

# REPORT OF THE 9TH ASIA EUROPE LABOUR FORUM (AELF9) “PROMOTING SUSTAINABLE SOCIAL DEVELOPMENT IN ASIA AND EUROPE” AND THE 4TH ASEM SOCIAL PARTNERS FORUM SOFIA, BULGARIA, 2-3 DECEMBER 2015

## Introductory sessions

### Opening remarks, orientation and evaluation

Rudi Delarue, Deputy Head of Unit DG Employment, Social Affairs and Inclusion stated that the European Commission (EC) supports social dialogue in Europe and beyond. The EC is aware of the AELF9 Statement to the Ministers and supports the pledge to be granted with official “ASEM Status”.

Ms. Zornitsa Rusenova, Deputy Minister of Labour and Social Policy of Bulgaria, welcomed the participants and stated support for the issues of the AELF9 Statement.

The participants were welcomed by Józef Niemiec, Special Adviser to the General Secretary European Trade Union Confederation (ETUC), Plamen Dimitrov, President of the Confederation of Independent Trade Unions in Bulgaria (CITUB), Dimitar Manolov, President of the Confederation of Labour Podkrepa (PODKREPA) and Lukas Bauer of the Friedrich Ebert-Stiftung (FES) Office for Regional Cooperation in Asia.

Yorgos Altintzis, AELF Coordinator in the International Trade Union Confederation (ITUC) and Lukas Bauer run an orientation session explaining what is the ASEM, provided a brief history and made an evaluation of the 4<sup>th</sup> Labour and Employment Ministers’ Conference (LEMC4) and the 3<sup>rd</sup> ASEM Social Partners’ Forum (SPF3). Józef Niemiec and Yorgos Altintzis then introduced the Statement of AELF9.

The participants reinforced the issues raised in the AELF9 Statement. For instance, the decent work deficits in supply chains caused by a race to the bottom. A participant noted that investors increasingly rent factories because this allows them mobility in case they need (to threaten) to move out.

Participants noted that the issues of trade agreements, women workers and tax fairness are missing from the Statement and asked for their inclusion in the next one. Another participant mentioned that issues of labour flexibilisation and contractualisation that leads to precarious work should be emphasised.

## Working sessions

### Dealing with a persisting youth unemployment problem

*Chaired by Ilze Ansule, Youth Committee, Free Trade Union Confederation of Latvia (LBAS)*

## Asia- Europe labour forum 9

*The session agreed that macro-economic policies need to change in order to induce a demand-led exit to the problem of lack of jobs. Supply-sided policies like youth guarantees, upskilling, and apprenticeships are welcome but not a solution by themselves.*

Paolo Trichilo, Minister Plenipotentiary of the Ministry of Labour and Social Policy of Italy, said that youth unemployment is a persisting problem as is the high level of precariousness among young workers. Poverty is increasing, albeit the EU has issued the 2020 Strategy that includes many measures, and consequently social cohesion is at risk of collapsing. The Italian government has taken measures for more and better jobs through a more stable contracts and labour market active policies like youth guarantees, but the overall problem needs to be also addressed with macro-economic policies.

Angelo Pagliara of the Italian UIL Federation of youth and atypical workers agreed that the problem is twofold. Youth unemployment is as high as 60% in some cases, and precarious and atypical work have become characteristics of youth employment. Work precariousness leads to a precarious life where young people cannot make substantial decisions like marrying, having children or buying a house. It is unfathomable that although precariousness is caused by a speculative financial system, young people are punished with austerity.

Xuemei Wang, Director of Division International Liaison Department of the All China Free Trade Union (ACFTU) explained measures taken in China with the support of unions to provide opportunities for decent work for youth. The economic slow-down observed is making action challenging. In particular migrants from rural areas are inflicted by adversities more than persons who were born and raised in urban areas. Population ageing is another challenge that China has started facing already.

Tom Vrijens, Youth Committee Member of the European Trade Union Confederation (ETUC), said that action is needed to invest in youth. The current funds invested (EUR6.5 billion) are too little for a big problem. Youth guarantees, improved national employment services, quality apprenticeships and life-long learning shall all be part of the solution but creating millions of new jobs for youth can only be achieved with the right mix of macro-economic policies. On the contrary, we observe policies like mini-jobs (Germany), lower minimum wages for youth (Greece) and zero-hours contracts (UK and Nordics) promoted which in the medium term will effectively have the opposite results than those sought by expansive macro-economic policies.

Participants with invited interventions and in discussion underlined the reality that young workers tend to be atypical and exploited. A participant provided useful examples of union action directed to younger ages in schools as part of the union response. Another participant stressed that government procurement should be instrumentalised to provide decent work to youth and other marginalised groups.

The discussion also revolved around the new emerging economy. Technology is changing the shape of the world of work and governments try to catch up with the new economic environment but not always successfully. Developments like 3D printing, global data capitalism, robotisation and drones in work are already changing the way we work. Governments and the ILO have launched discussions on the future of work and the union movement is preparing to take part. Young people might be able to benefit to some extent from the technological revolution as they tend to master the necessary skills

## Asia- Europe labour forum 9

but the impact of the incorporation of new technologies in the world of work will have far reaching repercussions for all.

### Supply chains and precarious work

*Chaired by Manuel Bonmati, International Secretary, General Union of Workers, (UGT), Spain*

*Participants shared experiences from their countries showing abysmal working conditions in supply chains that span between precarious work and slavery. The session welcomed the German G7 initiative on supply chains and all agreed that reinforcing existing instruments and creating new instruments that keep companies accountable for their action/inaction are needed. The G7 this year made clear that companies do have responsibility and that a mix of binding measures to address persisting labour violations in supply chains is urgently needed. Voluntary initiatives can also be welcome, however, they cannot alone guarantee effective solutions to the systematic exploitation, precariousness and slavery in supply chains. The session also discussed an inspiring initiative from Australia's transport sector that needs to be replicated on the international level and be used as an example in other sectors. The inclusion of the top levels of the supply chain (lead firms, buyers, and customers) is necessary for action that addresses all downstream activities.*

Sabine Baun, Director of the International Employment and Social Policy in the Federal Ministry of Labour and Social Affairs of Germany, said that we have a moral responsibility to address the lack of safety conditions in world's workplaces. Also, work related accidents cost \$2.8 trillion per year and as supply chains make for 70% of global trade, urgent action is needed in supply chains. The government of Germany made this a top priority in its G7 Presidency this year. The UN Guiding Principles on Business and Human Rights, the OECD MNEs Guidelines, existing ILO instruments all need to be strengthened and become more operational. A smart mix of voluntary and binding measures is needed.

To this end, the G7 agreed in October in Berlin to measures so as to increase transparency in supply chains, in particular with due diligence procedures and with a focus on SMEs where many compliance problems are detected. Another practical outcome is enabling access to remedy for victims of work accidents and the Vision Zero Fund established in the G7 working under the supervision of the ILO. And yet there is an aspect of prevention of accidents with a complaints mechanism functioning with peer reviews. The ASEM LEMC5 is a forum where Germany seeks to follow-up this work especially in light of next year's ILC discussion on supply chains and Germany's Presidency of the G20 in 2017.

Participants from Asia agreed that supply chains and subcontracting are to be blamed for increased levels of precarious work globally. Thampan Thomas, Secretary of the Workers Assembly of India (HMS) said that supply chains suffer from gross decent work deficits and that supply chains might have increased global GDP but also precariousness as they enabled companies to pitch governments against each other in a race to the bottom. The wealth produced in supply chains was not distributed fairly. Action is needed urgently as Rana Plaza is repeating itself in a small scale every day in India, in China and elsewhere.

Nasrin Akter Dina, General Secretary of Women's Committee of the Bangladeshi Trade Union Organization (BJSD) underlined that the needs of women workers are not taken into account. The

## Asia- Europe labour forum 9

expansion of supply chains in new countries has brought some opportunities for employment but is also to blame for the feminisation of precarious labour.

Dang Ngoc Tung, President of the Vietnamese General Confederation of Labour (VGCL) agreed that supply chains create a race to the bottom in which workers are exploited. Increasingly workers are willing to take jobs with lesser pay and lesser safety. Forced and child labour has been detected in supply chains. The methods of subcontracting are the working model of supply chains, and this allows human and trade union rights to be undermined.

Alain Sutour, International Secretary of the CGT Transport Workers' Union of France shared an experience of success from the transport sector. The road transport industry is characterised and impacted by multiple supply chains and contracting chains which often lead to pressures on margins that can leave transport workers unable to exercise their fundamental rights at work. Road transport workers in road freight and passenger transport, both intercity and urban, have some of the highest injury and fatality rates. Customers at the top of the transport chain are the ones who set rates and conditions. There is a need to hold them accountable for safety along the entire transport supply chain. Over the past 20 years of globalisation and deregulation, the cost of road transport has declined. Low rates are paid to transport operators by the major transport customers at the top of the chain. These low rates translate to even lower rates of pay for drivers.

The ILO Tripartite Sectoral Meeting on Safety and Health in the Road Transport Sector in Geneva, in October 2015, was an encouraging first step towards realizing this goal. Employers, governments and trade unions agreed to develop an international code of practice which uses the Australian Safe Rates legislation as a model. In 2012, the Australian Transport Workers' Union (TWU) was successful in passing landmark safe rates legislation. The TWU particularly targeted the mega-retailers and other major transport customers which have the economic power to drive rates down, which puts transport operators and drivers under tremendous pressure and results in incentives to speed, drive while fatigued, and forego vehicle maintenance. Through member lobbying, bargaining pressure, go-slows, blockades, public protest and activity – and through a focused and comprehensive campaign over a number of years – in 2012 the TWU was able to win the necessary support to pass the legislation from major transport companies, industry associations, unions, members of government, and the broader community.

### **Migrants' Rights in an Unstable World**

*Chaired by Ratna Mathai-Luke, Project Manager, Political & Economic Department, Asia-Europe Foundation, Singapore*

*This session discussed the reasons of modern migration and participants shared ideas that promote the effective protection of migrants' rights and the promotion of migrants' opportunities. Same treatment is not equal treatment when two start on substantially different levels. Migrants are considered natural allies of the union movement and unions need to facilitate their integration in the labour market, the society, and the labour movement.*

August Gächter, Project Manager at the Centre for Social Innovation in Vienna, shared the main outcomes of the report "A Triple Win in Migration: Ensuring Migrant Workers' Rights to Protect All Workers" published by the Asia-Europe Foundation and the Friedrich-Ebert-Stiftung. August stressed that migrant workers need to have information on their rights before they travel and be well

## Asia- Europe labour forum 9

connected with local unions. They also need access to grievance mechanisms that are simple, cost-free and time-effective. Local shall embrace migrant workers so that nobody falls victim to substandard working conditions. It is also important to trust migrant workers and not be afraid to elect them as officials.

Sulistri, Deputy President of Programme from the Confederation of Indonesian Prosperous Trade Unions (KSBSI) emphasised the problems faced by domestic workers, who are mostly migrants, and proposed a one-stop service centre for migrant workers to help with their rights' awareness and provide documentation in both languages (origin and host country). Sulistri also raised the issue of falsified documents that show a higher age of underage persons so that they are able to travel and work abroad. Such persons are usual victims of many forms of exploitation.

Migrant workers also need access to transferable social security rights so that they and their employers are incentivised to provide formal employment with social security. In many cases, migrant workers prefer to be paid a little extra in hand instead of getting social contributions – those who enjoy this entitlement at all- that they won't be able to use. Many migrants are "stranded" in a country in order not to lose the entitlements they build. To the end of better protection of migrant workers, countries need to sign bilateral migration agreements and unions should be involved in designing and monitoring such agreements. Unions can also help by conducting awareness raising programmes on labour rights before migrant workers go abroad and MOUs between trade unions in sending and receiving countries could develop further forms of cooperation on migration.

Salvatore Marra, ETUC Youth President and adviser of the International Department of CGIL made some comments on youth mobility in Europe and the austerity. Europe experienced a major migratory flow from the periphery to industrialised countries after the financial crisis. The increased numbers of migrants and refugees arriving to southern European countries should be managed by Europe, not left only to those countries that happen to be those afflicted by austerity and budget consolidation policies. He also shared some organising practices involving migrant workers in Italy and highlighted that the members of a union in the origin country should be able to transfer their membership to unions in the host countries automatically.

Imelda M. Nicolas, Secretary of the Commission on Filipinos Overseas (CFO) of the Office of the President of the Philippines, referred to the vulnerabilities and risk of exploitation faced by migrants especially with the presence and occurrence of crises, both disaster and conflict-caused, all over the world. The high risk stems from deceptive recruitment practices, lack of access to social protection and legal system, unfamiliarity with local culture, language and rights at work, extreme dependence on the job and employers and reliance by family members on remittances. Trafficking and human smuggling are on the rise: data show that 135,000 persons were trafficked in the EU in 2013 enriching smugglers by \$3 billion. The Philippines is trying to address trafficking (as an origin country) with a specialised law and with institutionalized and multi-stakeholder structures such as the Inter-agency Council against Human Trafficking (IACAT) and 24/7 action line dedicated to support counter-trafficking.

Mohammed Zahoor Awan, General Secretary of the Pakistan Workers Federation (PWF) mentioned the reasons that provoke migration like natural disasters, wars, poverty and lack of opportunities. Humayun Mohammad Shakir, General Secretary of the All Pakistan Trade Union Congress (APTUC) shared a model contract for all workers in South Asia. If governments institutionalise it with legal

## Asia- Europe labour forum 9

instruments it could be a contract that helps guarantee all basic rights and cater to needs to migrant workers while retaining simplicity. As workers would be acquainted with its provisions in their countries of origin, they would not risk being exploited in the new host country.

Christian Vancoppenolle, Coordinator in the International Department of General Federation of Belgian Labour (FGTB) said that extreme right wing parties in Europe make use of the Paris attacks to speak against the refugees and that unions ought to counter the rhetoric of hate with solidarity. It is also particularly important for migrant workers to exercise their voting rights in order to help retain power with those who promote societies of solidarity and not hate.

Participants also asked for all unions to establish a migrant unit that would help keep migrants aware of their rights, facilitate their access to complaints mechanisms and help union power grow.

Closing session

Khayankhyarvaa Amgalabbaatar, President of the Confederation of Mongolian Trade Unions (CMTU), invited the participants to the next AELF in Mongolia which we will try to have accompanied by the LEMC6. Lukas Bauer and Yorgos Altintzis thanked the participants, the organisers and the governments of Germany, Italy, the Philippines, external speakers and the ASEF for their participation.

### Evaluation of the 4<sup>th</sup> ASEM Social Partners' Forum (SPF4)

Although the employers could have been better prepared to negotiate joint messages to the Ministers, exchanges through emails and discussions at the venue of the SPF4 enabled us to submit two papers with "converging messages" after the employers agreed to deduct language on "high minimum wages that impede job growth" and "legal migrants", as opposed to undocumented migrants. Unions did not withdraw elements that would reduce the value of our original statement.

It was the first time that unions and employers convey some sort of messages together on all items of the agenda. Before this, an agreement was struck on the themes of discussion which comprised: supply chains, migration, youth employment and social protection.

After the exchange of opinions on the different topics and an effort to find additional areas of convergence, other than that contained in the submissions, the Vice-Prime Minister of Bulgaria and Labour Minister, Mr Kalfin, and the European Commissioner for Employment, Ms Thyssen, addressed the participants of the SPF4. Unions thanked the Commissioner for her help in getting the AELF officialised.

Ms Thyssen said that EC indeed supports granting the AELF the "ASEM Status" as part of EC's commitment to promoting social dialogue and tripartism in Europe and beyond. She also welcomed the participation of the ILO in the LEMC5. In her opening remarks to the LEMC5 she repeated her support. *"I am very pleased to welcome the representatives of business and labour. Their engagement in the ASEM labour and employment dialogue has been much appreciated and I can only support the deepening of their joint engagement in the entire ASEM process. The establishment of an ASEM Labour Forum, alongside the existing Business Forum, would facilitate this joint engagement."*

## Asia- Europe labour forum 9

On the issues on the social partners' agenda the Commissioner said that

- migrants and refugees need to be distinguished and that although there needs to be help for both, Europe cannot house all migrants;
- youth unemployment is central on the radar of the EC with guidelines and new initiative on skills to be issued next year;
- many are stuck in precarious jobs, especially women, and we need much to clear supply chains off abusive practices. Rana Plaza has been evidence that supply chains are problematic even for responsible companies.
- despite country-specific differences, a clear consensus that covers a job-rich recovery, quality jobs and social protection has emerged between Europe and Asia

The Sofia Declaration contained particularly positive points, especially on steps that might lead to the officialisation of the AELF but did not go as far as we wished on supply chains. The evaluation of the Ministerial Sofia Declaration is done on a separate document.