

# **Joint conclusions of the 7<sup>th</sup> High-Level Meeting between the European Commission and the International Labour Office**

## **Geneva, 2 December 2008**

The yearly High Level Meeting (HLM) was the seventh one since the signature of the renewed Exchange of Letters between the ILO and the European Commission (EC) on 14 May 2001. The strategic partnership in the field of development cooperation was signed in 2004 and is also part of this overall cooperation framework.

From the European Commission's side, the following services were represented: DG EMPL, DEV, EuropeAid and the EC Geneva Delegation intervening on DG RELEX and TRADE related issues. Participants are listed in Annex 1. The discussions were based on a joint agenda.

The ILO and the EC have considerably intensified their cooperation in recent years on a wide range of issues, both at the level of Headquarters and in the field. The HLM did therefore not cover all ongoing cooperation. It focused on a number of specific points and items taking into account new or renewed policy developments and on some issues that have not been covered by previous HLM.

It was notably decided to give the current and unprecedented crisis, affecting all regions and countries, priority attention for the Meeting. In this context both institutions have to reset priorities and work plans in the face of new requests and realities.

The ILO and the EC underlined that a prominent role in the present crisis was crucial to prove the relevance, the credibility and the added value of both organizations, and that it was therefore important to put the development of common actions targeting the specific crisis situation in the center of the meeting's discussions.

The main goals of the 2008 HLM were to identify the possibilities for synergies and to obtain joint conclusions.

A summary overview of the main outcomes since the 2007 HLM is included in Annex 2.

### **I. Priority points for information and discussion**

#### **1. Introduction, convergence of objectives and responses to the financial and economic crisis**

##### **1.1. Introduction and convergence of objectives**

The 2008 HLM reaffirmed the overall convergence between the strategic objectives and main policy objectives of the ILO and the EC against the background of new key policy frameworks such as the June 2008 ILO Declaration on Social Justice for a Fair Globalisation, the July 2008 renewed European Social Agenda and the ILO and the EU responses to the financial and economic crisis.

The EC highlighted that the ILO tripartite nature and its global mandate and expertise represent an important added value for the EU.

The EC underlined the complementarity of the activities of both institutions in terms of policy development, analysis and research. Both institutions strongly appreciate their cooperation.

The ILO has appreciated the strong EU support for the June 2008 ILO Declaration. This fundamental text was adopted by full consensus of the governments and social partners of the 182 ILO Member States. The ILO Declaration formalizes the decent work agenda and provides tools and methods for its implementation in all regions and countries. It also highlights the importance of implementing decent work based on national priorities and needs (ownership principle), established in consultation with social partners, while at the same time underlining the indivisible and interrelated nature of the four decent work components (employment, rights at work, social protection and social dialogue). The ILO Declaration is important in the context of delivery as One UN.

The EC briefly introduced some more recent developments which have the potential to add further ground and continuity to the existing cooperation with the ILO. The Commission Communication on the Renewed Social Agenda adopted on 2 July 2008, which builds on the three pillars of access, opportunities and solidarity, advances also the external dimension and explicitly reaffirms the EC support for promoting decent work for all both in the EU and outside. The document underlines the importance of cooperation with the ILO. It is accompanied by an EC staff working paper on the EU contribution to the promotion of decent work, reporting on progress made since the 2006 Communication and on further progress to be made; it also explicitly underlines the strong relevance of the implementation of the June 2008 ILO Declaration for the ILO-EU cooperation.

Recent events such as the G8 Employment Ministerial in Japan, the support to the ‘Decent Work, Decent Life’ Campaign, the strong messages sent at the ASEM meeting in Bali underline the achievement of high policy convergence.

The EC (EuropeAid) has reviewed its technical cooperation policy; this includes the improvement of capacity building, stronger engagement with the EC partners and ownership. The ILO tripartite structure is important in this context.

## **1.2. The ILO and the EU responses to the financial and economic crisis**

Both the ILO and the EC have developed coherent and coordinated initiatives to address the financial and economic crisis that seriously affects the real economy and employment in all regions and countries.

The EC has adopted on 26/11/2008 a comprehensive proposal for the EU Economic Recovery Package that will feed into the European Council of 11 and 12 December 2008. It mobilises considerable concerted efforts of both the EU institutions and the 27 EU Member States of 1.5% of EU GDP to cope with the economic slowdown and maintain growth and employment. Investing in people, notably the most vulnerable groups, flexicurity, social protection, improving capacities for matching skills and labour market needs, promoting entrepreneurship, innovation, smart investments including a positive attitude towards grasping opportunities of the greening of the economy and an important external dimension package (e.g. reaffirmed the EU commitments on ODA and MDGs, reform of financial architecture, reform of global governance, international cooperation ) are part of it. The proposal also highlights the role of the social partners.

Next steps are the adoption of country specific recommendations as part of the Lisbon strategy package. The EC underlined the challenge to address the highly divergent fiscal and competitiveness situations in the EU Member States.

The ILO has quickly reacted to the crisis by calling for concerted and coherent international reaction that addresses not only the financial architecture but also the real economy, the excessive inequalities and the reform of wider global governance that should better take into account decent work outcomes. The ILO Director General has intervened to that end at the annual meeting of WB and IMF in September 2008 and has presented a paper to the meeting of the UN Chief Executive Board in October.

The ILO Governing Body intensively discussed the initial ILO responses and the Officers of the Governing Body adopted a joint declaration with six measures that national, regional and international authorities should take into account when developing responses to the crisis.

The ILO Office will considerably intensify its internal work as the crisis will probably have major implications for the world of work.

Next ILO steps are e.g. the 8<sup>th</sup> European Regional Meeting in Lisbon (8<sup>th</sup> ERM , 9/2-13/2/09), a high tripartite level meeting in March 09 and the acceleration of the preparatory work on 5 years African Union Summit declaration on decent work (2005).

The EC and the ILO note the considerable degree of convergence between the EU Recovery Package and the ILO responses. Both will intensify cooperation on this during the next steps such as the 8<sup>th</sup> ERM, the March 09 ILO GB and in other fora and initiatives.

The responses to the crisis will also be taken up in other EU-ILO cooperation issues such as flexicurity, skills, greening the economy and the EU development cooperation and external assistance.

It was underlined that it will be crucial to identify the most suitable policy mix, policy sequence and use of resources. Both sides emphasized the high degree of uncertainty of further developments and the difficulties of predicting the impact on employment.

## **2. Employment**

### **2.1. Skills both inside and outside the EU**

#### **- Anticipation and development of skills in the EU**

The EC will adopt by mid December 2008 the New Skills for New Jobs Initiative that will present a first assessment of the EU's future skills and jobs requirements until 2020. This will include a series of actions to organize this assessment on a permanent basis, including the pooling of efforts of the EU MS and international organizations, and to develop better information on future needs.

Matching skills provision to labour market needs is an important item on the ILO agenda. The ILO is interested in engaging in this area with the EU based on the 2008 ILC outcome on skills that includes the use of methodologies for skills forecasting. The ILO is also addressing skills needs as part of greening the economy and as part of country responses to economic downturns.

The EC and the ILO will cooperate on skills needs through e.g. a knowledge sharing platform that could develop the following kinds of methods and tools:

- for qualitative and quantitative anticipation and forecasting skill needs (e.g. employers surveys, sectoral studies, macroeconomic-level econometric-type forecasting, occupational analysis, tripartite coordination groups);
- for identification of skill needs for specific target groups, such as the low-skilled, migrant workers, and older workers;
- for ad-hoc identification of skill and training needs for retraining of redundant workers for immediate application as part of an effective response to the financial and economic crisis;
- for greening the economy.

The relevant services of both organizations shall as soon as possible define the elements of such cooperation with a view to conclude joint management project agreements.

### **- Skills development outside the EU**

The EC and the ILO agree to intensify cooperation on skills and TVET outside the EU both in relation to development policy, external assistance and policy dialogue.

The EC has a tradition on demand driven skills development in external assistance in some regions and has a number of experiences of working in partnership. It will launch in 2009 a study on better skills development in the context of the informal sector.

The EC will also intensify its work on TVET (including the informal sector) in development policy. The ILO will be invited to discuss the study and to contribute to the EC's work on TVET.

Responding to a strong demand for training programmes in the area of skills development, the ITC-ILO is developing its capacity in this area and will strengthen its collaboration also with the European Training Foundation and CEDEFOP to tap European expertise in its training courses.

The EC's work could also benefit from the ILO ongoing research in Africa on policy options for upgrading informal apprenticeship systems as well as other ILO work on assisting constituents on skills, labour market information and employment services, including in the context of addressing the economic crisis, and on greening the economy.

It can also build further on the basis of ongoing ILO technical cooperation projects in the field co-funded by the EC on demand-oriented skills development systems, labour market intelligence and matching supply to labour market requirements (e.g. Bangladesh, Vietnam).

## **2.2. Flexicurity inside and outside the EU**

The EC underlines that flexicurity should be perceived as a balanced tool for labour market modernization. The concept was endorsed by the European Social partners and employment ministers. The EC informed that the EU Council has adopted in December 2007 common principles on flexicurity reflecting an integrated approach (reliable and flexible contractual rules, active labour market policies, lifelong learning, modern social security and social dialogue as cross cutting issue). The EC emphasized that the concept is valid both in times of

economic prosperity and crisis. The EU is developing flexicurity indicators. The EC however sees the challenges posed by weak social partners and labour administration and a large share of the informal economy in some non EU ILO countries, as well as the question of costs for the implementation of flexicurity policies.

The ILO does not have yet an officially endorsed definition of flexicurity. However the ILO approach which highlights the role of tripartite social dialogue — as stated in 7<sup>th</sup> ILO European Regional Meeting (ERM) — is broadly in line with the EU common principles. It will again be discussed during the 8<sup>th</sup> ERM in February 2009.

Important issues the ILO would like to develop are: 1) relevance and application of flexicurity in different socio- economic contexts (e.g. preconditions); 2) the interactions with the macro-economic policies; 3) the choice of indicators assessing flexibility and security; 4) efforts on capacity building.

The ILO is already engaged in research and TC project in selected emerging economies and European neighborhood countries to promote an operationally and balanced labour market paradigm that combines flexibility and security as complementary concepts.

In the EC-sponsored ‘High Level Dialogue’, July 2008 in Turin (ITC-ILO) on the European Social Model, governments and social partners from the EU countries debated flexicurity with selected representatives from third countries.

The EC and the ILO expressed their interest to seek cooperation on flexicurity in relation to emerging countries, including possible joint research on institutional macro-economic preconditions. Both entities will identify a list of emerging countries which might become the object for such cooperation. A joint technical event (workshop) should be envisaged for 2010.

### **2.3. Shifting to low carbon-economies: social and employment implications**

The EC appreciates the pioneering work done by the ILO and the ITC-ILO on green jobs. This is illustrated e.g. by the presentation by the ILO of the UNEP-ILO- ITUC (trade unions)- IOE (employers) report to the EU employment committee (EMCO).

The employment potential of greening the economy is very relevant in the context of the response to the economic crisis. Tapping this potential is an important element of both the European economic recovery plan and the joint declaration of the Officers of the ILO GB.

The ITC-ILO is organizing in February 2009 a first pilot training course on green jobs, which will target the ILO constituents from 8 developing countries around the world, including India, China and Brazil. This will form the basis for a diversified training offer on green jobs in 2009.

The mid term review process of the EU Country Strategy Papers - related to the EU external assistance - is also very relevant for ensuring that issues such as decent work and the employment and social dimension of climate change are adequately taken up as this is also relevant for achieving the MDGs and other sustainable development objectives.

The ILO and the EC agree to cooperate on strengthening the knowledge basis of the employment and social implications of shifting to a low carbon economy. The ILO very much welcomes the related joint EC-ILO initiatives and projects.

### **3. Broadening social protection coverage including workers in the informal economy**

The ILO welcomes the increasing cooperation with the EC/EU on broadening and extending social protection coverage. This is also very relevant for addressing economic and financial crisis and for the food crisis. The 2008 ILO Declaration on Social Justice and Fair Globalization has reinforced the mandate of the campaign to extend social security to all.

The November 2008 ILO Governing Body document (GB.303/ESP/3) "Social security Standards and the ILO campaign for the extension of social security" underlined both the importance of the enhanced ratification of existing ILO social security conventions (and in particular Convention 102) as well as promotion of the strategy of achieving minimum levels of protection required by the C102 by implementing at least a package of basic cash benefits and essential medical care accessible to all in need. It also highlighted the necessity to further discuss a need to create a new ILO mechanism helping member countries to achieve desired protection levels. An ILO tripartite expert meeting will be organized on this issue in May 2009.

The issue of social protection was also very much present in the 2008 ASEM labour ministerial and the Euromed 2008 employment ministerial. It was also an important element of the UN CSocD Resolution adopted in February 2008.

The EC will organise in the second half of 2009 a conference on basic social security schemes as announced in the EC staff working document on the EU contribution to decent work in the world of 2<sup>nd</sup> July 2008. The findings of the EC co-funded ILO interregional project on "how to strengthen social protection in the context of the EU Agenda on decent work and promoting employment" will feed into this conference.

The ILO will be an important stakeholder at this event. The conference will provide a good opportunity to promote adequate social protection and the need to extend social protection coverage.

Under the EC thematic Programme Investing in people (2008 work programme), the EC will co- finance an ILO-EC joint managed programme aimed at improving social security, employment policies and occupational health and safety at work (OSH), including the informal economy. The ILO will present a coordinated proposal to the EC. The structure of this programme aims at demonstrating that interacting concepts covering the three policy areas can be developed in a tripartite national development process. The outcomes of this programme will be presented in a major international Conference to be held in early 2011.

The ILO will also provide input to the EC policy work on social protection in development and external assistance (2009 communication on affordability of the development of social protection systems, 2009 report on how to improve social security in ENP including an EC workshop). The EC and the ILO will keep each other informed about their calendars related to social protection.

### **4. Promoting social dialogue in the EU external relations and actions**

Promoting the EU social dialogue, including supporting the capacity of social partners to engage in social dialogue, is part of the EU Treaty and the key EU policy documents. The ILO/ITC-ILO and the EU have a long standing cooperation on strengthening capacity

building of social partners and labour administrations. There is a good record for Candidate Countries and European Neighbourhood Countries.

There is also encouraging progress as regards the strategy of including the social partners in the dialogue with third countries and regions.

The ILO/ITC-ILO underlined the importance of modern labour administrations for channeling the social dialogue.

The role of social dialogue in the crisis was highlighted. Strong social partners were needed. The EU informed about the possibility to increase the administrative capacities of the social partners with financing from the ESF (inside the EU).

The EU and the ILO will also continue their cooperation to facilitate social partner's involvement in the EU dialogue and cooperation with third regions and countries (e.g. LAC, ASEM, Euromed, Neighbourhood Countries, enlargement process).

Support for social partners is also part of the European Consensus on Development and is covered by EC programmes such as non state actors and the European Initiative on Democracy and Human Rights. It is also relevant in the context of promoting good governance. The ILO/ITC-ILO have extensive training programmes and tools on social dialogue issues and could make this available to the EC services and the EC Delegations by providing training and guidance material on working with social partners (as autonomous non state actors) as well as labour administrations.

The review of UNDAFs (One UN) and Country Strategy Papers can also benefit from effective consultations of employers and workers in relation to employment and social policy.

## **5. Gender equality**

The EC and the ILO recognize the interest in sharing knowledge about gender equality and to foster cooperation both inside and outside the EU. The objective is to get results for women and men through gender equality e.g. in the EC development policy and external assistance. In this context the ILO material and methodology (e.g. measuring progress through gender audits, gender dimension of DWCP) can be of use.

The 2008 ILO Declaration gives prominence to Gender Equality as a cross-cutting theme. Gender equality is also at the heart of four specific Conventions (namely 100, 111, 156 and 183) and women and men are covered by the ILO standards. In 2008, the ILO launched a one-year global campaign to highlight the central role of gender equality in its decent work agenda and in the work of its constituents. The campaign is built around 12 monthly themes aimed at illustrating how various issues in the world of work can affect women and men in different ways. The 2009 International Labour Conference will hold a general discussion on "Gender equality at the heart of Decent Work", the outcome of which will increase women and men equal access to an enjoyment of rights, employment, social protection and social dialogue.

Both sides agreed that the gender dimension of the crisis deserves research.

The ILO is willing to contribute to the EC policy documents implementing the European Consensus on Development in relation to gender mainstreaming and building further on the "EU Programme of Actions on Gender Equality and Women's Empowerment in External

Relations” as a follow-up to the EC 2007 communication. Reference to the EU goods practices are made in the background report for that discussion.

In terms of technical cooperation, the ITC-ILO and the EC (DG EMPL) extended their joint programme on “Raising the awareness of companies about combating gender stereotypes” and the EC and the ILO launched the first national joint programme on “Gender Equality in the world of work in Ukraine”.

## **6. Development and external action**

-UN-System: The ILO informed about the state of play of the One-UN exercise. As regards UNDAF, the EC informed about its commitments through the Paris and Accra Declarations.

### **- EUROSOCIAL**

Both the EC and the ILO/ITC-ILO agree that, in accordance with the findings of the recent evaluation of EUROSOCIAL, EUROSOCIAL should not be perceived as a series of projects but under an integrated approach. Complementarities between EUROSOCIAL and bilateral country programmes should be fostered. A next phase of EUROSOCIAL is still under discussion at the EC.

The ITC-ILO underlined the need to better use the tripartite structure of the ILO and to intensify the promotion of the involvement of social partners. For a possible next phase, the ITC-ILO suggested to foster a stronger knowledge sharing approach. It also raised the idea of an extension to other regions.

The parties agree that the lessons of the Midterm Review should be actively shared and disseminated by both institutions with their respective regional offices and delegations.

### **- The EC Delegation Seminars**

As a follow-up to the 2006 Asia-EC Delegations Seminar and the 2007 Latin America-EC Seminar, the EC (EuropeAid) will organize in June 2009 the ACP-EC Delegation Seminar in Brussels. The EC and the ILO recognize the mutual interest of these Seminars as it helps identifying concrete possibilities on how the ILO action and the DWCP can contribute to the EC cooperation in the social sector.

In order to produce actual added value, both institutions will (i) better inform the EC – Delegations and the ILO Offices on the state of play of their cooperation, (ii) promote preparatory exchanges and if possible the pre-identification of synergies or areas of cooperation, (iii) promote targeted visibility actions on the event and its outcomes (iv) address also social dialogue and promoting involvement of social partners as non state actors in development.

The ILO also offered the services of the ITC-ILO so as to turn these seminars more into “learning events” by suggesting a number of methodological approaches and providing facilitation.

The next EC Delegations Seminar to take place in 2010 could be organized for the European Neighbourhood Policy countries.

## **7. Trade and labour standards**

The EC affirms its commitment to promote decent work, including labour standards, through its trade and trade related policies. This is illustrated by e.g. the renewed (July 2008) GSP and the GSP plus scheme and the bilateral trade agreement with Cariforum (October 2008). Other ongoing bilateral trade negotiations also include employment and social issues in the context of sustainable development but outcomes will differentiate from region to region and country to country taking into account the specific contexts.

The EC takes into account the findings of the ILO supervisory system on the application of labour standards in its GSP and the GSP plus schemes. It strongly appreciates the ILO Office for the dialogue and cooperation while acknowledging the specific role and mandate of the ILO.

The ILO June 2008 Declaration on Social Justice for a Fair Globalisation provides also a strong framework for enhancing the ILO role in relation to trade and decent work and the EC is willing to explore cooperation with the ILO on the follow-up of the Declaration.

Other important issues for the cooperation with the ILO on the EC trade and trade related policies are: the work on trade and development in UNCTAD; the ongoing cooperation between the ILO Office and the WTO secretariat on trade, employment and decent work; trade related technical assistance and the upcoming signature with the ILO of the EC external assistance programme (i.e. Investing in People) on assessing and addressing the effects of trade on employment.

The ILO informs the EC that the September 2008 ILO tripartite meeting on measuring decent work and the International Conference of Labour Statisticians agreed on the establishment of quantitative indicators (including their development in relation to measuring progress on core labour standards) that would complement the narrative data of the ILO supervisory system.

The Parties concluded to arrange a meeting between the ILO and the DG Trade experts for the follow up on the various discussions in progress early 2009.

## **8. Promotion of visibility of cooperation – joint information sessions**

The EC and the ILO highlighted the importance to continue to make their cooperation known and further increase its visibility.

The ILO informed about its activities relating to its 90<sup>th</sup> anniversary, centered on the week from 21 to 28 April 2009.

Opportunities for possible communication events with the European Parliament or other events will be further explored, taking due regard to the timing as there will be Parliament Elections and the end of the office of the present Commission in 2009.

## **II. Points for information**

### **The Africa-EU Partnership on Migration, Mobility and Employment**

The ILO recalled its interest in supporting the implementation of the partnership and notably the part on Migration, Mobility and Employment which foresees an enhanced cooperation

between the EU and the African Union on (i) migration and development, and address the root causes of migration and refugee flows and on (ii) addressing the root causes of trafficking in human beings in countries of origin, as well as countries of destination iii) to create more and better jobs in Africa, in particular for youth and women, in line with the UN decent work for all agenda. The ILO will carry on consulting the EC (mostly DG DEV, AIDCO and the Delegations at the field level) as well as the African Union so as to provide inputs towards the implementation of these priorities.

### **Follow-up actions on the EU renewed social agenda**

The EC informs the ILO on the implementation of the initiatives included in the social agenda including the follow-up to the high level forum on workers rights and economic freedoms of 09/10/08. The EC welcomed the participation of the ILO. The ILO confirms its strong interest in this follow-up and refers to the coherence between the EU internal policies and international obligations under ratified conventions.

### **Social Dialogue (transnational agreements/International Framework Agreements)**

The EC published a staff working document on this as part of the renewed European social agenda of 02/07/08. The ILO participated in the EU seminar on 13 and 14/11/08 (Lyon, France) on transnational agreements/international framework agreements. The ILO has also published documents on this. In addition to social dialogue, it is also relevant in the context of CSR. The EC-ILO will continue cooperation on this topic.

### **Update on the EU activities related to the ILO Maritime Labour Convention and Work in Fishing Sector Convention**

The EC has presented to the Council a proposal for a Council Directive implementing the EU social partner's agreement on the ILO maritime labour convention (MLC). This agreement takes up important parts of the ILO convention. It is expected that the Council will adopt this Directive in the coming weeks following the opinion by the EP. Other parts of the MLC will have to be implemented by other legislative proposals such as on port state control.

The EC has also presented a proposal for a Council decision authorising the EU MS to ratify the Convention 188 (Work in Fishing), preferably before 2012. This text is currently discussed in the Council and EP will deliver an opinion.

### **Cooperation on issues of the June 2009 ILC**

The EC has informed the ILO that it plans to organize on 11/5/09 an EU Member States expert meeting on the 2009 ILC. The agenda has not been established yet. In the past the ILO Office was invited to attend parts of the meeting to provide last updates and the EC would welcome if this very useful practice is maintained.

Issues on the agenda of the 2009 ILC are: (i) first discussion on a recommendation on AIDS/HIV at work, (ii) gender and decent work (see point 5) and (iii) social protection in the context of demographic change.

### **Activities related to 90<sup>th</sup> anniversary of the ILO (21-28 April 2009)**

The EC and the ILO will explore possible initiative in Brussels. However end of April is very close to the European elections and the end of the mandate of the EP and the College of Commissioners.

### **III. Concluding issues**

- The next High Level Meeting will be organised in Brussels, at the beginning of 2010 as the College of Commissioners and the EP will be renewed in 2009.
- The EC and the ILO will disseminate the joint conclusions and share them with field offices and Delegations.