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REPORT

on the Commission communication entitled ‘Promoting core Labour Standards and Improving Social governance in the context of globalisation’

(COM(2001) 416 – C5-0162/2002 – 2002/2070(COS))

Committee on Employment and Social Affairs

Rapporteur: Marie-Hélène Gillig

Draftsman (*): Konstantinos Alyssandrakis

(*) Hughes procedure

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(*) Hughes procedure

PROCEDURAL PAGE

By letter of 20 July 2001, the Commission forwarded to Parliament a communication entitled 'Promoting core Labour Standards and Improving Social governance in the context of globalisation' (COM(2001)416 – 2002/2070(COS)).

At the sitting of 11 April 2002 the President of Parliament announced that he had referred the communication to the Committee on Employment and Social Affairs as the committee responsible and the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, the Committee on Industry, External Trade, Research and Energy, the Committee on the Environment, Public Health and Consumer Policy, the Committee on Development and Cooperation and the Committee on Women's Rights and Equal Opportunities for their opinions (C5-0162/2002).

At the sitting of 24 April 2002 the President announced that the Committee on Industry, External Trade, Research and Energy, which had been asked for its opinion, would be involved in the drafting of the report pursuant to the Hughes procedure.

The Committee on Employment and Social Affairs appointed Marie-Hélène Gillig rapporteur at its meeting of 12 September 2001.

It considered the Commission communication and the draft report at its meetings of 23 April, 27 May and 18/19 June 2002.

At the last meeting it adopted the motion for a resolution unanimously.

The following were present for the vote: Theodorus J.J. Bouwman, chairman, Marie-Hélène Gillig, vice-chairman and rapporteur, Winfried Menrad and Marie-Thérèse Hermange, vice-chairmen, Sylviane H. Ainardi, Jan Andersson, Elspeth Attwooll, Regina Bastos, Hans Udo Bullmann (for Enrico Boselli), Philip Bushill-Matthews, Alejandro Cercas, Luigi Cocilovo, Harald Ettl, Carlo Fatuzzo, Ilda Figueiredo, Hélène Flautre, Anne-Karin Glase, Richard Howitt (for Elisa Maria Damião), Stephen Hughes, Ioannis Koukiadis (for Proinsias De Rossa), Jean Lambert, Elizabeth Lynne, Thomas Mann, Mario Mantovani, Claude Moraes, Manuel Pérez Álvarez, Bartho Pronk, Lennart Sacrédeus, Gerhard Schmid, Helle Thorning-Schmidt, Ieke van den Burg et Sabine Zissener (for Enrico Ferri).

The opinions of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, the Committee on Industry, External Trade, Research and Energy, the Committee on Development and Cooperation and the Committee on Women's Rights and Equal Opportunities are attached; the Committee on the Environment, Public Health and Consumer Policy decided on 6 November 2001 not to deliver an opinion.

The report was tabled on 24 June 2002.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session .

MOTION FOR A RESOLUTION

European Parliament resolution on the Commission communication entitled ‘Promoting core Labour Standards and Improving Social governance in the context of globalisation’ (COM(2001) 416 – C5-0162/2002 – 2002/2070(COS))

The European Parliament,

- having regard to the Commission communication to the Council, the European Parliament and the Economic and Social Committee entitled ‘Promoting core Labour Standards and Improving Social governance in the context of globalisation’ (COM(2001)416 – C5-0162/2002¹),
- having regard to the Charter of Fundamental Rights of the European Union², and its resolution of 14 November 2000 on the Commission communication on the Charter of Fundamental Rights of the European Union³,
- having regard to the UN Universal Declaration of Human Rights, the European Convention on Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the Convention on the Elimination of All Forms of Discrimination against Women, and the Convention on the Rights of the Child⁴,
- having regard to the Copenhagen Declaration on Social Development and the Action Programme of the World Summit on Social Development of 12 March 1995,
- having regard to the ILO Declaration on Fundamental Principles and Rights of Work adopted by the International Labour Conference at its 86th session on 18 June 1998,
- having regard to ILO Conventions No. 87 of 1948 and No. 98 of 1949 on freedom of association and the right of collective bargaining, No. 29 of 1930 and No. 1050 of 1957 on the elimination of all forms of forced or compulsory labour, No. 138 of 1973 and No. 182 of 1999 on the effective abolition of child labour, No. 100 of 1951 and No. 111 of 1958 on the elimination of discrimination in respect of employment and occupation,
- having regard to the conclusions of the Tampere European Council of 15-16 October 1999,
- having regard to the Commission White Paper on European Governance of 25 July 2001 and its resolution of 29 November 2001 on European governance (COM (2001) 428)⁵,

¹ Not yet published in OJ.

² OJ C346, 18.2.2000, p. 1.

³ OJ C223, 8.8.2001, p. 6.

⁴ International Pact on Economic, Social and Cultural Rights, UN Doc. A/6316 (1966), 993 UNTS 3, entered into force on 3 January 1976, and International Pact on Civil and Political Rights, UN Doc. A/14668 (1966), 999 UNTS 171, entered into force on 16 December 1966.

⁵ Not yet published in OJ.

- having regard to the Commission Communication on ‘the future of the European Union - European Governance - Renewing the Community method’ (COM(2001) 727)¹,
- having regard to its resolution of 2 July 1998 on transnational trade union rights in the European Union², and in particular on the application of the ILO conventions on the right of association,
- having regard to Council Regulations (EC) 975/1999 and EC 976/1999, of 29 April 1999, laying down the requirements for the implementation of development cooperation operations which contribute to the general objective of developing and consolidating democracy and the rule of law, and to the objective of respecting human rights and fundamental freedoms³,
- having regard to the Commission communication to the Council and the European Parliament of 8 May 2001 on 'The European Union's role in promoting human rights and democratisation in third countries' (COM(2001) 252)⁴,
- having regard to its resolution of 25 October 2001 on openness and democracy in international trade⁵,
- having regard to its resolution of 15 January 1999 on EU standards for European enterprises operating in developing countries: towards a European Code of Conduct⁶,
- having regard to its resolution of 25 October 2000⁷ on the Commission communication on the social policy agenda,
- having regard to the Commission communication to the Council and the European Parliament of 18 July 2001 on corporate social responsibility (COM(2001) 366)⁸,
- having regard to Rule 47(1) of its Rules of Procedure,
- having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, the Committee on Industry, External Trade, Research and Energy, the Committee on Development and Cooperation and the Committee on Women's Rights and Equal Opportunities (A5-0251/2002),

¹ Not yet published in OJ.

² OJ C 226, 20.7.1998, p. 64.

³ OJ L 120, 8.5.1999, p. 1 and 8.

⁴ Not yet published in OJ.

⁵ Not yet published in OJ.

⁶ OJ C 104, 14.4.1999, p. 180.

⁷ J C 197, 12.7.2001, p. 180.

⁸ Not yet published in OJ.

- A. whereas the Commission communication states that it is seeking to define a comprehensive and multidisciplinary approach to social development and respect for human rights,
- B. whereas the application of fundamental social rights constitutes, in the field of labour, an essential minimum condition in order to guarantee respect for the individual; expressing its utmost concern at the extent to which core labour standards are being violated globally, at the emergence of new forms of exploitation akin to slavery and at the exclusion of millions of other people from any form of income;
- C. whereas sustainable development requires an institutional and political environment which respects human rights, democratic principles and the rule of law; whereas economic development, social development and the fair sharing of resources should be requirements of the same order¹,
- D. whereas the EU should clarify its positions on social governance in the framework of the new multilateral negotiations in the WTO and whereas, on that occasion, the positions of the European Parliament should be incorporated into the Community's strategy,
- E. whereas, although the ILO is the competent body to define and negotiate the core labour standards, increased cooperation between the ILO and WTO secretariats is essential, and the EU also has a role to play in this field, as well as in the field of social governance,
- F. whereas globalisation presupposes the re-regulation of economic and trade relations; whereas it is necessary to find new regulatory areas and instruments, to define the roles of the various actors, and to include approaches and processes at both local and global levels; whereas globalisation can only be accepted if it permits the improvement of living and working conditions and higher levels of development aid in the interests of the peoples affected; whereas there is an urgent need to respond to the serious and growing lack of equilibrium where there is a lack of binding social norms on one side and rapid liberalisation of trade and finance on the other;
- G. whereas the Commission communication mainly concentrates on the strategy needing to be implemented in the developing countries at the risk of over-estimating the level of application of the core labour standards in Europe, and whereas it is therefore necessary to guarantee the actual application of these standards in Europe,
- H. whereas the follow-up mechanisms put in place by the ILO, and the reports published regularly on the state of application of the eight conventions on core labour standards, are not sufficient to give a relevant overview of the state of social governance in the world,
- I. whereas voluntary corporate initiatives should not take the place of the implementation of public sector standards, but should seek to achieve a higher level of protection than is offered by this body of norms,
- J. whereas the Copenhagen Declaration on Social Development recognised that globalisation

¹ Cf. report of the Commission's working party no. 5 on governance, of May 2001: "Reinforcing Europe's contribution to world governance".

creates opportunities for sustained economic growth and development,

1. Welcomes the Commission communication, which offers an opportunity to launch a debate within the European institutions on the link between globalisation, core labour standards and social development; welcomes the Commission's moves to place the issue of core labour standards on the agenda of various international bodies, in response to calls by Parliament and the trade union and citizens' movements which have spoken out on this subject;
2. Supports the wish to promote core labour standards in a context in which the statement: 'market governance has developed more quickly than social governance' is widely shared by international opinion; welcomes the progress made towards recognition of the universal nature of core social standards, in particular within the ILO in its eight conventions and the 1998 Declaration;
3. Endorses the Commission proposals as set out in its conclusions and calls on the Member States and the Council to give active support to the strategy proposed;
4. Stresses the importance of clarifying and improving relations between the EU and the ILO, and to that end:
 - 4.1. Calls on the Member States and the candidate countries which have not yet ratified the ILO conventions to adopt these international instruments as soon as possible;
 - 4.2. Calls on the Commission, the Council and the Member States to do all in their power to encourage third countries to sign the ILO conventions if they have not already done so; calls for a multilateral WTO agreement to provide incentives to observe core labour standards and require all WTO members to ratify at least the 1998 ILO Declaration on Fundamental Principles and the eight related conventions;
 - 4.3. Calls on the Commission and the Council to draw up specific measures in order, on the one hand, to help the ILO to enhance the effectiveness of the instruments at its disposal, notably monitoring in the case of violation of core labour standards, and on the other hand, to optimise the use of the available instruments and machinery provided, depending on whether these are bilateral, multilateral or Community agreements, while minimising the risks of protectionism; calls on the Commission to publish the results of the ILO monitoring procedure;
 - 4.4. Notes that the ILO's constitution permits the imposition of trade sanctions; reaffirms that the ILO alone should have that power and calls on the WTO to clearly state that trade sanctions imposed pursuant to an ILO decision could not be considered incompatible with the WTO Treaties; repeats its proposal that the WTO dispute settlement body should be obliged to consult the ILO and that the ILO opinion should be attached to the ruling when a trade dispute between WTO member countries involves a failure to observe core labour standards;
 - 4.5. approves support for the ILO's technical assistance measures relating to the

promotion of fundamental social rights, poverty reduction and the promotion of decent working conditions, including in their financial dimension,

- 4.6 encourages the new cooperation between the Commission and the International Labour Organisation (ILO) with a view to promoting decent working conditions, characterised by the enforcement of labour rights, a good level of social protection and the existence of social dialogue; stresses that the EU must act to ensure full respect for the core labour standards defined in the ILO declaration of 1998; this implies, *inter alia*:
- full compliance with the ban on labour by under-15s;
 - stepping-up of action against trafficking in people and domestic slavery;
 - a European asylum and immigration policy which encourages legal immigration as a means of combating illegal immigration and the exploitation of illegal migrant workers;
- 4.7 Calls on the European Union to work within the ILO to include in core labour standards, identified at the Copenhagen summit, the promotion of equality between men and women in the field of employment and professional life which a mere reference to eliminating discrimination would not achieve;
- 4.8 suggests that the holding of a European Parliament – ILO colloquy demonstrates the political will to carry forward the debate on the fundamental principles of social governance and the hierarchy of norms (commercial, social and environmental) and investments, particularly in the follow-up to AMI II; calls for other institutions, such as the Council of Europe, the World Bank, or associations, such as NGOs, involved in this field, to take part;
5. Calls on the Commission to pay particular attention to the work of the high level commission created by the ILO to analyse the social dimension of globalisation in a multidisciplinary way, and hopes that the EU will be clearly involved in the measures and actions to be defined to as to create a better framework for globalisation;
6. Calls on the Commission, the Council and the Member States to seek to obtain for the ILO observer status at the WTO, with a view to improving the quality of interinstitutional dialogue;
7. Calls on the Commission to consider setting up a monitoring system, both qualitative and quantitative, on the application of the core labour standards in Europe and the candidate countries, in cooperation with the Dublin Foundation¹; points out the importance of the gender dimension in these studies in order to improve monitoring of the effective implementation of the principles of equal treatment and non-discrimination, and calls on the Commission to incorporate this dimension into its assessments as a matter of course;
8. Calls on the Commission to submit periodically to Parliament and the Council a report on the state of social governance in Europe and on the impact of measures seeking to

¹ Foundation for the Improvement of Living and Working Conditions.

promote core labour standards in the context of the Union's bilateral and multilateral agreements;

9. Agrees with the Commission that social cohesion implies respect for core labour standards, and calls for greater efforts to promote full employment as a major driver of social cohesion;
10. Notes the difficulties in tackling the problem of fundamental social standards in the current framework of the WTO; calls, therefore, on the Commission to define, and submit to the European Parliament, new strategies to enable social standards to find their proper place in a new international architecture, and to enable the EU's trade policy to make a real contribution to sustainable development;
11. Endorses the decision of the Commission and Council to gear the Union's strategy for cooperation with the developing countries towards incentive clauses and not to penalty clauses; calls on the Commission to reinforce the Generalised System of Preferences (GSP), and to ensure that the fundamental labour standards component of the European Union's new GSP are actually enforced; calls for new non-trade incentive clauses to be proposed and devised for developing countries, in the interest of development, poverty reduction and equality between men and women;
12. Supports the need for an integrated approach in the EU's policies; calls on the Commission to provide a clearer definition for targeted measures in the context of development cooperation programmes and to promote coordinated aid, both bilateral and multilateral, to achieve compliance with all the fundamental labour standards;
 - 12.1 stresses in particular the close relationship between policies to support education and those to combat child labour, and recalls the absolute ban on work by children under the age of 15;
 - 12.2 considers that the development of fundamental social standards should be a clearly identified issue in initiatives to support democracy and human rights (stepping up the fight against the traffic in human beings, domestic slavery, exploitation of illegal immigrant workers and forced labour);
 - 12.3 stresses in particular the role which can be played by enhancing the right of workers to express their views, as well as their collective rights, in the establishment of democratic states;
 - 12.4 Considers it necessary to make the human rights clause mandatory in all agreements the EU concludes with third countries, and proposes to also refer to both basic UN human rights covenants;
 - 12.5 calls on the EU to incorporate, in all agreements with third countries (commercial or cooperation agreements), a clause concerning respect for core labour standards,
 - to improve and multiply agreements along the lines of to the "Cotonou accords", providing mechanisms for the monitoring and investigation of complaints;

- insists that this commitment by the EU to core labour standards should be discussed systematically in all Joint Commissions or other appropriate bodies established in these agreements as well as in any political dialogue conducted with these countries;
 - stresses the contribution of non-governmental actors to this process; considers that the elimination of discrimination in employment and occupation must give rise to specific measures in favour of the most vulnerable groups, such as women or disabled workers, and stresses the need to incorporate the notion of equality in these texts;
- 12.6 Urges the European Union to support the promotion of fundamental labour standards in the world financial institutions (IMF, World Bank) particularly when introducing measures such as the Strategic Poverty Reduction Programme;
- 12.7 Stresses that the promotion of fundamental labour standards implies a stepping up of financial aid to developing countries;
- 12.8 Believes, finally, that this integrated approach should also include the external dimension of EU policy in the field of Justice and Home Affairs, and, specifically reinforced cooperation in the judicial and police field in action against trafficking in people;
13. Stresses the essential and positive role of trade unions and employers' organisations in the promotion of core labour standards in the context of the ILO, and the importance of the role played by NGOs in improving social governance; calls on the Commission to clarify the question of NGOs' representativeness, by setting up an accreditation and observation system similar to the one in existence for social partners;
14. Looks to the Commission to step up its regional work with the new regulatory areas which are being established throughout the world¹, in order to adapt the promotion of core labour standards better to local realities;
- 14.1 Stresses the importance of developing the economy of solidarity and the innovative role which women play therein, and calls on the European Union to encourage it to be taken into account, since this can provide new and original approaches to the implementation of fundamental labour standards;
- 14.2 Draws attention to the important role that women's organisations, development cooperation organisations and regional authorities have to play in implementing policy geared to sustainable development, social cohesion and thus respect for core labour standards;
- 14.3 Stresses the great importance in developing countries of the informal sector (parallel economy and calls on the Commission and the ILO to come forward with proposals to enable the persons concerned to attain the status of workers;

¹ Mercosur, the South Asian Association for Regional Cooperation (SAARC), the UAO (Western African Union), etc.

- 14.4 Calls attention to the rapid growth of Export Processing Zones (EPZs) in different parts of the world and the fact that in many cases national labour legislation does not apply in these zones; calls therefore on the Commission to explore the possibilities of making ILO core labour standards applicable in such EPZs;
15. Stresses that promoting corporate social responsibility must follow on from what is happening in the OECD and ILO context, and must be accompanied by the promotion of worldwide social labelling, making it possible to genuinely assess the production and distribution chains of products from developing countries, and calls on the EU to incorporate this labelling into the development of the GSP;
- 15.1 Stresses additionally the role and responsibility of transnational companies in ensuring equitable working conditions in line with the OECD guidelines issued in 1976 and revised in 2000 and with the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises issued in 1977 and revised in 2000;
- 15.2 Suggests that the Commission, in consultation with management and labour and the other organisations concerned, should draw up a single European code of conduct to govern the international operations of European industry, based on the most appropriate international agreements.
16. Calls on the Commission, the Council and the Member States, in consultation with the social partners (workers and employers) to define a common position and strategy on fundamental social standards, particularly in the run-up to the new round of multilateral WTO negotiations and in the light of the progress needing to be made in that forum; recalls in that connection that the EU negotiating mandate adopted in the run-up to the 3rd WTO Ministerial Conference in Seattle is still legally valid;
17. Calls on the Member States of the EU to extend their cooperation measures with third countries, taking account of the priorities linked to improving governance and the guidelines defined by the EU;
18. Instructs its President to forward this resolution to the Council and Commission and the parliaments of the Member States.

EXPLANATORY STATEMENT

Introduction

The Commission communication on promoting core labour standards and improving world governance in the context of globalisation opens up a broad and complicated area of debate. The communication refers clearly both to the EU's own guidelines which steer the policies it pursues, particularly development and trade policy, and to its responsibilities in promoting a social model ensuring equal dignity for everyone on this planet.

Regarding the interface between globalisation, governance (particularly social governance) and core labour standards, this is an area where the technical approach alone, while entirely necessary, is insufficient.

In our view this approach should form part of a wider debate in which the normative approach should be combined with a systemic approach in the light of the needs dictated by a shared objective: that of sustainable development.

It appears hard to satisfy such a vision or ambition in the context of the opinion requested of the European Parliament. The nature of the communication, and its conclusions, which we endorse, suggest that we distance ourselves from overly technical comments about the measures and projects proposed, in order better to target the conditions to be implemented, in order for the core labour standards to find fertile ground for compliance.

It will be recalled that the four main categories of core labour standards which have been formalised through ILO conventions, namely:

- freedom of association and the effective recognition of the right of collective bargaining,
- elimination of any form of forced or compulsory labour,
- effective abolition of child labour, and
- elimination of discrimination in employment or occupation,

have been described in outline in the working document.

It does not seem necessary to devote much time here to the EU's specific responsibility in the application of these standards, given that they are so much a part of the European social model: a mere reference to the Charter of Fundamental Rights proclaimed in Nice in December 2000 is sufficient.

The Commission communication

The analysis set out in this document, which seeks to work out a strategy to enable globalisation to make a greater contribution to social development and the respect of fundamental rights, is based essentially on a close description of:

- relations between the various actors concerned, particularly the EU and the ILO;
- the mechanisms which have been implemented and those which should be developed;
- the ILO's tasks and checks in order to apply these standards;
- incentives by the EU in the context of trade agreements or bilateral or multilateral

relations.

It thus sets out the basic principles for the EU's approach in this area, and works out proposals for action in two major directions:

at international level, to strengthen links and support improvements in the ILO's actions;

at EU level, implementation of specific measures, boosting for example the Generalised System of Preferences (GSP), encouragement schemes, proposing improved integration of development objectives, reduction of poverty, and promotion of core labour standards;

It also proposes to evaluate in a detailed manner the interactions between trade policy, social development and core labour standards.

We support all these recommendations and endorse the guidelines which the Commission submits to the Council in the context of the existing European and international institutional apparatus.

Nevertheless it seems necessary for Parliament's opinion to supplement these proposals, stressing the context in which these measures are envisaged and proposed, and the difficulty of taking action on standards without asking about the conditions under which they are to be applied.

What – to take only two examples – do the right of expression or freedom of association of workers mean in a dictatorship, what does banning child labour mean in Less Developed Countries (LDCs) where there is no education system?

The Commission communication, then, opens up specific channels for action, but to give this action any real force should they not be considered as a stage in the necessary debate on world governance?

The communication as the basis for further debate

Looking at this major problem of applying core labour standards at world level, one is immediately struck by the lack of coherence between the approaches of the various institutions, and sometimes within the same institution, and can only stress the need to define a new architecture for world governance on the one hand and call for better integration of European policies on the other.

Firstly, the terms used in the title of the communication call for some comments:

Globalisation: The report cannot go into much detail on the meaning of this term, but we would just note that the globalisation to which we are referring implies that, in the context of the market economy, liberalisation of trade is not an end in itself and can only be the main or sole tool for eradicating poverty in the world, even if policies for the integration of the excluded in society are implemented.

Globalisation implies and presupposes public regulation, on the same scale and of the same

effectiveness as that which is used in trade relations. The liberalisation of trade has made a large contribution to development in general but also in practice to the increase in inequalities in the world: this is a general observation.

Consequently the WTO, valuable instrument though it is, cannot be the only place where world-wide regulations are made: neither can the rules made there be imposed on all other rules governing relations between human beings – and it is fair to ask about the hierarchy of norms in an international context, particularly the position of core labour standards.

Social governance: Seeking to bring about improvements in governance by the addition of measures in various areas - financial, economic, environmental, social – without any link between them, is not our idea of governance. The concept of governance implies that of interdependence. And the social governance which we are seeking to improve implies acting simultaneously, on the democratic organisation of states, and thus setting up a legislative framework, economic development, reduction of poverty, participation by the people concerned, and respect for natural resources. All this forms a part of the sustainable development approach.

The need for regulation: new areas, redefinition of instruments, role of actors still to be decided

In its communication, the Commission recalls in detail the development of the promotion of core labour standards at world level, specifying that ‘International discussions on the interface between globalisation and social development have evolved in several fora’.

The World Summit for Social Development in 1995, the Copenhagen Declaration on Social Development, which made it possible for the first time to identify the core labour standards and assert their universality; the 1998 ILO declaration, laying down that all ILO members, including those which had not ratified the conventions, were obliged to apply the principles deriving from it; the OECD’s work on international trade and core labour standards, and the guiding principles adopted in 2000 for multinational firms; the UN Global Compact for businesses: all these exist.

But the major conferences (Seattle, Doha) failed to incorporate core labour standards into trade relations: we may therefore say that relations between development of trade and promotion of these standards reflect the current inadequacy of systems and organisations and relative inability to develop the instruments necessary to ensure that universal standards are complied with.

The absence of a common hierarchy of norms between the various world regulatory systems, the consensus on universal rights but without any real power to challenge violations, the reduction of international law to the level of inter-state relations and its supervision by interested parties (a weakness of ILO procedures), all mean that we must search for new directions and points of reference, and call for regulations which are not essentially those of a State. The promotion of codes of conduct, labels, and partnerships are evidence of a new approach, but attention needs to be drawn to the need to integrate state standards and labels or specific codes of conduct, and to the risk of substituting one for the other.

Relying on the good will of businesses, through the implementation of European social rules,

even where they are established in countries where minimum social legislation does not exist, is somewhat illusory.

The role of the social partners, which is historically fundamental to the development of core labour standards, must be reaffirmed, particularly in the context of partnerships with their counterparts in the developing countries, whose actions it must be possible to support or even promote.

Similarly the NGOs have a crucial role to play in this context. Their role as observers of local situations, and as discussion partners both with local inhabitants and with local authorities, should enable them to participate in evaluation and indeed monitoring processes, provided that a framework and an approved accreditation system is put in place.

It will be recalled that, as regards the WTO, a European Parliament opinion on openness and democracy in international trade has emphasised the need for reform of this body. As regards the ILO, its new efforts e.g. to create a high-level group to follow up the social dimension of globalisation, to multiply debates at various regional levels – International Programme on the Elimination of Child Labour (IPEC) - should be encouraged.

To that end, relations between the EU, the ILO and the WTO should be specially defined, and the current work in the Convention should make it possible to define more closely the EU's level of representation in the various institutions participating in this global governance.

This will enable the ILO's actions to be reinforced by those of the EU, and vice versa, as proposed in the communication, to their full extent, and with full effectiveness.

Role of the European Union

The specific instruments available to the EU are far from negligible, particularly in the sphere of bilateral relations. The EU provides some countries with a large proportion of the aid they need. It is thus in a strong position to propose and support the establishment of sustainable development processes, including the adoption of framework conventions on core labour standards, whether on child labour, trade union rights or equal treatment.

The transition needs to be made from the strict application or supervision of standards to the establishment of processes ensuring their effectiveness.

An integrated approach involving all EU policies in this field, and the introduction of a mainstreaming clause on core labour standards with conditional targeted aid (as opposed to penalties) in these areas, should contribute to this.

With that in mind, we propose that the guidance given by the European Parliament to improving core labour standards may be summed up by turning round the title of the report: 'Improving Social governance in the context of globalisation, in order to promote the application and respect of core Labour Standards'.

23 May 2002

OPINION OF THE COMMITTEE ON CITIZENS' FREEDOMS AND RIGHTS, JUSTICE AND HOME AFFAIRS

for the on Employment and Social Affairs

on the Commission communication on promoting core labour standards and improving social governance in the context of globalisation
(COM(2001) 416 – C5-0162/2000 – 2002/2070 (COS))

Draftsman: Martine Roure

PROCEDURE

The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs appointed Martine Roure draftsman at its meeting of 21 November 2002.

It considered the draft opinion at its meeting(s) of 18 April and 23 May 2002.

At the latter/last meeting it adopted the following conclusions by 33 votes to 1, with 0 abstentions.

The following were present for the vote: Robert J.E. Evans (acting chairman), Lousewies van der Laan (vice-chairman), Giacomo Santini (vice-chairman), Martine Roure (draftsman), Niall Andrews, Christian Ulrik von Boetticher, Kathalijne Maria Buitenweg (for Patsy Sørensen), Marco Cappato (for Maurizio Turco), Charlotte Cederschiöld, Ozan Ceyhun, Carlos Coelho, Gérard M.J. Deprez, Francesco Fiori (for Marcello Dell'Utri, pursuant to Rule 153(2)), Evelyn Gebhardt (for Carmen Cerdeira Morterero), Marie-Thérèse Hermange (for Thierry Cornillet), Jorge Salvador Hernández Mollar, Anna Karamanou (for Michael Cashman), Eva Klamt, Alain Krivine (for Giuseppe Di Lello Finuoli), Hartmut Nassauer, William Francis Newton Dunn, Arie M. Oostlander (for Ana Palacio Vallelersundi), Elena Ornella Paciotti, Hubert Pirker, Bernd Posselt, Gerhard Schmid, Ingo Schmitt (for Timothy Kirkhope), Ilka Schröder, Miet Smet (for Giuseppe Brienza), The Earl of Stockton (for The Lord Bethell), Joke Swiebel, Anna Terrón i Cusí, Gianni Vattimo (for Sérgio Sousa Pinto) and Christos Zacharakis (for Mary Elizabeth Banotti).

SHORT JUSTIFICATION

Introduction

In the current state of things, as the Commission correctly states, *market governance has developed more quickly than social governance*¹. The Commission accordingly proposes to the Council that it adopt a strategy for the enhancement of global social governance, to be based on respect for the core labour standards set out in the ILO's Declaration of 1998. In your draftsman's opinion, this strategy can only succeed if respect for those core standards already applies within the EU itself.

I. Ensuring total respect for core labour standards in the EU

1. The European social model

The European social model has evolved gradually over the last forty years, and has brought into being a substantial array of acquired social rights (the free movement of workers, gender equality, workplace health and safety, working conditions and anti-discrimination measures).

In December 2000 the Nice European Council confirmed its commitment to implementing the social agenda put forward by the Commission in June of that year. The objective is to work for the implantation by 2005 of a sustainable form of economic development which can, among other things, ensure greater social cohesion, in particular through the improvement of working conditions and action to combat exclusion.

It should be recalled that the Charter of Fundamental Rights includes economic and social rights, and is therefore a document that protects core labour standards.

2. Failure to respect core labour standards in the EU

There are still far too many cases in the EU of non-compliance with the basic four core labour standards set out in the ILO Declaration.

Firstly, those Member States which have still not done so must be urged to sign and ratify the eight basic ILO conventions in this area². In addition, as is stressed by the most recent EP report on the situation as regards fundamental rights in the EU (2000)³, trafficking in people and domestic slavery continue to be rife in the Union: action must be taken to combat this extremely disturbing phenomenon. Equally, not all Member States have ratified either the UN convention of 1990 for the protection of the rights of all migrant workers or the Council of Europe's revised Social Charter of 1996. There are still too many cases of employment of underage child workers (especially in family businesses, domestic industry and agriculture), while the exploitation of illegal immigrant workers continues apace.

¹ COM(2001) 416, p. 4

² Cf. the Commission's recommendation to the Member States of 15 September 2000

³ Resolution of 5 July 2001 on the situation as regards fundamental rights in the European Union (2000), paragraphs 42-45 and 103 ff.

II. Promotion of core labour standards in the context of globalisation

1. An integrated approach

A European strategy for promoting core labour standards must certainly, as the Commission suggests, be based on an integrated approach: this is the only means of ensuring greater coherence and effectiveness for the Union's actions at both European and international level.

At international level, the Union needs to give stronger support to the work of the ILO, with a view to its being better publicised and monitored. The EU should also increase its financial contribution to the ILO programmes aimed at promoting core labour standards. More generally, the EU should play an active part in establishing an international dialogue bringing together the ILO, the WTO, UNCTAD and the World Bank, with a view to examining the possibilities for optimising the positive social effects of the liberalisation of trade and investment.

At European level, the EU has a number of instruments for promoting respect for core labour standards, in particular in the areas of development policy (the Cotonou Agreement) and trade policy (the revised GSP; 'social clauses'; 'social labels'), by means of which the opening-up of the EU markets can be tied to respect for labour standards.

Another EU policy, not mentioned in the communication, is that concerning cooperation in the judicial and police sphere: the external dimension of this policy should be reinforced, especially as regards action against trafficking in people and the sexual exploitation of minors. Also of relevance here is the Commission's green paper on the promotion of a European framework for corporate social responsibility, which stresses the need for greater consistency between the various codes resulting from private-sector schemes.

2. Guiding principles

It is certainly the EU's responsibility to promote respect for core labour standards, given their universal import. However, certain adjustments need to be made to the notion of respect for these standards in the context of the situation of the developing countries. It does not appear desirable to jeopardise the comparative advantage enjoyed by low-wage developing countries or to make labour regulation serve protectionist ends. Similarly, action against child labour only makes sense if backed up by flanking measures in the form of development aid; otherwise, children will simply be thrown out on to the streets, where they will be even more exposed to the risk of sexual exploitation.

CONCLUSIONS

The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Approves the Commission's strategy for promoting core labour standards with a view to encouraging social development in the context of a globalisation model excessively characterised by market governance; considers, in this regard, that the social partners must be closely involved in the conception and implementation of this strategy, together with broader civil society;
2. Calls on the Member States and the Council to give active support to the strategy proposed by the Commission;
3. Stresses that the EU itself must, in the context of the European social model and the economic and social rights set out in the Charter of Fundamental Rights, act to ensure full respect for the core labour standards defined in the ILO declaration of 1998; this implies, *inter alia*:
 - ratification of the relevant ILO conventions by those Member States which have yet to do so;
 - full compliance with the ban on labour by under-15s;
 - stepping-up of action against trafficking in people and domestic slavery;
 - a European asylum and immigration policy which encourages legal immigration as a means of combating illegal immigration and the exploitation of illegal migrant workers;
4. Endorses, in the interests of consistency and efficiency, an integrated approach to Community policies, encompassing both the trade policy (revised GSP; 'social clauses') and the development policy proposed by the Commission;
5. Believes that this integrated approach should also include the external dimension of EU policy in the JHA field, and, specifically:
 - reinforced cooperation in the judicial and police field in action against trafficking in people and, in particular, the sexual exploitation of children; such exploitation should, contrary to the ILO terminology, be considered not as a form of forced labour but as a crime; and
 - establishment of partnership agreements with the countries of origin or transit of migration;
6. Considers, nonetheless, that the promotion of respect for core labour standards must, if it is not to be counter-productive, be adapted to the economic and social circumstances of developing countries, and must not jeopardise their comparative advantages arising from low wage levels or bring about disguised protectionism; the promotion of core labour standards must be accompanied by the necessary reinforcement of development aid to the countries concerned;

7. Stresses additionally the role and responsibility of transnational companies in ensuring equitable working conditions in line with the OECD guidelines issued in 1976 and revised in 2000 and with the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises issued in 1977 and revised in 2000;
8. Calls on the EU and the Member States to assist the developing countries in making full use of the possibilities of priority access to EU markets offered by 'social labels';
9. Declares that globalisation can only be accepted if it permits the improvement of living and working conditions and higher levels of development aid in the interests of the peoples affected.

22 May 2002

OPINION OF THE COMMITTEE ON INDUSTRY, EXTERNAL TRADE, RESEARCH AND ENERGY

for the Committee on Employment and Social Affairs

on promoting core labour standards and improving social governance in the context of globalisation

(COM(2001) 416 – C5-0162/2002 – 2002/2070(COS))

Draftsman (*): Konstantinos Alyssandrakis

(*) Hughes Procedure

PROCEDURE

The Committee on Industry, External Trade, Research and Energy appointed Konstantinos Alyssandrakis draftsman at its meeting of 22 November 2001.

It considered the draft opinion at its meetings of 23 April 2002 and 22 May 2002.

At the latter meeting it adopted the following conclusions by 36 votes to 4, with 1 abstention.

The following were present for the vote: Carlos Westendorp y Cabeza, chairman; Peter Michael Mombaur, vice-chairman; Yves Piétrasanta, vice-chairman; Sir Robert Atkins, Ward Beysen (for Colette Flesch), Freddy Blak (for Marianne Eriksson), Guido Bodrato, David Robert Bowe (for Massimo Carraro), Giles Bryan Chichester, Nicholas Clegg, Willy C.E.H. De Clercq, Carlo Fatuzzo (for Concepció Ferrer), Francesco Fiori (for Bashir Khanbhai), Christos Folias (for Werner Langen), Marie-Hélène Gillig (for Harlem Désir pursuant to Rule 153(2)), Alfred Gomolka (for Godelieve Quisthoudt-Rowohl), Michel Hansenne, Dimitrios Koulourianos (for Roseline Vachetta), Rolf Linkohr, Minerva Melpomeni Malliori (for Gérard Caudron), Erika Mann, Hans-Peter Martin (for Norbert Glante), Marjo Matikainen-Kallström, Eryl Margaret McNally, Angelika Niebler, Giuseppe Nisticò (for Umberto Scapagnini), Reino Paasilinna, Paolo Pastorelli, Ioannis Patakis (for Konstantinos Alyssandrakis pursuant to Rule 153(2)), Elly Plooij-van Gorsel, John Purvis, Imelda Mary Read, Christian Foldberg Rovsing, Paul Rübig, Konrad K. Schwaiger, Esko Olavi Seppänen, Gary Titley, W.G. van Velzen, Alejo Vidal-Quadras Roca, Dominique Vlasto and Olga Zrihen Zaari.

SHORT JUSTIFICATION

The Commission communication 'Promoting core labour standards and improving social governance in the context of globalisation' (COM(2001) 416) deals with the global implementation of the four labour standards adopted in the 1998 International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. These standards are:

- freedom of association and the effective recognition of the right to collective bargaining,
- the elimination of all forms of forced or compulsory labour,
- the effective abolition of child labour and
- the elimination of discrimination in respect of employment and occupation.

They are covered by eight ILO conventions, which have been ratified by between 87 and 158 countries.

The communication briefly outlines the previous history of promotion of core labour standards at international level and proposes a number of measures to back them up.

The proposals are in line with the Council decision of 1999, and measures are proposed both at international level (reinforcing ILO supervision, negotiation, dialogue and technical assistance) and at EU level, mainly concerned with the Generalised System of Preferences (GSP). The Commission hopes that the review of the GSP with a view to improving market access opportunities for countries which comply with the core labour standards will act as an incentive for their promotion.

Your draftsman welcomes the step the Commission has taken in issuing this communication and also welcomes increased contacts between the Commission and the ILO. He considers that this is a start towards tackling the anxieties that have been aroused with good reason by the 'anti-globalisation' movement, which in fact is a movement that opposes a world which favours liberalisation, deregulation and concentration of profits without any safeguards, to the detriment of social justice, environmental protection and the development of the public services which are essential to meet fundamental needs.

Your draftsman welcomes the Commission's approach, which proposes action on several fronts. He considers, however, that these proposals do not go nearly far enough in view of the rapidly growing imbalance between liberalisation on one side and lack of social protection on the other. He regrets that the Commission is still aligning itself with the conclusions of the OECD study which found that liberalisation did not damage social rights. He considers that this study's conclusions are dogmatic and takes the opposite view, in line with the social movement, which holds that liberalisation and deregulation have created major social imbalances and that what are urgently needed today are protection of social and environmental rights and restrictions on concentrations in order to give greater priority to social rights and protecting working conditions and natural resources. This necessarily implies an inversion of the EU's priorities in international trade negotiations, where the agenda is largely dominated by defence of the interests of a small number of large companies.

Your draftsman also considers that the way to promote fundamental rights in non-member States is to start by upholding social rights in Europe. In fact, the attack that has been launched on all that the working class has achieved over the last 150 years is leading to non-observance of fundamental standards in non-member States, as it exacerbates unlimited competition. Moreover, this policy undermines the credibility of the EU, which certainly finds it difficult to take on the role of defender of social rights when it is cutting back those rights at home.

Your draftsman considers that if the EU adopted a more consistent position by upholding social rights at home and advocating a development policy that included such aspects as fair trade, cleaning up the international financial system and reducing debt, it would be more credible and would be able to find a number of international allies in favour of setting up a system of sanctions against violations of core social standards, on the basis of decisions taken in a multilateral forum such as the ILO, while preventing such decisions from being used for protectionist purposes.

The imposition of limits of this kind on companies' profits will certainly not happen voluntarily or as a result of philanthropy, but will be seized after a brave fight by the workers, to whom the anti-globalisation movement has allied itself.

CONCLUSIONS

The Committee on Industry, External Trade, Research and Energy calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following points in its motion for a resolution:

The European Parliament

1. Expresses its utmost concern at the extent to which core labour standards are being violated globally, at the emergence of new forms of exploitation akin to slavery and at the exclusion of millions of other people from any form of income;
2. Welcomes the progress made towards recognition of the universal nature of core social standards, in particular within the ILO in its eight conventions and the 1998 Declaration; calls for further cooperation between the Commission and the ILO and for reinforcement of the ILO's powers and resources;
3. Is concerned, however, at the deterioration in people's well-being caused by the serious and growing lack of equilibrium where there is a lack of binding social norms on one side and rapid liberalisation of trade and finance on the other; considers that observance of the core standards implies that international bodies and the WTO in particular recognise the ILO Declaration on Fundamental Principles and Rights at Work;
4. Welcomes the Commission's moves to place the issue of core labour standards on the agenda of various international bodies, in response to calls by Parliament and the trade

union and citizens' movements which have spoken out, particularly in Seattle, Gothenburg, Genoa, Laeken and recently Barcelona;

5. Notes that the Commission communication was drafted before the Doha Conference, which, despite the efforts of the European negotiators, failed to bring about any significant improvement; calls on the Commission to revise its strategy without delay in the light of that fact; considers it essential for incentives to universal compliance with core labour standards to be coordinated and used more effectively; and calls on the Commission to look in more detail into the arrangements for a global social label, as discussed in point 5.1.1 of its communication;
6. Believes that the EU should intensify international dialogue encompassing the ILO, the WTO, UNCTAD and the UN as a whole, so that international labour standards can be endorsed, on a non-protectionist basis, by decisions adopted by the ILO; considers that sanctions should be principally aimed at transnational enterprises that profit from failure to observe core standards;
7. Reaffirms the need to ensure that all countries, especially WTO member countries, actually implement core labour standards; calls on the Union Member States represented in the ILO to make more vigorous use of the procedures applicable when core labour standards are violated; notes that the ILO's constitution permits the imposition of trade sanctions; reaffirms that the ILO alone should have that power and calls on the WTO to clearly state that trade sanctions imposed pursuant to an ILO decision could not be considered incompatible with the WTO Treaties;
8. Repeats its proposal that the WTO dispute settlement body should be obliged to consult the ILO and the ILO opinion should be attached to the ruling when a trade dispute between WTO member countries involves a failure to observe core labour standards;
9. Calls for a multilateral WTO agreement to provide incentives to observe core labour standards and require all WTO members to ratify at least the 1998 ILO Declaration on Fundamental Principles and the eight related conventions;
10. Calls for labour law issues to be fully incorporated into the agenda for the fifth WTO Ministerial Conference, to be held in Mexico in autumn 2003;
11. Supports the proposals whereby, on the one hand, the special incentive arrangements (under the Generalised System of Preferences) may not be granted unless core labour standards are genuinely enforced and, secondly, countries may be temporarily excluded from the GSP, wholly or in part, if they seriously and systematically violate any of the four core standards; proposes, moreover, that the GSP be made more attractive by widening the additional trade preferences accorded to developing countries that observe core labour standards in reality;
12. Considers that greater respect for fundamental rights and other social rights also requires fairer international trade policies which take account of the existence of unequal partners, together with reform of international financial institutions to limit speculation and reduce external debt;

13. Calls on the Commission and Council to promote the adoption of and compliance with other social standards, particularly with regard to social security, the right to stable employment and prevention of accidents at work;
14. Considers that, given the risks inherent in the proliferation of codes of conduct invoking different, if not contradictory, reference sources and implementing procedures, the Commission, in consultation with management and labour and the other organisations concerned, should draw up a single European code of conduct to govern the international operations of European industry, based on the most appropriate international agreements.

12 June 2002

OPINION OF THE COMMITTEE ON DEVELOPMENT AND COOPERATION

for the Committee on Employment and Social Affairs

on the communication from the Commission to the Council, the European Parliament and the Economic and Social Committee promoting core labour standards, and improving social governance in the context of globalisation
(COM(2001) 416 – C5-0162/2002 – 2070/2002 (COS))

Draftsman: Richard Howitt

PROCEDURE

The Committee on Development and Cooperation appointed Richard Howitt draftsman at its meeting of 18 April 2002.

The committee considered the draft opinion at its meetings of 28 May 2002 and 11 June 2002.

At the latter meeting it adopted the following conclusions unanimously.

The following were present for the vote: Joaquim Miranda, chairman; Margrietus J. van den Berg, Marieke Sanders-ten Holte and Anders Wijkman, vice-chairmen; Richard Howitt, draftsman; Richard A. Balfe, Yasmine Boudjenah, John Bowis, John Alexander Corrie, Nirj Deva, Fernando Fernández Martín, Colette Flesch, Vitaliano Gemelli, Karin Junker, Bashir Khanbhai (for Luigi Cesaro), Glenys Kinnock, Karsten Knolle, Paul A.A.J.G. Lannoye, Miguel Angel Martínez Martínez, Hans Modrow, Ulla Margrethe Sandbæk, Inger Schörling (for Didier Rod), Maj Britt Theorin and Jürgen Zimmerling.

SHORT JUSTIFICATION

The Commission published its communication in July 2001 to examine ways of improving respect for core labour standards, both within the EU and outside, in the light of progressing globalisation and WTO developments.

The Development Committee's opinion concentrates on the importance of core labour standards for developing countries and the EU's development policy.

The four core labour standards, identified by the 1995 Copenhagen World Summit for Social Development and laid out in the 1998 ILO Declaration on Fundamental Principles and Rights at Work, are:

- a) Freedom of association and the effective recognition of the right to collective bargaining;
- b) Elimination of all forms of forced or compulsory labour;
- c) Effective abolition of child labour;
- d) Elimination of discrimination in respect of employment and occupation.

The communication repeats the EU's rejection of any sanctions-based approach and the Council statements that:

"The EU will oppose and reject any initiative to use labour rights for protectionist purposes"

"The comparative advantage of countries, particularly low-wage developing countries, must in no way be put into question". (Page 11)

The Development Committee fully supports these contentions. Adherence to CLSs and the GSP should be used as incentive measures with regard to being granted increased market access.

There are many facets to this issue, and the communication identifies many of them. They include:

- * respective roles of governments, the EU and the international community, multinational enterprises and civil society;
- * good governance/"social governance";
- * link with trade and WTO, and with Economic Partnership Arrangements;
- * integration into development policy with its principal aim of poverty reduction;
- * Cotonou Agreement Article 50 and the Generalised System of Preferences.

It is difficult to take exception to any of the communication's long list of conclusions. They include a number of actions which should be envisaged, by the EU itself or as initiatives to be proposed at the international level. What the Development Committee and the European Parliament must now put forward, therefore, is requests for certain concrete actions to be taken to ensure rapid progress in getting CLSs to be respected in developing countries.

The EU must work with the governments of developing countries to help enforce core labour standards. There is, however, as the communication duly points out, a significant role to be played by other actors and in particular by multinational enterprises. The need for corporate social responsibility has been a theme stressed by the Development Committee for many years, in particular in its report on EU standards for European enterprises operating in developing countries (A4-0508/98). This report called for the strengthening and improvement of voluntary codes of conduct, but also for a model Code of Conduct for European Businesses and some European enforcement mechanism.

In this context the European Parliament reiterates its support for a new legal base for establishing a European multilateral framework governing companies' operations world-wide to include respect for core labour standards, in the meantime promoting the OECD Guidelines and new collective agreements in the context of the Social Dialogue.

Clauses on CLSs have been included in recent bilateral third country agreements (South Africa, Bangladesh, Pakistan) as well as in the Cotonou Agreement, whose Article 50 states *"The parties agreed to enhance cooperation in the field of trade and labour standards, in particular in the following fields:*

- exchange of information on the respective legislation and work regulation;*
- the formulation of national labour legislation and strengthening of existing legislation;*
- educational and awareness-raising programmes;*
- enforcement of adherence to national legislation and work regulation.*

There appears, however, not to have been any follow-up to the insertion of these provisions. No discussions have taken place with any of the ACP countries, and the clause in the bilateral agreements has not been dealt with in any of the fora provided for. Neither, apparently, has respect for CLSs been specifically discussed on any political dialogue with any developing countries, either under Article 8 of the Cotonou Agreement or under other arrangements. In addition, GSP labour provisions have not been observed.

Respect for CLSs should be included automatically in all cooperation agreements with third countries. It should be a regular point on the agenda of the Joint Commissions or whatever body is provided for. Respect for CLSs should be included in all Poverty Reduction Strategy Papers - it can make an important contribution to poverty reduction - and in the National Indicative Programmes and Country Strategy Papers. It has not been included in such plans to date and the Commission should ensure that the earliest opportunity is seized for appropriate revision.

To make this effective, the Commission should ensure observance of the Investment Facility established under Article 75. This will involve adherence to the binding enforcement to devise a system of monitoring respect for CLSs in developing countries, by governmental and non-governmental bodies and by companies, national as well as trans-national operating there. This should be backed up by impact studies and the insertion into contracts with government or non-government operators of a clause providing for repayment of monies in the event that CLSs are not fully respected. Immediate perfection is not required but time-scales should be established and progress in such action should be reported on to the European Parliament.

The communication points out that: "The Cotonou Agreement also recognises the potential contribution that can be made by a broad range of non-state actors. The EC should work to build the capacity of local NGOs and civil society organisations to strengthen workers' awareness of their rights under ILO Conventions, and to monitor compliance with core labour standards." (page 18). The Development Committee would like to see specific projects to build such capacity both in ACP and non-ACP developing countries.

Negotiation of the Economic Partnership Arrangements provided for in the Cotonou Agreement will begin in September 2002. Would it be appropriate to have a reference to core labour standards in the agreements?

CONCLUSIONS

The Committee on Development and Cooperation calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Calls for measures to increase market access and other incentives for developing countries, including the GSP, subject to adherence with core labour standards;
2. Calls on the Commission to reject any subordination of labour and environmental matters to trade in international agreements and to promote closer ILO-WTO collaboration, including the exchange of observers, the recognition by the WTO that trade measures adopted in pursuance of an ILO decision are WTO-compatible, and the inclusion of core labour standards in the WTO agreements on GATS and in a multilateral investment treaty;
3. Insists that a commitment to core labour standards be inserted in all new trade or cooperation agreements between the EU and third countries, and discussed systematically in all Joint Commissions or other appropriate bodies established in these agreements as well as in any political dialogue conducted with these countries;
4. Calls on the Commission to take immediate steps to fulfil the provisions of Article 50 of the Cotonou Agreement, to ensure the Investment Facility established under Article 75 includes a binding enforcement, monitoring and complaints mechanism to guarantee adherence with core labour standards, and to ensure observance of GSP labour provisions and to report regularly to Parliament on these matters;
5. Calls on the Commission to ensure that in any contracts for projects involving European Union money people with disabilities have equitable opportunities for employment and that discrimination and obstacles to such employment are removed;
6. Reaffirms its commitment to promoting the core labour standard of non-discrimination within its development assistance and other international policies; calls for specific development assistance to be targeted at the rehabilitation, social and economic integration of people with disabilities in developing countries; further calls for this to be undertaken with the full participation of disabled persons and their representative organisations in line with the UN Standard Rules on the Equalisation of Opportunities for Persons with Disabilities (1993)¹;
7. Calls on the Commission to ensure that all financial assistance to governmental and non-governmental bodies be also subject to such a binding mechanism, requiring the repayment of monies made available through the European Union budget, the European Development Fund or the European Investment Bank should core labour standards not be respected;

¹ UN Standard Rules - UN General Assembly Resolution 48/96 20 December 1993

8. Considers that respect for core labour standards should be included in all Poverty Reduction Strategy Papers, National Indicative Programmes and Country Strategy Papers for all EU development programmes;
9. Reiterates its support for establishing a UN multilateral framework governing companies' operations worldwide, to include respect for core labour standards, in the meantime promoting the OECD Guidelines and new collective agreements in the context of the Social Dialogue;
10. Points out that the Cotonou Agreement's recognition of the potential contribution to respect for core labour standards that can be made by a broad range of non-state actors is also applicable to non-ACP developing countries, and calls for specific projects to be implemented to build such capacity;
11. Supports increased EU development assistance to achieve better implementation of core labour standards, including technical assistance to incorporate them in national laws and to operate effective inspectorates, as well as financial support for monitoring initiatives by civil society within developing countries;
12. Calls attention to the rapid growth of Export Processing Zones (EPZs) in different parts of the world and the fact that in many cases national labour legislation does not apply in these zones; calls therefore on the Commission to explore the possibilities of making ILO core labour standards applicable in such EPZs;
13. Stresses the great importance in developing countries of the informal sector and requests the Commission to come forward with proposals to improve protection for the workers in this sector, including improving access to social services, education and training and literacy programmes.

23 May 2002

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND EQUAL OPPORTUNITIES

for the Committee on Employment and Social Affairs

on the communication from the Commission to the Council, the European Parliament and the Economic and Social Committee - Promoting core labour standards and improving social governance in the context of globalisation
(COM(2001) 416 – C5-0162/2002 – 2070/2002 (COS))

Draftsperson: Ria G.H.C. Oomen-Ruijten

PROCEDURE

The Committee on Women's Rights and Equal Opportunities appointed Ria G.H.C. Oomen-Ruijten draftsperson at its meeting of 22 January 2002.

The committee considered the draft opinion at its meetings of 17 April 2002 and 22 May 2002.

At the last meeting it adopted the following conclusions unanimously.

The following were present for the vote: Anna Karamanou, chairperson; Marianne Eriksson, Olga Zrihen Zaari and Jillian Evans, vice-chairpersons; Ria G.H.C. Oomen-Ruijten, rapporteur; María Antonia Avilés Perea, Regina Bastos, Ilda Figueiredo (for Armonia Bordes), Geneviève Fraisse, Marie-Hélène Gillig (for Fiorella Ghilardotti), Lissy Gröner, Astrid Lulling, Thomas Mann, Emilia Franziska Müller, Christa Prets, Olle Schmidt (for Lone Dybkjær), Miet Smet, Joke Swiebel, Felekna Uca and Anne E.M. Van Lancker (for Elena Valenciano Martínez-Orozco).

SHORT JUSTIFICATION

The objective of this communication is to outline a strategy for improving social governance and promoting core labour standards, with a view to enhancing the contribution of globalisation to social development and to respect for fundamental rights. In defining such a strategy, the communication proposes instruments within several different policy areas, at international level and at European level, thus seeking to define a comprehensive and multidisciplinary approach.

Within Europe itself, the recognition that sustainable economic growth should go hand in hand with social cohesion - which implies respect for core labour standards - now underpins the strategic economic and social policy goals of the EU. Indeed, the notion that social and economic policies are mutually reinforcing is at the heart of the EU's social policy agenda, which was adopted at the Nice European Council in December 2000.

The communication is based on the recognition of the universality of core labour standards and the need to promote them. The EU has a long-standing commitment in this regard. The Charter of Fundamental Rights of the European Union, proclaimed in Nice in December 2000, confirms the EU's aim of promoting and fully integrating fundamental rights – including core labour standards – in all its policies and actions.

As regards international core labour standards, the basic principles and core labour standards - including equal opportunities and non-discrimination - as defined by the International Labour Organisation - apply fully to EU Member States.

In addition, the social partners in the EU play an important role in shaping EU policy and legislation concerning employment and labour standards.

Your draftsman broadly agrees with the thrust of the Commission's communication on economic and social effects of globalisation. However, it needs to be tightened up. Too little attention is focused on the gender dimension as an element of core labour standards and social sustainability. Gender impact assessment is not mentioned as a tool for measuring the effects of policies and measures for women. Gender is part of the core labour standards of the ILO, for the principles of non-discrimination and equal treatment are laid down in those standards. The difficulties arise more in monitoring the application of these principles. Gender impact assessment is vital in this context.

Your draftsman would also like to see greater focus on women's organisations where reference is made in the communication to the involvement of the social partners in policy at European level. Women's rights are best looked after by such organisations. Furthermore, women are the key to sustainable economic development and often face specific problems. For instance, equal pay for work of equal value, combating discrimination in recruitment, reconciling family and work, career breaks to undertake caring tasks, childcare and arrangements for parental leave.

Emphasis should also be placed on development cooperation organisations and regional authorities.

The Commission should also provide greater detail whenever it talks of enlisting the services

of experts in elaborating social policy and labour standards.

Finally, your draftsman points out that it is extremely important for the countries of the European Union to speak with a single voice in ILO bodies if the objectives set out in this communication are actually to be achieved.

CONCLUSIONS

The Committee on Women's Rights and Equal Opportunities calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following points in its motion for a resolution:

- A. having regard to the European Union's social policy agenda established by the Nice European Council in December 2000;
- B. whereas social and economic policies are recognised as being mutually reinforcing and whereas women in particular play an important role in sustainability-oriented socio-economic development;
- C. whereas women are specifically affected by the consequences of globalisation, particularly poverty and violence, but are also essential players in the development and social cohesion of their countries,
 - 1. Stresses the importance of the gender dimension and women's rights as an integral part of the core labour standards to which the European Union is committed;
 - 2. Draws attention to the important role that women's organisations, development cooperation organisations and regional authorities have to play in implementing policy geared to sustainable development and social cohesion;
 - 3. Points out the importance of thorough gender impact assessment and effective distribution thereof in helping to put the principles of equal treatment and non-discrimination into practice;
 - 4. Calls on the Commission to make mainstreaming of the gender dimension visible in the policy area in question by routinely stating in its reports:
 - what effects the measures implemented are having or look likely to have on the position of women/men,
 - how many women/men have been reached by these measures or are taking part in them;
 - 5. Calls on the Commission to ensure parity in its choice and use of experts in elaborating social policies and labour standards;
 - 6. Calls on the European Union to work within the ILO to include in core labour standards, identified at the Copenhagen summit, the promotion of equality between

men and women in the field of employment and professional life which a mere reference to eliminating discrimination would not achieve;

7. Stresses that promoting core labour standards in the context of globalisation cannot be dissociated from analysing and taking into account female poverty and its impact on society, and calls on the European Union to place this issue on the agenda of the international dialogue on trade and social development;
8. Stresses that the question of improving social governance in the context of globalisation includes the issues of equal access for men and women to health, education, training and the new information technologies, as well as property, savings and credit mechanisms, and calls on the European Community to develop specific measures in these areas, particularly in its cooperation and development policy;
9. Calls on the European Commission, in the framework of the forthcoming revision of the Community's Generalised System of Preferences, to strengthen the impact of the GSP on respect for equality of the sexes in the area of employment and to grant additional commercial preferences to countries implementing measures which take account of the gender dimension;
10. Stresses the innovating role of women in the solidarity economy, calls on the European Union to help ensure that this dimension of globalisation is taken into account, in the ILO inter alia, and calls on the European Commission to start thinking about the feasibility of networking the solidarity economy in order to enable information to circulate and best practice to be exchanged;