The social dimension of globalisation

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PURPOSE: presentation of a Communication on the social dimension of globalization – the EU's policy contribution on extending the benefits to all.

CONTENT: The process of globalisation has brought significant benefits to many people across the world. Higher quality – and higher earning – jobs have been created in parts of the world which have previously relied largely on agriculture to maintain their people.

While these positive aspects of globalisation are recognised by the report of the World Commission on the Social Dimension of Globalisation (WCSDG) published in February 2004, it also notes that the benefits of globalisation are not shared equally across all countries and groups and that, without an effective system of global governance, the current model of globalisation is generating unbalanced outcomes and is not likely to lead to global sustainable development.

The EU has long pursued policies, both at home and internationally, which seek to ensure that economic and social progress go hand in hand. In particular in Lisbon in 2000, the Heads of State and Government agreed an integrated strategy for reforms which is intended to lead to Europe becoming the most competitive knowledge based society in the world, with more and better jobs and increased social cohesion, by promoting mutually reinforcing policies to address the needs of competitiveness, employment, social progress and environmental sustainability. This strategy is also the basis for the EU's policy response to the impact of globalisation on businesses, jobs and citizens in Europe.

The EU's economic and social model, and the Lisbon strategy which translates it into practice, cannot simply be transposed to other parts of the world. Nevertheless, the WCSDG has highlighted a number of aspects of the model which may be of interest to the Union's partners. This is especially true of the processes involved in the design, implementation and evaluation of policies which are essential to the achievement of the balance between economic and social objectives. The EU model places particular emphasis, for example, on solid institutional structures for the management of economic, employment, social and environmental issues and the interplay between them, on strong social and civil dialogue and on investment in human capital and the quality of employment.

The EU must also ensure that it exercises its external policies in a way which contributes to maximising the benefits of globalisation for all social groups in all its partner countries and regions. Its external policies have always had an important social dimension, for example in supporting universal access to basic social services in the developing world. For some time, the EU has also been promoting the effectiveness and coherence of global governance, including economic governance, through international institutions, to ensure that trade policy and bilateral relations with regions and individual countries are fully supportive of social development and to ensure that development and external co-operation contributes to maximise positive and minimise negative social consequences of globalisation. It also encourages the private sector to contribute to these objectives.

This Communication briefly describes the current range of actions undertaken in the framework of the Union regarding the social dimension of globalisation and makes proposals for certain changes. It is intended to be a first contribution to the debate which has been started by the publication of the WCSDG's report and in particular to the discussion on the follow-up to be held at the International Labour Conference in Geneva in June 2004. The Commission believes that some of WCSDG'sproposals should also be discussed in other fora which have responsibility for financial, economic and trade issues.

In this communication the Commission sets out its initial views on some of the issues raised in the report of the WCSDG. Overall the report delivers balanced, critical but positive messages that can be the basis for future action. It recognises that some steps have already been taken at global, regional and national levels but it makes it very clear that much more should be done at all levels in a complementary and mutually reinforcing way to extend the benefits of globalisation to all. This is a challenge to both the EU and its Member States. The effective follow-up of the report, by all partners, will be of key importance.

The EU has already developed initiatives and policies to address the social dimension of globalisation both in Europe and elsewhere. It is now important that the Union, at the highest political level, expresses its commitment to taking action to strengthen this dimension in the light of the WCSDG's report and the initial proposals made in this Communication.