

## SHAPING THE SOCIAL DIMENSION OF GLOBALISATION

### CHAIR'S CONCLUSIONS OF THE G8 LABOUR AND EMPLOYMENT MINISTERS CONFERENCE

Dresden, Germany, 7–8 May 2007

#### TUAC EVALUATION

##### Overview

At their meeting G8 Labour and Employment Ministers discussed opportunities and challenges of the social dimension of globalisation. Their deliberations focused on three areas of action:

- On strategies for more and better employment in G8 countries;
- On broadening and strengthening of social protection in the developing countries and emerging economies;
- On corporate social responsibility (CSR).

Overall the Chair's conclusions respond positively to a number of central messages in the trade union statement submitted during the Social Partners' consultations. They emphasize that although globalisation offers opportunities for people, it can entail adverse effects and lead to "disparities". They say the challenges are to "make successful work transitions" and to "develop social protection alongside the effective promotion and implementation of international labour standards". They go on to say that "national governments, international organisations and social partners have a role in addressing this challenge".

On employment, the Ministers say they are committed to promoting employment by ensuring a "balanced combination of flexibility and security". They call for "family-friendly policies" and acknowledge the "contribution of social dialogue to promote more and better employment in the G8 countries".

On social protection, there is an explicit recognition that "many aspects of social protection are crucial in combating poverty and promoting social and economic development" and there is commitment to support intensified technical co-operation efforts to "facilitate broader coverage" for at least a basic package of services. A new element has been introduced that calls on governments "to fully take into account decent work, notably the respect for core labour standards in bilateral trade agreements".

There is also reference inviting "WTO members and interested international organisations, in close collaboration with the ILO, to promote the observance and the implementation of internationally recognised core labour standards".

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On corporate social responsibility, the Ministers note that “It is primarily the task of governments to implement and improve human rights and labour standards”, but call on companies to go beyond this. They say “companies should recognise their responsibility to their workers through the promotion of the rule of law, transparency, good governance, and ending corruption and implementing sound industrial relations”. They note the development of “framework agreements between a number of companies and global unions”. They cover a range of instruments and commit themselves in particular to “promoting a better governance through OECD Guidelines’ National Contact Points”.

### **Strategies for more and better employment in the G8 countries (§5-13)**

With regard to strategies for more and better employment in the G8 countries, Ministers pointed out that there is no single successful policy package to achieve this. They agreed that every successful package requires well-designed employment regulations and contractual arrangements, adequate employment-oriented social protection, as well as effective active labour market and lifelong learning policies. Moreover, they stated that successful labour market policies should ensure that work pays and that benefit recipients have an opportunity and incentive to get a job and have a career prospect through a mutual obligation approach. Ministers also reinforced their commitment to promote employment through well-designed labour market policies and social protection by ensuring a balanced combination of flexibility and security and to continue to support and initiating new efforts to develop balances between work and life and to develop family-friendly employment policies.

### **Broadening and strengthening social protection in the developing countries and emerging economies (§14-19)**

In order to combat poverty and to promote economic and social development, Ministers pointed out that broadening and strengthening social protection is not only one of the four strategic objectives to which ILO's "Decent Work Agenda" is orientated alongside endorsing and observing the fundamental principles and rights at work (core labour standards). They also emphasized that strengthening and broadening of social protection is one of the most important tasks in the context of globalisation processes.

Ministers asked the ILO to analyse the reasons implementation of minimum standards and social protection programmes often has remained low and suggest solutions aiming at intensifying the efforts to observe and implement the principles of these standards. While stressing that labour standards should not be used for protectionist purposes, Ministers invited the WTO members and interested international organisations, in close collaboration with the ILO, to promote the observance and the implementation of internationally recognised core labour standards.

In a significant development added at the meeting, they also committed to fully take into account decent work, notably the respect of ILO core labour standards, in bilateral trade agreements. They agreed to consider ways in which we can help broaden, strengthen and implement effective social protection systems for those countries where these are insufficient including through bilateral and multilateral development cooperation.

### **Corporate social responsibility (CSR) (§20-24)**

With regard to corporate social responsibility (CSR) Ministers acknowledged that it is primarily the task of governments to implement and improve human rights and labour standards but said that companies can make an important contribution to shaping the social dimension in a world economy of ongoing globalisation by voluntary assumption of their social responsibility. Ministers referred to the The ILO Multinational Declaration, the OECD Guidelines for Multinational Enterprises and the UN Global Compact as providing international frameworks for CSR initiatives. They also noted with interest the growing number of framework agreements between a number of companies and global unions.

It is of particular importance to note that Ministers:

- Call on companies in the G8 countries to assume social responsibility and to reinforce their commitment;
- Consider it an important task to promote the dissemination of CSR in small and medium-sized enterprises;
- Strongly encourage companies in the G8 countries and beyond to observe the OECD Guidelines for Multinational Enterprises;
- Appeal to the governments of emerging and developing countries to associate themselves with the values and standards contained in these guidelines and
- Commit themselves to actively supporting the dissemination of these guidelines and promoting a better governance through OECD Guidelines' National Contact Points.

They did not reach agreement for more binding regulation on CSR.

### **Conclusions**

The Ministers urged the G8 leaders in Heiligendamm to endorse this “social shaping of globalisation”. For the trade union movement the Summit Conclusions clearly represent a step forward in G8 commitment to a social dimension. The issue is now how this will be followed up. The TUAC delegation meeting Chancellor Merkel after the meeting raised many of these issues in view of the G8 Heiligendamm Summit. We will be seeking to follow these up in the weeks ahead.