

### Evaluation of the Sofia Declaration of the 5th ASEM Labour and Employment Ministers' Conference

The Sofia Declaration is one of the most progressive Declarations adopted by ASEM Ministers. Of particular interest is a call to the ASEM Leaders to consider the formalization of the Asia-Europe Labour Forum appearing in the end of the Declaration that needs to be followed by action. The Declaration welcomed the engagement and the views of employers and workers at the ASEM Social Partners Forum on 3 December 2015 that took place before the LEMC.

The Ministers commit to or reaffirm the following international instruments/decisions in various parts of the text:

- ❖ the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda,
- ❖ the G7 Action for Fair Production,
- ❖ the G20 Leaders' Communiqué
- ❖ the G20 Policy Priorities for Creating Better Jobs
- ❖ the COP21
- ❖ the ILO Tripartite Declaration on Multinational Enterprises and Social Policy
- ❖ the ILO Recommendation No. 204 (2015) on the transition from the informal to the formal economy
- ❖ the ILO Social Protection Floors Recommendation, No. 202 (2012)
- ❖ the ILO OSH Global Action for Prevention Programme
- ❖ the UN Guiding Principles On Business And Human Rights
- ❖ the OECD Guidelines for Multinational Enterprises
- ❖ the Asia-Pacific Economic Cooperation (APEC) Human Resources Development (HRD) Ministerial Action Plan (2015-2018) on Promoting Quality Employment and Strengthening People-to-People Connectivity Through HRD

#### The ASEM Ministers have an understanding of economic challenges that is close to AELF's narrative...

For instance, they mention that:

- *“the global growth has remained modest with stubborn unemployment and **widening inequalities** in many economies”*
- *In Asia, “there is a need to pay greater attention to extending social protection to many more people, and creating high-quality jobs and safe working environments needs to keep pace with growth”*
- *In Europe, unemployment remains high, especially among the youth. In Asia and Europe, “**widening inequalities and social exclusion**, ageing populations, the growing share of those facing long-term unemployment or underemployment [...] pose major concern [...]”*
- *“young people are still disproportionately affected by unemployment or underemployment in Europe and Asia and they are most at risk of being permanently scarred by prolonged periods of joblessness, **inactivity or locked in poor-quality and low-wage jobs**, especially in the informal economy or in non-standard forms of employment”*
- *“global supply chains are often associated with infringements of the ILO core labour standards, as well as unregulated or unsafe work environments, **wages below poverty level**, poor industrial relations and compromised workers` rights which hinder sustainable economic and social development”*
- *“often **women in global supply chains face discrimination** regarding access to decent work, wages and career opportunities”*
- *“such weaknesses are often due to limitations in implementation and enforcement of labour and work-related health and safety rules, which can be the result of insufficient human, administrative and business capacities,*

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*lack of prevention, absence of awareness and transparency, **insufficient due diligence of businesses, limited access to remedy, lack of adequate level of social dialogue** or of involvement of and partnership between stakeholders, [...], or lack of gender mainstreaming.”*

- *“informality often gives rise to serious decent work and labour rights deficits, including in sectors of particular concern”*
- *“social protection is a key tool to [...] promote participation, labour productivity and balanced growth”*
- *“the need to substantially extend appropriate national social protection systems to all those excluded today and address the transition from informal to formal work according to ILO recommendation No. 204, including in global supply chains and in rural areas, as part of efforts to formalise economic activity and ensure adequacy of welfare systems.”*

**...they share some of the unions’ proposals on how to address youth unemployment, however, most of them are focused on the labour supply. The only demand-side measure mentioned is investment and that only once and without detail...**

The Ministers:

- welcome the Youth Guarantee scheme of the European Union
- emphasise the need to develop the *“right skills”* through vocational training and improved public employment services, to facilitate transition from school to work, to anticipate skills needs,
- *“stress the need [...] to promote work-based learning, including via **quality apprenticeship** and internship programmes”*
- *“agree to strengthen active labour market policies in order to increase the supply of skilled and work-ready young people”*
- called on ASEM Leaders to *“reiterate their commitment to enhance labour market outcomes for young people **through structural reforms** (skills, labour market reform, school-to-work transition and decent work) **and investment”***
- *“acknowledge social partners’ key role in fostering youth employment”*

The Ministers also promote entrepreneurship skills and an agenda that addresses some of the concerns of small enterprises like access to finance, and *“regulatory barriers”* for young entrepreneurs. In another part of the text, there’s a reference to *“removing barriers that prevent them (young people) from acquiring decent and productive employment in the formal economy”* which can be interpreted in various ways.

The Ministers also agreed to *“initiate ASEM Sustainable Development Dialogue exchanges on how to improve economic, environmental and social outcomes for young people”*.

**...the Ministers did not make a breakthrough in addressing supply chain deficits of decent work but committed to supporting various initiatives...**

The Declaration highlights:

**the governments’ critical role** in promoting decent work; implementing regulatory frameworks to ensure workers’ rights; enhancing health and safety at work through investment in human and administrative capacity, including for labour inspections and complaint mechanisms; developing public programmes that help businesses build their capacity to operate safe and healthy workplaces and promote workers’ skills related to safety and health; as well as in promoting

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*anticipation and prevention of hazards at the workplace in partnership with stakeholders, including the private sector and the social partners.*

The paragraph that explains the role of governments in supply chains is clearly geared to building the capacity of business to respect safety regulations. The aim is not to guarantee health and safety but to enhance it. Labour inspections and complaint mechanisms are mentioned but only as part of the wider human and administrative capacity that needs to be strengthened.

Even more worrisome however, is that in sharp contrast to the UN Guiding Principles on Business and Human Rights that recognise the responsibility of business to respect human rights, the Ministers only **“agree to do more to encourage large firms as well as buyers [...]”** to ensure that international labour standards and occupational health and safety guidelines are upheld in supply chains. The Ministers only **“agree to do more to encourage firms to take this responsibility and to act accordingly to the UN Guiding Principles [...]”**.

The Ministers took note of the various initiatives that are listed in an Annex in the end of the Declaration. In particular, they mentioned their support to the following multi-stakeholder initiatives

- ❖ *Myanmar Labour Law Initiative,*
- ❖ *the Bangladesh Sustainability Compact,*
- ❖ *the G7 Vision Zero Fund,*
- ❖ *the ILO Better Work programme,*
- ❖ *and the ILO National EII scheme for Bangladesh workers of the readymade garment and the supply-chain sectors*

They also committed to *“actively engage in the general discussion on decent work in global supply chains at next year’s International Labour Conference”*.

**...but the call on ASEM Leaders to address supply chain issues included international framework agreements...**

The Ministers called on the ASEM Leaders to:

- *commit themselves to the promotion of decent work within and outside supply chains, and also in the informal economy, by means of strengthening public frameworks – including human and administrative capacities for enforcement of workers` rights – and the application of international labour standards*
- *promote **international framework agreements** and responsible business conduct, including social dialogue, as a means to combat social dumping and hazardous working conditions*
- *promote a level playing field for sustainable businesses with regard to decent work*

**....together with a strong call for social protection, the LEMC5 called for dialogue between Labour and Finance Ministers to find resources to invest in social protection...**

The Ministers

- *took note of progress in implementing nationally defined social protection floors and called for sustaining efforts to “achieve substantial coverage of the poor and the vulnerable”*
- *but also “appreciate the need [...] to ensure that they (social protection systems) remain fiscally sustainable and provide suitable incentives for participation in the workforce”*

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- to this end, they considered *“investments and reform as part and parcel of adequate and appropriate national social protection systems”* and recommended to Leaders to *“encourage dialogue between ASEM Labour and Employment Ministers and ASEM Finance Ministers on European and Asian experiences in enhancing national fiscal space to invest in expanding coverage”*
- invited developing countries to make use of the future SOCIEUX Plus Facility

In this point, the Ministers also welcomed the ASEM project co-organised by Belgium and Indonesia to which the AELF has made substantial contributions.

### **...and decided on future cooperation, and called for the AELF’s formalisation.**

The Declaration established future ASEM projects by/on:

Germany (sustainable supply chains)

Indonesia (social protection)

Italy (youth employment)

Singapore (occupational safety and health)

On AELF’s role, it states: *“Also, we recommend our Leaders consider deepening a joint engagement of business and labour in the ASEM process, also taking into account the activities of the Asia-Europe Labour Forum.”*

The ITUC, ITUC-AP and the ETUC will follow-up this recommendation with European and Asian governments, as well as with the Mongolian government assisted by the Confederation of Mongolian Trade Unions (CMTU).