



European Trade Union Confederation (ETUC)
Confédération européenne des syndicats (CES)



INTERNATIONAL TRADE UNION CONFEDERATION (ITUC)

Report on the outcomes of

Asia Europe People's Forum (AEPF9), October 16-19, 2012, Vientiane

Trade Union Summit, October 23, 2012, Hanoi

ASEM 3rd Social Partners Forum (SPF3), October 24, 2012, Hanoi

Executive summary

The ITUC organised two sessions of the Asia-Europe People's Forum (October 16-19, Vientiane) with the assistance of FES. The first workshop focused on social protection and the second one on the implementation of core labour standards. The main objective of these workshops was to raise awareness and inform the draft AEPF declaration on unions' concerns on social protection and other issues of the world of work.

The Trade Union Summit was co-organised by FES, VGCL and ITUC in Hanoi on October 23. The participants discussed and formulated the messages to be conveyed to the Social Partners' Forum which was held the next day. The messages were structured so as to address the Social Partners' Forum topics, and they are the following: restoring higher employment, decent job creation and growth, social protection, Skill development and tackling skills mismatches, corporate social responsibility (CSR) and Health and Safety at Work. The Summit also reviewed and evaluated the 2010 ASEM Labour and Employment Ministers' Conference (LEMC) and Social Partners' Forum (SPF). Participants to the Summit also discussed current political, social and economic relations between Asia and Europe and they had the opportunity to be informed on current political and socio-economic developments in the host country, Vietnam.

At the Social Partners' Forum on October 24, trade unions and employers' organisations had the opportunity to convey messages to the Ministers on the selected topics and discuss different opinions.

On employment, decent jobs and growth, the employers defended deregulation and flexibilisation of the labour market to help enterprises become more competitive and create more jobs. The trade unions responded that the market fundamentalism and neoliberal policies that caused the crisis cannot be the solution to the current jobs' deficit and proposed the reinforcement of economy's redistributive mechanisms.

On skills development and skills mismatches, the employers promoted investment in science, technology, engineering and maths (STEM) skills as well as making skills mismatches a policy priority. Trade unions proposed sectoral and enterprise level training funds, quality apprenticeships and the involvement of social partners in the programmes.

On social protection, the union representatives stressed that social protection is a human right and that it could also enhance productivity and stimulate economic growth while reducing income inequality. The employers said that social protection is needed but should be tuned in budgetary constraints and incentivise increased participation in the labourforce

On corporate social responsibility (CSR) the social partners agreed that the UN Guiding Principles on Business and Human Rights should provide practical guidance on CSR activities and programmes. Nonetheless, there was a disagreement on the voluntary or obligatory nature of CSR.

On occupational health and safety (OHS) social partners agreed that there is a strong need to promote OHS standards including with comprehensive legislative frameworks, employees' trainings and government inspections. Unions underlined that health and safety at the workplace is a human right while employers insisted that it is a business case because of the costs of accidents.

Asia Europe People's Forum, October 16-19, 2012, Vientiane

Universal Social Protection and Access to Essential Services

The workshop identified challenges for the implementation of social protection floors and explored the realities of financing the social protection schemes. The workshops also sought for input on the sustainability of the social protection floors from the public. Among the main conclusions was that social protection floors provide an exceptional opportunity to pursue the transformation of the societies through the formalisation of economic activity and employment relations as well as the enhancement of social mobility and progress. The ITUC, Yorgos Altintzis, and KAMP, Wilson Fortaleza, made contributions to this workshop which was supported by ITUC and Asienhaus.

Labour standards in a world in crisis

The seminar presented and explained the core labour standards but also discussed problems in application in practice. Trade unionists from Indonesia, Laos, India and Cambodia shared experiences from their countries on organising and collective bargaining indicating grave problems and obstacles. The seminar also focused on the new production schemes and global supply chains that create impediments in organising and exercising other fundamental rights at work. Sulstri Afrileston, Confederation of Indonesia Prosperous Trade Union (KSBSI), Aly Vongnorbountham, Lao Federation of Trade Unions (LFTU), Kong Athit, Cambodian Labour Confederation (CLC), Lissy Joseph, National Domestic Workers Movement (NDWM) and Yorgos Altintzis, ITUC, contributed to this workshop which was organised by ITUC and FES.

Trade Union Summit, October 23, 2012, Hanoi

The Summit was welcomed by Nguyen Hoa Binh, Vice-President of VGCL, who said that Asia and Europe are into social and economic crisis characterised by worsening working conditions and lack of progress on the social aspects of globalisation. In Vietnam, the government passed recently a new labour and trade union law to address the Vietnamese workers' challenges.

John de Payva, President Emeritus of SNTUC and Chair of ITUC-AP Regional Executive Bureau welcomed the participants for the ITUC-AP. He said that the social dimension of globalisation is present in ASEM but yet on a quite undeveloped stage. The Social Partners' Forum is a clear recognition of social partners' role; however, the trade unions are not given the same level of involvement as business.

Bernadette Segol, General Secretary of ETUC, said that the European crisis had an impact in Asia as strong trade ties link the two continents. While social policies should be in the core of the solutions, wage cutting and austerity are promoted instead. In this way, the burden is rolled down on workers who are not the responsible ones for the crisis. Ms Segol also reiterated that it is unfair that business enjoys preferential access to decision-making.

Hiroyuki Nagumo, General Secretary of JTUC/RENGO and Luc Cortebeeck, Deputy President of ITUC welcomed the participants for the ITUC. Mr Nagumo said that social dialogue, social protection, core labour standards, occupational health and safety and CSR are among the issues where unions should score goals by making concrete proposals for policies for sustainability. It is encouraging, however, that improvements are made and he referred to the opening of Myanmar and the return of Maung Maung to his country after 21 years.

Luc Cortebeek, Deputy President of ITUC identified decent work and employment creation as the main topics for the SPF3. Mr Cortebeek said that in 2008 the unions achieved G20, ASEM and other international fora to endorse action for the protection of workers and the stimulation of the global economy. Nonetheless, these measures are slowly withdrawn and austerity policies replaced the stimulation with the blessing of orthodox economists and the press. There are positive messages from the social protection front but unions need to put jobs and decent work back on the global agenda.

Review and Evaluation of the 2010 ASEM Labour and Employment Ministers' Conference (LEMC) and Social Partners' Forum (SPF)

Yorgos Altintzis, Policy Officer of ITUC, made a presentation on ASEM basics, the projects decided in LEMC3 and those expected to be undertaken by LEMC4 as well as the Terms of Reference for the establishment of an ASEM Labour Forum. He also presented the results of the evaluation and strategy workshop held in Hanoi on October 2011.

In the discussion that followed participants wondered how the SPF3 results are going to be communicated and taken into account by the Ministers and how unions could achieve a higher impact through the mandated projects. Others underlined that the SPF should not be a one-day event but a long process that would allow unions to constantly engage ASEM. Djufnie Ashary, KSPI, wondered how to promote harmonious industrial relations in Asia and Europe. Mr Awan, PWF, mentioned the issue of OHS with references to the factory fire in Pakistan and Ms Cappuccio shared her experience from the OHS project that was held in September 2012 in Singapore. Ms Cappuccio said that workers suffer a big pressure also because of the "informality" of the work and the working relations. Casual hire-and-fire jobs and increasing precariousness have a major impact on workers' health. Mr Erwin Schweisshelm, Resident Director of FES-Vietnam, echoed the concern of some governments on the added value of an ASEM Labour Forum, taken into account that unions are heard in SPFs. A procedural issue on the practice followed in 2010, with a Social Partners Forum well before the LEMC and a social partners' consultation right before the LEMC, was also clarified.

Current political, social and economic relations between Asia and Europe

Frank Zach, DGB, introduced a discussion saying that EU tends to place the focus on China and not ASEAN, the group of SEA countries that aspires to become a single market by 2015. The reason why EU, but also US, focus on China is its foreign currency reserves which could help them in the debt crisis. On global economic governance Mr Zachs said that as in ASEM, west and east should have an equal partnership in the IMF and the World Bank. In the WTO, developed countries introduced new trade issues in order to deflect attention from the problematic agricultural subsidies that hurt developing countries. These new issues of trade are not in the interest of social policies. Likewise, EU's trade agreements do not have strong labour chapters that could promote the social pillar of trade and help workers claim a fair share of the gains made from trade. Finally, Mr Zachs mentioned that the Asia Europe Business Forum (AEBF) elaborates on issues like finances, management of SOEs, economic governance, trade and investment protection of intellectual property and other economic issues, but omits to include social issues in the agenda. On the other hand, the ASEM Labour Forum would focus on migration, social protection, youth education and other issues that concern the poor and middle classes. Asia and Europe place inadequate focus on the social agenda and prefer to discuss issues of economic integration.

Mr Guo Jun, Head of Democratic Management Department of ACFTU said that his country's opening to the world economy was marked by policies that paid more attention to economic development. The fast economic growth led to complicated labour relations, more labour disputes, inadequate workers' protection, and even some extreme incidents that happened recently. Now China decides to introduce people-centred policies that would help ease the conflicts between capital and labour and achieve harmonious industrial relations. This can happen through respecting basic principles like justice and fairness as well as by making the system more transparent and democratic. In order to achieve it, China is to manage (the labour) 'market through market' by means of collective bargaining, minimum wages, social protection and workers' rights. ACFTU has an active role in this. China faces different problems than the EU in development. The crisis had been a catalyst that helped the Chinese government and trade unions realise that the sustainability of the current model is under threat. China decides to climb up the global value chains and improve working conditions, improve the level of benefits in social protection while creating a more business friendly environment. China has to deal with internal migrants' problems as EU slows down and jobs are lost in the coastal cities and the ageing population is becoming a challenge to the pension system. China has the problems of a developing and a developed country and this is why harmonious industrial relations are central to China; however, "we may disagree on the speed and the way".

Annie van Wezel from FNV said that ASEM needs to achieve a better balance between economic and social goals. Ms van Wezel also highlighted that the inclusion of strong labour provisions in trade agreements should be achieved.. Induk Lee from FKTU raised the issue of the Domestic Advisory Group (DAG) in the Korea-EU FTA and stressed that in Korea it was the government that nominated the participants in this Group in a non-transparent and non-democratic way. Mr Sivananthan from MTUC said that the FTAs of EU are not pursued on a block-to-block basis and that decent work and social dialogue are omitted. Ms Segol stated that the ETUC always linked FTAs with labour issues and environmental protection. Ms Segol also explained that the EU-ASEAN FTA was not possible because of different issues, including Myanmar. On the Korea-EU DAG, Ms Segol encouraged the establishment of such bodies and showed solidarity to the concerns of Korean unions.

Mr Inpeng Meunviseth from LFTU put the question of cooperation between Asian and European trade unions in promoting labour rights. Silvana Cappuccio said that multinational corporations and SMEs are very different and that SMEs have a very bad record of workers' rights disrespect and violations. Ms Cappuccio added that vulnerable groups should be considered as the first victims of the existing global governance, underlining amongst others migrants the number of whom is globally increasing. She stressed also that gender issues are still not main-streamed by global governance.

Overview on current political and socio-economic developments in Vietnam

Erwin Schweisshelm showed that Vietnam ranks high in the happiness index. However, the country is affected by severe climate change, for instance the increasing salinity of water in certain areas damaged rice production, growing inflation, increasing inequality but at the same time reduction of poverty. Social conflict was primarily over land issues and industrial disputes but the recent labour laws reform permits collective bargaining on enterprise level. Vietnam is also low on the global value chains, mainly specialising in low added-value activities.

World café

Table 1: Restoring higher employment, decent job creation and growth

The discussions on this topic underlined the importance of economic policies to foster employment, particularly for the young and elderly. The participants underlined that unions should be targeting the creation of stable employment with decent wages and collective bargaining so as to allow for wage hikes which would then fuel consumption and demand and create more jobs. Outsourcing should be regulated so that it allows for better quality jobs.

Table 2: Social protection

The debate focused on expanding the coverage of social protection systems with migrants, informal and contract workers as well as on enhancing the level of benefits provided. Social protection has the potential to boost domestic demand and productivity and as such it could be an active response to the crisis. Trade union involvement in social policy-making and supervision of the social funds with the participation of unions were also supported. The discussants recognised that specific national conditions and priorities do not allow for a universal agenda on social protection goals and such schemes should be tailored to the needs of each country. The whole effort should be undertaken in accordance with ILO Convention 102 and Recommendation 202.

Table 3: Skill development and tackling skills mismatches

Changing the narrative on skills development is necessary. The participants highlighted that skills development should not be seen as a cost but as an investment. The principles of the quality apprenticeships should be applied so as to make this investment more efficient. Participants also proposed the creation of training funds on sectoral level. Green skills for the green economy are missing and, in greening the economy, there is space for more skills. The connection of skills development with unemployment benefits would help unemployed persons improve their employability and publicly funded trainings should be extended to the informal economy too. Social partners should be involved in the design, delivery and management of such schemes.

Table 4: Corporate social responsibility (CSR)

The participants discussed the need for CSR actions and codes of conduct to cover the full extent of the supply chain. It should also become mandatory for deploying FDI abroad and it should be guided and ruled by the UN principles. Most of the discussions included an element of reluctance and disbelief towards such activities as they remain voluntary and sometimes they are used for commercial reason. The exclusion of unions from CSR programmes and the utilisation of CSR activities as a way to undermine unions were also mentioned.

Table 5: Health and Safety at Work

The dialogue on this topic explained how the ‘race to the bottom’, precariousness, subcontracting and atypical work have played an important role in deteriorating OHS. Participants talked about the importance of labour inspection and unionisation as factors that help maintain and improve OHS standards. Unions should adopt a human rights approach on this issue but some participants also remind that OHS can be connected to productivity gains. OHS frameworks should create different obligations for workers, employers and governments and set up prevention and compensation systems. Participants also agreed to a strong call against the use of asbestos.

The Trade Union Summit closed with a welcome reception at FES Vietnam Office's Terrace provided by FES.

ASEM 3rd Social Partners Forum (SPF3), October 24, 2012, Hanoi

Opening remarks

In his opening remarks at the 3rd ASEM Social Partners' Forum Luc Cortebeeck said that the world economy faces challenges in creating employment and achieving inclusive growth. The current European crisis impacts adversely the growth prospects of Asia. In this context, Mr Cortebeeck welcomed the dialogue between Asia and Europe on policies that would spur the creation of decent jobs, the extension of social protection, the improvement of working conditions and the enhancement of social partnership as means by which Europe and Asia cooperate their way out of the crisis.

The Vice-Minister of Labour, Invalids and Social Affairs of Vietnam, Nguyen Thanh Hoa, introduced the agenda items to the Forum. He said that social partners and international organisations participated in the preparations to the LEMC4 since the High Level Forum on Labour and Employment held in Hanoi in November 2011. Mr Nguyen Thanh said that policies to create jobs, labour market reform and labour mobility across sectors are issues to be tackled.

Mr. Koos Richelle from European Commission, DG Employment, Social Policy and Inclusion, welcomed Bangladesh, Norway and Switzerland to the ASEM process. He added that the Social Partners' Forum is now a well-established institution and its contributions are necessary. He added that EU supports social dialogue on an international level. He identified worsening quality of employment and youth unemployment as two major challenges faced by Europe. Policies to boost employment, labour market reform and employment policies should be central to the discussions.

Plenary Session I

Restoring higher employment, decent job creation and growth

Ms Sunkyung Choi from the Korea Employers Federation said that jobs are created through demand and growth and she identified regulatory tightening and labour market rigidity as the reasons for increasing unemployment. Governments should help enterprises to create jobs by means of a better business environment and measures that would improve competitiveness. FDI also needs regulatory easing in order to be stimulated. Ms Choi advocated flexibility in the labour market, including working-time, as a solution and called for stopping the 'stigmatisation' of jobs as precarious or irregular.

Mr Hiroyuki Nagumo, General Secretary of JTUC/RENGO, said that market fundamentalism, run-away capitalism and neoliberal policies caused the crisis. The trade unions movement stood critical of these policies, for example, the deregulation of the financial sector. As working conditions for young and women workers are deteriorating and unemployment is on the rise, social protection is not enough to address the problem. There is need for concrete systems for growth based on social dialogue. Mr Nagumo also said that the quality of jobs and decent work should be central to the growth model in order to be sustainable. He called to reflect on the Decent Work decade for Asia as the progress in the ratification of ILO Conventions of fundamental rights at work is slow.

Skills development and tackling skills mismatches

Ms Eve Päärendson from the Estonian employers said that education and training must be updated so as to become more efficient. Governments, vocational education and training experts and the social partners should build a new partnership that would transform current skills' development. On the same topic, Ms Ha Hong from the VCCI said that upskilling is needed in order to improve economic growth, productivity and competitiveness and foster decent work. Ms Ha Hong referred to the skills mismatch problem in Vietnam where 80% of the high school graduates continue to universities but then find it difficult to become employed because the market does not need these skills. She also illustrated examples of skills to be developed and introduced a pilot programme.

Sulistri Afrileston, Deputy President of KSBSI, said that in order to promote a better match between education programmes and needed skills, the government should deliver inclusive training and encourage the setup of sectoral and enterprise level training funds that could help making education and training a career long experience. A special emphasis should be put on green skills creation but also programmes addressed to women that could contribute to the transformation of social gender relations. The promotion of quality apprenticeships for young people is crucial. Training should not be seen as a cost but as an investment with long term returns for the employers. Employers and trade unions should play an important role in the development of such programmes as they can give advice in various fields, such as technology and industry standards and curriculum development. Entrepreneurial skills should also be enhanced.

Social protection

Mr Steven Goh from the employers' organisation of Singapore underlined the importance of social protection to the emerging development paradigm. Governments should design policies to strengthen labour markets, enhance growth and improve skills and employability of workers. The social protection goals should be nationally defined in order to deliver to the different national needs. Employers and workers make contributions to social funds and for this reason they should have a say on social protection. A right balance between social services and social transfers should be struck.

Mr Jun Guo, Head of the Democratic Management Department of ACFTU, said that the crisis aggravated labour conflicts because workers demand for fair and just labour relations. The importance of social protection in addressing these demands is self-evident. Social protection is not only a social and economic stabiliser but it also contributes to productivity, drives consumption and stimulates economic growth. When China achieved universal coverage for old-age and medical insurance, the increased purchasing power of Chinese people stimulated domestic and global demand. Resources to finance these systems can be found by broadening the tax basis and with efficient management of social funds. The participation of workers in the establishment of social protection enhances the deliverables as social dialogue incorporates the concerns of workers in policy-making. For instance, the ACFTU urged the government to ratify ILO Convention 102 on social protection and to this end they carried out several technical cooperation activities with the ILO. Asia and Europe face different challenges and for this social protection needs to be a country-focused agenda.

Plenary Session II

Health and Safety at Work

Mr Micheal Brodie from the UK employers talked about how reputation sensitive buying changes enterprise behaviour. Modern procurement processes require proofs of adequate OHS, control and management systems and respect to legal standards. While employers have the responsibility to provide OHS, governments should help them by putting in place legal frameworks and efficient labour inspection. Workers need to be trained in OHS standards. The total cost of accidents in the workplace in the UK is GBP3.2 billion; so, OHS is a business case. Social partners should be involved in promoting and implementing OHS standards.

Ms Cappuccio noted that the costs of prevention produce substantial gains for the companies, the society and those protected. Health and safety in the workplace is employers' responsibility and should be approached as a human right because it concerns human life. Trade unions need to be involved in the process of setting and implementing these standards in order to achieve the most effective OHS at the workplace.

Corporate social responsibility (CSR)

Ms Loes Van Embden Andres from the Dutch employers' organisation said that CSR is about successful entrepreneurship and responsibility towards stakeholders. "Companies' stakeholders, including unions, sometimes inspire such activities." CSR should be a constant process, present to the everyday activity of an enterprise. However, CSR should remain voluntary. The trends show that an increasing number of Asian companies adopt such programmes. The Ministers should continue the dialogue on CSR and entrepreneurs should adopt Ruggie's principles in their work.

Annie van Wezel, International Affairs Department of FNV, stressed that for trade unions CSR is not charity by companies, while decent work deficits continue to exist and core labour standards are being violated. Questions on the definition and scope of CSR are answered by the UN Guiding Principles on Business and Human Rights which provide practical guidance on how to implement the Ruggie Framework. With Ruggie's principles, the respective duties and responsibilities of governments and business are clearly defined and expectations of business behaviour and the scope of their responsibilities have been described. It is the governments' duty to protect its citizens from human rights abuse by third parties, business in this case. However, even if a government fails in its duty to protect, business still has the duty to respect human rights through due diligence - adopting processes to identify, assess and respond to risks throughout their business operations. Importantly, this includes risks throughout their supply chains. The question is not if, but how CSR can be best operationalised by governments and companies. Ms van Wezel asked ASEM governments to continue the dialogue on CSR and to include trade unions and employers as crucial stakeholders in this dialogue

Ms Luyen Shell from the VCCI provided a practical example of a CSR activity in Vietnam.

Plenary Session III

Vietnamese Minister Pham Thi Hai Chuyen underlined that as sustainable development and growth are in danger, all agree that social development should be central to resolving the crisis. She added that Ministers look forward to the social partners' messages. Mr. Koos Richelle from European Commission reiterated the importance of social dialogue

on national level but also in ASEM. He said that the EU may be overhauling its social protection systems and reviewing its legislation to understand whether it fosters, or not, growth.

Ms Loes Van Embden Andres said that jobs are generated by employers and investment. “Economic growth makes jobs not the other way around”. The global economy needs deregulation, sufficient flexibility and removal of rigidities in order to create jobs. The quality is substantial but quantity is of no less importance. Social protection is needed but should be tuned in budgetary constraints and incentivise increased participation in the labourforce. Skills mismatches should be addressed and investment should be made into Science, Technology, Engineering and Maths (STEM) skills. Social partners agreed that the Ruggie principles should be the guide for CSR activities and that OHS should be improved in order to improve company reputation, competitiveness and productivity.

Bernadette Segol¹, General Secretary of the ETUC, called the employers to pay the required attention to ASEM Social Partners’ Fora and the Ministers to take into account the messages coming from the social partners. Ms Segol proposed solutions to the crisis including the strengthening of the social dimension of globalisations, rolling back austerity measures and the regulating the financial sector in order to eliminate speculation. The new policies that could take ASEM and the world economy out of the crisis should be based on decent work, not only employment creation. Investment in quality work is crucial for the millions of working poor. “If structural reforms mean flexicurity, then trade unions would disagree; however, if it is about active labour market policies then unions would be interested to discuss.” Ms Segol said that healthcare, social protection, investment in skills should not be considered costs for business or governments. On the contrary, social policies should be made central in economic planning so as to achieve greater equality, and in this context, the ETUC has proposed a European Social Compact.

Trade and investment can help relaunch growth when trade deals are equitable, reciprocal, and aim at development. Ms Segol supported that trade and investment agreements should be enhanced with enforceable Sustainable Development Chapters that would require the ratification and effective implementation of core labour standards. Moreover, such agreements should provide for monitoring mechanisms that would include the civil society and the social partners, like the Domestic Advisory Group of the EU-Korea FTA. The European trade union movement has been supportive of inter-regional agreements; however, in the case of EU-ASEAN bloc to bloc talks were not possible due to the diverse nature of the ASEAN group, as well as the Burma-Myanmar issue. Ms Segol reiterated that the trade union movement look forward to the inclusion of binding commitments on core labour standards and monitoring processes in the current and forthcoming negotiations with countries in the ASEM region, including Vietnam,.

A special focus should be put on women’s participation in the labourforce, education and family with a view to making women capable to be independent. Finally, the ASEM Labour Forum should be institutionalised so that business and labour are treated in parity.

Noriyuki Suzuki, General Secretary of ITUC-AP, said that in Asia wage growth is far below the level of improvement of productivity. Also, data on elasticity of employment show that the economic growth has not contributed to the growth of employment in terms of

¹ For the full speech, see <http://www.etuc.org/a/10462>

quantity. Quality-wise, precarious work and informal economy are surging. On social protection, Asia spends only 5.32 % of GDP in sharp contrast to the 25% in EU. Many rich avoid taxes and in general tax on higher income brackets and corporate tax are on the decline. Income inequality is also on the rise in Asia.

Globalisation has failed to deliver the promised decent living standards and has not benefited working people as a whole in the Asian and Pacific region. The trade union answer is the promotion of Decent Work Agenda in economic and employment policies, respect to collective bargaining and freedom of association and reinforcement of progressive taxation as means of redistribution in the world economy that would lead to a more inclusive model of development. Mr Suzuki added that the Social Partners' Forum is an important forum to show the world how the social partnerships work. To this end, he proposed that a Labour Forum be recognised by ASEM as a counter part to the Asia Europe Business Forum.

The Social Partners' Forum was concluded with a dinner hosted by the European Commission.