

## INTERNATIONAL TRADE UNION CONFEDERATION (ITUC)

### SUMMARY REPORT: 2<sup>nd</sup> ASEM Social Partners Forum, Brussels, 29 March 2010

#### Introduction

This meeting was organised further to the 1<sup>st</sup> ASEM Social Partners Forum, held in Brussels on 30 June – 1 July 2008 (report available on request) and just prior to an ASEM Employment High Level Forum organised by the European Commission on 29-31 March in Brussels, in anticipation of the third ASEM Labour and Employment Ministers Conference (ASEM LEMC), to take place in Leiden, Netherlands on 12-14 December 2010. Its purpose was to provide “a platform for exchange between ASEM social partners in view of formulating their messages to the ASEM ministerial meeting in December”. Consequently it was structured around two working sessions that reflected the anticipated themes of the forthcoming LEMC: recovery measures and green jobs, and different aspects of decent work (social protection, CSR, skills and safety and health at work).

Participation on the trade union side was determined by the ETUC and the ITUC-Asia Pacific. In preparation for the 2<sup>nd</sup> Social Partners' Forum, a trade union pre-workshop was held on 28 March (see annex for report).

#### Opening Session

Following welcoming remarks by Xavier Prats-Monné (*Director for Employment, Lisbon Strategy, International Affairs, DG Employment, Social Affairs and Equal Opportunities, European Commission*), Maarten Camps (*Director General, Ministry of Social Affairs and Employment, the Netherlands*), spoke to emphasise the role of skills development and social protection as responses to the financial and jobs crisis, in order to enable laid off employees to find employment in new sectors of the economy. In addition to assisting the unemployed to obtain a job, skills development would also facilitate adaptation of all workers to the rapidly changing employment environment. The Netherlands for example had established professional educational funds to which all workers were obliged to contribute. Mr Camps also stressed that social security functions as a cushion to the crisis that needs to be standardised and expanded in order to cover all.

Sinchul Jang (*Director for Employment Services Policy, Ministry of Labour, Republic of Korea*) stressed the major common challenge that the social partners have to face: the growing numbers of working poor. He welcomed proposals for a tripartite forum that would also interact with the ASEM Labour Ministers.

John Monks (*General Secretary, ETUC*) highlighted the point that the social partners are an integral part of the ASEM process; however, trade union views were not considered on an equal basis to those of business, demonstrated among other things by the fact that the Asia Europe Business Forum (AEBF) enjoyed established rights to address the ASEM Leaders' Summits while there was no equivalent access for labour. He added that the social partners' challenge is to assist in the creation of a sustainable economic system.

Steven D'Haeseleer (*Social Affairs Director, Business Europe*) recognised globalisation, population ageing and climate change as common issues in Asia and Europe and proposed more flexibility in the labour markets, social security for all, active labour market policies, creation of employment and skills promotion as means to counteract the effects of the crisis.

Noriyuki Suzuki (*General Secretary, ITUC-Asia Pacific*) underlined the asymmetries within ASEM; according to the UNDP Human Development Index (HDI) all Asian countries except Japan, Singapore and Korea were lower than the 50th place. The Gini Index in Asia is very high, showing a large social and economic gap which is widening. This problem comes partly

because of the low unionisation of workers in Asia and furthermore there is a lack of good social partnership on the Asian side. Apart from strengthening unions and social partnership in Asia, other key points to responding to the crisis would be the reinforcement of social protection, the establishment of adjustment mechanisms, the formalisation of employment with a view to contributing to social funds and applying adequate standards of work that would decrease precariousness, and the creation of quality employment in the new developing green sector.

A final opening speech was made by Mario Mamon (*Vice-President, Member of the Board of governors, Employers' Federation of the Philippines*).

### **Session I: Jobs crisis/recovery measures/green jobs**

Opening presentations were made by Prabhat Chaturvedi (*Secretary of the Indian Ministry of Labour and Employment*), Peng Yong (*Deputy Head of the International Department of the ACFTU*), Koh Juan Kiat (*Asian Employers*), Joel Decaillon (*Deputy General Secretary of the ETUC*) and Maria Agullo (*UAEPME-Catalonian SMEs*).

The opening speakers explained the impact of the financial crisis on employment and proposed certain measures to counteract its effects. The ACFTU had put pressure on enterprises to avoid jobs cuts and embarked on an extensive campaign of joint action by employers and workers' representatives. Other speakers stressed the importance of job creation programmes (emphasising the government role in stimulating and undertaking investments) and the strengthening and expansion of social security systems to achieve universal coverage.

In discussion, other ideas raised included labour intensive solutions, a SME-based recovery, provision of unemployment insurance and grants, promotion of decent work, special social protection provisions for vulnerable groups namely youth, women and migrants, measures for the facilitation of labour market functioning, enhancement of social dialogue, active support to companies for not laying off workers, employment schemes supported by government funds, and governmental investment in education and housing. Some participants from the employers' side proposed to cut working hours – and wages - instead of reducing employment, perhaps in conjunction with government supported schemes to supplement workers' reduced wages. Participants also observed that green jobs and the greening of the production chain offers space for the elaboration of solutions to the crisis.

### **Session II: Decent work initiatives in the framework of ASEM: CSR, social protection, skills and occupational health and safety at work**

Opening presentations were made by Jean-Paul Tricart (*Head of Unit, European Social Dialogue, DG Employment, Social Affairs and Equal Opportunities, European Commission*), Veronica Nilsson (*Special Advisor in the ETUC*), Sophie Thoerne (*European Centre of Employers and Enterprises providing Public Services*), Noorlaila Bte Aslah, (*Chair of the ITUC AP Women's Committee*) and Sun Kyung Choi (*Asian Employers*).

In the second session the common view was that social protection should be universal and that it should be funded not only by workers' contributions, but also by government funds. Coupled with solidarity, social protection was needed more than ever before because the crisis created more vulnerable persons who lacked income and have no other social safety net – the crisis in Asia corroded family security, since an income generally supported many members of the family. On occupational safety and health the speakers urged the participation of trade unions in order to create up-to-date safety guidelines for each occupation and called for the social partners to have a significant role in ensuring that such measures are applied.

The issue of standardisation of OSH measures was discussed, in order to promote their uniform adoption and application. The debate also covered CSR activities, with unions contending that CSR should be over and above the application of core labour standards and national labour law and regulations. Other points raised concerned the voluntary nature of CSR, community-based and worldwide activities, the importance of attention to gender, migrant workers and the role of SMEs. Most of the contributors made references to Decent Work as the concept that brings together all the aspects of workers' well-being. Some proposed that the implementation of the Decent Work Agenda would improve the livelihoods of millions of people and drive millions more out of poverty, thereby creating a more inclusive world.

### **Closing Session: Key challenges for ASEM and stakeholders expectations**

The Closing Session was held with the participation of governments' representatives and the European Commission, in addition to the social partners.

Guy Ryder (*General Secretary, ITUC*) stated that "ASEM is taking on a social dimension"; however, trade unions needed the same institutional treatment as business. To correct that imbalance, an ASEM Labour Forum should be formally constituted. The key challenge for ASEM and the ASEM LEMC in particular was to make a contribution to overcoming the crisis by implementing the Decent Work agenda. ASEM was influential, particularly because many G-20 members participated in the ASEM process too. ASEM should also address the promotion of social protection. ASEM should further put pressure on the dictatorship in Burma, along with the rest of the international community.

Following remarks by Haji Javed (*President of the Employers' federation of Pakistan*), Naoto Ohmi (*Assistant General Secretary, JTUC-RENGO*) spoke of the need to ensure labour legislation covered irregular and migrant workers; the importance of green jobs in creating sustainable decent work; the need for follow-up to the G20 Pittsburgh Declaration references to decent work and development, including the MDGs; the case for better OSH regulation; the responsibilities of employers with respect to the workers they employed; and the fact that investing in Burma provided support for the illegitimate government there and its violations of human rights, including use of forced labour.

Renate Hornung-Draus (*Managing Director, Confederation of German Employers' Associations BDA*) welcomed the Social Partners' Forum as something that should become part of the ASEM framework. She stressed that tripartite partnerships already engaged with the crisis, for example in Germany where they agreed on "Short Term Work" measures to retain employment. She emphasised the ageing population and the growing informal economy as two upcoming challenges; there were many SMEs operating informally that nonetheless needed access to finance, and banks should be there to serve them. Enabling people to get employment in the formal economy was a sounder means of helping them than seeking to do so while they remained in informal activities. Three further important points were that social protection needed to be decoupled from labour costs, equal rights should not be neglected, and that greening the entire economy was necessary.

François van Damme (*Belgian Ministry of Employment and Equal Opportunities*) referred to the importance of OSH, social protection, skills and green jobs. He agreed concerning the need for promotion of fundamental workers' rights in any form of CSR. The Belgian government would be hosting a reflection on green jobs. It would ensure that the SPF conclusions were reflected in the ASEM Leaders' Statement as well.

Sinchul Jang (*Director for Employment Services Policy, Ministry of Labour, Korea*) agreed regarding the need for the green economy and sustainable growth to go hand-in-hand, and the importance of supporting achievement of a post-Kyoto agreement on greenhouse gas reductions. Both hi-tech and low-tech forms of green jobs could be promoted.

Lauris Beets (*Director for International Affairs, Dutch Ministry of Social Affairs and Employment*) emphasised the upcoming ASEM Labour Ministers Conference (LEMC) in Leiden, 13-14 December and referred to a Social Platform for Labour Ministers and Social Partners that would be held the day before. LEMC's main themes would be: how to tackle the crisis, identification of common interests, discussion of common practical projects, involvement of social partners, social protection (also a topic of the 2011 International Labour Conference), skills development, green jobs and CSR.

Xavier Prats-Monné (*Director for Employment, Lisbon Strategy, International Affairs, DG Employment, Social Affairs and Equal Opportunities, European Commission*) said that the LEMC in Bali 2008 had been a starting point for the integration of social partners into the ASEM process and that the European Commission had been happy to facilitate the holding of this, second SPF. The G-20 had taken on labour issues and they would be convening in April 2010 at the level of Labour Ministers for the first time, and importantly had agreed to engage in a formal consultation with the social partners. This demonstrated the importance governments had accorded to labour issues in their handling of the crisis.

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## **ANNEX: ASEM Trade Union Pre-workshop (Brussels, 28 March 2010)**

In order to enable trade union participants to prepare for the 2<sup>nd</sup> Social Partners' Forum, the Friedrich Ebert Stiftung (FES) hosted a trade union meeting on 28 March in Brussels.

The meeting received welcoming presentations from James Howard (*Director of the Economic and Social Policy Department of the ITUC*), Noriyuki Suzuki (*Secretary General of ITUC Asia-Pacific*), and Annie van Wezel (*International Affairs, FNV for addressing the ETUC welcome message*).

Following introductory powerpoint presentations by Georgios Altintzis (*ITUC*) concerning trade union engagement in the ASEM process, including preparations of a trade union statement for the forthcoming ASEM meetings in October & December, and a presentation on the economic and jobs crisis by James Howard, the meeting divided into separate working groups to discuss the specific issues on the agenda for the 2<sup>nd</sup> Social Partners' Forum.

### **Key points raised at Topic Discussion tables**

#### **1. Corporate Social Responsibility (Rapporteur: Dwight Justice, ITUC)**

- Risk of paternalism
- No substitute for compulsory legal obligations
- Labour protection should be covered by the law and CLS should be respected universally even if not ratified
- Trade unions as watchdogs
- Most companies do not undertake CSR
- Moral value of CSR is to increase pressure to implement Labour Standards
- Should not be charity but the implementation of CLS
- Voluntary and unilateral practices weaken role of the unions
- Concept may be understood differently in some developing countries
- Difficult to control throughout the supply chain
- How to make use of CSR without negative impact on the trade unions?
- Companies find it easier to respect environment standards but not labour
- CSR used as a way to avoid Trade unions
- CSR is a form of public relations
- Companies should provide decent pensions scheme and other protection (maternity leave, family)
- CSR as a duty to do something
- Awareness of business responsibility is a duty of governments
- TU responsibility is to mobilise and disseminate information about companies' social responsibilities and undertakings
- Need for training so as to force the companies to be responsible

## **2. Social Protection (Rapporteur: Georgios Altintzis, ITUC)**

- Universal coverage
- Formalise what today is informal
- Consult with the social partners or give them a place in the administration of the funds (France's example)
- In Asia, corporation deduct the contribution from the wages, but then do not contribute it to the pension schemes. Workers are unaware. When they turn to courts they have to deal with slow and unjust law enforcement.
- Simplicity of the system (not to bear corruption)
- Corruption consumes social protection funds
- Regularity of the system
- Crisis intensifies the need for social protection and social protection softens the calamities of those affected by the crisis
- Policies for:
  1. Vocational training and education on the liability for social protection
  2. Increase contributors, reduce receivers by addressing the causes of the crisis
  3. Exchange best practices and information on social protection systems
- Finances: Self-sustained / Tax financed / Combined system

## **3. Skills and qualifications (Rapporteur: Alexander Geiger, FES)**

- Right for training to workers and unemployed
- Implementation of tripartite responsibility
- Development of qualification standards is important
- Develop global competence standards in the trade unions – International recognition of skills (cf. European Qualifications Framework) including green jobs skills
- Special focus on skills/training to women
- Recognition of G20 commitment to skills upgrade and lifelong learning
- Pressure Multinationals to respect labour standards
- Link to ILO decent work agenda
- Sustainability of training

## **4. Occupational Safety and Health (Rapporteur: James Howard, ITUC)**

- OSH is very poor in EPZs
- Crisis brought competition among workers and this has results on their mental health and stress.
- MNEs must accept responsibilities. Many companies use dangerous practices
- Enforcement is the big issue. In many cases legislation exists, however it is not applied. More OSH inspectors are needed – budgetary problem
- Training of workers on OSH, right to refuse work

- Employer controlled unions do not bring up the importance of OSH and discredit OSH reports. Independent unions needed.
- Workers don't know about compensation rights
- Right to OSH Committees and compulsory medical training
- Unions should establish networks of OSH activists at workplace providing direct assistance to unions. ILO expertise can also be used to this purpose.
- Employers don't want to invest in safe equipment (especially in informal enterprises and SMEs). Old equipment is cheaper. Companies should provide also health care
- Special areas which need special advisors and inspectors:
  1. Agriculture – pesticides, including aerial spraying, practices in banana plantations
  2. Construction is one of the most dangerous sectors
  3. Domestic servants work long hours, as well as all those who work long hours need counselling.
  4. Mercury used in goldmines
  5. Chemicals industry needs educated workers who know how to deal with chemical substances
  6. Garment sector, (young) women are prevalent and vulnerable, children do not know how to protect themselves
- Asbestos is not banned in Philippines and other countries. Many are already exposed and need compensation.
- Much experience to be transferred through ASEM to developing countries, best practice exchanges, training committees and sector-wide discussions
- ILO Conventions on OSH: ASEM should discuss ratification
- ASEM Conference on OSH for the development of a safety culture