

Analysis and Evaluation of the Eighth Leaders' Asia – Europe Meeting
“Greater well-being and more dignity for all citizens”
Brussels, 4-5 October 2010

The 26pages Chair's Statement of the Eighth Leaders' Asia – Europe Meeting deals with five important issues: Global economic governance, sustainable development, global issues, regional issues, and people to people contacts/ ASEM visibility.

Economic Governance

Although for the global economic governance the Leaders made a separate declaration, it is important to include it in this analysis. On the one hand the Leaders fail to highlight the real causes of the financial crisis and on the other, they assert that excessive public deficits and non-sustainable debts led to fragilities in the pre-crisis world. However, the issue of debts and deficits of developed countries came up only after the impact of the crisis was fully understood in the developed world and after the stimulus packages aggravated the fiscal situation of certain governments. The Leaders also *“note the connection between large fiscal deficits and rising debt levels inherited from government interventions in the midst of the financial crisis and the continued fragility of the financial markets and uncertainty in the world economy”*. For this reason, they welcome fiscal consolidation that would create sustainable budgets and propose a series of regulatory measures to strengthen the resilience of the financial markets. These measures include:

- strengthening of financial safety nets and regional instruments, such as the Chiang Mai Initiative in Asia and the European Financial Stabilization Mechanism
- stronger capital adequacy and liquidity rules
- elimination of excessive leverage practices
- improvement of supervisory and crisis management processes (with specific attention for the economic panic associated with the potential failure of systemically important financial institutions)
- strengthening over-the-counter derivatives regulation
- improvement of regulatory oversight of financial firms, hedge funds and credit-rating agencies
- conclusion of agreements purporting information exchange and cooperation amongst supervisors
- agreement on a single set of high-quality accounting standards

The Leaders use strong language to describe the role of the IFIs in the crisis. They emphasize that their *“collective efforts depend on well-functioning, responsive and adequately-funded International Financial Institutions.”* They also agreed that they need to *“modernize”* the governance of the IMF by supporting the quota reform, the appointment of heads and senior leadership, staff diversity at senior and mid-level positions and voting modalities. They also supported the decision by the Development Committee of the World Bank which increases the voting power of developing countries.

The Leaders also fail to understand the conditions that allow developing countries to grow. They agree that a sustainable model of development for developing countries should include *“market access, cross-border investments, international assistance, actions on debts and technology transfers.”* This comes in conflict with the emerging development discourse which supports more policy space for developing countries (instead of market access), development based on growth (instead of assistance) and investments that create Decent Work.

Sustainable Development

The Leaders recognise that low demand of goods and services is having a direct impact on economic growth and employment creation. However, in order to address this problem they propose the progressive liberalisation of domestic and international markets, the conclusion of the Doha Round and a strong condemn of any protectionist measures. It is obvious that the Leaders give a neo-liberal response to the global problems failing to recognise that liberalisation increased the accumulation of wealth by few, exacerbated income inequality and that, today, it plays a significant role in increasing precarious and informal employment. The Leaders also support innovation of products and services, especially in the green sector, and call for dissemination of such technologies. The Summit decided to address food security by increasing sustainable agricultural production, fostering rural development, promoting the well-functioning global and domestic agricultural markets, and by phasing out export subsidies on food and agricultural products. From an economic point of view, it would make more sense if the Leaders were calling for restricting export taxing and export bans. Another issue discussed was the informal and communication technologies.

On social cohesion the Leaders decided to promote Decent Work by spurring job creation and labour participation. Although the latter is part of the Decent Work definition, the promotion of Decent Work cannot only be achieved through spurring job creation. The Leaders also support the Global Jobs Pact and the effective implementation of ILO fundamental principles and rights at work. The issue of violations of workers' rights used in order to create comparative advantage was examined in parallel to the labour standards used as protectionism. In the statement, migrant labour is divided to regular and irregular: the Leaders understand that when the migrant worker enjoys protection of non-discriminatory rights at work, then migration may effectively contribute to the development of the host and origin countries. For this reason the Leaders seek ways to develop the shared benefits of legal migration and to address undocumented migration by *"enhanced return policies"*.

"Leaders stressed that effective dialogue between social partners should be encouraged in order to promote mutual understanding on issues of productivity, working conditions, remuneration and economic change. Such dialogue also contributes to effective national policy design and implementation. In times of crisis, schemes negotiated through social dialogue such as cost-cutting measures reducing working hours have helped in limiting negative effects on overall employment levels."

The Summit agreed to the promotion and implementation of corporate social responsibility (CSR) through voluntary initiatives. *"These help employers develop joint ownership of core labor standards, social stability and social justice with their employees."* The ITUC has repeatedly expressed its opposition to the voluntary character of such initiatives and strongly disagrees with mentioning core labour standards as a CSR activity since the CSR covers activities beyond the application of national law and beyond the implementation of core labour standards which are obligatory for all states, enterprises and other entities.

Furthermore, the statement refers to Social Safety Nets as an economic stabiliser and not only as welfare. The Leaders noted the gradual development of a global Social Protection Floor. The statement stresses the importance of access to basic education, job training and skill development strategies in preparing the workforce for the low-carbon emission industries and green technologies and lifelong learning and career development tools that would help workers move into new opportunities. Moreover, the Leaders find that some ASEM countries have a growing aged population and that protection and pension systems that need to be reformed should do so after social dialogue in order to define reforms that can be widely accepted.

The Leaders also agreed that a fair, effective and comprehensive legally binding outcome is needed in order to mitigate emissions and adapt to the challenges of the climate change. They recognised the scientific view that the increase in global temperature should be limited to below two degrees Celsius and that *“countries should contribute to the collective effort on the basis of common but differentiated responsibilities and respective capabilities”*. The Europeans along with Japan, Australia and New Zealand promised fast-start financing over the 2010-2012 period for mitigation/adaptation actions in the developing countries. The Leaders also stressed the importance of energy efficiency, renewable forms of energy and sustainable forest and water resources management in addressing the climate change. There is rising interest among ASEM partners for developing carbon markets and therefore the Leaders supported the objective of scaling up finance and investment through the development of the international carbon market.

Issues of Global Focus

The Leaders discussed issues like piracy, terrorism, organised crime, disaster prevention and disaster relief, human security human rights and democracy (without mentioning Burma), dialogue of cultures and civilizations, the reform of the UN system and the nuclear non-proliferation and disarmament.

Issues of Regional Focus

The Leaders welcomed the entry into force of the Lisbon Treaty and the ASEAN Charter, both envisaged as strengthening of regional integration. The Leaders also discussed Iran’s nuclear programme, the Afghani elections, the launch of direct talks between Israel and the Palestinians, Gaza, the settlement of the issues between Syria and Israel and between Lebanon and Israel, the situation in the Korean Peninsula and Burma. The Leaders called for free, fair and inclusive elections on November 7, the release of political prisoners and the continuation of the Good Offices Mission of the UN Secretary General. The Summit hopes that the elections will be a *“step towards a legitimate, constitutional, civilian system of government”* . The text also mentions: *“They also touched upon the issue of Daw Aung San Suu Kyi.”* However, there is no call for her immediate release, nor any condemn of the excessive violations of human rights or any other proposed pressure to the regime in form of sanctions or other.

People to people, visibility and future of ASEM

Some of the Leaders addressed parallel dialogues in the Parliamentary partnership, the People’s Forum and the Business Forum and the recommendations and resolutions of these fora is taken into account. The Leaders welcomed academic cooperation following the Second ASEM Meeting of Education Ministers, the work done by the Trans-Eurasian Information Network (TEIN) project in increasing direct internet connectivity, and the work of the Asia-Europe Foundation (ASEF) in networking and facilitating activities.

What do we take to Leiden?

Where do the Leaders see space for trade unions to get involved?

Although the Leaders did not take note of the 2nd Social Partners Forum there are certain references in their statement where they open space for cooperation with social partners and civil society in general. Issues of potential engagement are marked bolded below.

The statement mentions the social partners' participation on:

- par.25
“Leaders stressed that effective dialogue between social partners should be encouraged in order to promote mutual understanding on **issues of productivity, working conditions, remuneration and economic change.**”
- par.30
“**Existing old-age protection systems** face reforms that, depending on circumstances, may concern **retirement age, fiscal policies, labor markets or pension/provident fund governance** in order to preserve social and financial sustainability. Again, social dialogue is of crucial importance in order to define reforms that can be widely accepted.”
- par.31
“Leaders instructed their **Ministers of Labor**, meeting in Leiden, the Netherlands, in December 2010, to further develop common strategies on these issues and to implement them, fostering cooperation among governments, dialogue between social partners and involvement of civil society organizations.”

The statement mentions the civil society participation on:

- par.36
“The global nature of these challenges [**energy security, supply of energy**] and the growing interdependence between producing, consuming and transit countries would require strengthened dialogue and partnership involving ASEM partners and other stakeholders.”
- par.39
“Leaders emphasized that the participation of the private sector and the involvement of civil society in the **design and implementation of environmental protection measures** substantially contribute to changing people’s attitudes and bringing about sustainable production and consumption patterns.”
- par.55
“They underlined their commitment to increase cooperation on issues related to the **promotion and protection of human rights**, on the basis of universality, equality and mutual respect. They encouraged cooperation with civil society given its important role in promoting human rights and in maintaining a functioning democratic society.”

Where did the Leaders exclude/forget the unions?

Par. 13 on environment and trade (trade of resource efficient and clean products, avoiding environmental protectionism, dissemination of green technologies)

Par.28 on skills development

Par. 36 on energy security, supply of energy

Par. 46 on result-oriented initiatives

Par.75 on ASEM parallel dialogues and people-to-people contacts

The framework for the upcoming Asia-Europe sustainable development cooperation

Leaders¹ put emphasis on triangular forms of cooperation and result oriented projects with clear objectives, spurring peer learning and stimulating networking among governments, administrations, scientific and academic institutions, expert bodies and private companies.

Priorities for Leiden

- Effective implementation of Global Jobs Pact and Decent Work National Plans
- Decent Work and productivity/HRD
- Social Safety Nets and the Global Social Protection Floor (including pensions and old-age protection systems)
- Access to quality public services
- Taking a rights-based approach to migration
- Climate change and the low-carbon economy

¹ “Leaders emphasized the need for more result-oriented initiatives to strengthen the comprehensive, equal and mutually beneficial Asia-Europe strategic partnership for sustainable development, a partnership that goes beyond aid. They tasked Senior Officials with the establishment of partnership programs with clear objectives, spurring peer learning and stimulating networking among governments, administrations, scientific and academic institutions, expert bodies and private companies. They supported the use of triangular forms of cooperation that combine resources and expertise from donor and recipient countries in the interest of efficient projects. They further supported taking recourse to creative financing modalities, including the blending of grants and loans, where it is possible, appropriate and achieves greater leverage, due account being taken of debt sustainability. “