

# ***“BUILDING ECONOMIC RECOVERY THROUGH DECENT WORK”***

## **Trade Union Statement to the ASEM VIII Leaders’ Meeting (4-5 October 2010, Brussels, Belgium) and the 3<sup>rd</sup> ASEM Labour and Employment Ministers’ Meeting (12-14 December 2010, Leiden, Netherlands)**

### **Introduction**

1. The world stands on a cusp, poised between recession and recovery depending upon which path governments take next. ASEM Leaders must decide to choose the right course, and support continued fiscal stimulus rather than premature economic contraction; increased regulation of the financial sector and an effective financial transactions tax, not a return to laissez-faire economic liberalism; and far-reaching measures to promote the creation of decent work and to meet the millennium development goals, not a deregulated labour market that fosters vulnerability and exploitation.
2. The first ASEM Labour and Employment Ministers’ Meeting held in Potsdam in 2006 was a breakthrough in the 10 year history of ASEM. Even then, two years before the eruption of the financial crisis, ASEM Labour Ministers acknowledged the need to share the benefits of globalisation more equally. They recognised that building inclusive societies cannot be left to market forces, but requires active governance. ASEM Ministers agreed that employment and social policies aimed at achieving decent work for all, enforcement of workers’ rights and social cohesion are all key elements to maximise the benefits of globalisation and extend its benefits to all.
3. The second ASEM Labour and Employment Ministers’ Meeting held in Bali in 2008 underlined the need for equitable growth and social justice. Ministers concluded that policies should be developed in consultation with the social partners to achieve decent work for all, and they mandated the adoption of a cooperation agenda between Europe and Asia so that good practices, experiences and expertise in the area of labour and employment would be mutually shared and broadly diffused.
4. Trade unions from Asia and Europe strongly welcome and support the conclusions of the two Labour and Employment Ministers’ Meetings. They call upon ASEM Leaders to promote and give effective follow-up to these conclusions at the national, regional

and international levels. ASEM trade unions further heartily welcome the exchanges held during the two ASEM Social Partners' Fora, most recently that organised by the European Commission in Brussels on 29 March 2010. We are convinced that such Fora contribute significantly to the potential for an effective ASEM dialogue on employment and labour issues.

5. ASEM trade unions believe that the third ASEM Labour and Employment Ministers' Meeting (Leiden, Netherlands, 12-14 December 2010) provides a vital opportunity for ASEM Ministers to discuss how to reinforce active pro-employment measures and social protection and safety nets with a view to providing relief to millions of newly unemployed and to creating urgently needed decent work.
6. To this end, the 2010 ASEM Leaders' Meeting in Brussels, Belgium on 4-5 October needs to take full account of the recommendations emphasised in this Trade Union Statement. We call upon ASEM Leaders to provide the third Labour and Employment Ministers' Meeting with a strong mandate to deal effectively with the dire economic and social situation and to propose joint work items that can contribute to turning around the current employment crisis in ASEM.

### **I – Redesigning the global economic system and addressing the effects of the crisis**

7. The financial crisis of 2008 unfolded rapidly into a jobs crisis putting the sustainability of the current economic model into question. Past financial crises show that labour markets lag behind economic recovery and that massive increases in unemployment are extremely difficult to reverse. In turn the rising and persisting unemployment and the risk of achieving an exclusive and jobless recovery stand to cause the further marginalisation of certain groups of the population, such as youth, women and other vulnerable workers. These often unprotected workers are particularly exposed to the adverse effects of the economic slowdown, namely through unemployment and rising precariousness of work. In many countries, especially in the developing world, this comes in combination with a lack of adequate safety nets or social protection resulting in more people dropping back into poverty.
8. Many ASEM governments have taken measures to address the immediate effects of the crisis, including fiscal stimulus packages and other countercyclical policies, which have had some positive impact on the employment situation even if insufficient so far. Such measures need to be extended and more focused on employment creation, rather than brought prematurely to an end.
9. While in the long run fiscal deficits need to be sustainable, ASEM governments should achieve this through progressive tax reforms so that the burden of adjustment is carried by those who have been profiting from globalisation. In order to build up their resources ASEM governments need to re-regulate the global financial system to make it support, rather than undermine the real economy, and to clamp down on tax evasion and tax havens. ASEM unions believe that reregulation should incorporate a global tax on financial transactions which among other ends would shift capital away from speculative to productive uses and provide new funds for recovery, the environment and development.
10. ASEM governments should pursue a more equitable, socially just and environmentally sustainable model of economic development.

***Proposal for ASEM cooperation project:***

- ***ASEM should establish a project to consider and evaluate the best means to achieve an equitable economic growth model that can build decent work and inclusion rather than greed and unproductive financial instability. Such a project needs to encompass attention to the benefits of progressive fiscal systems and the uses of a financial transactions tax in boosting sustainable pro-employment and development measures.***

**II – Advancing the ILO Global Jobs Pact in the ASEM region**

11. Even before the crisis, globalisation had contributed to a process of downsizing industries, triggering increasing layoffs and involuntary displacement from permanent jobs. Globalisation has also had an impact on job quality: the constant relocation of enterprises to countries with lower labour costs fostered a race to the bottom, in terms of social and environmental protection, among governments which seek foreign investments. The increased flexibility of global labour markets characterised by a growing number of atypical forms of employment has put millions of workers in a precarious and insecure work situation, especially in export processing zones, leading to a growth of informal economic relationships.
12. An extremely preoccupying feature is the high level of unemployment or underemployment among young people of both regions, with young people in Europe generally two times as likely to be unemployed as adults, and young people in many Asian countries up to four times as likely to be unemployed as other adults. Women's employment situation also remains far inferior to that of men in both Asia and Europe. This manifests itself in the continuing problem of lower pay for women for work of equal value, the inferior career prospects that many women have, and the general concentration of women in low-paying, informal or precarious jobs.
13. The creation and promotion of decent work must become a policy objective in itself at both the national and global level. This requires active government-led economic and social policies focusing on the creation of productive jobs with good wages in conditions of freedom, equity, security and human dignity. These ideas are at the heart of the ILO Declaration on Social Justice for a Fair Globalisation (2008) and the ILO Global Jobs Pact (2009), as well as the Asian Decent Work Decade launched at the 14th ILO Asian regional meeting in 2006 and the European Commission's 2006 Communication on "Promoting decent work for all".
14. ASEM governments need to create social protection systems or improve existing ones and undertake measures to promote the development of the labour force through skills development programmes. The involvement of social partners in the planning, the development and the execution of social protection and vocational training systems is essential, as it increases ownership, improves outcomes and achieves better coordination of implementation.
15. Ratification of ILO Convention No. 102 on social protection would considerably help ASEM countries willing to extend social security. However as of this day, Convention

No. 102 has been ratified by few countries in the ASEM region. Trade unions call upon ASEM countries that have not yet ratified Convention No. 102 to do so.

***Proposals for ASEM cooperation projects:***

- ***In the light of the gravity of the economic crisis, and building upon the joint commitments of European and Asian countries to realising decent work through the Global Jobs Pact, trade unions propose the setting up of an ASEM cooperation project on decent work with the full involvement of the social partners and the ILO. ASEM should encourage the establishment of national decent work plans based on the Global Jobs Pact, and facilitate the exchange of information and expertise, as well as identify best practices among member countries. Particular attention should be devoted to realising decent work for young and female workers.***
- ***Strengthening social protection is necessary. Building on the existing project established at the 2<sup>nd</sup> LEMM and led by France, ASEM should contribute to this process by encouraging governments and social partners to define strategies for the design and the implementation of social security systems providing universal coverage with full use of the ILO's expertise. A key point of any cooperation project must be to ensure that atypical and informal workers, with an emphasis on youth and women, have access to social protection.***

**III – Establishing an Asia Europe Labour Forum to put social dialogue at the heart of ASEM initiatives on labour and employment issues**

16. Tripartism and social dialogue are indispensable elements of good governance at both the national and international level. Policies formulated and implemented in cooperation with the social partners promote industrial peace and social stability and have the potential to boost economic and social progress. Conversely, excluding workers from decision-making fosters industrial conflict, particularly at a time of economic crisis and fiscal austerity.
17. Therefore trade unions from Europe and Asia call upon ASEM Leaders to grant trade unions a formal consultative status through an Asia Europe Labour Forum comparable with the arrangements for the Asia Europe Business Forum. We further look forward to deepening our engagement in the ASEM process by being directly involved in specific ASEM cooperation projects in the near future.

***Proposal for ASEM cooperation project:***

- ***Building upon the outcome of the 2<sup>nd</sup> social partners' forum held in March 2010 and as agreed in principle at the 2<sup>nd</sup> LEMM in 2008, trade unions propose the implementation of an ASEM project aimed at strengthening dialogue and cooperation on labour and employment issues through the establishment of an Asia Europe Labour Forum and***

*by regular meetings of the ASEM Labour and Employment Ministers with the ASEM social partners.*

#### **IV – Addressing the climate crisis through green and decent jobs and Just Transition**

18. Climate change already affects the lives of millions of people worldwide and in the coming years the impact of environmental degradation will magnify. Poor countries are particularly exposed to the effects of climate change as they lack the capacity to prepare for and respond to natural catastrophes and to take effective measures to protect their populations from long-term trends such as soil degradation, desertification and global warming.
19. Addressing climate change is critical to the economic, social and environmental interest of the global community. Such international efforts to respond to climate change will certainly have effects on employment and the workplace. Measures taken to combat climate change, in particular those aiming at reducing greenhouse gas emissions, while crucial, will require transformations in the world of work. At the same time, shifting towards a low carbon economy could generate opportunities in both, developed and developing countries if the right policies are put in place.
20. ASEM trade unions believe that ambitious mitigation targets in developed countries (between 25-40% reductions compared to 1990), along with bold actions in developing countries are fundamental in order to ensure the achievement of environmental and social sustainability. Such a profound transformation of the economy cannot depend solely on the market. Strategies of “Just Transition” need to be put in place. ASEM governments, in the framework of the UNFCCC negotiations and in cooperation with the ILO and social partners, should foster investment programmes in labour-intensive and environmentally positive sectors such as energy efficiency, research and development in environment-friendly technologies and processes, innovation and sustainable industrial policies. Governments should put in place adapted social protection systems and skills development programmes to ensure an equitable outcome and assist vulnerable communities in the transformation process.
21. It is essential to maximise the opportunities to create green and decent jobs and to make traditional jobs socially and environmentally sustainable. A global consensus between governments, business and labour must be achieved to ensure a just transition to a new economy. Workers need to be involved in social dialogue at every level, from discussions of national and regional industrial policies to the very specific discussions of what technologies need to be acquired or researched, what knowledge and skills would be needed to implement those strategies, and what training and education would need to be in place to deliver those knowledgeable and skilled workers.
22. Developing countries lack the technology and the resources to take mitigation measures and adapt to the new environment, while even small scale environmental events can cause huge stresses for their workers and economies. It is, therefore, important that the industrialised countries provide technical and financial assistance on the basis of common but differentiated responsibilities and respective capabilities in order to enhance the policy tools and the capacities of poorer countries to respond to

climate change. To this end the ASEM trade unions support the use of additional public funds and the introduction of innovative sources of finance, including the use of a financial transactions tax to achieve the development goals and climate-finance commitments that industrialised countries have made.

23. ASEM governments should respect the mandate of the UN Framework Convention on Climate Change and firmly commit to major investments to develop long-term sustainable industrial policies and to advance and deploy new technologies that will lead to emission reductions. In so doing it is crucial that the ASEM governments invest in green skills and training of current and future workers to achieve efficient operation of energy saving technologies, adaptation of current technology to environmental standards and restructuring of chains of production, supply and distribution in an environmentally sustainable way.

***Proposals for ASEM cooperation projects:***

- ***Building upon the commitments of the ASEM VII Declaration on Sustainable Development, the outcomes of the ASEM 3rd Environment Ministers' Meeting and the endorsement of the ILO concept of green jobs by the 2<sup>nd</sup> Labour and Employment Ministers Conference, trade unions propose the initiation of an ASEM project establishing tripartite social dialogue aimed at assessing and addressing the employment impacts of climate change, deciding on environmentally-friendly investment programmes and new industrial policies at national and regional level and identifying the technologies, skills and education required to ensure a Just Transition towards a low-carbon and climate-resilient economy.***
- ***An ASEM project aimed at facilitating the exchange of best workplace practices on reducing greenhouse gas emissions, promoting energy saving, waste reduction and recycling, and adapting workplaces to climate change in vulnerable regions should be established.***

**V – Taking up the global challenge of training and employability for all**

24. Increasing workers' employability and productivity is part of an effective response to the employment challenges posed by the crisis. It needs to be based on a solid tripartite social dialogue, as emphasised in the 2008 ILO general discussion on "*Skills for improved productivity, employment growth and development*". Through social dialogue social partners can commit themselves and contribute to concrete skills development policies and life-long-learning measures.
25. Equally important is the need to develop skills along global value chains. In this regard the 2008 ILO General Discussion highlighted the importance of multinational companies adopting responsible sourcing practices, requiring them to work with their contractors or service providers so as to support decent work and create opportunities for training and skills upgrading in the supply chain.
26. At the same time the challenges posed by the climate crisis as outlined above require investment to transform human capital and provide workers with new skills and

knowledge to achieve the efficient operation of green technologies and to promote energy saving at the workplace. In order to make that happen effectively the social partners need to be involved in the design and delivery of skills development strategies and new industrial policies to attain a greener economy.

27. ASEM should include the recognition of competences and qualifications of occupational standards and certificates of vocational education and training (VET) in their agenda with a view to achieving harmonised standards and qualifications that can enable migrant workers' skills to be properly recognised and remunerated.
28. Finally it is important to underline that training for workers in the area of health and safety is of prime importance. Every year around 2.2 million people die at or from work. Adequate training on health and safety at work, together with responsible management practices, play a crucial role in reducing the number of occupational accidents and illnesses.

***Proposals for ASEM cooperation projects:***

- ***Strengthening tripartite social dialogue on training and employability is necessary. The ASEM project on vocational training established at the 2<sup>nd</sup> LEMM, to be led by the Philippines, needs active implementation by encouraging governments and social partners to define strategies on employability and life long learning at the national level, including a focus on the creation of green jobs. ASEM should facilitate the exchange of information and best practices among member countries on these issues.***
- ***The above-mentioned ASEM project should further aim at recognising the divergences in competences and skills of the labour force and make recommendations for promoting consistency with qualification requirements among countries.***
- ***An ASEM project aimed at facilitating the transition from education to employment would help address the particular difficulties faced by young workers. ASEM should encourage exchange of information and disseminate best practices around youth employment policies.***
- ***The ASEM project on Occupational Safety and Health established at the 2<sup>nd</sup> LEMM, to be led by Indonesia and Singapore, needs active tripartite implementation that can achieve the exchange of best practices in the area of safety and health using ILO expertise.***

**VI – Corporate Social Responsibility (CSR)**

29. One of most important effects of globalisation has been to diminish the role of the state while at the same time widening the sphere of influence of the private sector. Yet corporate social responsibility (CSR) activities do not provide a substitute for social or environment frameworks regulated adequately by governments, and promoting CSR is an inappropriate policy response to governance deficits at the national and international level that must urgently be addressed.

30. CSR activities must not be used by business to redefine or reinterpret already established expectations concerning the social responsibilities of business. The two most authoritative international instruments setting forth agreed sets of expectations of responsible behaviour are the ILO Tripartite Declaration of Multinational Companies and Social Policy and the OECD Guidelines on Multinational Enterprises. These two instruments provide a basis upon which to assess the relevance of CSR activities. With respect to labour practices, CSR activities should concern the application of established labour standards and respect for the rule of law. Any CSR activities that ASEM undertakes in the area of labour must involve genuine dialogue with workers' representatives and be linked to the promotion of social dialogue in the medium term.

***Proposal for ASEM cooperation project:***

- ***With respect to labour practices, governments must give priority to the development of and compliance with labour law based on international labour standards. The ASEM project on CSR established at the 2<sup>nd</sup> LEMM, led by Germany, should promote respect for the ILO MNE Declaration and the OECD Guidelines, the participation of workers' representatives and full respect for freedom of association and collective bargaining. It should promote decent work in key sectors throughout value chains by addressing labour practices based on the application of labour standards, respect for the rule of law and social dialogue, use the expertise of the ILO and include trade unions.***

**VII - Respect of fundamental human and other workers' rights in Burma**

31. The international trade union movement as well as many ASEM governments have denounced both at the ILO and at UN levels the widespread and systematic violations of human rights and freedoms committed by the military regime in Burma. The junta has not complied with the ILO Commission of Enquiry's recommendations to achieve the elimination of forced labour. Furthermore, the upcoming November 2010 elections in Burma are based on a sham Constitution and unacceptable electoral laws and are set to perpetuate the military dictatorship in civilian clothing, the violation of human rights, the continuation of forced labour and the prohibition of political and trade union freedom, ensuring the impunity of the military junta for its crimes against humanity.

**32. ASEM Leaders cannot remain insensitive to the situation of the Burmese people. They need to support the immediate and unconditional release of Aung San Suu Kyi and of all other political prisoners, and the protection of their right to take part and stand in the elections; an end to all attacks against ethnic communities and democratic activists; and the immediate launch of a genuine and inclusive dialogue between the junta, the democratic opposition and ethnic nationalities, including a reform of the Constitution. ASEM should support the request of the UN Special Rapporteur on human rights in Burma, Tomás Ojea Quintana, for the appointment of a United Nations Commission of Inquiry on the war crimes and crimes against humanity perpetrated by the junta in**

Burma. In light of the continuous attacks on the civilian population, ethnic nationalities and democratic organisations, the ASEM Leaders' Meeting should call on the UN Security Council to approve a total arms embargo on Burma and support all relevant action in the UN Security Council, the ILO and the International Court of Justice. And in line with the ILO's decisions including the 2000 ILO Resolution on Burma, sanctions must be applied by all parties so as to force the illegitimate military Junta to restore the rule of law and to enforce fundamental human and labour rights. As dialogue still fails to provide tangible results, trade unions from ASEM countries urge all foreign companies and regional institutions and banks operating in or with Burma to cease these activities and end all direct and indirect business links with Burma.

#### VIII - Urgent Assistance to the people of Pakistan

33. In light of the terrible suffering caused by the floods in Pakistan, trade unions call on ASEM members to extend their most generous support and fullest solidarity. The trade unions of Pakistan have a major role to play in the immense work of economic reconstruction of flood hit areas, and should be associated by the government of Pakistan and donor governments in their reconstruction projects in that country.

#### Conclusions

34. ASEM VIII will be judged by the contribution it makes to addressing the profound employment and economic crisis that ASEM member countries are facing today. ASEM has taken the first steps towards developing a consensus-based approach to dealing with common economic problems, in the form of the Labour and Employment Ministers' Meetings (LEMM) and the Social Partners' Fora that it has begun to implement in recent years. The 3<sup>rd</sup> LEMM in Leiden needs to decide upon the implementation of the range of projects and recommendations proposed in this trade union statement. Leaders should commit themselves to involving the social partners in the planning, execution and evaluation of ASEM cooperation projects. Furthermore, now is the time for ASEM to go one step further and establish an Asia Europe Labour Forum that can provide an institutional presence in ASEM for the representatives of ASEM's working people.