Economic globalisation: social governance, core labour standards

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PURPOSE : to propose an EU strategy to promote core labour standard and social governance globally.
CONTENT : the communication proposes action at European and international levels, to support the effective application of core labour standards at global level. The development dimension is central to the strategy, which aims to help developing countries apply core labour standards for social development. The strategy confirms the central role of the International Labour Organisation (ILO). The communication supports a better balance of the global governance system, through both strengthening and using more effectively ILO instruments and fostering joint work by international organisations. In the ILO, this would imply discussion of steps to reinforce the effectiveness of supervision, including better publicity and more effective follow-up and discussion of a new incentive mechanism to promote the respect for core labour standards, as well as increased contributions to ILO technical assistance. The communication also proposes to create a high-level international dialogue, with the participation of international organisations the ILO and the World Trade Organisation, as well as development organisations such as the United Nations Conference on Trade and Development (UNCTAD), the World Bank and the United Nations Development Programmes (UNDP). This international dialogue would help identify best practices and policies that will further the contribution of trade to social development world-wide. The Communication stays true to the fundamental principles of clearly rejecting any use of core labour standards for protectionist purposes and putting into question the comparative advantage of low-wage developing countries. As regards action at the European level, the strategy proposes a more coherent use of a wide range of policy instruments. Poverty and inadequate domestic governance structures are often the main cause of social problems, and development tools therefore play a central role. The communication suggests integrating core labour standards in its development policy and strengthening capacity in developing countries to apply core labour standards. It also suggests that core labour standards should have their place in bilateral agreements between Europe and the third countries. The Generalised System of Preferences (GSP) of the EU provides preferential market access to developing countries. Additional preferences are given to countries under the social incentive scheme, provided they apply core labour standards. The Commission suggests improving this social incentive scheme to make it more attractive to developing countries and making available development assistance available to developing countries to help them make better use of the social incentive opportunities. The Commission also recognises the importance of private voluntary initiatives. Such initiatives reflect the corporate social responsibility of companies and their increasingly important role in supporting social development. The Commission has also adopted a Green Paper on Corporate Social Responsibility (see COS/2002/2069) which complements this communication on the promotion of core labour standards and the improvement in social governance.