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*Committee on International Trade*

**2006/2240(INI)**

8.1.2007

## **OPINION**

of the Committee on International Trade

for the Committee on Employment and Social Affairs

on Promoting decent work for all  
(2006/2240(INI))

Draftsman: Harlem Désir

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## 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 the international community's commitment, at the United Nations summit of 14-16 September 2005, to supporting the decent work agenda drawn up by the ILO; considers the promotion of this agenda to be a priority with a view to achieving the millennium development goals and the eradication of poverty;
2. Welcomes the Commission's will to mainstream the promotion of decent work into the EU's external policies, in particular bilateral and regional trade and external aid policies; stresses that the Commission must take advantage of the bilateral and multilateral negotiations to place more of its commercial weight behind promoting social standards and decent work;
3. Calls on the Commission not to neglect the multilateral dimension in the promotion of a decent work agenda; asks the Commission, in particular, to come forward with a proposal at the WTO with the aim of making sure that WTO rulings fully incorporate the ILO decent work proposals;
4. Affirms that promoting decent work is consistent with the EU's values and that it is in the EU's interest to ensure that international trade grows in line with the European social model with a view to avoiding all kinds of social dumping; calls for the EU's external policies to aim for the economic development of partner countries, but also for compliance with social standards and decent work, providing decent incomes for workers and their families, together with the right to health and safety at work, social protection and trade union freedom;
5. Stresses the responsibility of the social partners for promoting decent work for all, and calls on the Commission to support them and encourage their initiatives in this field;
6. Believes that multinational companies, including European multinationals, operating in developing countries must consider themselves to have responsibilities extending to the social sphere, requiring them to promote decent work in the conduct of their business and to endeavour to eliminate child labour;
7. Supports the Commission's action with a view to securing the broadest possible ratification of ILO conventions, particularly those which relate to fundamental working standards; recommends that the Commission make the implementation of core labour standards a permanent element in bilateral consultations at all levels, both with countries where violations occur and with countries that have trade and investment links with such countries; recommends that the Commission include, in all bilateral trade agreements and strategic partnerships, a clause on the implementation of core labour standards, in particular with regard to trade union rights, the ban on forced labour and child labour, gender equality at work and the rights of migrant workers; calls on the Commission, once the ILO conventions have been ratified, to monitor effectively their implementation and report to Parliament on a regular basis; also calls for measures to be taken with a view to

effectively combating social dumping;

8. Proposes that the EU incorporates, as a matter of course, social clauses on decent work in all bilateral and regional cooperation instruments, including trade agreements;
9. Calls on the Commission to ensure the implementation of Article 50 of the Cotonou Agreement, which includes a specific provision on trade and labour standards and which confirms the parties' commitment to core labour standards;
10. Urges the Commission to make compliance with core labour standards a precondition for its purchasing and contracting policy; calls on the Commission, to this end, to develop a policy and to provide trade related assistance which would make it possible for small producers in developing countries likewise to comply with these standards;
11. Is convinced that the lead position of the EU in global trade and in the reaping of the economic benefits of increased global trade is due to the high level of social partnership and peace in the EU, which must be preserved as the overall aim of all trade policy instruments;
12. Approves the Commission's guidelines on the development of indicators and assessment methodologies which incorporate decent work into the sustainability impact assessments (SIAs), in particular for new bilateral and regional trade agreements and export processing zones; welcomes the pilot project launched with the ILO to measure the impact of trade and its liberalisation on decent work; hopes that it may be extended to more countries and that these indicators may be systematically included in SIAs as tools for assessing trade policies;
13. Calls on the Commission to recognise, and incorporate into its bilateral and multilateral trade negotiations and SIAs, reasonable indicators, as defined by the ILO, for the number of labour inspectors based on the size of the workforce: 1 inspector per 10,000 workers in industrialised countries with a market economy, 1 per 20,000 in transition economies and 1 per 40,000 in less developed countries;
14. Calls on the Commission to step up its commitment to promoting and guaranteeing, in the GSP+ beneficiary countries, the effective application of the fundamental rights of workers set out in the UN and ILO conventions; also calls on the Commission to show greater rigour in implementing the GSP by making recommendations to the beneficiary governments and to activate the oversight arrangements provided for in Council Regulation (EC) No. 980/2005 of 27 June 2005 applying a scheme of generalised tariff preferences ("the GSP Regulation") and, where necessary, apply the mechanisms for temporarily suspending preferences in respect of those countries which do not honour their commitments and which seriously and systematically breach fundamental social rights while ensuring that the cancellation of preferences does not encourage protectionism; calls also for monitoring and the application of those mechanisms to be extended to cover the other GSP beneficiary countries, especially as regards child labour and forced labour, the elimination of which is a central challenge for the ILO, as indicated in its report entitled 'The end of child labour: Within reach'; believes that the Chinese economy has now grown to such a scale and is having such a strong impact on international trade that similar standards have to be applied if China is to continue to enjoy trade preferences; requests that the Commission reports annually to Parliament;

15. Calls on the Commission to encourage a stronger commitment to social responsibility on the part of businesses; stresses the importance of businesses in ensuring greater respect for fundamental working standards in their relations with developing countries, particularly at the product design stage;
16. Requests that, in the forthcoming revision of the GSP Regulation, the Commission makes express provision for suspension and withdrawal of GSP+ benefits to be based on a proportionality criterion, so as not to rule out incentives for companies which, in their business operations and their relations with their workers, comply with the obligations deriving from the international commitments entered into by beneficiary countries;
17. Recalls that, while States are primarily responsible for the proper adoption and implementation of core labour standards, transnational corporations should also be held, at least indirectly, responsible; encourages transnational corporations to adopt and promote Corporate Social Responsibility practices and core labour standards in relation both to activities that the company owns and directly controls and to the company's offshore suppliers and subcontractors (usually in developing countries); recommends that such policies be developed in partnership with all relevant stakeholders (governments, companies, trade unions and NGOs); recognises that the growing interest in Corporate Social Responsibility has increased transnational corporations' awareness of the positive role of labour standards in enterprise development; recommends that the Commission investigates the possibility of providing technical assistance to companies, particularly small and medium sized enterprises, and local authorities in third countries to ensure that they have the financial and human resources necessary for the implementation of such policies;
18. Encourages governments of the home countries of transnational enterprises to monitor implementation of the OECD Guidelines for Multinational Enterprises and to periodically publish reports on the contribution of those enterprises to the effective implementation of ILO core labour standards;
19. Urges the Commission to contribute to the development of the UN Norms on the Responsibilities of Trans-national Corporations and Other Business Enterprises with regard to Human Rights in order to ensure that it is an effective global instrument against the violation of core labour standards and other possible human rights abuses by companies;
20. Recommends that the Commission investigates the creation of appropriate legal safeguards and mechanisms at EU level which identify and prosecute EU-based importers who import products in cases where the violation of the core ILO conventions has been permitted in any part of the supply chain; recommends that the Commission explore the possibility of creating incentives for EU-based importers who carry out regular and independent monitoring of the manufacture of their products in all third countries which form part of the production chain;
21. Recommends that the Commission investigates and identifies companies which continuously and persistently permit the violation of core labour standards in any part of the production and supply chain and calls for such a list to be made available to EU-based importers;

22. Calls on the EU to contribute to decent work through its migration policy, providing support for the authorities in host countries with a view to protection and better treatment of migrants who live in their country, and combating illegal migration and people trafficking;
23. Underlines the basic role that corporate social responsibility can play in promoting decent work and calls on the Commission to continue to promote it, together with the measures that the OECD and the ILO have approved;
24. Stresses the need for greater cooperation between the WTO, UNCTAD, the ILO and other international organisations with regard to the complementarity of their policies; considers that coherence among the measures undertaken is essential in promoting decent work and guaranteeing it in practice; proposes that the ILO be granted observer status at the WTO; addresses the parliaments of other WTO members to ask them to support this request;
25. Calls on the Commission to make 'promoting decent work' an EU objective in the WTO in the form of a package deal aimed at providing developing countries with more policy space, including greater respect within the EU for Special & Differential Treatment (SDT) demands and initiatives for the stabilisation of commodity prices;
26. Calls on the Commission to propose establishing a 'trade and decent work' committee in the WTO, along the lines of the 'trade and environment' committee;
27. Points out that the ILO statutes allow it to call for trade sanctions against a country in the event of failure to comply with international social conventions, and calls on the WTO to undertake to comply with ILO decisions for the sake of consistency in the action of international institutions;
28. Proposes that the ILO be authorised to submit expert reports (amicus briefs) to the WTO panels and Appellate Body in relevant cases where the violation of international conventions is at issue in a dispute and in which the decisions of the ILO have to be taken into account;
29. Proposes that, where a decision by the Dispute Settlement Body is regarded by a WTO Member State as calling into question ILO decisions on compliance with the labour conventions, an appeal route to the ILO should exist so as to guarantee the coherence of international community's action in promoting decent work;
30. Stresses the need to promote codes of conduct for multinational businesses negotiated with the trade unions within the OECD, incorporating the objectives of decent work, and calls for these rules to apply to the third-country subsidiaries of companies with their headquarters in Europe, as well as to sub-contractors and suppliers involved in the firm's production chain;
31. Welcomes the support which the Commission intends to give to improving the involvement of the social partners and other civil society actors in world governance (such as the WTO and the International Financial Institutions) along the lines of the OECD consultative model, but recalls that it is just as important for these actors to be involved in EU bilateral or regional trade negotiations;

32. Calls on the EU to make compliance with international work standards one element in negotiations for the accession of new member states to the WTO;
33. Calls on the Commission to promote a more united approach on the part of EU Member States with regard to achieving the effective incorporation of decent work into the International Financial Institutions, with regard in particular to their policy advice, their development assistance programmes and their loans to private companies;
34. Emphasises that decent work concerns all workers and that work performed on an informal basis has been identified by the ILO as reflecting the existence of "decent work deficits" which need to be eliminated so that all workers can carry out work in a legal and institutional framework in which their rights are protected;
35. Stresses that codes of conduct must not be endorsed without specifically identifying those kinds of initiatives that promote decent work and that, too often, codes are inadequate substitutes for the adoption and application of law and for the role of trade unions and genuine industrial relations; calls instead for the creation of decent work to be recognised as an essential part of what it means for an enterprise to be considered socially responsible; emphasises furthermore that the Multi-Stakeholder Forum and the European Alliance on Corporate Social Responsibility (CSR) will not be a useful means of developing decent work until the concerns of trade unions and NGOs regarding those bodies have been addressed;
36. Emphasises, finally, the importance of promoting the ILO Tripartite Declaration on Multi-National Enterprises and Social Policy.

## PROCEDURE

<b>Title</b>	Promoting decent work for all
<b>Procedure number</b>	2006/2240(INI)
<b>Committee responsible</b>	EMPL
<b>Opinion by</b> Date announced in plenary	INTA 28.9.2006
<b>Draftsman</b> Date appointed	Harlem Désir 11.9.2006
<b>Discussed in committee</b>	3.10.2006      22.11.2006
<b>Date adopted</b>	19.12.2006
<b>Result of final vote</b>	+:                24 -:                1 0:                0
<b>Members present for the final vote</b>	Kader Arif, Francisco Assis, Jean-Pierre Audy, Enrique Barón Crespo, Daniel Caspary, Françoise Castex, Christofer Fjellner, Béla Glattfelder, Alain Lipietz, Caroline Lucas, Erika Mann, Helmuth Markov, David Martin, Georgios Papastamkos, Peter Šťastný, Robert Sturdy, Gianluca Susta, Johan Van Hecke, Daniel Varela Suanzes-Carpegna, Zbigniew Zaleski
<b>Substitute(s) present for the final vote</b>	Panagiotis Beglitis, Harlem Désir, Elisa Ferreira, Małgorzata Handzlik, Jens Holm