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# REPORT

on the external dimension of social policy, promoting labour and social standards and European corporate social responsibility (2010/2205(INI))

Committee on Employment and Social Affairs

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

#### on the external dimension of social policy, promoting labour and social standards and European corporate social responsibility (2010/2205(INI))

#### The European Parliament,

- having regard to Articles 2, 3, 6 and 21 of the Treaty on European Union,
- having regard to Articles 7, 9, 145-161, 206-209 and 215 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Articles 5, 12, 14, 15, 16, 21, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 36 of the Charter of Fundamental Rights of the European Union,
- having regard to the Universal Declaration of Human Rights (1948) and other United Nations instruments in the field of human rights, in particular the Covenants on Civil and Political Rights (1966) and on Economic, Social and Cultural Rights (1966), the Convention on the Elimination of All Forms of Racial Discrimination (1965), the Convention on the Elimination of all Forms of Discrimination against Women (1979), the Convention on the Rights of the Child (1989), the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990) and the Convention on the Rights of Persons with Disabilities (2006)<sup>1</sup>,
- having regard to the United Nations 'Protect, Respect and Remedy' Framework for business and human rights proposed by the Special Representative of the Secretary-General on human rights and transnational corporations and other business enterprises, Professor John Ruggie, endorsed unanimously by the UN Human Rights Council in 2008 (resolution 8/7), the recently released guiding principles for implementing the framework<sup>2</sup> and the Foreign Affairs Council conclusions of 9 December 2009 which note the important role of business in achieving full respect for human rights and reiterate the Council's full support for the work of the UN Special Representative<sup>3</sup>,
- having regard to the last report by John Ruggie, the Special Representative of the Secretary-General of the United Nations, on the issue of human rights and transnational corporations and other business enterprises<sup>4</sup>,
- having regard to the European Social Charter, in particular Articles 5, 6 and 19 thereof<sup>5</sup>,
- having regard to the European Convention on the Legal Status of Migrant Workers<sup>6</sup>,

<sup>&</sup>lt;sup>1</sup> <u>http://www2.ohchr.org/english/law/</u>

<sup>&</sup>lt;sup>2</sup> http://www.business-humanrights.org/SpecialRepPortal/Home/Protect-Respect-Remedy-Framework

<sup>&</sup>lt;sup>3</sup> http://www.consilium.europa.eu/uedocs/cms\_data/docs/pressdata/EN/foraff/111819.pdf

<sup>&</sup>lt;sup>4</sup> http://www.business-humanrights.org/SpecialRepPortal/Home/Protect-Respect-Remedy-Framework

<sup>&</sup>lt;sup>5</sup> http://conventions.coe.int/Treaty/en/Treaties/Html/163.htm

<sup>&</sup>lt;sup>6</sup> http://www.coe.int/t/dg3/migration/documentation/Default\_conv\_en.asp

- having regard to the conventions of the International Labour Organisation, in particular the eight fundamental conventions on freedom of association and the effective recognition of the right to collective bargaining (Conventions Nos 87 and 98), on the elimination of all forms of forced or compulsory labour (Conventions Nos 29 and 105), on the elimination of discrimination in respect of employment and occupation (Conventions Nos 100 and 111) and on the effective abolition of child labour (Conventions Nos 138 and 182)<sup>1</sup>,
- having regard also to the ILO conventions on labour clauses (public contracts) (Convention No 94) and on collective bargaining (Convention No 154)<sup>2</sup>,
- having regard to the ILO's Decent Work Agenda and Global Jobs Pact, adopted by a worldwide consensus on 19 June 2009 at the International Labour Conference<sup>3</sup>,
- having regard to the Declaration on Social Justice for a Fair Globalisation adopted by consensus of the 183 Member States of the ILO on 10 June 2008<sup>4</sup>,
- having regard to the Marrakesh Agreement Establishing the World Trade Organization (WTO)<sup>5</sup>, and the Declaration adopted at the fourth ministerial conference held in November 2001 in Doha, in particular Paragraph 31<sup>6</sup>,
- having regard to the General Agreement on Trades in Services, in particular Article 1(2)(d) thereof, the so-called MODE 4<sup>7</sup>,
- having regard to the report of the World Commission on the Social Dimension of Globalisation 'A Fair Globalisation: Creating Opportunities For All'<sup>8</sup>,
- having regard to the 'Leaders' Statement' of the G20 summit held in Pittsburgh on 24-25°September 2009<sup>9</sup>,
- having regard to the most recent updates on OECD Guidelines for Multinational Enterprises<sup>10</sup>,
- having regard to Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund<sup>11</sup> as well as amending Regulation 546/2009,
- having regard to Directive 96/71/EC of the European Parliament and of the Council of 16
  December 1996 concerning the posting of workers in the framework of the provision of

<sup>&</sup>lt;sup>1</sup> <u>http://www.ilo.org/ilolex/english/convdisp1.htm</u>

<sup>&</sup>lt;sup>2</sup> ibid.

<sup>&</sup>lt;sup>3</sup> <u>http://www.ilo.org/jobspact/about/lang--en/index.htm</u>

<sup>&</sup>lt;sup>4</sup> http://www.ilo.org/wcmsp5/groups/public/@dgreports/@cabinet/documents/publication/wcms\_099766.pdf

<sup>&</sup>lt;sup>5</sup> http://www.wto.org/english/docs\_e/legal\_e/04-wto.pdf

<sup>&</sup>lt;sup>6</sup> <u>http://www.wto.org/english/thewto\_e/minist\_e/min01\_e/mindecl\_e.htm</u>

<sup>&</sup>lt;sup>7</sup> WTO: GATS, Article 1(2)(d) = MODE 4.

<sup>&</sup>lt;sup>8</sup> Geneva, ILO 2004; <u>http://www.ilo.org/fairglobalization/report/lang--en/index.htm</u>

<sup>&</sup>lt;sup>9</sup> http://www.pittsburghsummit.gov/mediacenter/129639.htm

<sup>&</sup>lt;sup>10</sup> <u>http://www.oecd.org/document/33/0,3746,en\_2649\_34889\_44086753\_1\_1\_1\_1,00.html</u>

<sup>&</sup>lt;sup>11</sup> OJ L 48, 22.2.2008, p.82.

services1 (the PWD),

- having regard to its resolution of 20 September 1996 on the Commission communication on the inclusion of respect for democratic principles and human rights in agreements between the Community and third countries (COM(1995)0216)<sup>2</sup> and its resolution of 14 February 2006 on the human rights and democracy clause in European Union agreements<sup>3</sup>,
- having regard to its resolution of 25 October 2001 on openness and democracy in international trade<sup>4</sup>, calling for the WTO to respect the fundamental social standards of the International Labour Organisation (ILO), and the EU's acceptance of the ILO's decisions, including any calls for sanctions in connection with serious breaches of fundamental social standards,
- having regard to its resolution of 23 May 2007 on promoting decent work for all<sup>5</sup>, calling for the promotion of decent work through inclusion of social standards in EU trade agreements, particularly bilateral agreements,
- having regard to its resolution of 15 November 2005 on the social dimension of globalisation<sup>6</sup>,
- having regard to its resolution of 5 July 2005 on the exploitation of children in developing countries, with a special focus on child labour<sup>7</sup>,
- having regard to its resolution of 6 July 2006 on fair trade and development<sup>8</sup>,
- having regard to its resolution of 22 May 2007 on 'Global Europe external aspects of competitiveness'<sup>9</sup> in response to the Communication from the Commission to the Council and the European Parliament entitled 'Global Europe: Competing in the World. A contribution to the EU's Growth and Jobs Strategy' (COM(2006)0567),
- having regard to its resolutions of 30 May 2002 on the Commission Green Paper on promoting a European framework for corporate social responsibility<sup>10</sup> and of 14 April 1999 on EU standards for European enterprises operating in developing countries: towards a European Code of Conduct<sup>11</sup>,
- having regard to its resolution of 13 March 2007 on corporate social responsibility: a new

- <sup>7</sup> OJ C 157E, 6.7.2006, p.84.
- <sup>8</sup> OJ C 303E, 13.12.2006, p.865. <sup>9</sup> OJ C 102E, 24.4.2008, p.128.
- <sup>10</sup> C 187E, 7.8.2003, p. 180.
- <sup>11</sup> C 104, 14.4.1999, p.176.

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<sup>&</sup>lt;sup>1</sup> OJ L 18, 21.1.1997, p. 1.

<sup>&</sup>lt;sup>2</sup> OJ C 320, 28.10.1996, p. 261.

<sup>&</sup>lt;sup>3</sup> OJ C 290E, 29.11.2006, p. 107.

<sup>&</sup>lt;sup>4</sup> OJ C 112E, 9.5.2002, p. 326.

<sup>&</sup>lt;sup>5</sup> OJ C 102E, 24.4.2008, p.321.

<sup>&</sup>lt;sup>6</sup> OJ C 280E, 18.11.2006, p. 65.

partnership1,

- having regard to its resolution of 25 November 2010 on corporate social responsibility in international trade agreements<sup>2</sup>
- having regard to its resolutions on economic partnership agreements with ACP regions and countries, and particularly those of 26 September 2002<sup>3</sup>, 23 May 2007<sup>4</sup> and 12 December 2007<sup>5</sup>,
- having regard to the Council conclusions of 14 June 2010 on child labour<sup>6</sup>,
- having regard to the Council conclusions of 16 September 2010 on 'A changing world: a challenge for the EU'<sup>7</sup>
- having regard to the Commission Communication entitled 'The Social Dimension of Globalisation - the EU's policy contribution on extending the benefits to all' (COM(2004)0383),
- having regard to the renewed European Social Agenda of 2 July 2008 (COM(2008)0412),
- having regard to the Commission Communication entitled 'Promoting decent work for all
  the EU contribution to the implementation of the decent work agenda in the world' (COM(2006)0249),
- having regard to the public consultation on disclosure of non-financial information by companies launched by DG Internal Market and Services, the Financial Reporting Unit<sup>8</sup>,
- having regard to the Commission Communication entitled 'Trade, Growth and World Affairs: Trade Policy as a core component of the EU's 2020 strategy' (COM(2010)0612),
- having regard to the generalised system of preferences (GSP), in force since 1 January 2009, which grants duty-free access or a tariff reduction for an increased number of products and also includes a new incentive for vulnerable countries faced with specific trade, financial or development needs<sup>9</sup>,
- having regard to all of the agreements between the European Union and non-member states,
- having regard in particular to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States (ACP) and the European Union, signed in

<sup>&</sup>lt;sup>1</sup> OJ C 301 E, 13.12.2007, p. 45.

<sup>&</sup>lt;sup>2</sup> Texts adopted P7\_TA(2010)0446.

<sup>&</sup>lt;sup>3</sup> OJ C 273E, 14.11.2003, p.305.

<sup>&</sup>lt;sup>4</sup> OJ C 102E, 24.4.2008, p.301.

<sup>&</sup>lt;sup>5</sup> OJ C 323E, 18.12.2008, p.361.

<sup>&</sup>lt;sup>6</sup> Council conclusions of 14.6.2010 on child labour, 10937/1/10.

 $<sup>^7\,</sup>$  Council conclusions of 16.9.2010, EUCO 21/1/10 rev 1.

<sup>&</sup>lt;sup>8</sup> <u>http://ec.europa.eu/internal\_market/consultations/2010/non-financial\_reporting\_en.htm</u>

<sup>&</sup>lt;sup>9</sup> OJ L211, 6.8.2008.

Cotonou on 23 June 2000, and its revisions in 2005 and  $2010^1$ ,

- having regard in particular to the conclusion of the negotiations between the EU, Colombia and Peru on signature of a Multi-Party Trade Agreement<sup>2</sup>,
- having regard to the hearing on 'Application of Social and Environmental Standards in Trade Negotiations' which Parliament held on 14 January 2010,
- having regard to Rule 48 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 Development and the Committee on International Trade (A7-0172/2011),
- A. whereas the EU's high standards for social protection and human rights protection are decisive requisites of the European Union when negotiating on trade relations with non-member states,
- B. whereas the protection of economic and social rights is an obligation for all Member States and all other States arising from the Universal Declaration of Human Rights of the United Nations, and whereas this includes the right of everyone to form and to join trade unions for the protection of his or her interests,
- C. whereas the core ILO conventions are recognised internationally as a basis for fair international trade and whereas, regrettably, not all Member States totally respect them,
- D. whereas it is in the interest of the Union to conclude bilateral trade agreements for the profit of the Union and the trading partners as long as both sides respect the rights enshrined in the Universal Declaration of Human Rights,
- E. whereas the attitude of all Member States has clearly to reflect the principles of the European social model when social questions and cooperation among the Member States based on the open method of coordination are at stake,
- F. whereas democracy and the rule of law require strong and free trade unions, workers' associations and social movements, and whereas these can only exist in a democratic community where the separation of powers prevails,
- G. whereas some developing countries say that they are under pressure to give up their comparative advantage when the Union requests compliance with international labour standards,
- H. whereas the 2008 ILO Declaration on Social Justice for a Fair Globalisation, adopted by consensus of the 183 ILO Members, states that the violation of fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes,

<sup>&</sup>lt;sup>1</sup> <u>http://ec.europa.eu/development/icenter/repository/second\_revision\_cotonou\_agreement\_20100311.pdf</u>

<sup>&</sup>lt;sup>2</sup> <u>http://trade.ec.europa.eu/doclib/press/index.cfm?id=691</u>

- I. whereas some non-member countries attempt to enforce MODE4<sup>1</sup> when negotiating trade agreements with the EU,
- J. whereas many businesses shoulder their corporate social responsibility (CSR) and seek to ensure compliance with social and environmental standards within their sphere of influence, for example by acceding to the UN Global Compact or participating in voluntary industry initiatives,
- K. whereas the principles underpinning CSR, which are fully recognised at international level, whether by the OECD, the ILO or the United Nations, concern the responsible behaviour expected of undertakings and presuppose, first of all, compliance with the legislation in force, in particular in the areas of employment, labour relations, human rights, the environment, consumer interests, transparency vis-à-vis consumers and the fight against corruption;
- L. whereas the adoption of a recommendation on CSR and encouraging its respect should be a reality at EU level,
- M. whereas globalisation facilitates workers' mobility between Member States and to nonmember countries,
- N. whereas the role of the ILO in setting new standards has been significantly weakened in recent years and is usually reduced to the adoption of declarations that are subsequently not respected, despite the involvement of the ILO in the G20, the global recognition of the Decent Work Agenda and the inclusion of employment and decent work in Millennium Development Goal No 1,
- O. whereas unconditional respect for the right of association and effective collective bargaining should be recalled,
- P. whereas the Decent Work Agenda should be promoted,
- Q. whereas it is extremely important to prevent all sorts of wage discrimination, according to the principle of the right to equal pay for equal work claimed in Article 23 of the Universal Declaration of Human Rights,
- R. whereas the mid-term evaluation of the EU's generalised system of preferences (GSP)<sup>2</sup> shows that the GSP+ trade regime, which requires that the beneficiary countries ratify and effectively implement specified international conventions in the fields of human rights, core labour standards, sustainable development and good governance, had a significant positive effect on gender equality in these countries,
- S. whereas social protection of workers should be promoted,
- T. whereas the ratification and application of ILO conventions classified by the ILO as up to date have to be promoted with a view to achieving a progressively increasing coverage of the four pillars of decent work, which are employment, social protection, social dialogue

<sup>&</sup>lt;sup>1</sup> WTO: GATS, Article 1(2)(d) = MODE 4.

<sup>&</sup>lt;sup>2</sup> http://trade.ec.europa.eu/doclib/docs/2010/may/tradoc\_146196.pdf

and rights at work, with a special emphasis placed on the social governance conventions No 81 and No 129 on labour inspection, No 122 on employment policy and No 144 on tripartite consultations,

- U. whereas the European Social Agenda of 2 July 2008 (COM(2008)0412) called for EU Member States to make renewed efforts to ratify and apply ILO conventions classified by the ILO as up to date, with a view to setting an example to partners in the world,
- V. whereas the effective application of international labour standards is negatively affected in many countries by weak labour administrations and social partners' lack of capacity,
- W. whereas the ILO's Global Employment Trends 2011 estimates that in 2009, globally, 50.1% of all workers, i.e. 1.53 billion, were in vulnerable employment<sup>1</sup> and whereas the financial and economic crisis has stopped and reversed the drop in vulnerable employment as recorded before 2008,
- X. whereas the ILO's World Social Security Report 2010 states that over 50% of all workers have no social protection and whereas there is renewed interest in extending social protection coverage including the promotion of the social security systems,

#### **General principles**

- 1. Recalls that the EU aims to become the leading entity in the world as regards social policy by promoting social objectives globally; emphasises the important role of the European Parliament originating from the Lisbon Treaty, which strengthens its influence significantly;
- 2. Recalls also that, when perusing Community policies and objectives, the horizontal social clause of Article 9 TFEU has to be taken into account, for example regarding Article 46, Article 49 TFEU or EU trade policy, the Community cannot ignore general interest requirements;<sup>2</sup>
- 3. Recalls further that Article 7 TFEU requires consistency of EU policy and that the legislator has to take into account all of the EU's objectives and has to act in accordance with the principle of conferral of powers, meaning that it has to strike the correct balance between the various objectives and/or interests when adopting an act with a specific legal basis<sup>3</sup>;
- 4. Urges Member States to comply with the core ILO conventions, especially as regards the abolition of barriers to freedom of association and collective bargaining created by encouraging bogus self-employment or forcing individuals to renounce collective agreements;

<sup>&</sup>lt;sup>1</sup> Vulnerable employment: the sum of own-account workers and unpaid family workers. The vulnerable employment indicator is one of the official Millenium Development Goals employment indicators under Goal 1: Eradicate extreme poverty and hunger

<sup>&</sup>lt;sup>2</sup> Opinion of the EP Legal Service on the Scope of Article 9 TFEU (horizontal social provision) as requested by the chair of the EMPL committee (SJ-00004/10), paragraph 15.

<sup>&</sup>lt;sup>3</sup> Idem, paragraph 8.

- 5. Calls on parties to Free Trade Agreements (FTAs) to commit themselves, in accordance with the obligations deriving from membership of the ILO and the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted by the International Labour Conference at its 86th Session in 1998, to respecting, promoting and realising, in their laws and practices, the principles concerning fundamental rights, namely:
  - (a) freedom of association and the effective recognition of the right to collective bargaining;
  - (b) the elimination of all forms of forced or compulsory labour;
  - (c) the effective abolition of child labour; and
  - (d) the elimination of discrimination in respect of employment and occupation;

#### International cooperation - social alliance

- 6. Recalls that the EU is seen, on a worldwide basis, as a magnet and an attractive partner because of the unique combination of economic dynamism with a social model;
- 7. Emphasises that the European social model offers equal opportunities in education, training and the labour market as well as equal access to social services as major pillars of economic success;
- 8. Considers that failure to comply with basic international social standards constitutes a form of social and environmental dumping detrimental to European enterprises and workers;
- 9. Asks the Commission and the Member States to cooperate with international organisations on improving the social dimension of globalisation, having as reference the European social model;
- 10. Stresses the importance of coherent action on social protection inside and outside the Union;
- 11. Suggests developing a dialogue with all interested parties stressing the importance of social issues and focusing on the implementation and enforcement of pragmatic and sustainable solutions; stresses in this respect the importance of raising the awareness of the social partners concerning their rights and obligations;
- 12. Considers it necessary to enhance the role of the relevant international institutions (particularly the ILO, WTO, OECD and the United Nations) and seek their cooperation in the development, implementation and promotion of basic international social standards and corresponding penalties;
- 13. Advocates that the Union refrains from trade agreements with countries which do not respect human rights and core labour standards;
- 14. Supports the creation of tools for a sustainable dialogue with partner countries that is based on mutual respect, seeks the development of partner countries' especially developing countries' own resources and enables them to develop economic sectors with

care;

- 15. Calls also on the Commission, during the negotiations, to adapt the level of its requirements to the degree of development of each partner country; proposes in this context that the Commission draws up a list of additional standards, which should be introduced gradually and flexibly, taking account of the economic, social and environmental situation of the partner concerned;
- 16. Considers that, both in the territory of the partner country and in the Member States, the implementation of these basic standards should be subject to continuous monitoring by independent bodies and that their non-enforcement or infringement, established on the basis of predetermined criteria, should be penalised by means of effective and transparent procedures;
- 17. Considers that these standards should be applied in full and that neither free zones nor host country agreements can be used to escape them;
- 18. Asks the Commission and the Member States to cooperate with the partner countries to fight gender discrimination and all forms of violence against women and make gender equality a reality inside and outside the Union in accordance with the principles of the Millennium Development Goals and the Beijing Platform for Action; calls in this respect on the Commission and the Member States to implement measures that will significantly consolidate the juridical and social position of women to harness their potential contribution to economic and social development;
- 19. Welcomes the promotion of gender equality in the developing countries and territories by means of the current and future GSP trade agreements; requests that the ratification and effective implementation of international conventions on gender equality shall be prerequisites in all external trade and economic partnership agreements;
- 20. Calls furthermore on the Commission and the Member States to cooperate with each other and with the partner countries to protect vulnerable groups and to fight not only gender discrimination but also discrimination on grounds of racial or ethnic origin, religion or belief, disability, age and sexual orientation; draws particular attention to people who face multiple discrimination and disadvantages in order to tackle the root causes of poverty;
- 21. Calls on the Commission and the Member States to make the elimination of child labour and respect for children's rights a priority in trade agreements, dialogues with other countries and in development cooperation and notes that the private sector has a key role to play in respecting children's rights; takes the view that measures to combat child labour should include the creation of decent jobs for adults while enabling children to receive a suitable education; asks furthermore for an EU child labour hotline to be set up where citizens can report all companies that make use of child labour anywhere in the world; considers that this hotline should have a small but sufficient capacity enabling it to publish an annual report on its findings;
- 22. Emphasises that the Union's expenditure in the context of development cooperation, association or stability agreements and trade agreements brings about unique chances to assist the partner countries in putting in place viable education, vocational training, labour

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market institutions and a social protection floor for greater social and economic security and, consequently, greater welfare;

- 23. Insists that the Commission and the Member States, in the context of development cooperation and external assistance, support the implementation of decent work programmes that reflect national needs and priorities regarding employment and social policy and are based on a tripartite agreement (employers, workers, governments); asks further the Commission and the Member States to better integrate social and employment objectives in economic and trade sectors under development cooperation and external assistance;
- 24. Asks the Commission and the Member States to cooperate with partner countries in improving the quality of the skills of citizens, skills that are relevant to new jobs and employment, as a catalyst for stability, prosperity, inclusive societies and good governance, especially in the EU neighbourhood;
- 25. Calls for the creation of social attachés in the new External Action Service to increase its efficiency in the area of social policy and, in particular, to ensure that decent work for all is implemented as a central policy objective;
- 26. Recognises that, although the international trend on bilateral trade agreements is gradually moving towards a greater acceptance of labour and social standards linked to trade agendas, FTAs still generally contain few references to social standards; regrets that the EU does not have a homogenous formula for a 'social clause' to be inserted in all bilateral trade agreements; urges the EU to incorporate a social clause in line with other internationally agreed and recognised standards (i.e. ILO core labour standards) into all EU external trade agreements, including those coming within the ambit of the WTO;
- 27. Recalls that the existing practices of the WTO need to be made equally beneficial for both developing and developed countries;
- 28. Recalls that the competition policy and social policy must be combined and stresses that the European social model shall under no circumstances be weakened in favour of competitiveness and alleged economic advantages; reiterates that the European social model needs to be an example for workers protection in developing countries;

#### **Corporate Social Responsibility**

- 29. Recalls that the EU has set itself the objective of not only becoming a pole of excellence on corporate social responsibility but also of promoting CSR in its external policies; acknowledges the Commission's efforts in promoting CSR best practices among European companies operating abroad, but stresses that it should take better account of the importance of certifications and labels that demonstrate the compliance of enterprises with CSR principles;
- 30. Takes the view that CSR is a useful and non-binding form of commitment on the part of multinational companies; recommends, further, targeted promotion of CSR through, inter alia, the ISO 26000 Standard, the UN Global Compact or the OECD Guidelines for Multinational Enterprises, and by linking CSR to wider initiatives promoting decent work

in a sector, in communities, at country and regional level such as the ILO Better Work and SCORE programme involving workers, employers, authorities and other relevant stakeholders;

- 31. Stresses that no directive regulating CSR and enforcing respect for it should be adopted at EU level;
- 32. Believes that the Commission should, in its future communication on the internationalisation of SMEs' activities, propose measures that help support and promote SME initiatives in the field of CSR which respect the 'think small first' principle and take account of their specific circumstances;
- 33. Calls on the Commission and the Member States to seek to ensure that the OECD Guidelines on Multinational Enterprise are strengthened in their current update, maintaining and enhancing their application to 'specific instances' and introducing best practice for 'National Contact Points' (NCPs), including a review of how the European Union could better undertake its obligations on NCP through the European External Action Service's delegations;
- 34. Points out that CSR should address new areas such as the organisation of work, equal opportunities and social inclusion, anti-discrimination measures, the development of lifelong education and training; emphasises that CSR should cover, for example, quality of work, equal pay and career prospects and the promotion of innovative projects so as to assist the shift towards a sustainable economy;
- 35. Requests the Commission and the Member States to encourage business enterprises domiciled in the EU to respect human rights, including economic and social rights, and the environment throughout their global operations, in particular those conducted by their subsidiaries and other related legal entities;
- 36. Stresses that compliance with strict environmental standards by businesses from the EU in third countries should be regarded as just as important as respect for the rights of employees, as damage to the environment almost always also jeopardises the health of employees, destroys farmland, fishing grounds and other economic resources, and thus deprives many people of the basis for their subsistence;
- 37. Emphasises that, given the size of their share of international trade, European companies and their subsidiaries and subcontractors play a key role in the promotion and dissemination of social and labour standards worldwide, and that they should therefore act in accordance with European values and internationally recognised standards; considers that it would be right and proper for European enterprises which relocate their production to countries with less stringent social obligations to be held liable, including before European courts, for any damage and negative externalities affecting local populations;
- 38. Calls on the Commission to introduce amendments to its Proposal for a Regulation on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (2010/0383 (COD)) to enable claimants to sue a subsidiary domiciled in a third country, together with the European parent corporation, through the creation of additional grounds of jurisdiction;

- 39. Calls on the Commission to advocate the incorporation of a CSR dimension into multilateral trade policies, both in the international forums which have supported the concept of CSR, in particular the OECD and the ILO, and in the WTO in the post-Doha context;
- 40. Calls on the Commission to systematically include a chapter on sustainable development, containing a legally binding CSR clause, in the free trade and investment agreements it negotiates with third countries;
- 41. Proposes that this CSR clause cover compliance with the ILO's eight core conventions and four priority conventions and also provide incentives for enterprises to enter into CSR commitments and an obligation of diligence for enterprises and groups of enterprises, i.e. an obligation to take proactive measures to identify and prevent any violation of human or environmental rights, corruption or tax evasion, including in their subsidiaries and supply chains (i.e. their sphere of influence);

#### Workers' rights and working conditions

- 42. Calls upon all Member States to respect and promote the core labour standards of the ILO, to comply with the agreements signed to date in the social field and to apply in practice the principles therein relating to workers' rights;
- 43. Stresses that repeated infringements of core labour standards have been reported in several countries with GSP-Plus status, but which did not however lead to the suspension of preferences; considers that the failure to enforce conditionality undermines the EU's ambition to promote social policy and core labour standards globally and goes against the principle of policy coherence development;
- 44. Welcomes the ILO's international labour standards supervisory system, which is unique at international level and helps to ensure that countries implement the conventions they ratify; stresses that, in the event of a problem, the ILO should assist countries through social dialogue and technical assistance;
- 45. Calls upon the Commission to promote closer cooperation by the WTO with the ILO, making it possible for the ILO to submit expert reports to the WTO during trade disputes, in order to achieve labour standards and decent work mainstreaming in WTO activities and prevent the jeopardising of social development;
- 46. Is of the opinion that Union policies should focus on individuals as well as on institutions in regard to human capital development and labour market reforms;
- 47. Expresses concern over the practice of some non-member countries using the MODE4 process for their trade activities; calls rather upon the Commission and the Member States to aim to structure international migration in a way that will avoid exploitation and brain drains;
- 48. Supports initiatives that enhance the development of social partner dialogue and cooperation within the partner countries and transnationally and asks the Commission to further develop the existing programmes, focusing on those aiming at empowering social

partners' institutional capacity for policy development and implementation;

- 49. Advocates the implementation of freedom of association for trade unions and the right to bargain collectively without exemption in order to enforce, improve and defend decent work conditions;
- 50. Recalls the EU guidelines on various human rights issues, which represent a strong political signal that these are priorities for the Union; asks the Council therefore to adopt similar guidelines based on the eight core ILO conventions, to be used as a pragmatic instrument of the EU that helps to better advance the Union's external social policy; reiterates that respect for international human rights law remains a binding obligation on all companies according to the Universal Declaration;
- 51. Asks the Commission and the Member States for the development of a proactive approach to address the social consequences of adjustments and restructuring related to globalisation;

#### **Global Economic Governance**

- 52. Welcomes the organisation of G20 meetings at the level of social ministers, and calls for the Commission to take an active part in them; regrets that, in general, the follow-up at EU level remains unsatisfactory;
- 53. Asks the Commission and the Member States to integrate employment, social and environmental policies, including gender equality aspects, into all negotiations on global economic governance structures and macro-economic dialogues;
- 54. Calls on the Commission and the Member States to encourage good governance in the financial, tax and judicial areas, as a way of enhancing the social dimension of globalisation;
- 55. Requests from the Commission a recommendation to EU Member States in favour of the implementation and ratification of ILO conventions classified by the ILO as up to date, in order to improve workers' rights and working conditions within the Union and in the partner countries, aiming at a fair and inclusive globalisation through greater coherence in the external dimension of Member States' economic and social policy; asks the Commission in the same sense to encourage the Member States to conduct regular reviews to examine the implications of economic, financial and trade policies;
- 56. Considers that the proliferation of international regulators creates urgent issues relating to the consistency and effectiveness of the international legal order, particularly as regards the protection of workers' rights and fundamental rights;
- 57. Proposes that the redefinition of global governance should be geared to greater integration of regulatory bodies into the legal order of the United Nations and greater respect for the principles espoused by its specialised agencies, particularly the ILO and WHO;

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58. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.

# **EXPLANATORY STATEMENT**

The external dimension of social policy includes activities and initiatives of the EU aimed at promoting labour and social standards in non-member countries. Although the Lisbon Strategy attached and the EU2020 attaches to social policy emphasis that is greater than ever before, the issues of competitiveness and economic factors continue to take priority over social issues.

Core labour standards are embedded in the eight ILO conventions that focus on the freedom of association and collective bargaining, the elimination of forced and compulsory labour, the elimination of discrimination in respect of employment and occupation and the abolition of child labour. It is clear not only from these conventions but also from the report of World Commission on the Social Dimension of Globalization that it is necessary to change the narrow focus on markets into the wider interest in people, i.e. focus on the protection of workers' rights and the rule of labour law. In order for the EU to negotiate with non-member countries, they must respect all the above mentioned. This is a condition without which negotiations with non-member countries are impossible. Trade policy cannot ignore any failure in respecting workers' rights and therefore the development of society may continue only after these drawbacks are removed.

By setting labour standards the EU supports opportunities for men and women to obtain decent and productive work in conditions of freedom, equality, security and dignity. Given the current globalization international labour standards are the basis guaranteeing that the growth of the global economy will benefit all.

International labour standards should in the first place ensure the development of people as human beings. People are not goods whose price can be negotiated. Work is a part of our everyday lives and is critical for dignity, welfare and development of a person. These values should be the main goals of the economic development. International labour standards are then used to ensure that the economic development remains very focused on improving human life and dignity and not on determining conditions and rights of workers.

When assessing the situation of countries with which it makes sense to negotiate, we must build on the EU social policy and on guarantees that are included in the EU Social Charter. EU social policy towards non-member countries must be coherent, pragmatic, united and professional. The relation to ILO and WTO plays a crucial role here and should be more balanced. The paradoxical fact is that the more influence the EU over the ILO conventions has, the less these conventions are ratified. In case of WTO it is necessary to strengthen the relation between trade negotiations and social standards.

At the turn of the century, the EU changed its strategy for the external dimension of social policy from hard to soft approach, i.e. from focusing on linking social standards with trade agreements to focusing rather on international cooperation and dialogue.

The EU uses different types of instruments to implement social policy in non-member countries. They are hard, soft and financial instruments. The use of these instruments is a proof that the EU expects certain behaviour from the relations with its trading partners. The

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stumbling block nevertheless is the implementation of these instruments and their enforcement in partner countries. It is therefore crucial for the EU to focus more thoroughly on their implementation and enforcement; especially the ILO conventions and the principles of CSR. It is often the legal order of that country that hinders this; however, weak political will and economic pressure inside are in play as well. Ignorance of workers about their rights is another important factor.

The selection of instruments to be used by the EU to effect different countries is influenced by geographical location of these countries, their relation to the EU and, above all, by the stage of negotiations on their possible accession to the EU. Another factor is the country's economic situation and its position in global economic competition. It is true that the closer to the EU a country is, the closer the economic and political relations they have and the greater influence the EU on the country has.

The EU increasingly makes use of soft instruments. They are focused on dialogue and recommendations (CSR, Decent Work Agenda), therefore do not have a normative character. They seek to change the behaviour of a country based on an analysis of their options. Hard instruments, such as the EU legislation and regulations (FTA ILO conventions, WTO trade policies), have legal implications and the countries may be penalized for their violation. Therefore their use is sometimes questionable. By contrast, financial instruments include grants, technical assistance and funds such as GAF, which enable the desired behaviour. Technical assistance is e.g. provided to countries preparing for accession to the EU and has a form of assistance in adapting their law to European standards, e.g. through various training (ETF).

China and other Asian emerging economies are becoming more and more important actors in foreign investments. This phenomenon is nevertheless associated with the risk that these countries and their companies will export lower labour standards. We cannot allow non-member countries wishing to enter into trade agreements with the EU to disregard the rules binding on the EU.

EU must be alert towards processes of the MODE4 type. It allows international companies to use their own labour in a foreign country where the company operates and thereby restricts the rights of employees of the receiving country. This is actually promoting social dumping which the EU stands out sharply against. It is therefore not possible to accept MODE4 and similar phenomena in any contract negotiations.

The EU has a good reputation in terms of the international dialogue on social issues. In this regard, it is considered a sensitive and trusted partner. This must be used to achieve more ambitious goals set by the EU. One of them is to build a coherent, integrated and professional approach of the EU to the external dimension of social policy. The key role is played by the coordination within the European Parliament, but also with the European Commission and the newly established External Action Service.

The next step should be creating a kind of social alliance in which and through which the EU could disseminate high labour standards. China is a clear example of a country that is rapidly gaining the status of a crucial player in Asia. Its importance is growing; however, the area of labour standards for the Chinese has rather negative connotations. Despite that, there is no

reason not to use the historically good relations with China and not to establish a social alliance with China. The aforementioned cooperation with NGOs such as the ILO and WTO should also improve. It is necessary to take a balanced approach to avoid that the ILO will be perceived as a mere instrument of the EU based on the close ties between the ILO and the EU. Stronger links between trade negotiations and social standards in the context of the WTO have been mentioned above.

International companies are the main actors in the implementation of social standards. Therefore it is vital to have a clear unambiguous definition of CSR that will prevent the current variety of interpretations and to establish minimum requirements for CSR and a way of monitoring their fulfilment.

Companies and organizations are established primarily to fulfil a narrow interest, which is making profit. They are less and less willing to respect national and international legislation and contractual obligations. They maximally make use of places with the lowest taxes, cheapest labour and laws protecting the environment and the most vulnerable workers. Multinational companies often direct the governments that are interested in their activities on their territory. The number of jobs known as precarious, i.e. unstable and inadequate is constantly growing.

Legislation cannot compel them to automatically, and despite their interests, share local, regional and corporate responsibility for the impact of their decisions on stakeholders, and especially on the site where they operate. This means a radical change in the situation before the start of globalization when companies operating in a region for decades had to bear responsibility for its state and development.

CSR is a term used since the 70's. Some define it as: 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis'.

Multinational companies have found out that if they take a part of the costs given up by the state, it will strengthen their position in the society and it will consequently increase their profitability. In some countries, they set right social injustices in places where the state does not do that. The corporations built their socially responsible policy in the period of economic growth. Isn't it going to change with the less favourable economic times?

ETUC and international trade unions reject CSR if it is used or abused just for PR advertising and marketing. They accept CSR if it contributes to the sustainable growth, if it doesn't evade the dialogue with the employees and if it is not seen as an alternative to labour legislation and collective bargaining.

If a company is to be publicly responsible, it must apply high standards inwardly, only then outwardly with the stakeholders.

It means: respect and promote decent employment relations, encourage employee participation through consultation and information and through collective bargaining, develop their vocational skills and lifelong learning, comply with work safety standards, promote equality of men and women, create proper environment for the social partners to anticipate

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and manage changes that have taken place in the labour market, including restructuring, improve the quality of work, integrate and protect vulnerable groups of workers, such as young, elderly, disabled and migrants.

Pitfalls of CSR can lie in the fact that it is still a voluntary initiative therefore it is feared that it may lack an objective, consistent and transparent criteria for employees, consumers and other stakeholders, based on which the company performance in the area of CSR could be measured.

Another debatable point of CSR is linked to the fear of making this concept a kind of soft law. If governments retreat from their responsibility to maintain the European social model, then there is the threat of privatization of labour law and social security systems and services. Their protection cannot be seen in the voluntarily and legally unenforceable initiative such as CSR.

There is also the threat of misinterpretation and replacement of institutionally embedded social partnership, social dialogue, employee participation and trade union rights by something voluntary and non-binding.

Global competition leads companies to expand to new markets. This requires large investments. This makes the financial world enter the business and affect its decision-making process in order to for the company to achieve rapid, preferably instantaneous and speculative profit through stock transactions.

International finances / institutions / investors are thus becoming a kind of controllers of economic activities of enterprises. It is the financial market that is becoming a market of the corporate control.

The issue has also been taken up by the ISO International Standardization Organization that prepared the final draft of the so-called ISO 26 000, which should be ratified by the Member States by the end of 2010. The text was elaborated by governments, workers' representatives (unions), the corporate sector, representatives of consumers and customers, NGOs, services and research organization, academia and many other subjects. These experts come from more than 90 countries and 40 international or regional organizations. Some of these subjects were trying not to let it be only in the usual very technical ISO conception.

This standard 'provides guidance to users and is neither intended nor appropriate for certification purposes. Any offer to certify or any claim to be certified to ISO 26 000 would be a misinterpretation of the intent and purpose of this international standard'.

For the future it is necessary that the EP along with international and European trade unions unite and bring their own positive and urgent recommendations into the initiative.

23.3.2011

# **OPINION OF THE COMMITTEE ON DEVELOPMENT**

for the Committee on Employment and Social Affairs

on the external dimension of social policy, promoting labour and social standards and the European Corporate Social Responsibility (2010/2205(INI))

Rapporteur: Catherine Grèze

# SUGGESTIONS

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

- 1. Stresses that observance of core labour standards (CLS) and the ILO's decent work agenda, as well as the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact, can have a positive impact on the economy of a country, by guaranteeing socio-political stability and raising the skill levels of a country's workforce; believes, in this context, that the inclusion of a social clause in WTO agreements is of utmost importance since labour standards are essential in order to achieve the MDGs and to boost endogenous development in poor countries; notes that the social provisions of EU preferential trade agreements are presented as objectives to be achieved rather than legal commitments to be enforced, as there is no provision for genuine enforcement mechanisms; underlines, accordingly, the importance of taking concrete measures to ensure that the social provisions of EU preferential trade agreements are achieved and adequately monitored, reviewed and enforced;
- 2. Calls on the European Union and its Member States to bring pressure to bear on European companies established in developing countries to set an example of social responsibility and the promotion of acceptable working standards;
- 3. Underlines that repeated infringements of core labour standards have been reported in several countries with GSP-Plus status, but did not lead to suspension of preferences; considers that the lack of enforcement of conditionality undermines the EU ambition of

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promoting social policy and core labour standards globally and goes against the principle of Policy Coherence Development;

- 4. Recognises that, although the international trend on bilateral trade agreements is gradually moving towards a greater acceptance of labour and social standards linked to trade agendas, FTAs still generally contain few references to social standards; regrets that the EU does not have a homogenous formula for a 'social clause' to be inserted in all bilateral trade agreements; urges the EU to incorporate a social clause in line with other internationally agreed and recognised standards (i.e. ILO core labour standards) into all EU external trade agreements, including those coming within the ambit of the WTO;
- 5. Calls on the Commission and the Member States to support initiatives aimed at promoting productive employment, investment in human resources, redistribution mechanisms, social protection, gender equality, social dialogue and effective application of rights at work;
- 6. Encourages parties to FTAs to continue recognising full and productive employment and decent work for all as a key element of sustainable development for all countries and as a priority objective of international cooperation, and to promote the development of international trade in a way that is conducive to full and productive employment and decent work for all, in accordance with the 2006 Ministerial Declaration of the UN Economic and Social Council on Full Employment and Decent Work;
- 7. Calls on parties to FTAs to commit themselves, in accordance with the obligations deriving from membership of the ILO and the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted by the International Labour Conference at its 86th Session in 1998, to respecting, promoting and realising, in their laws and practices, the principles concerning fundamental rights, namely:

(a) freedom of association and the effective recognition of the right to collective bargaining;

- (b) the elimination of all forms of forced or compulsory labour;
- (c) the effective abolition of child labour; and
- (d) the elimination of discrimination in respect of employment and occupation;
- 8. Notes that it is up to individual countries and Member States to sign up to the ILO conventions, regrets the poor implementation and enforcement of social standards, especially the ILO conventions and CSR principles in a number of the EU's partner countries; accordingly, encourages the EU to take measures to ensure effective implementation of social standards; emphasises that the ILO permits the imposition of trade sanctions on countries that do not comply with their international obligations; calls on the EU to pursue an approach based on incentives and sanctions in the context of bilateral and regional agreements, so as to ensure that the social provisions of EU preferential agreements are effectively enforced; stresses that the GSP and GSP + should be monitored coherently, and that the monitoring process should be made more transparent;
- 9. Welcomes the ILO's international labour standards supervisory system, which is unique at international level and helps to ensure that countries implement the conventions they

ratify; stresses that, in the event of a problem, the ILO should assist countries through social dialogue and technical assistance;

- 10. Notes that the EU has already committed to promoting decent work and to combating exploitation, notably in its trade agreements; but notes also that the EU does not enforce the potential conditionality embodied in many of the bilateral and regional FTAs; urges the EU, in this connection, to mainstream social policy in the context of the External Action Service and to ensure the ratification and implementation of the CLS, while avoiding derogations from general regulations, e.g. in export processing zones, as such exceptions entail the risk of a 'race to the bottom', thereby undermining certain social standards;
- 11. Insists that trade negotiations pursued within the WTO must not jeopardise social development; reasserts that the ILO should be allowed to submit expert reports to the WTO during trade disputes;
- 12. Calls on the Commission and the Member States to encourage good governance in the financial, tax and judicial areas, as a way to enhance the social dimension of globalisation;
- 13. Recalls that CSR is a concept whereby companies voluntarily incorporate social and environmental concerns into their business strategy; notes that the implementation of CSR practices can rebuild trust in business, which is vital for Europe's social market economy; notes, however, that the heterogeneity of the concept of CSR, whereby different companies have developed different standards regarding social accounting, auditing and reporting, raises the issue of comparability; acknowledges the efforts made by the EU to apply more general guidelines for the definition and use of CRS; points out, however, that the diversity and heterogeneity of the concept still remain; urges the EU to take concrete action in international fora to move CSR away from a purely voluntary approach and to identify clear legal obligations on corporations as regards human rights and CLS, along with effective ways to hold them accountable in the event of breaches; considers for instance that, when Member States are asked by multinational companies for investment guarantees, they should bind those guarantees to the implementation of the official CSR guidelines;
- 14. Asks the Commission and the Member States for the development of a proactive approach to address the social consequences of adjustments and restructuring related to globalisation;
- 15. Calls on the Commission to promote the core ILO conventions in a more proactive way and to set up an EU child labour hotline where citizens can report European companies that make use of child labour anywhere in the world; considers that this hotline should have a small but sufficient research capacity enabling it (a) to publish an annual report on its findings and (b) to assist European companies in their efforts to eliminate child labour from their supply chain;
- 16. Urges the EU to take appropriate measures at international level to fight against the social dumping which occurs in the business practices of some countries, both in the EU and in third countries to which the EU provides development assistance;

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17. Points to the need to find an appropriate balance between boosting the competitiveness of industry and addressing the impact of business on the environment and society; welcomes the initiatives taken by the Commission to include Corporate Social Responsibility as part of the Europe 2020 strategy for smart, sustainable and inclusive growth;

Date adopted	22.3.2011	
Result of final vote	+: 16 -: 12 0: 0	
Members present for the final vote	Thijs Berman, Michael Cashman, Corina Creţu, Nirj Deva, Leonidas Donskis, Charles Goerens, Catherine Grèze, András Gyürk, Eva Joly, Filip Kaczmarek, Franziska Keller, Miguel Angel Martínez Martínez, Gay Mitchell, Norbert Neuser, Bill Newton Dunn, Maurice Ponga, Birgit Schnieber-Jastram, Alf Svensson, Eleni Theocharous, Patrice Tirolien, Ivo Vajgl, Anna Záborská, Iva Zanicchi, Gabriele Zimmer	
Substitute(s) present for the final vote	Proinsias De Rossa, Agustín Díaz de Mera García Consuegra, Santiago Fisas Ayxela, Isabella Lövin, Judith Sargentini, Jan Zahradil	
Substitute(s) under Rule 187(2) present for the final vote	Josefa Andrés Barea	

17.3.2011

# **OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE**

for the Committee on Employment and Social Affairs

on the external dimension of social policy, promoting labour and social standards and European corporate social responsibility (2010/2205(INI))

Rapporteur for opinion: Tokia Saïfi

# SUGGESTIONS

The Committee on International Trade calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- 1. Recalls that the EU has set itself the objective not only of becoming a pole of excellence on Corporate Social Responsibility but also of promoting CSR in its external policies; acknowledges the Commission's efforts in promoting CSR best practices among European companies operating abroad, but underlines that it should take better account of the importance of certifications and labels that demonstrate the compliance of enterprises with CSR principles;
- 2. Considers that failure to comply with basic international social standards constitutes a form of social and environmental dumping detrimental to European enterprises and workers;
- 3. Considers it necessary to enhance the role of the relevant international institutions (particularly the ILO, WTO, OECD and United Nations) and seek their cooperation in the development, implementation and promotion of basic international social standards and corresponding penalties;
- 4. Calls on the Commission to systematically include a chapter on sustainable development, containing a legally binding CSR clause, in the free trade and investment agreements it negotiates with third countries;
- 5. Proposes that this CSR clause cover compliance with the ILO's eight core conventions

and four priority conventions and also provide incentives to enterprises to enter into CSR commitments and an obligation of diligence for enterprises and groups of enterprises, i.e. an obligation to take proactive measures to identify and prevent any violation of human or environmental rights, corruption or tax evasion, including in their subsidiaries and supply chains (i.e. their sphere of influence);

- 6. Calls also on the Commission, during the negotiations, to adapt the level of its requirements to the degree of development of each partner country; proposes in this context that the Commission draw up a list of additional standards, which should be introduced gradually and flexibly, taking account of the economic, social and environmental situation of the partner concerned;
- 7. Considers that, both in the territory of the partner country and in the Member States, the implementation of these basic standards should be subject to continuous monitoring by independent bodies and that their non-enforcement or infringement, established on the basis of predetermined criteria, should be penalised by means of effective and transparent procedures;
- 8. Considers that these standards should be applied in full and that neither free zones nor host country agreements can be used to escape them;
- 9. Emphasises that, given the size of their share of international trade, European companies and their subsidiaries and subcontractors play a key role in the promotion and dissemination of social and labour standards worldwide, and that they should therefore act in accordance with European values and internationally recognised standards; considers that it would be right and proper for European enterprises which relocate their production to countries with less stringent social obligations to be held liable, including before European courts, for any damage and negative externalities affecting local populations;
- 10. Believes that the Commission should, in its future communication on the internationalisation of SMEs' activities, propose measures that help support and promote SME initiatives in the field of CSR which respect the 'think small first' principle and take account of their specific circumstances.

# **RESULT OF FINAL VOTE IN COMMITTEE**

Date adopted	16.3.2011	
Result of final vote	+: 23 -: 4 0: 0	
Members present for the final vote	William (The Earl of) Dartmouth, Laima Liucija Andrikienė, Kader Arif, David Campbell Bannerman, Daniel Caspary, Christofer Fjellner, Metin Kazak, Bernd Lange, David Martin, Emilio Menéndez del Valle, Vital Moreira, Cristiana Muscardini, Godelieve Quisthoudt-Rowohl, Niccolò Rinaldi, Tokia Saïfi, Helmut Scholz, Peter Šťastný, Robert Sturdy, Gianluca Susta, Keith Taylor, Iuliu Winkler, Pablo Zalba Bidegain, Paweł Zalewski	
Substitute(s) present for the final vote	Catherine Bearder, George Sabin Cutaş, Syed Kamall, Elisabeth Köstinger, Miloslav Ransdorf, Michael Theurer	

### **RESULT OF FINAL VOTE IN COMMITTEE**

Date adopted	14.4.2011
Result of final vote	+: 36 -: 11 0: 0
Members present for the final vote	Regina Bastos, Edit Bauer, Heinz K. Becker, Mara Bizzotto, Philippe Boulland, Milan Cabrnoch, David Casa, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Sergio Gaetano Cofferati, Marije Cornelissen, Tadeusz Cymański, Frédéric Daerden, Karima Delli, Proinsias De Rossa, Frank Engel, Sari Essayah, Richard Falbr, Ilda Figueiredo, Thomas Händel, Marian Harkin, Roger Helmer, Nadja Hirsch, Liisa Jaakonsaari, Ádám Kósa, Patrick Le Hyaric, Veronica Lope Fontagné, Olle Ludvigsson, Thomas Mann, Elisabeth Morin- Chartier, Csaba Őry, Siiri Oviir, Rovana Plumb, Konstantinos Poupakis, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Jutta Steinruck, Traian Ungureanu
Substitute(s) present for the final vote	Tunne Kelam, Gesine Meissner, Ria Oomen-Ruijten, Csaba Sógor, Dirk Sterckx, Emilie Turunen, Cecilia Wikström