



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Development

2010/2205(INI)

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

PA_NonLeg

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 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;
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;

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	22.3.2011
Result of final vote	+: 16 -: 12 0: 0
Members present for the final vote	Thijs Berman, Michael Cashman, Corina Crețu, 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