Republic of Korea in Geneva, presented his country’s green growth policy. In spite of remarkable economic progress, his country faced numerous sustainable development challenges. It had, therefore, at the height of the current crisis, adopted a national strategy and 5-year plan in order to become the world’s 7<sup>th</sup> green power by 2020 and the 5<sup>th</sup> by 2050. The country intended to shift from a focus on quantitative growth to one of qualitative growth. Strategic objectives were to mitigate climate change, reduce energy dependence, create new engines for economic growth, improve quality of life, and enhance international standing. In developing policy measures the country had adopted the framework of the 2008 UNEP/ILO Green Jobs report proposing action under four headings: action by government and enterprises, financing green jobs, worker training, and a fair and just transition.

Mr. Joël Decaillon, Deputy General-Secretary, European Trade Union Confederation, considered links between a green economy and Decent Work interesting but not everywhere obvious or automatic. It was quite possible to put up windmills in China without workers being protected. These links had to be forged. The world economy was no doubt going to grow considerably, it had to be considerably greener, and all sectors were going to be concerned. But the battle for jobs being both green and decent had not been won and would be difficult. ETUC had studied the construction sector in Europe and found that its potential for green jobs was enormous. At the same

time, the sector had the highest rate of precarious employment, undeclared work, money laundering, and corruption. This had to be acknowledged and dealt with. The sector was very important in terms of job creation but it should respect the rule of social law and care for working conditions and occupational safety and health. There was much to be done on this account. The trade union movement was rather tempted by having a European plan for the creation of green jobs but on condition that such problems were taken duly into account. Green jobs in Europe should not be precarious jobs. Their research had recommended a focus both on anticipation and the process of transition, which necessitated sustained social dialogue. A second point was the need for transparency and traceability in international trade if one insisted on respect for labour and environmental standards. One could not, as in the case of the banking sector, tell people: “don’t worry, we are taking care of this”. Control and democracy were essential conditions, and social partners should play a key role in this regard.

Mr. Kris de Meester, First Advisor, Federation of Enterprises in Belgium, agreed with the previous speaker that links between the green economy and Decent Work had to be worked on. Yes, the green economy was going to be there, there would be changes in what was produced, how and where, there would be winners and losers, and a majority of enterprises would have to adjust. As we were also facing other major challenges such as in terms of demography and technology, an integrated approach was necessary. And we had to discuss removing barriers in labour markets. There were four interdependent pillars of Decent Work. We should not only act on social protection and international labour standards but also on creating employment, sustainable enterprises, entrepreneurship and a stable business climate. Companies should dialogue with their various stakeholders, that is, in the first place, with workers or their representatives. Beyond companies we should look at supply chains. Governments at all levels had supply chains as well, and they should practice what they preached, that is, their contractors should play by the rules too. In any case, knowledge and skills development were crucial, particularly as concerned high-level skills for which longstanding shortages existed. Work attitudes were another important variable. He also drew attention to the fact that life-long learning was a verb and he concluded by pointing out that apprenticeship might no longer be considered good practice in view of better alternatives.

Mr. Georges Dassis, President of the workers’ group in the European Economic and Social Committee (EESC), found that much that had been said here coincided with recent opinions expressed by the Committee. Decent Work for all on the planet was unfortunately still a distant ideal. He was pessimistic about governments solving problems at the international level and he cited mass hunger in the world. Even within the EU we were far from realizing the ideal of solidarity. He stressed to begin with that work and the quality and stability of employment depended to a large extent directly on overall directions and major political decisions particularly in the economic and financial domain. The European trade union movement believed that while economic governance at the European and international level was urgently needed, little progress was made in this direction. The consequence of current political choices made by European finance ministers was that unemployment stayed high and risked reaching catastrophic levels in some countries. Their refusal to adopt fiscal policies that would reduce unemployment translated into accrued pressure to reform social security and labour market institutions, with weakening worker rights as a certain outcome. The real issue at the moment was how to maintain and

considerably improve budget stimulus measures so as to help the private sector to reduce its debts without causing an extended slowdown of the economy. The European Economic and Social Committee warned against implementing “exit strategies” that aimed at renewing or even intensifying the structural deregulation of labour markets. Policies that reduced incomes and public services and job security had caused important and growing inequalities. Such policies had essentially contributed to the crisis and could not get us out of there. Social insecurity made people spend less and save more, something one should not encourage in times of crisis. Recovery plans were too limited and fragmented and more powerful European action was needed. As regards Decent Work and green jobs, the EESC was convinced that the EU could contribute decisively in defining common instruments and objectives and assist countries as necessary. It had proposed with a large majority that European countries spend 1% of their GDP per year during the next three years on the greening of their economies and the creation of green jobs. Moreover, the EESC considered it necessary to launch a new “Marshall Plan” for the environment and social sustainability so as to grow differently and develop in a manner compatible with our planet’s capacity. Finally, he said that our politicians should acknowledge that only the European Union, given its capacity of making decisions and acting at the international level, was in a position to protect the interests of all Europeans.

### **Priority theme III: Learning from policy dialogue on Decent Work. Advancing Decent Work globally through trade policy**

This session was chaired by Mr. Jean-Jacques Elmiger, Ambassador, International Labour Affairs, Labour Directorate of the Federal Department of Economic Affairs, Switzerland. Over the last years, the EU and some of its global partners had developed trade and labour provisions as part of their trade agreements and of unilateral trade instruments. The session aimed at providing an overview of and an exchange on different approaches, and at exploring their contribution to promoting Decent Work objectives.

Ms. Cleopatra Dombia-Henry, Director, International Labour Standards Department, ILO, spoke about the EU-ILO partnership on the social dimension of trade. She had sub-titled her talk “boosting the level playing field” because the ILO had the tools available for that purpose. Recent years had seen a rapid increase in the inclusion of labour clauses in international trade arrangements from 4% in the 1995-99 period to 31% in the 2005-09 period. The EU-ILO partnership was nonetheless facing a number of challenges that she wanted to address, in particular the legitimacy, the transparency, the objectivity, and the credibility of adding labour provisions to trade agreements. The 2008 ILO Declaration on Social Justice for a Fair Globalization was unanimously adopted by ILO member States, including EU countries and their trading partners. It represented a universal compass. It formally recognized and supported the Decent Work concept. It formally recognized tripartism and International Labour Standards as the ILO’s unique comparative advantage. It reached out to inter-governmental as well as non-governmental organizations inviting them to promote Decent Work, and it called for policy coherence in international fora. The Declaration was a second milestone in furthering a social dimension in trade after the 1998 Declaration on Fundamental Principles and Rights at Work had emphasized the universal ratification or implementation of core labour standards and instruments. The

2008 text stated that “the violation of fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and [...] labour standards should not be used for protectionist purposes.” It further stated that the ILO should provide upon request “assistance to Members who wish to promote strategic objectives jointly within the framework of bilateral or multilateral agreements, subject to their compatibility with ILO obligations ..”. Transparency was an issue demanding that knowledge-sharing was enhanced so as to ensure equal access of information to all the trading partners. Numerous sources of information were already available, including an ILO portal of free trade agreements and labour rights, but more could be done such as EU-ILO cooperation to develop a methodology for impact assessment of labour provisions. As there was no standard model of labour provisions for EU free trade agreements, different treatment between various trading partners might impact on their legitimacy. A coherent approach to EU labour provisions should ensure a more objective labour dimension of trade. To this end she suggested to focus on the eight Fundamental and on four Governance Conventions and to step up EU-ILO cooperation to assist countries to ratify and implement them. A fuller use of the ILO compliance system would ensure a more credible labour dimension of trade. The system provided for regular assessments with full involvement of the social partners, for interpretation mechanisms and for technical cooperation and assistance.

Ms. Anya Oram, Sustainable Development, Trade-related Labour and Human Rights Issues, Fair Trade, Directorate-General for Trade, EC, said that trade policy was a key vector through which countries could promote Decent Work in third countries. While there were high expectations of this in the EU, we should be aware that not all problems could be solved through trade policy. Moreover, trying to include labour standards was typically the most difficult part of negotiating trade agreements. The EU approach largely consisted of incentives, cooperation, transparency, and dialogue. While fully committed to promoting respect for core labour standards and Decent Work, the EU also recognized the right of developing countries to use their legitimate comparative advantage to trade their way out of poverty. Two guiding principles were creating without being protectionist a level playing field for EU suppliers and workers, and promoting international and EU values in partner countries, in particular the core labour standards and the Decent Work agenda. The EU rejected the use of sanctions as their effect was limited, nil or even negative. Four tools were being used: the Generalised System of Preferences (GSP), free trade agreements (FTAs), Sustainable Impact Assessments (SIAs), and Corporate Social Responsibility (CSR). All three GSP schemes - “normal” GSP, GSP “plus”, and the Everything But Arms initiative for least developed countries - could be temporarily withdrawn from countries where there was evidence of serious and systematic violations of the eight core ILO conventions as well as core human rights conventions which contained some additional labour protection provisions. She referred in this context to benefits having been withdrawn from Myanmar and Belarus following a Commission of Inquiry initiated by the ILO. The GSP Plus scheme offered additional incentives to vulnerable countries that effectively implemented international human rights and labour conventions. FTAs were instrumental primarily through the inclusion of a sustainable development chapter covering both the environment and employment and, in the latter case, aimed at engaging partner countries in a process of strengthening compliance with labour standards and promoting Decent Work. FTAs currently went further than GSP Plus. Beyond relying on the ILO supervisory system, the agreements would set

up mechanisms involving civil society representatives from both parties to monitor implementation, as well as a possibility for independent arbitration. In concluding she reiterated some guiding principles for using trade policy to promote Decent Work, namely, policy coherence, credibility and effectiveness, transparency, predictability, and feasibility. Trade policy should harness the economic benefits of trade liberalization whilst promoting values such as human rights and social justice.

Mr. Pierre Bouchard, Director, Bilateral and Regional Labour Affairs, Canada, and currently lead negotiator in trade talks with the EU, said that in negotiating with his country the EU had a unique opportunity to change its approach and come up with a new, robust and the most comprehensive model of labour provisions that existed in the world today. Canada wanted to go well beyond what had been included in the recent trade agreement with Korea both in terms of level of obligations and willingness to face the consequences of non-respect. He had three questions namely (i) whether the EU would agree to have a transparent mechanism to resolve disputes and set penalties for non-compliance of up to 15 million dollars per year, (ii) whether the appropriate level of obligations should be respect for the ILO core conventions, as the EU had suggested, or something considerably broader, as Canada had proposed, and (iii) whether the EU - in a position after all to impose its will if it so wished - would agree to use this then as a model in future trade negotiations.

Mr. Vital Moreira, Member of the European Parliament, Chairperson, International Trade Committee, recalled that the Lisbon Treaty obliged the EU explicitly in its external dealings, and trade policy therefore, to respect certain values, principles, and human rights, which from the EU point of view included core labour standards. Global trade rules did not include respect for human rights or labour standards and developing countries had blocked the proposal to include them on the trade negotiations agenda. However, the global trade system provided mechanisms that could be used by major actors like the EU and it would be a shame if the EU as biggest trade partner in the world would forget about the labour dimension of trade. He wondered whether it was still reasonable to maintain the separation between GPS and GPS Plus where under the former it was still possible to give preferences to countries that did not respect core labour standards. As regards FTAs such as had been concluded with Korea, Colombia and Peru, there was a long way to go to ensure that their sustainable development chapters would be fully adhered to. He asked whether the time was ripe to include and enforce provisions that developing countries would often consider protectionist and whether the EU-Canada FTA should represent a breakthrough in this respect. As far as foreign direct investment (FDI) and corporate social responsibility (CSR) were concerned, the EU had the competence to regulate investments through legislation or international agreements, but he wondered how far it should go in imposing binding obligations on companies investing abroad. As the EC was preparing a communication on CSR, this could be a good occasion to discuss this problem. In concluding he found that over the last decade good progress had been made in linking trade and Decent Work but that there was still a long way to go.

Mr. Tom Jenkins, Senior Advisor to the General Secretary, European Trade Union Confederation (ETUC) said that the provisions of Article 21 of the Lisbon Treaty, about the EU seeking to advance in the wider world democracy, rule of law, and human rights, applied to trade policy. Trade was not an objective in itself. The aim was to foster more and better jobs. The ETUC were for open trade and they rejected

protectionism. Trade should also be fair, however, and in line with their aspirations. Compliance with ILO core labour standards should be a universal constant. The 2008 ILO Declaration conferred to them worldwide legitimacy. As it had stated, no competitive advantage should be gained by breaching ILO standards. The 2006 “Global Europe” trade policy strategy had not been particularly effective but one element at least remained from it. It had introduced sustainable development chapters in FTAs, the shape of which had emerged in the CARIFORUM and the EU-Korea Agreement. ETUC generally supported linking labour and environmental issues. But the sustainable development chapters were weak on enforcement. Why did the dispute settlement mechanisms that applied to the rest of the agreements not also apply to these chapters? Another possibility would be to designate respect of ILO standards as “essential elements” of an agreement. It was necessary to reinforce supervision and implementation mechanisms. They hoped that in developing Sustainability Impact Assessments, as DG EMPL was now doing, they could have a better understanding - and control - of the effects of trade. They hoped that, with the entry into force of the Lisbon Treaty and given the new and important role of the European Parliament, that trade negotiations –including the question of investment treaties- would become more open and better reflect the aspirations of European citizens, so that they fostered Decent Work in Europe as well as in partner countries.

Mr. Winand Quaedvlieg, Vice-Chair of the International Relations Committee, BusinessEurope, said that there was no simple answer to the question how Decent Work could be promoted globally through trade policy. Decent Work consisted of various elements including core labour standards and employment conditions and the role of trade policy in these two fields should be very different. The answer to the question also depended on whether one envisaged Decent Work in the EU or in third countries. For the EU, the policy prescription would be to pursue an open trade policy while at the same time promoting competitiveness and labour market reform. For Decent Work in third countries, it depended to a large extent on the flanking policies in those countries. International trade created the fertile soil for economic and social development, but domestic policies determined its final effects. Trade, moreover, had different effects in the short and the long term, such as in the case of outsourcing, where limited job loss in the short term might be compensated in the longer term by increased employment due to structural improvements. His organization did not think that trade policy should be used as an instrument to improve employment conditions in third countries. The adaptation of labour costs could not be a condition for trade. Differences in costs were the *raison d’être* of trade. On the other hand, improvements in conditions might well be the result of trade. Should trade policy be used as an instrument to improve core labour standards? This was an issue already on the agenda in the 19<sup>th</sup> century. It was also a highly contentious issue in global debates. As to whether countries should apply the carrot or the stick approach, that is, grant trade preferences or apply sanctions, he noted that sanctions might serve two purposes. If they were meant to restore a competitive position, the question was whether neglect of core labour standards resulted in fact in a competitive advantage. The OECD had argued that the contrary was true. If infringements did not lead to a competitive advantage, then sanctions would just be protectionism. The EU should not follow this path, therefore. It should stick to the rules of the WTO. If sanctions were aimed to punish or pressure they tended to have a symbolic and populist character and might well be counterproductive. For all these reasons BusinessEurope was against imposing labour standards through trade policy sanctions. In any event, one could not

force countries to adopt standards they did not believe in. His organization was not in principle against the alternative for sanctions, namely a cooperative approach. However, there appeared very little room actually to engage in a co-operative approach in the multilateral arena while in the bilateral sphere it depended on the circumstances. Conditions for a successful co-operative approach were the use of instruments directly targeted at improving outcomes, the actual application of rules that were adopted, and a focus on countries where the EU could make a difference. It was certain that arrogance would never work. The EU should not be seen as imposing its norms. In conclusion, even in the absence of sanctions some effective tools were available to address the question of improving labour standards including improved dialogue and corporate social responsibility (CSR). BusinessEurope supported a number of recent CSR initiatives, but stressed that CSR should always remain a voluntary activity. Finally, one should not forget the autonomous developments in countries to improve their social and business climate.

Mr. Marc Maes, Trade Policy Officer, Coalition of the Flemish North-South Movement 11.11.11, said that many NGOs had long been sceptical about linking trade and labour standards because of a number of issues surrounding trade itself. Trade policy should be more transparent and holistic. He found that sustainable development, that is the impact of trade on jobs and the environment, should not be reserved for a single chapter at the end of trade agreements but considered in every chapter and in every provision. For trade policy to have more impact on Decent Work, job creation should be one of its core objectives, the involvement of civil society in advisory committees and monitoring bodies should be a key provision, and the rights and obligations of investors and host countries respectively should be better balanced.

In the plenary discussion a delegate from Egypt referred to Decent Work in her country as a major challenge with high rates of unemployment and a huge informal sector, particularly affecting women, in spite of the fact that Egypt had ratified all of the key ILO conventions. Mr. Jenkins remarked that that did not mean that any were implemented and he pointed in particular at freedom of association. Ms. Doumbia said that ILO technical cooperation could help in reducing implementation gaps. Ms. Oram noted that if too much was expected of trading partners, the opposite of what was intended, such as the growth of the informal sector, might result. She asked Mr. Bouchard whether Canada had ever levied any fines or used sanctions in their trade relations, and furthermore whether Europe was in a position to challenge his country's provincial laws under FTAs. As far as sanctions for violating labour rights were concerned, Mr. Bouchard referred to the recent US/Guatemala case. He also mentioned that since the EU made this a pre-condition for the entire FTA talks with Canada, Canadian Provinces would be covered by an EU-Canada FTA. A French Government representative wondered whether the European Commission's commitment had changed upon the adoption of the 2008 ILO Declaration and how Europe had made use of it. Although the EC had stated that it was against sanctions, he suggested that merely threatening with them might already be effective. Ms. Oram responded that the GSP was currently under review and that the question of effective implementation was being looked at. She took the point about sanctions and said she could pass it on to the European Council and Parliament. She nonetheless feared that they might be counterproductive and suggested that other instruments could be used. On CSR and binding obligations one had to be careful not to end up achieving the opposite of intended results. It would not be a good thing, for example, when 'lower

quality' investors who did not care about Decent Work would seek their domicile outside the EU, or when non-EU investors would replace EU investors. Next years' EC Communication would duly consider these issues. A Belgian Government representative said that the panel had shown convincingly that there was a close link between Decent Work and trade policy. He asked Mr. Moreira, MEP, whether there were any clear EU guidelines about clauses to be included in trade agreements as it appeared that EU action was somewhat like a patchwork that could be confusing for partner countries, certainly as at the same time things were being discussed at the WTO. He wanted to know what the policy line was and wondered whether we could not have an understanding of an overall objective to the effect that the EU would not sign bilateral or regional trade agreement without having reached agreement on certain clauses. For that to work we needed to have a mechanism in place that would reassure people, offer some reference points, and prevent us from going in different directions. Mr. Moreira said in reply that the reason that international labour standards did not feature in global trade negotiations did not fall upon the EU. Secondly it was his view that free and fair trade could provide a good leverage for job creation and improvements in labour standards. You could not improve them in the middle of poverty, misery, and the informal economy. Thirdly, he did not see a contradiction in at the same time taking a particular stand at the WTO in favor of free and fair trade, and trying to insert social clauses in FTAs. In any event, over the years the European Parliament had been among the keenest and most consistent supporters of a social dimension in trade policy. The Chair concluded that economic development depended on trade and open markets but may be not at any price or cost. The Forum agreed that free markets and fair labour standards were not incompatible per se. Speakers had wanted more or less the same thing, namely to promote Decent Work and policy coherence. They wanted consistency and legitimacy, and they acknowledged that a certain political consensus had already been reached in the ILO and at the European level. However, in practice, implementation and monitoring often left to be desired. There was plenty room for improvement. It was important, therefore, to keep meeting in different fora, to make the debate more open and less complex, to consolidate ideas. Finally, as far as CSR was concerned, one should not forget that it was a voluntary instrument and not provoke companies so as to create distortions in the level and quality of investments.

### **Final roundtable: Next steps in developing the external dimension of EU employment and social policy**

A final round table, chaired by Mr. Xavier Prats-Monné, Director for Employment, Lisbon Strategy, International Affaires, at the Directorate-General for Employment, Social Affaires and Equal Opportunities, European Commission, primarily aimed, on the basis of preceding discussion, to identify the next steps and to establish the structure of objectives for the external dimension of the European Union's employment and social policy.

Mr. Gilles de Robien, former Minister, Ambassador for social cohesion, and representative of the French Government at the ILO Governing Body, France, noted that the further development of the external dimension of EU employment and social policies should mean, in the first place, the dissemination and promotion of what made 'Social Europe' stand out in the world. It also meant support for the effective

implementation of Decent Work and more broadly of international standards or ILO initiatives. As French delegate on the ILO Governing Body he had on numerous occasions discussed related matters with government, employer and worker representatives from around the world and found that the European approach was perhaps not always sufficiently known or well-understood. This suggested undoubtedly that Europe might want to do a better job of dialogue at the multilateral or bilateral level. The EU had constructed a social model unique in the world, combining social protection, equal opportunities and social inclusion, a model linking economic development with social progress and solidarity. However, in the global economy the future of enterprises and the employment they provided, were now decided at international financial markets rather than at national level. Moreover, the crisis had shown the limits of a system where enterprises were merely looking for short-term gains. So far, international bodies had not assumed the role of regulator earlier played by national governments. The EU should therefore promote governance at the multilateral level so that social, financial, economic, trade, development and environmental policies and priorities would be coherent and integrated. But as had been stated earlier, the EU should in order to be credible at the international level, first enhance the coherence of its own internal and external policies. Various initiatives had been developed between the EU and other regions of the world in order in an integrated manner to take account of social priorities as well as more economic objectives. These should be further pursued so as to reach beyond the talking stage. He cited the example of ASEM where a political dialogue at the level of Heads of State or Government was combined with a dialogue between Ministers of Labour and Employment. In its inter-regional and bilateral action the EU should make the ratification of the eight ILO core conventions an important objective. In negotiating trade agreements, it should systematically look for inserting compliance mechanisms. It should give full support to global initiatives that combined economic development and social progress, such as the UN Social Protection Floor initiative. In order to make better known what the EU did, to monitor progress and to enhance coherence in the external dimension of its employment and social policies, it should be useful if the Commission were to update from time to time the report it had issued in 2008 on the promotion of Decent Work in the world. It might also be envisaged by Member States to set up a high-level expert group on the EU's external policies in the domain of labour, employment, social cohesion and Decent Work. Such a group could, for example, make proposals to the Council and be associated in developing pertinent initiatives and following them up. Finally he mentioned, in particular, that France, in the context of its forthcoming G20 Presidency, would support any steps leading to economic growth rich in quality jobs, to strengthening social protection systems, to promoting active labour market policies, and to achieving greater policy coherence in global governance in these areas.

Ms. Audra Mikalauskaite, Vice-minister, Social Security and Labour Ministry, Lithuania, wanted to reiterate that the external issues that had been discussed were equally important inside the EU. She stressed the importance of green jobs and found that Decent Work should be on the top of agendas, especially where problems of young people were concerned. Referring to the crisis that had also affected the Baltic States, she noted that countries that had a solid social dialogue tradition and that fully respected ILO conventions, such as Denmark, seemed to have fewer employment problems. She also mentioned that as countries such as China and India were emerging powers, Europe should realize that it could not walk alone, that it should

take account of what went on elsewhere, and that it had to cooperate with third countries.

Mr. John Monks, General Secretary of the European Trade Union Confederation, recalled that the origins of the current European social model were particularly to be found in post-war reconstruction, after 1945. The model had developed strongly until what he called the globalization moment, around 1989, with the collapse of communism and China opening up economically. Hundreds of millions of extra workers became available to the world trading system and balances in the world economy began to change. That started feelings among at least some groups of workers in Europe that jobs were emigrating as enterprises delocalized in search of higher profits. Outsourcing was the word. Enlargement of the EU then came along, introduced a much wider dispersion of incomes and living standards, and produced some significant migration flows from East to West. As this had had unfavorable consequences for some groups of workers in the West one could easily have the impression that the European social model, as a sand castle on the beach with the tide coming in, was slowly being washed away. We were now in hard times with austerity affecting mainstream countries and prompting a lot of extra social tension in the months ahead. Looking at the EC proposals on economic strategy, including the possible withdrawal of agricultural and structural funds for countries finding themselves in breach of the Stability and Growth Pact, we might find that another large chunk of the sand castle would disappear. To be clear, at the moment there were only two countries meeting the rules, Estonia and Sweden, and nobody seriously believed that most others would oblige before long. So it appeared that Social Europe was under threat from within if people tried to pay off too much of their debts too fast. The ETUC would like to see a Europe confident enough to try and export its model and convince Asia, and perhaps the United States to begin with, that welfare states, a degree of public services in the economy, and worker rights, were a good thing and not either a necessary evil or something you wanted to avoid if you could. The EU should actively promote the values of Social Europe to other parts of the world rather than lower our terms and conditions, as the Commission was now proposing.

Mr. Emmanuel Julien, Vice-Chair of the Social Affairs Committee, BusinessEurope, said that the notion of Decent Work was useful as it was an integrating and modular concept. Like 'flexicurity' it remained a good vehicle to promote strategies and encourage countries to adopt good practices. However, countries did not all face the same challenges so they should get different advice. A one-fits-all approach was not appropriate and not acceptable. To have an external dimension of EU employment and social policies was not right in his opinion as it represented a stovepipe approach. He preferred more broadly to look at the social dimensions of EU external policy. The external policy should be multidimensional yet coherent and consistent and it should use all sorts of levers. It should have both political objectives, namely peace and rule of law, and economic objectives, namely prosperity, growth, and employment, meaning economic and social competitiveness. Sustainable development was not possible without democracy and rule of law. To reinforce democracies around the world should therefore be a priority objective of the EU. Policy coherence was important including with policies of multilateral agencies such as the IMF and the World Bank. Once the EU became gradually more mature it should subsequently be in a position to set more specific guidelines on how to deal with economic and social issues.

Mr. Rudi Delarue, Director, Office for the European Union and the Benelux countries, ILO, stressed that his organization depended on strong partnerships in order to promote Decent Work, including sustainable enterprises. The ILO as an institution could not do this alone. The ILO was therefore pleased with all the Decent Work ‘ambassadors’ present at the Forum and thanked the various organizers. The partnership with the EU was very important to the ILO. Global support for Decent Work in times of crisis, as spelled out in the Global Jobs Pact, was also important to the EU, however, both in terms of its internal and external policies. It facilitated the dialogue and the cooperation with external partners. It was important to have a stronger involvement of the employment and social affairs actors at national and EU level in promoting Decent Work within and outside the EU and some ideas had already been floated, such as more of a say for the EPSCO Council in external affairs and the setting up of a high-level group. This would help the EU in preparing for international negotiations but also in the ratification and implementation of instruments such as the Maritime Convention where the EU was very much present. ILO and EU currently also cooperated usefully in work concerning the fishing sector. He found that it might be useful to strengthen the knowledge of labour and related issues in EU delegations. A stronger interplay between trade policies and external development assistance should help in narrowing the gap that existed between ratifying and implementing ILO conventions. As regards social dialogue, it was enshrined in the various EU treaties and DG EMPL rightly involved social partners in EU external dialogues like with ASEM and China. But the involvement of social partners had so far been limited in the operations under external development assistance. Access to funds was based on wide-cover calls for proposals and the success rate of non-state actors in the development budget line was only five per cent according to EC data. So there should be a more actor-oriented approach here to draw in the social partners when the objective was to promote Decent Work. Finally, it was important to ensure a place for labour and employment issues in G20 deliberations, once again with the involvement of social partners.

In the plenary discussion a Turkish delegate wondered whether the EU saw itself as a competitive economic power or rather as a social prosperity union. If it was both he wondered what the balance was and whether it was sustainable. In reply the Chair suggested that the entire construction of Europe and the entire social model were based on the assumption that one should not have to choose between economic growth and social cohesion but that the two were compatible and mutually reinforcing. The Chair then brought up the consensus on a growing role of the G20 in employment and social matters and wondered whether there were any ideas on how to take this further, such as under the forthcoming French Presidency, or from the perspective of the social partners. Mr. Gilles de Robien said that France was not yet presiding the G20 but that it intended, as Korea had done, to show great respect for countries not part of the group and associate them with the work ahead. It should be remembered that the G20 was born in crisis and it would not disappear as the social crisis was far from over. The G20 should therefore be mobilized to consider how to deal with the social consequences of the crisis such as in terms of Decent Work. France wanted to keep the flame alive and was favorable to another gathering of G20 labour and employment ministers in conjunction with the meeting of Heads of State. Mr. Monks said that the EU now accounted for around a third of global GDP and, as the Chair had put it, never assumed there to be a divide between economic and social

success as one presupposed the other. Extending Social Europe was important as crisis response. Measures such as were taken in Germany and some other EU countries to reduce working time had been successful in getting out of recession more quickly. With the financial crisis over he was worried, however, about the G20 being no longer too concerned about social issues and he suggested that France had a big job to do in revitalizing their role in this regard. The social partners were fairly well plugged into the G20 process and they would meet with most of the Heads of State, particularly European ones. Mr. Julien mentioned that employer organizations were hesitating as to whether the G20 should make policy recommendation such as on labour market flexibility or social protection or rather focus on international governance issues. The G20 had moved relatively fast in boosting cooperation through international bodies such as the IMF and it had thus challenged other international fora and organizations to prove their utility. Mr. Delarue said that it was crucial to involve labour market actors in global governance that concerned economic policy and its employment consequences. Decisions would thus be more relevant and have more chance of being implemented. Practice established in the G8 context, with social partners and the ILO being present, should now be continued in the G20 framework. In fact the ILO, alongside other bodies such as the OECD and the IMF, was directly involved with the G20 and had provided various inputs into its work, such as up-to-date information on crisis measures. As the ILO was part of the UN, it considered it important that the G20 also linked in with the UN system.

### **Closing Session**

The Forum heard concluding statements by Ms. Lenia Samuel, Deputy Director-General, Employment, Social Affairs and Equal Opportunities, on behalf of the European Commission, and by Ms. Joëlle Milquet, Deputy Prime Minister, Minister of Employment and Equal Opportunities, in charge of Migration and Asylum Policy, on behalf of the Belgian EU Presidency.

Ms. Samuel had drawn several preliminary lessons from the debate. The first was that, ten years after its emergence, we could build on a firm understanding of Decent Work and its role for economic, societal and human development. The usefulness of the concept had become obvious, more than ever, when all ILO constituents swiftly agreed on a Decent Work inspired, common portfolio for crisis responses in the Global Jobs Pact. The G20 had added momentum by calling for employment and poverty alleviation to be placed at the centre of national and global economic strategies. The debate at the Forum had reaffirmed the need for a strong commitment to take this momentum forward. A second, strong message she had heard concerned the need for more policy coherence. Recent efforts for increased cooperation among international organisations were welcomed. Forum participants discussed how synergies could be built between the EU's bilateral and regional policy dialogues on employment and social policy and the ongoing debates in global fora. But more coherence was also needed between external activities of the European Union and policies of its Member States. Third, the debate at the Forum had also shown that the Decent Work agenda could be used to guide policy dialogue with EU partner countries, regardless of the great diversity between countries and regions. Youth unemployment and the difficulties young people had in finding quality jobs were indeed global concerns, as was ever more evident since the crisis. So, it was an issue

high on the agendas of EU policy dialogue, for example, in the context of the Union for the Mediterranean or in the cooperation with Latin American countries. Learning from each other was particularly important, as we were entering an area with new opportunities and new challenges for employment and Decent Work, such as the greening of the economy. The Commission was engaged in joint research in this area with international organisations such as the ILO and the OECD. A fourth message she took home was that close attention should be paid to all four pillars of Decent Work: productive employment, rights at work, social dialogue and social protection. Although social protection had not been addressed in a specific session of the Forum, it had come up in many contributions to the debate. The Commission had recently organised an international conference on social security. It was looking forward to the next International Labour Conference, which should set an ambitious step forward in this area, notably by promoting a global social floor. Social protection systems where they existed had proven their role as automatic stabilizers in the crisis. Several EU partners, for example in Asia, were increasingly attracted to developing such systems. Social protection did not only serve social goals, but it could also help economic ones. As it allowed people to save less and increase consumption it helped to sustain domestic demand. And fifth, it had been once more stressed that we did not operate in closed systems. The debate on the use of trade instruments for decent work had shown this very well. It had underlined how trade policy could help achieve Decent Work objectives but that endeavours to this end had to strike a fine balance. As the ILO Declaration on Social Justice for a Fair Globalization had stated, the violation of fundamental principles and rights at work could not be invoked or otherwise used as a legitimate comparative advantage and labour standards should not be used for protectionist trade purposes. In conclusion Ms. Samuel said that the Commission had recognized the need for a stronger external dimension of its activities. Tackling global issues at the global level would be necessary to achieve sustainable solutions in an interdependent world. Setting global policy frameworks and gradually moving towards level playing fields were part of this. The changed attitudes on global governance provided for new opportunities to promote European values and policy approaches in the employment and social field. Learning from our partners and pooling expertise would help in identifying the best, i.e. the most effective and efficient solutions. Thus should external activities give strong support to pursuing the Europe 2020 Strategy and contribute to the flagship initiatives in the employment and social policy field, namely, Youth on the Move, the Agenda for New Skills and Jobs, and the European Platform on Poverty. This Forum had been a first step in identifying how to refocus and strengthen external EU activities to support still better internal policy goals. It had provided the European Commission insights on Decent Work perceptions and developments of its international partners and a wide range of stakeholders including European and international social partners. Forum outcomes would feed into a stocktaking report on the contribution of the external dimension of EU employment and social policies, which the Commission would draw up next year.

Ms. Milquet concluded that over the past two years, crisis and recovery had led to an intensification of global debates and international activities in the area of employment and social policy, including policy dialogues on employment within the ILO, UN, OECD and G20 framework, as well as in bilateral and regional fora. Stronger socio-economic governance was needed in the context of the deepening of globalisation and of the economic crisis, and represented a challenge for the external dimension of employment and social policies. The ILO Global Jobs Pact was considered a pivotal

element of the global consensus on the role of employment and social policies in mitigating the crisis impacts, for sustainable recovery and growth, and was rightly recognised by the G20 as a key element in advancing the social dimension of globalisation. The Forum had highlighted the fact that employment and poverty reduction remained at the heart of economic strategies by contributing to strong and sustainable growth. In addition, given the current fiscal constraints and austerity measures, the focus should be on cost-effective labour market and social policies. This underlined the need for coherence of all elements of macroeconomic policies. Good cooperation and policy coherence between international organisations dealing with economic, financial and labour issues, as well as the importance of their contribution to the G20 framework for strong, sustainable and balanced growth, were also essential in this context. The Forum had highlighted the importance given to achieving strong job growth, including quality jobs, and to providing social protection to citizens, at the recent G20 Toronto Summit, which had welcomed the recommendations of the G20 Labour and Employment Ministers, and instructed Ministers to take all necessary steps to implement them fully within agreed timelines. A regular meeting of Labour and Employment Ministers of the G20 was needed in the run-up to G20 Summits to provide G20 leaders with strong and coherent messages on employment and social matters and to ensure an adequate follow-up. The Forum proposed that the European Commission update its report on the promotion of Decent Work and consider setting up an EU high-level group, or a specific Council group, on the external dimension of employment and social policies. Youth unemployment and the transition towards a green economy were major global issues to be tackled through policy dialogues and strategic partnerships guided by the Decent Work concept. The integration of labour provisions in bilateral and regional trade agreements was an important development for the implementation of international labour standards and assessing the impact of such provisions would further contribute to fostering Decent Work. There also was considerable potential for corporate social responsibility (CSR) to help work become Decent Work. The Belgian Presidency proposed that the EPSCO Council send a message to the European Council so that it would take into account, when defining the EU approach for the upcoming G20 Seoul Summit on 10 and 11 November, the importance of jobs-rich growth, quality jobs and poverty reduction for successful recovery, and the need to continue a regular dialogue between Employment and Labour Ministers within the G20 framework.

\*\*\*\*\*

ANNEX: Note by the Belgian Presidency of the Council of the EU to the Council on the Outcomes of the International Forum on Decent Work

\*\*\*\*\*

**COUNCIL OF THE EUROPEAN UNION**

Brussels, 15 October 2010

14255/10

SOC 590

**NOTE**

---

from : The Presidency  
to : COUNCIL (Employment, Social Policy, Health and Consumer Affairs)  
subject : Outcomes and Conferences of the Belgian Presidency  
- Information from the Presidency (Any other business item)

---

**International Forum on Decent Work:  
A new global momentum for the promotion of decent work?  
Challenges for the external dimension of EU employment and social policies  
Brussels, 11-12 October 2010**

The Belgian Presidency of the Council of the EU and the European Commission organised, in close cooperation with the Office of the International Labour Organization for the EU, an International Forum on Decent Work, held in Brussels on 11 and 12 October 2010. Attended by ministers, experts from international organisations, Member States and strategic partners, European and international social partners, and NGOs, the Forum explored recent developments in the field of the social dimension of globalisation and strategic prospects for the next decade.

The Forum aimed to debate the new challenges for the external dimension of EU employment and social policies, during a general session, three thematic sessions (namely, enhancing decent work opportunities for young people; addressing the new challenges for decent work in the low-carbon economy; the contribution of trade policy and instruments to the promotion of decent work), and a final round table.

The main conclusions arising from the Forum are the following:

– Over the past two years, crisis and recovery have led to an intensification of global debates and international activities in the area of employment and social policy, including policy dialogues on employment within the ILO, UN, OECD and G20 framework as well as in bilateral and regional fora. Stronger socio-economic governance is needed in the context of the deepening of globalisation and of the

economic crisis, and represents a challenge for the external dimension of employment and social policies.

- The ILO Global Jobs Pact is considered a pivotal element of the global consensus on the role of employment and social policies in mitigating the crisis impacts, for sustainable recovery and growth, and was rightly recognised by the G20 as a key element in advancing the social dimension of globalisation.

- The Forum highlighted the fact that employment and poverty reduction remain at the heart of economic strategies by contributing to strong and sustainable growth. In addition, given the current fiscal constraints and austerity measures, the focus should be on cost-effective labour market and social policies. This underlines the need for coherence of all elements of macroeconomic policies.

- Good cooperation and policy coherence between international organisations dealing with economic, financial and labour issues, as well as the importance of their contribution to the G20 framework for strong, sustainable and balanced growth, is also essential in this context.

- The Forum highlighted the importance given to achieving strong job growth, including quality jobs, and to providing social protection to citizens at the recent G20 Toronto Summit, which welcomed the recommendations of the G20 Labour and Employment Ministers, and instructed Ministers to take all necessary steps to implement them fully within agreed timelines.

- A regular meeting of Labour and Employment Ministers of the G20 is needed in the run-up to G20 Summits to provide G20 leaders with strong and coherent messages on employment and social matters and to ensure an adequate follow-up.

- As a strong commitment towards the Decent Work agenda, the European Commission is invited to update its report on the promotion of decent work by the EU.

- The Forum also proposed to consider setting up an EU high-level group or a specific Council group on the external dimension of employment and social policies.

- Youth unemployment is a major global issue which should also be tackled through policy dialogues and strategic partnerships guided by the decent work concept that can capture the multifaceted situation of young persons on the labour market.

- The transition towards a green economy will change what and how we produce and have a profound impact on jobs, in terms of both quality and quantity. This represents another challenge that should be addressed in policy dialogues and strategic partnerships on the basis of a decent work approach.

- The integration of labour provisions in bilateral and regional trade agreements is acknowledged as a very important development for the implementation of international labour standards; impact assessment also contributes to fostering the implementation of decent work.

- There is considerable potential for corporate social responsibility to contribute to decent work especially in the case of youth unemployment, the greening of the economy, and in the framework of the trade policy.

The Belgian Presidency proposes that the EPSCO Council send a message to the European Council so that it takes into account, when defining the EU approach for the upcoming G20 Seoul Summit on 10 and 11 November, the importance of jobs-rich growth, quality jobs and poverty reduction for successful recovery, and the need to continue a regular dialogue between Employment and Labour Ministers within the G20 framework.