

THE EUROPEAN UNION'S ROLE IN THE WORLD AND THE
SOCIAL DIMENSION OF
GLOBALISATION

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The European Union's Role in the World and the Social Dimension of Globalisation

Executive Summary

This discussion paper is based upon a multidisciplinary academic workshop held at DINÂMIA – Research Centre on Socio-Economic Change, Lisbon on 2-3 March that explored the nature of the external impact of the EU in relation to the social dimension of globalisation. In its widest sense, the social dimension of globalisation concerns the effects on people and societies of the globalisation of economic systems internationally. This workshop focussed largely on themes such as labour standards, decent work, employment, gender, health and human rights.

In the current role as the holder of the EU Presidency, Portugal has an important role to play in relation to the EU's external role; this document provides an overview to orient future actions. Given that the globalisation phenomenon is highly contested in public debate, focussing on its social dimension could provide a way in which to humanise globalisation and diffuse concern. It could, quite simply, legitimise the EU's role in the world, particularly given the putative European social model, and the fact that the EU is a potentially powerful player in this context.

EU initiatives in this area involve development, international relations, trade, governance and other policies, as well as indirect diffusion of social issues. Overall, the best approaches are those that combine different policies and both soft and hard approaches; that are coherent with internal EU policies; and in which social goals are consistent with trade and foreign policy goals. Geographical consistency is also necessary and, further, the role of the various actors should be clearly identified, both in terms of EU institutions and in relation to non-EU actors.

Currently there are lacks in consistency and coherence, as well as doubts as to the EU's commitment, ability and success in promoting the social dimension of globalisation. On the other hand, opportunities clearly exist, not least because the effects of globalisation are largely positive.

This is an area in which further attention from both policy-makers and academics should be focussed, particularly in relation to the questions surrounding the success of programmes and policies, their coherence and consistency, the perspective of the developing world, and the involvement of civil society actors. Further, in practical terms, a periodic assessment report addressing the EU's role in relation to the social dimension of globalisation and an international forum on the subject could usefully raise the profile of the EU's external role in relation to the social dimension of globalisation and provide the first step in the next stage of this project.

Sumário Executivo

Este documento de discussão é baseado num workshop multidisciplinar académico organizado pelo DINÂMIA – Centro de Estudos sobre a Mudança Socioeconómica, que teve lugar nos dias 2 e 3 de Março e que explorou a natureza do impacto externo da União Europeia (UE) na dimensão social da globalização. No seu sentido mais lato, a dimensão social da globalização diz respeito aos efeitos provocados pela globalização de sistemas económicos a nível internacional nas pessoas e nas sociedades. Este workshop focou essencialmente temas como as normas do trabalho, o trabalho digno, o emprego, o género, a saúde e os direitos humanos.

No contexto da actual Presidência da União Europeia, Portugal desempenha um papel importante no que concerne o papel externo da UE. Este documento apresenta uma visão geral para orientação de acções futuras. Uma vez que o fenómeno da globalização é contestado no debate público, o enfoque na sua dimensão social poderá ser uma forma de o humanizar e de minorar alguma da inquietação existente. Poderá, de facto, legitimar o papel da UE no mundo, particularmente devido ao putativo Modelo Social Europeu e ao facto de a UE ser potencialmente um poderoso actor neste contexto.

As iniciativas por parte da UE nesta matéria envolvem questões como a cooperação para o desenvolvimento, as relações internacionais, o comércio, governança e outras políticas, assim como a difusão indirecta de questões sociais. Em termos globais, as melhores abordagens são aquelas que combinam diferentes políticas e abordagens tanto *soft* como *hard*; que sejam coerentes com as políticas internas da UE; e nas quais as preocupações sociais sejam compatíveis com os objectivos comerciais e de política externa. A consistência geográfica também é

necessária e, além disso, o papel dos vários actores deve ser claramente identificado, quer no que diz respeito às instituições europeias, quer em relação a actores não pertencentes à UE.

Presentemente, existem falhas, tanto na consistência, como na coerência das políticas adoptadas, bem como dúvidas em relação ao nível de empenho e à capacidade e sucesso da UE em promover a dimensão social da globalização. Por outro lado, as oportunidades existem claramente, já que não seja pelos, maioritariamente positivos os efeitos da globalização. Esta é uma área à qual maior atenção deve ser dada tanto pelos *policy-makers* como pelos académicos, particularmente em relação às dúvidas relativas ao sucesso dos programas e políticas, à sua coerência e consistência, à perspectiva dos países em desenvolvimento e à participação da sociedade civil. Além disso, em termos práticos, um relatório periódico de avaliação do papel da UE em relação à dimensão social da globalização e um fórum internacional sobre o assunto poderiam, de forma útil, aumentar a visibilidade do papel externo da UE relativamente à dimensão social da globalização e assim servir de primeiro passo na próxima etapa deste projecto.

1 INTRODUCTION

*Lisbon
workshop*

This discussion paper is based upon a workshop held at DINÂMIA/ISCTE on 2-3 March 2007 that explored the nature of the external impact of the EU in relation to the social dimension of globalisation. We aim to summarise the academic discussion so that it may operate as a foundation for a consideration of the wider implications and perhaps allow an initial assessment of, and reflection on, the work carried out to date by the EU in relation to the social dimension of globalisation. The workshop drew together work from different disciplines (law, political science and economics) with participants originating from twelve different countries (from the EU, Canada, New Zealand, Armenia and Ukraine). An outline of the workshop and its programme are available at <http://dinamia.iscte.pt>; and a record of the workshop proceedings is available on CD-ROM. Other outcomes of the workshop include the forthcoming publication of an edited book (Routledge, 2008) and an open forum for civil society to be held in Ghent on 22 November 2007 (www.eu-sdg.ugent.be).

*Scope of
document*

While globalisation undoubtedly has an impact within Europe, this document focuses on the EU's response to the social dimension of globalisation external to it. It concerns the harnessing of the undoubted strengths of the European social model to ensure an equal distribution of the benefits of globalisation at a global level. This is an external policy domain where the EU is potentially a powerful actor, but which has been largely understudied in the academic literature and neglected in the political debate. This discussion paper is a first step in a thought process and does not aim to provide concrete policy recommendations. Rather, it intends to present ideas for debate and subjects for future research. In fact, the findings of this academic workshop to some extent reinforce the perspectives on the issue already presented by the Commission and other European institutions in their documents on the subject.

Current Portuguese Presidency In the context of its current role as holder of the EU Presidency, Portugal has an important role to play in relation to the EU's role in the world. This document may operate to identify the elements of the topic with relevance to the Presidency and may orient future actions to take. It is intended as a preliminary point of departure for a more profound and practical examination of the topic, perhaps through an extended project.

2 THE SOCIAL DIMENSION OF GLOBALISATION

Not easily defined Despite being the obvious starting point for any discussion, the social dimension of globalisation is not easily defined. It is a novel area of research, and as such, analysis is continually evolving.

Globalisation 'Globalisation' is a complex and evocative concept with a myriad of meanings, commonly understood as encompassing the liberalisation of international trade, the expansion of foreign direct investment and the emergence of cross-border financial flows. The term usually refers to economics, but also includes cultural, political and social aspects.

ILO World Commission The topic is greatly influenced by the ILO World Commission on the Social Dimension of Globalization. The World Commission, set up by the ILO, released its ambitious report on the social aspects of what is usually conceived of as an economic matter in 2004. The World Commission Report spoke of the potential for great benefits at the same time as the risk of greater inequalities in the distribution of the benefits of globalisation.

Social dimension in the widest sense

The World Commission considered the 'social dimension' of globalisation in its widest sense, as being about more than jobs, health and education and involving people's 'aspirations for democratic participation and material prosperity'. There is a need to integrate social considerations into programmes and strategies for economic development so as to limit the potential negative social results of economic globalisation and to ensure that the undoubted benefits are evenly distributed.

Thematic demarcation

The social dimension of globalisation concerns the effects on people and societies of the globalisation of economic systems internationally. Its content includes elements affected by economic globalisation and concerning the daily lives of individual members of societies. While recognising the value of a wide definition and the need for an integrated approach to the social definition of globalisation, this document will principally focus on themes such as labour standards, decent work, employment, gender, health and human rights, in the broader context of the EU's external role. Accordingly, we do not explicitly address topics such as the environment, democracy and economic development.

ILO is key player

As a result of the World Commission report, and mindful of the critical role played in this topic by employment and work, the ILO is a key player in relation to the social dimension of globalisation and accordingly an important partner for the EU in this regard.

Broad relevance of the topic The topic is therefore of relevance to globalisation, international social policy and the international role of the EU. Both the phenomenon of 'globalisation' and the 'European Union' are contested in public opinion; it could be that focussing on the 'social dimension' to globalisation may provide an answer to this concern. In relation to the EU, the topic involves an assessment of the objectives that are pursued by the EU in this domain, its capacity as an actor in international social issues, the effectiveness of its policies in promoting the just distribution of the benefits of globalisation, and its reach as both an intended and unintended agent of globalisation itself.

3 EUROPE'S EXTERNAL ROLE

Definition Neither 'Europe' nor its 'external role' in this area are easily defined. Given the processes of Europeanisation, in this context 'Europe' involves both the EU institutions and the EU member states, as well as the interaction between both levels. Europe's 'external role', in this context, includes programmes, policies and strategies, as well as indirect influences and impacts.

The EU is an important actor The EU is an important actor on the international scene and a potentially powerful player in this area given its historical connections which stretch beyond its borders. The EU can also be seen as a distinctive social model and it has a marked advantage in the 'soft' dimension of international politics. It is also committed to multilateralism and to the harnessing of globalisation.

The EU and the social dimension of globalisation

In recent years the European Commission, the Council of Ministers, the European Parliament and the European Economic and Social Committee have issued several initiatives concerning the social dimension of globalisation that impact on its external relations policies and development cooperation. Most recently, at the World Economic Forum in Davos this year while holding the EU Presidency, the German Chancellor stressed the need for a framework to ensure globalisation is fair to everyone. Clearly, this is an area of social policy that is developing in importance over time.

Existing initiatives

This involves development and international relations, trade, governance and other policies directly intended to impact upon these issues. Most obviously, this will include its external policies and programmes concerning social goals such as labour standards, governance, health and gender objectives in relation to EU enlargement, neighbourhood policies, and the wider world. Inevitably, this will involve soft law approaches and the involvement of civil society, corporations and international organisations.

Scope and contents of impact

It should be noted that this will usually involve the active encouragement of the adoption of social policy by third countries. This may involve policies in areas such as labour standards, gender equality, health and safety at the workplace, ILO conventions, human rights, social dialogue and corporate social responsibility. Such policies will be implemented through various means, including development aid, trade and cooperation agreements, political dialogue, negotiation of international conventions/regimes, and the enlargement process. Obviously, the best policies are those that link several European external actions in a comprehensive and coherent framework.

A direct and an indirect diffusion

At this point, we turn from discussing the content of policies to the way in which social issues are promoted externally by the EU. In a broad sense, this can be divided into two sets: direct external policy and indirect diffusion of social issues.

Direct impact

First, the EU has a direct and intended impact through its various external policies. This includes unilateral policies (eg corporate social responsibility strategy; the Generalised System of Trade Preferences; labelling; acquis through enlargement); policies at a bilateral level (eg Trade and Cooperation Agreements; development cooperation; political dialogue with third countries; enlargement process); and policies at a multilateral level (eg in relationship to the ILO, ECOSOC, WHO, Council of Europe, G7/8; ratification of international Conventions; in its diplomatic role in these arenas; and through financial support and technical assistance).

Indirect impact

In addition, there is an indirect 'diffusion' of social issues by the EU. This involves the external reach of EU law and jurisprudence (e.g. the use by other jurisdictions of European legislation as models for legislation with a social purpose and the use in national courts outside Europe of European jurisprudence in comparative law exercises). In addition, there are other indirect ways in which the European social model is diffused throughout the world, including through education and training, the movement of people through migration, and the way in which the EU itself incorporates such topics, thus affecting the rest of the world in this context through trade, business, agriculture and other indirect means. Finally, there is a more 'political' dimension: the EU is seen as a social model in other regions, and the way the EU deals with social issues is replicated, even without the explicit intention of the EU in this regard. This relates to the EU's role as a normative power in

international politics.

*Soft vs hard
approaches*

The nature of any policy or full-scale programme will be moot. The exploratory workshop identified the potential of soft approaches in this area. Neither the desirability nor the scope of soft approaches are obvious, and there is a great potential for inconsistency. Nevertheless, soft and hard approaches can be successfully integrated in a comprehensive European policy on the social dimension of globalisation (e.g. the combination of binding legislation and voluntary initiatives with regards to corporate social responsibility; the combination of development aid and technical assistance with complementary labour standards conditionality through trade policy).

*Variety of actors
involved*

A successful strategy must acknowledge and incorporate the wide variety of actors involved in this area. These include international civil society, Member States as well as EU institutions, private corporations, and other governments internationally. For European initiatives concerning the social dimension of globalisation to be truly effective, the involvement of this variety of actors is necessary.

*Role of the EU
and its
institutions*

Despite this, the role of the EU as the coordinating and proposing institution is crucial to coordinate initiatives that fall within the scope of this subject. EU institutions such as the European Parliament have an important role to play in constructing a coherent policy and overseeing its implementation and review. Other institutions (such as the European Economic and Social Committee) could also play a special role in this context.

Participation is important

Participation by the wider community is important at all levels. This will assist in improving the quality of research as well as the development and implementation of policy strategies. It will also promote a sense of involvement by stakeholders which theoretically could improve the success of policies.

Role of the business world

The issue of corporate social responsibility in this area is potentially transformative. The role of business is a key element of future investigation in this regard. Equally, issues such as social labelling should also be addressed as potentially powerful influences ensuring the success of EU initiatives in the area. By viewing these initiatives and policies from the perspective of the social dimension of globalisation, current European strategies may be supported and their relevance reinforced.

Role of civil society

Civil society will be important in both representing the interests and concerns of individuals internationally, as well as in identifying the possible components of any policy or programme. Civil society in this context will include civil society both within and outside the EU, although the primary point of contact for the EU will be with European organised civil society.

Role of Member States

Although there is an undoubted benefit to the coordinated policy development by the EU rather than by individual states, it is impossible to ignore the existing bilateral relationships that Member States will share with other countries. These may be based on historical, linguistic or economic ties, and should be identified and utilised in any strategies. In addition, the Member State holding the Presidency of the European Council of Ministers can play a distinct role in the encouragement and implementation of specific EU policy goals, such as initiatives promoting the social dimension of

globalisation.

Role of receiving governments

The involvement of governments which are the receiving partners in an export of social policy is especially important, as it could greatly impact on the success or otherwise in achieving the aim. Additionally, it could ensure the cultural appropriateness of European policy, and may involve the incorporation of already existing schemes and partnerships.

4 CONSISTENCY AND COHERENCE

(a) Internal versus external policy

Desirability of coherence

The importance of the relationship between the external role of the EU and internal EU policies should not be underestimated. First, internal policies obviously influence external policies. Second, and more profoundly, there is an additional rhetorical value to coherence between the internal and external thus ensuring legitimacy, credibility and an enhanced normative power. If much of the policy in this area is directed at changing the behaviour and attitudes of other governments, against their will, then the EU itself should be above reproach in its own, internal, dealings in this regard; doubts about the EU's level of commitment should be avoided. Equally, such incoherence may well be the cause of a lack of effectiveness and success in social policy initiatives. An enhanced coherence between the internal and external elements of a European social policy would ensure a powerful and influential world role for the EU.

Incoherence

The exploratory workshop identified a strong suggestion of incoherence between the EU's internal policies and its external policies in relation to social policy, including the nature of requirements made of third parties, as compared to those required of member states themselves. In this context it was noted that the incomplete competences of the EU institutions in social

issues (eg core labour standards) may hinder a successful external role for the EU in the social dimension of globalisation. While exclusive EU competences in social affairs are not always necessary or desirable, increased coordination at the EU level would enable a more prominent European role in global social issues. In this regard the Council Presidency has at times played an important role.

(b) Social goals versus other goals

Differing objectives

An inconsistency appears to exist between the scope and nature of policies on trade and foreign policy, on the one hand, and social policy type goals on the other hand. Both internally and externally, the EU is pursuing various, potentially contradictory, objectives. The challenge is to ensure that social issues are given an equal weight, instead of being subordinated to other concerns of an economic or political nature.

A market driven agenda?

Both the Lisbon Strategy (at the EU level) and the Decent Work Initiative (at the ILO level) have been criticised for subordinating social issues to a market driven agenda. While it is difficult to assess the implications of these initiatives, it is worth noting the potential tension between social and other goals in this context.

Security and social policy

Equally, the increased attention on security and geopolitical issues within the international political agenda since the commencement of the 'war on terror' may conflict with policies promoting 'softer' international objectives such as labour standards and gender equality. The possible securitisation of EU external relations requires particular attention in the coming years. The adoption of the concept of 'human security' in Europe's external relations would, however, involve the inclusion of social considerations in the new security agenda.

(c) Geographical reach – neighbourhood versus global

Reach of EU policies

Given that this issue concerns the EU's external role, the question of the reach of the EU's policies and programmes should be considered. This raises questions of the desirable scope of the EU's reach, particularly in relation to the overall success of any strategy. Questions of social policy directed through the enlargement process and the European Neighbourhood Policy are built on the obvious fact of the EU's extraordinarily powerful influence and perhaps consequential responsibility at a regional level. The EU has the power – and arguably the responsibility – to play a similar role at a global level. Obviously, this relates to the EU's relations with the developing world, as well as to other developed countries (e.g. through the Transatlantic Labour Dialogue, the Organisation for Economic Cooperation and Development).

Source of effect

A further set of questions concern the scope of the EU's programme in this regard: should Europe confine itself to attempting to influence the social effects of globalisation on third countries caused by European concerns, or should (and can) Europe be concerned with the effects of globalisation internationally, no matter the cause or source? Again, there are likely to be effects in terms of effectiveness of the EU's strategies.

Geographical distinction

Some distinction on the basis of geography is in all likelihood justifiable. The EU and its member states have differing relationships and influences on different governments and regions, and this may be reflected in any strategy. Different sorts of policies may be appropriate for different geographical groupings of countries, not least because different programmes may have better results.

Geographical

Although distinctions based on geography may be rational, consistency of

consistency approach between policies directed at these different countries is necessary. In other words, although programmatic differences may exist, at the level of overarching policy, it is clear that there should be a consistent and coherent rationale. Equally, EU legislation at the regional level should contribute to global social policies and not hinder progress at the global level.

5 ASSESSMENT AND SUGGESTIONS

Preliminary document This document brings together some of the scholarly concern arising from one exploratory workshop; it is a preliminary and orienting document. It does not provide final answers, but identifies an area with great political and social consequence and warranting further attention from academics, civil society, governmental and policy-making perspectives.

Concerns Academics are good at criticising policy and identifying holes and concerns. In this context, it is clear that scholarly research suggests lacks in consistency and coherence, raises the question of commitment to date as well as the real ability of the EU in this regard, and queries the EU's actual success in promoting the social dimension of globalisation as a valid priority area internationally.

Opportunities On the other hand, opportunities clearly exist. As the Commission's response to the ILO World Commission's report stressed, the effects of globalisation have been, to a large extent, positive and not negative. Regardless of that, both globalisation and the EU are often the brunt of public criticism. An opportunity to increase the legitimacy of the EU by emphasizing its potential or actual role in the promotion of the social dimension of globalisation is clearly one that should be grasped. In addition, EU consistency with ILO matters has improved in recent years,

which is obviously a positive evolution.

*Future
attention*

The outcome of the exploratory academic workshop suggests that this is a valid and rich area, warranting further attention from both academics and policy-makers. Further research in this area, leading to the formulation of policy approaches, will necessarily address the following:

- a. assessment of success of programmes and policies in this regard to identify (for future use) which are more successful, taking into account whether there is a preference for soft or hard approaches, the influence of geography, and the relevance of subject matter;
- b. coherence between the internal and external elements of the policy; and consistency of implementation and approaches;
- c. the perspectives of the developing world; and
- d. the involvement of business and civil society actors.

In this context, a periodic assessment report on the EU's role in relation to the social dimension of globalisation would be useful.

*International
forum*

One possible way in which to advance academic understanding, the construction of practical policy initiatives, and the public profile of the EU's actions, could be the organisation of a forum on the topic, during the Portuguese Presidency. Such a forum could bring together academics, civil society, and policy-makers from international and national contexts. This could be an opportunity to have new academic and policy work presented and debated by a wider audience, so as to provide a basis for future policy, programmes and practices. It could be a major contribution to the formulation of policy initiatives, as well as to the advancement of a novel and innovative area of fundamental research.

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