

## ***“10 years of ASEM: time to deliver!”***

### **TRADE UNION STATEMENT ON THE AGENDA FOR THE 6<sup>TH</sup> SUMMIT OF THE ASIA-EUROPE MEETING**

**Helsinki 10-11 September 2006**

#### **Trade Union Recommendations to the VI ASEM Summit:**

##### *With regard to the ASEM structure:*

- Adopt a formal consultative status for trade unions comparable with the arrangements for the Asia-Europe Business Forum (AEBF)
- Establish a permanent and constructive dialogue on social and employment issues with the main purpose of setting up and promoting a pro-active decent work-based social agenda responsive to the changes affecting both regions
- Incorporate a social perspective into ASEM economic, and trade and investment dialogues, including a formal mechanism to promote and monitor implementation of the OECD Guidelines for Multinational Enterprises in the Investment Promotion Action Plan (IPAP)

##### *With regard to Employment and Labour related issues:*

- Establish an ASEM cooperation framework to exchange information on decent work national plans aiming at achieving the interrelated objectives of full employment, higher job quality and increased labour productivity
- Ensure that the IPAP focuses on those investments that effectively contribute to the creation of decent work
- Develop guidelines to promote an enabling framework to enhance workers' productivity and capacity to move from informal to formal and decent work
- Design and implement a work programme whose purpose would be to ensure the full integration of young people into the labour market
- Involve trade unions in the ASEM dialogue on labour flexibility and social protection

##### *With regard to labour standards:*

- Promote the ratification and full application of ILO fundamental workers' rights Conventions with the active participation of social partners.
- Establish a formal mechanism to promote and monitor the observance of internationally recognised social principles by multinational enterprises
- Put on the ASEM agenda a dialogue on education, child labour and children's welfare and stimulate the exchange of information on relevant social policies such as access to health, education, housing and social protection, with due attention to international labour conventions and UN conventions in these areas
- Include the issue of migration on the agenda of ASEM, including an exchange of information on social policies for migrant workers and their families
- Build all possible political and economic pressure to force the government of Burma to respect fundamental human rights including freedom of association and the elimination of forced labour.

ASEM provides a unique opportunity for world leaders to promote an interregional dialogue between Asia and Europe. However after 10 years of dialogue covering a wide range of issues, trade unions take the view that the ASEM process still faces many acute challenges. While it has contributed to facilitate understanding between the two regions, it has hardly succeeded in addressing the concerns of peoples from Europe and Asia. It is now time for ASEM to deliver!

In this statement we intend to take stock of the strengths and weaknesses of ten years of the Asia Europe Meeting and make suggestions so as to add value to the process and enhance its relevance on the global scene.

### ***Late recognition of the need for an ASEM social dimension***

Trade unions welcome the organisation of the first labour and employment ministers conference held under the auspices of ASEM. Under the title “*More and Better Jobs – Working Jointly to Strengthen the Social Dimension of Globalisation*”, the conference to be held in Postdam, Germany on September 3, must be a meaningful opportunity for ministers to exchange views on topics which are of crucial importance for workers and their families in both regions.

Since the creation of ASEM in 1996, trade unions have been calling for social and employment issues to be given the attention they deserve. We are now delighted that after 10 years of lobbying, a first meeting of social and employment ministers is taking place. We hope that it will lead to a permanent and constructive dialogue on these issues at both the ministerial and working levels. <sup>1</sup>

Perhaps more than any other continent, Asia has experienced how globalisation works selectively: beneficial for some countries and for some people within these countries, but detrimental for others. While a few Asian countries have been able to grasp some of the opportunities offered by a globalised economy and have achieved substantial levels of economic growth, for more than 1 billion people in the region, there has been no reward at all. In addition, for none of ASEM’s developing countries has globalisation significantly delivered in term of social coherence, decent work, good governance or respect for human rights. In several of the countries that are so-called “winners”, workers have seen their working conditions deteriorating and environmental degradation advancing at an unsustainable pace. Both European and Asian countries have built up enough expertise to know that market liberalisation is an instrument of sustained development only where it is accompanied by a substantial social agenda promoting labour standards and providing solutions during the adjustment period for the “losers” and the most vulnerable.

It is now time for ASEM to develop a meaningful social agenda. An ASEM social agenda can make a difference by assisting in anticipating unfavorable effects and identifying ways to neutralise them. It should help ASEM members to adopt adequate regulatory frameworks mitigating the socially unacceptable effects of market

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<sup>1</sup> In this regard, the Conference of Ministries of Labour of ASEM Countries in Asia, organized by the FES and the DOLE (the Philippines Department of Labour and Employment) and held on 11 and 12 May 2006 in Manila, reached far-reaching and very positive conclusions which should be reflected in further ASEM discussions including at the Potsdam Conference of Labour and Employment Ministers.

liberalisation measures before they occur. Reactive social programmes established once liberalisation has been implemented tend to yield feeble results. This requires adapting ASEM's organisational structure so as to incorporate a social perspective into its economic, trade and investment dialogues.

The ASEM Trade Facilitation Action Plan (TFAP) and its Investment Promotion Action Plan (IPAP) must aim at developing a model of globalisation that works for the people, rather than merely seeking to increase trade and investment through business-driven regulatory reforms. Although the financing of social programmes under the ASEM Trust Fund 2 (ATF-2) is welcome<sup>2</sup>, trade unions should have been much more involved in both the design and implementation of these programmes. In addition a commitment by the applicant government to observe workers' fundamental rights should be a condition for receiving funds from the ATF. A higher priority should be given to improving working conditions, implementing ratified ILO Conventions and promoting tripartism at the national level. Likewise the Asia Europe Foundation (ASEF) should also finance programmes to promote sound industrial relations practices. In any case, the marginal involvement of the ILO in the implementation of these social programmes is a shortcoming which needs to be addressed.

Although it is public authorities' responsibility to enforce labour-market regulation in a sustainable way and to protect society against the extremes of the market, this cannot be done from the "top down". It needs vibrant civil society, fundamental civil and political liberties plus strong and effective unions operating on the basis of ILO standards on freedom of association and collective bargaining, including the right to strike.

### ***ASEM consultative status for trade unions still missing***

While trade unions and civil society organisations have started to influence ASEM's business-driven agenda, the process remains nevertheless unbalanced. Since the London Summit eight years ago, unions from Europe and Asia have urged ASEM members to endorse a trade union consultative mechanism that would counterbalance the Asia- Europe Business Forum (AEBF). As of this date ASEM has failed to achieve legitimacy with working people, notwithstanding the fact that workers have contributed the most to the economic growth of both regions and have been the most affected by adverse changes.

Social dialogue, be it at national or international level, in bipartite or tripartite form has the potential to resolve important economic and social issues, encourage good governance, advance social and industrial peace and stability and boost economic progress. It is both a means and an end in the quest for economic success combined with social progress.

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*1.2. The World Bank was asked to allocate ASEM TF2 funds according to the following guideline: fifty percent (50%) for Financial and Corporate Sector activities and fifty percent (50%) for Social Sector activities. This guideline should be implemented flexibly in light of country needs and available alternative support.*

The very nature of ASEM, which is by definition a non-institutionalised dialogue should overcome any reluctance of ASEM leaders to create a trade union consultative mechanism. ASEM's main objective is precisely to share information and exchange viewpoints. Leaders should make full use of this opportunity and engage with trade unions to enable the views of millions of workers to be part of this high level informal dialogue.

It is therefore a matter of urgency for ASEM Leaders to adopt practical measures so as to give trade unions a formal consultative status comparable with the arrangements made available to the Asia-Europe Business Forum (AEBF). Just as the AEBF enjoys the privilege of a dialogue with all ASEM Leaders, so should their trade union counterparts be granted a similar right. Furthermore, representation of trade unions in all ASEM meetings should be made possible and should be promoted.

***Mainstreaming the ILO decent work agenda in the ASEM framework to combine competitiveness and social justice***

At the UN General Assembly of September 2005 governments declared they would: “... *strongly support fair globalisation and resolve to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of our relevant national and international policies as well as our national development strategies, including poverty reduction strategies, as part of our efforts to achieve the Millennium Development Goals.*”

The concept of decent work is not a “one-size-fits-all” model. It allows every country to fix its own priorities on the basis of inclusive discussions involving the social partners and to put together, from a range of policy options, a balanced and coherent policy approach enabling nations to best combine competitiveness with social justice.

Achieving the objective of decent work requires an integrated approach based on four pillars which mutually reinforce each other, namely full and productive employment, respect for workers' rights, access to universal social protection and facilitation of social dialogue as a way to promote consensus building and democratic involvement among the main stakeholders in the world of work.

The ILO decent work agenda provides a framework for pro-poor, inclusive and sustainable development. By focusing on the creation of productive jobs in conditions of freedom, equity, security and human dignity, this agenda opens the way for a balanced and sustainable response to globalisation. ASEM Leaders should recognise that decent work deficits will further widen income gaps, hinder consumption, discourage private investment and undermine universal values. At the national level they should implement decent work action plans as some members already have. At the ASEM level, a cooperation framework should be established for the promotion of decent work among members with full participation of the social partners. ASEM should serve as a mechanism for information sharing on country specific experiences to attain common decent work goals.

***Achieving full and productive employment:***

The United Nations Economic and Social Council adopted a Ministerial Declaration in July 2006 whose first article states: “*we are convinced of the urgent need to create an*

*environment at the national and international levels that is conducive to the attainment of full and productive employment and decent work for all.”*

Most ASEM countries would agree that the economic growth of the last decades has failed to meet expectations on job creation. Today an estimated 500 millions Asians are either unemployed or underemployed, and Asian labour markets will have to deal with 245 million newcomers by 2015. In Europe, unemployment remains a structural problem which poses an extra burden on EU welfare systems already contending with the financing of an ageing population. An extremely preoccupying feature is the high level of unemployment among young people of both regions in a context where the majority of jobs available to youth are generally low paid and insecure with few benefits or prospects for advancement.

Trade unions believe ASEM can play a crucial role by making globalisation deliver for the peoples of Asia and Europe. Full and productive employment should be put on the top of ASEM economic, industry and finance Ministers' agenda. Indeed, achieving sustained employment growth requires an enabling macroeconomic framework responsive to labour market realities. Policy priorities need to be shifted from market oriented structural reforms to employment centred policies. In addition, comprehensive employment strategies incorporating demand and supply side measures are required in both regions. In today's world full employment rests on high quality labour, and investment in human capital is therefore crucial. We welcome ASEM initiatives on the application of ICT in human resource development, on vocational training and on life long learning that took place in 2005 and 2006. Trade unions emphasise, however, that active labour market policies should not focus simply on workers with highly-valued skills but should give special attention to redressing the impact of organisational and structural changes on workers in general. An ASEM cooperation framework should be established to assist in the formulation of national plans of action aiming at achieving the interrelated objectives of full employment, higher job quality and increased productivity at work backed by supportive economic, industrial and fiscal policies.

Recent statistics tend to show that a substantive part of the jobs created have been in informal, unrecognised and unprotected work. In both regions, there is a growing pattern of informal, casual and ultra-flexible employment. Workers in an informal employment status generally occupy low productivity jobs and are excluded from social security protection. They tend to be unable to enjoy legal rights as other workers can. In addition, there are serious gender concerns associated with atypical workers. ASEM should develop guidelines to promote a conducive legal and policy framework to upgrade jobs and enhance the capacity of workers to move from informal to formal and decent work, in cooperation with the ILO and the social partners.

ASEM governments are primarily responsible for providing adequate training and retraining programmes for all, including women, the unemployed, those seeking to enter or re-enter the labour markets and people with special needs. ASEM should also encourage its members to design and implement a work programme whose purpose would be to ensure the full integration of young people into the labour market. However to achieve these objectives, full participation of the social partners is indispensable. In particular, business enterprises should be strongly encouraged to invest more in education and training programmes. ASEM countries should deepen their cooperation on effective labour market and human resources development policies based on strong industrial relations.

### *Ensuring respect for fundamental workers' rights*

All ASEM governments, as well as employers and trade unions, have a clear obligation to respect, promote and realise fundamental workers' rights – namely freedom of association and the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation, as enshrined in the ILO Declaration concerning Fundamental Principles and Rights at Work (1998). However these Conventions still remain un-ratified by several ASEM countries (see Table 1). An ASEM initiative should be taken at the ASEM and national levels to promote ratification and full application of fundamental workers' rights, in cooperation with the ILO and with the active participation of social partners.

TABLE 1: Ratifications of the ILO Fundamental Conventions by ASEM Governments (As of 15 July 2006) (*showing only those governments that have not ratified all 8 core conventions*)

	Forced Labour		Freedom of Association		Discrimination		Child Labour	
	C 29	C 105	C 87	C 98	C 100	C 111	C 138	C 182
Brunei Darussalam*								
Burma	R		R					
Cambodia	R	R	R	R	R	R	R	R
People's Republic of China					R	R	R	R
Czech Republic	R	R	R	R	R	R		R
Estonia	R	R	R	R	R	R		R
Indonesia	R	R	R	R	R	R	R	R
Japan	R		R	R	R		R	R
Republic of Korea					R	R	R	R
Lao People's Democratic Republic	R						R	R
Malaysia	R	D		R	R		R	R
Philippines	R	R	R	R	R	R	R	R
Singapore	R	D		R	R		R	R
Thailand	R	R			R		R	R
Vietnam					R	R	R	R

R – ratified; D – denounced.

\* Brunei Darussalam is not an ILO member state.

Nevertheless, even when governments have ratified the ILO Conventions, fundamental workers' rights may still be violated in a race to increase trade and investment. In today's economy, those developing countries pursuing a model of export-led growth that violates workers' rights have increased competitive pressures on markets worldwide and undermined labour standards in many other developing countries. Trade unions are deeply concerned about the export orientation of growth which is based upon the suppression of workers' core rights, all in order to obtain labour-cost advantage.

ASEM needs to have a clear vision of promoting fundamental workers' rights among its members, including in trade and investment related issues. The following measures should therefore be taken:

- a) The Investment Promotion Action Plan (IPAP) of ASEM<sup>3</sup> needs to be rewritten so as to incorporate broader social concerns, including fundamental workers' rights and employment objectives, with reference to *the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* and *the OECD Guidelines for Multinational Enterprises*. A formal mechanism needs to be established within ASEM to promote and monitor the observance of social principles by multinational enterprises, through the effective use of the National Contact Points under the OECD Guidelines. This would complement and reinforce the increasingly common practice of negotiating Global Framework Agreements between Global Union Federations (GUFs) and major multinational enterprises, many from ASEM countries;
- b) A strong social dimension, including fundamental workers' rights, and rules for their effective implementation should be incorporated in all bilateral and sub-regional trade agreements between ASEM partners.

Freedom of association and the right to collective bargaining are the basis of decent work and only their full application can provide an effective means to ensure that increased trade and investment do lead to improved living standards. ASEM governments should cooperate in creating an atmosphere whereby employers in all economic activities, including those in Export Processing Zones, fully recognise trade unions and respect the right to collective bargaining, in order to ensure that profits of industries and enterprises are reflected properly in wages and working conditions, and to arrest and reverse the "social" race-to-the-bottom. ASEM should draw up a new work programme jointly with the Asia-Europe Business Forum (AEBF) and ASEM trade unions to promote sound industrial relations in ASEM countries.

All ASEM governments must commit themselves to eliminate any form of discrimination in the workplace, with special attention to women. Women are indeed playing more important economic and social roles than ever. Therefore, ASEM should give greater attention to promoting their living and working conditions. Their right to equal opportunities and treatment needs to be ensured by better legal protection and effective implementation of the principles contained in the Beijing Platform of Action, the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and ILO Conventions applying to women. ASEM Leaders must promote a dialogue on gender issues in the ASEM process with the full involvement of trade unions and instruct their governments to develop adequate measures to promote the proper implementation of non-discriminatory policies in individual ASEM countries.

Child labour is a major impediment to economic development, with enormous social and economic costs. It is only when the whole society takes steps to get children out of work and into school that sustainable and equitable economies can be built. Millions of children are still being exploited at work and denied the right to education in ASEM

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<sup>3</sup> As part of the work of IPAP, in 1999 ASEM produced a list of Most Effective Measures (MEM) contributing to inward investment flows, which included the absence of strikes as an effective investment incentive.

countries, particularly in developing ones. ASEM needs to adopt comprehensive, specific measures to tackle child labour in cooperation with ASEM trade unions, and with the ILO's International Programme for the Elimination of Child Labour (IPEC).

***Facilitating adaptability through adequate social protection:***

Making globalisation a success for all requires social policy to work in tandem with economic policy. Governments must ensure that all workers including the most vulnerable, such as rural and migrant workers, or informal and unprotected workers, are covered by social protection schemes. In this globalised world social protection should not be kept as a residual category to cater to social causalities. Instead, it should be integrated as a central component of development policies with more ambitious objectives such as the promotion of equity and economic growth. In this regard we support the Chairman's Statement of the 7<sup>th</sup> ASEM Finance Ministers Meeting which highlights that adequate protection of vulnerable groups does not only have a social and humanitarian value, it also have the potential to enhance incentives to work and support productivity growth.

Likewise trade unions share the views of the ASEM Finance Ministers Meeting<sup>4</sup> which agreed that an adequate system of social protection with a focus on empowering disadvantaged and vulnerable groups is a key element to tackle the challenges posed by globalisation. There is indeed an urgent need to expand social security protection to all, including the more vulnerable such as workers in the informal economy and atypical workers. We share the opinion that dialogue and exchange of best practices regarding labour flexibility and social protection systems should be pursued among ASEM countries. Unions are not opposed to flexibility when it is combined with workers' needs for income security and represents a real opportunity for workers to better combine their private and working lives.

However trade unions strongly regret that the Ministers failed to recognise that this dialogue can only be successful if social partners are involved. It is highly unlikely that governments alone can successfully design and implement legal and policy frameworks reconciling companies' need for flexibility with workers' need for security without the deep involvement of social partners. Workers' organisations have not only developed expertise which would be extremely useful, they are also the ones to be directly affected by such reform. Beyond the fact that it would be against ILO recommendations not to include them in the decision making process, it would be counter-productive since workers are more likely to accept a reform which they helped shaping.

***Protecting and Promoting Rights of Migrant Workers***

In the era of globalisation, the number of people crossing borders to work, live or unite with their families abroad has reached an unprecedented level. Labour migration has brought about new risks and opportunities for both receiving and sending countries, requiring an appropriate policy framework to respond adequately to the situation.

At the international level, efforts should be directed to developing a rights-based approach for managing migration. We regret that the 4<sup>th</sup> ASEM Directors General Meeting on management of migratory flows between Europe and Asia, held in Bali in

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<sup>4</sup> See chairman statement of ASEM Finance Ministers Meeting<sup>4</sup> in April 2006 Vienna

December 2005, did not address the issue of migrant workers' rights. Trade unions take the view that the ASEM discussions on migration should go beyond security concerns and be part of the dialogues covering employment and labour issues. ASEM should serve as a platform to facilitate the exchange of information between receiving and sending countries and to elaborate concrete cooperation mechanisms so as to enhance the positive effects of migration and mitigate the negative ones. Participation of migrant workers' organisations in this process is indispensable.

Although ASEM Ministers in charge of managing migratory flows originally agreed to promote the rights of migrant workers<sup>5</sup>, few ASEM governments have ratified either the UN International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families<sup>6</sup> or the relevant ILO Conventions Nos. 97<sup>7</sup> and 143<sup>8</sup>. ASEM Leaders must recommend that the promotion of migrants' rights be included in its work programme and instruct their governments to develop necessary measures to protect migrant workers and their families from any form of discrimination, exploitation and maltreatment, including human trafficking on the basis of the principles enshrined in these Conventions.

### ***Demanding respect for fundamental human rights in all ASEM countries***

The international trade union movement appreciates the efforts of ASEM to promote a dialogue on human rights. We welcome the four recommendations made by the 7<sup>th</sup> and last informal ASEM Seminar on Human Rights held in Budapest in February 2006, particularly the one concerning an increased role for ASEM in minority rights protection, as well as that concerning the possible adoption of a regional instrument relating to the protection of human rights in general, and minority rights in particular. We call on ASEM members to pursue and deepen dialogue and cooperation on human rights issues within the ASEM framework.

Trade unions condemn the decision taken by the 5<sup>th</sup> ASEM Summit to admit Burma (Myanmar) as a member of ASEM despite the massive and continued human rights violations taking place in that country. It is worth recalling that the use of widespread forced labour was the subject of an International Labour Conference Resolution in 1999 under article 33 of the ILO Constitution, and that in 1997 the EU withdrew its Generalised System of Preferences (GSP) benefits to Burma for the same reason. The last Session of the ILO Conference, in June 2006, took further steps in this direction, including a decision in principle to refer Burma to the International Court of Justice next November.

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<sup>5</sup> *ASEM Ministerial Conference on Cooperation for the Management of Migratory Flows between Europe and Asia, Lanzarote, Spain, 4-5 April 2003.*

<sup>6</sup> *The Convention, adopted by the UN General Assembly resolution 45/158 of 18 December 1990, only came into force on 1 July 2003 after ratification by a 20<sup>th</sup> country. It has been ratified by the Philippines alone among ASEM countries, while Cambodia and Indonesia have signed it.*

<sup>7</sup> *Migration for Employment Convention (Revised), 1949 (No. 97) has been ratified by Belgium, France, Germany, Italy, Malaysia Sabah, Netherlands, Portugal, Slovenia, Spain and the United Kingdom among ASEM countries.*

<sup>8</sup> *Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), has been ratified by Italy, Portugal, Slovenia and Sweden among ASEM countries.*

In July 2003, ASEM Foreign Ministers had called on the government of Burma to resume its efforts toward national reconciliation and democracy and to ensure Daw Aung San Suu Kyi and other NLD members have freedom to undertake political activities<sup>9</sup>. In May 2005, the Ministers renewed their expectations for lifting of all political restrictions and development of the democratisation process at the earliest possible time. They called on the Government of Burma to grant access to the Special Representative of the UN Secretary-General.

Despite these calls from the international community, the junta has shown no real willingness to put an end to its practices. Neither the 2003 Road Map for a transition to democracy nor the so-called National Convention to discuss and promulgate principles for a new constitution have made any genuine real progress, casting a dark shadow over the regime's real intentions. The recent visit of UN Undersecretary General Ibrahim Gambari to Burma may have been seen as a tiny glimmer of hope for the oppressed people of Burma. But Aung San Suu Kyi remains under house arrest, while hundreds of political prisoners remain in jail. And forced labour, far from receding, is in fact on the increase, particularly in the context of major infrastructure projects, such as new gas extraction ventures developed in partnership with several of Burma's neighbouring countries.

ASEM leaders must build all possible political and economic pressure to force the government of Burma to respect fundamental human rights including freedom of association and the elimination of forced labour. ASEM countries, in particular the three permanent members<sup>10</sup> and the current four<sup>11</sup> non permanent members of the UN Security Council, should step up their efforts to place Burma on the agenda of the UN Security Council and for the UN Security Council to adopt a binding resolution on Burma, in order to achieve a peaceful outcome to the political stalemate in the country.

### ***Conclusion: Tackling global challenges***

In 2005 in Kyoto ASEM Foreign Ministers decided to advance dialogue and concrete cooperation under the "*Asia-Europe Partnership to Tackle Global Challenges*,"<sup>12</sup> recognising the importance of focusing ASEM activities on three areas, namely strengthening multilateralism, promoting partnership for human-centred and sustainable development and enhancing dialogue among culture and civilizations. Trade unions are of the view that these broad themes are fully relevant to the ASEM cooperation framework. Indeed, ASEM must redouble its efforts to strengthen multilateralism in all its forms, something that is particularly important in view of the recent suspension of negotiations in the Doha Development Round of the WTO. We welcome the desire to move toward more substantive cooperation in all the above areas, especially on environmental issues. However we insist that human-centred and sustainable development requires also a strong social component, which we believe could be achieved by taking up the suggestions made in this Statement.

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<sup>9</sup> Chair's Statement of the fifth ASEM Foreign Ministers' Meeting, Bali, Indonesia, 23-24 July 2003.

<sup>10</sup> China, France and the United Kingdom

<sup>11</sup> Denmark, Greece, Japan and Slovakia

<sup>12</sup> See chairman statement of ASEM Finance Ministers Meeting<sup>12</sup> in April 2006 Vienna