

INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS (ICFTU)
EUROPEAN TRADE UNION CONFEDERATION (ETUC)
ASIAN AND PACIFIC REGIONAL ORGANISATION (APRO) of the ICFTU
Charting a Social Direction to ASEM:
Trade Union Statement to the Third Summit of the Asia Europe Meeting (ASEM),
Seoul, 20-21 October 2000
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Introduction

The Governments meeting for the third ASEM Summit (20-21 October 2000, Seoul) must chart a new policy direction away from the market deregulation approach to globalisation that has dominated the last two decades. Against the background of the failure of the WTO Ministerial Conference in Seattle there is a wide questioning among the public in both European and Asian countries of the benefits of the process of global economic integration. There is a lack of popular confidence that trade liberalisation and promotion, as envisaged through the ASEM trade facilitation plan ("TFAP"), can bring results in terms of higher living standards and more employment. The ASEM Governments must understand that if ASEM promotes a free market model leading to a concentration of the benefits of growth in the hands of multinational corporations, ASEM will be rejected by working people throughout the region. Instead, the Governments must emphasise a new set of priorities for ASEM based on freedom of association and the right to organise, respect for human rights, sustainable growth, full employment and social inclusion.

The ASEM Summit must tackle shared challenges: employment creation, improving living standards, modernising social protection and responding to demographic trends. It takes place at a time of apparent global recovery after the slowdown triggered by the Asian crisis in 1997. Unfortunately, much of the "recovery" has been most visible in stock prices and other market indicators, but has been slow to affect the lives of those most affected by the crisis. Some countries, most notably Indonesia, remain mired in serious difficulty; none have recuperated all the ground lost during the crisis; and all remain vulnerable to large-scale capital movements by nervous international investors and speculators. The misery index remains at an unacceptably high level. The implications of these trends for the cohesion of societies and their long-term political stability are a cause for grave concern.

Social and Employment Issues

In London two years ago, the trade unions called for, "a guarantee of substantial financial assistance to the stricken economies from the richer ASEM members", a call which was responded to in the launch of the ASEM Trust Fund by the London Summit to assist in addressing the financial and social issues arising from the crisis. The Seoul Summit should assess the use made of the ASEM Trust Fund and, provided the Fund's resources are henceforth dedicated to poverty alleviation and other social projects, should agree to the replenishment of the Trust Fund and support deeper collaboration between ASEM members in this area, in conjunction with the International Labour Organisation (ILO) and the Asian Development Bank.

The ASEM economic ministers should meet with social and labour ministers in order to co-ordinate macroeconomic and social and employment policies. The Seoul Summit should mandate ASEM ministers to integrate social concerns including poverty, equity, workers' rights and gender throughout the ASEM work programme. It should furthermore take a decision to establish a specific social policy work programme, which would cover effective industrial relations based on respect for

fundamental workers' rights; training and retraining, in the light of the need to enhance employability to cope with an ageing work force; good governance; participatory development; social dialogue; occupational health and safety; social protection; demographic challenges; information and communication technology (ICT); migrant workers' rights; child labour; and gender issues (as raised 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, including the new ILO Convention No. 183, Maternity Protection). The Asia Europe Foundation (ASEF) work programme must reflect the above social agenda. The ASEF should be restructured to include representatives of the social partners in its management structure and in its conferences and other events.

An employment recovery strategy is needed to create job opportunities for the millions of women and men who have yet to regain decent employment opportunities in the aftermath of the Asian crisis. Furthermore, many working people in Asia are not protected by social security systems. The creation of effective social safety nets and the expansion of social protection to provide universal coverage - also a goal adopted at the United Nations General Assembly Special Session (UNGASS) on implementation of the World Social Summit - needs to be adopted by the Seoul Summit as a priority goal of ASEM co-operation, with support for the establishment of regional funding arrangements to provide social safety nets.

A gender perspective in the development of macroeconomic policies should be included at all levels. ASEF's work should develop specific programmes to provide attention to the situation of women, who are particularly vulnerable to the adverse effects of market-driven policies that ignore prevailing social inequalities. Special attention should be given to the large number of women in informal employment.

Fundamental Rights in the ASEM Agenda

At the time of the 2nd ASEM Summit in London, the ICFTU, ETUC and ICFTU-APRO said that "Asian countries that were hit by the crisis [must] ensure democratic accountability, transparency and participation, as well as adequate regulation of financial markets." In many countries these reforms have yet to take place on an adequate basis. As long as such fundamental issues are neglected, the potential for the crisis to recur will always be there. Furthermore, in some countries, despite improvements in the democratic process, the governments continue to use a strategy of confrontation and repression based on violation of the right to organise and collective bargaining.

ASEM governments must ensure the full respect of the trade union rights of all workers. The only sure foundation for stable economic development is respect for international human and democratic rights, including basic workers' rights, in order to achieve a broadly-based distribution of the fruits of the economic growth that ASEM can generate. Recognition of basic workers' rights would also allow purchasing power and internal demand to increase, providing a stronger basis for domestically generated economic growth and enterprise creation. Therefore the Seoul Summit should endorse the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, which was adopted after ASEM Leaders last met in April 1998.

The Seoul Summit should endorse the proposal made by the Asia Europe Vision Group in 1999 to reaffirm the commitment of all partners to the principles of good governance, full transparency, the rule of law and the eradication of collusion and corruption, in line with the anti-corruption and anti-bribery instruments of the OECD. The Summit should furthermore express its commitment to the principles of respect for human rights and the promotion of democracy, and examine the effect given to the commitment made by all ASEM members at Bangkok in 1996 to respect the Universal Declaration of Human Rights and other specified UN declarations.

Bilateral and multilateral development assistance must play a more important role in assisting developing countries in Asia, in terms of both financial stability and social development. The ASEM governments, both recipients and donors, should co-operate in ensuring that development assistance is focused on social progress, in particular core labour standards; basic education and primary healthcare; and the improvement and, where necessary, establishment of social safety nets. Improved protection for developing countries' intellectual property needs is required. Assistance is also needed for developing ASEM countries to reduce their carbon emissions, in line with the Kyoto commitments on climate change.

Trade, Investment and Financial Stability

The agenda for the Seoul ASEM Summit includes the strengthening of the World Trade Organisation (WTO) in the wake of the failure of the third WTO Ministerial Conference in Seattle. In this context, it is urgent that the WTO respond to social and development concerns in order to support development more effectively and regain public credibility. This will require progress through the WTO General Council on all fronts simultaneously: to protect basic labour standards during globalisation; to tackle the concerns of developing countries about fair treatment in the multilateral trading system, including exemptions from the WTO TRIPs agreement to enable the manufacture of life-saving drugs; and to make the trading system environmentally sustainable. The WTO needs to work equally for all its members and be seen to do so, by taking decisions at the WTO General Council to strengthen the WTO's internal transparency and democracy. Such proposals should be supported by ASEM at the Seoul Summit as they are aimed at strengthening the political authority of the WTO and thus the multilateral rule-driven framework for open world trade.

One of the main ASEM instruments is its Investment Promotion Action Plan ("IPAP") concerning multinational companies (MNCs) from both the EU and Asian states. The IPAP has resulted in the development of investment promotion "best practice" measures that specifically extol the absence of strikes as an effective investment incentive. Trade unions will rewrite those investment best practice recommendations from a socially responsible perspective that is compatible with sustainable economic and social development and the respect of fundamental workers' rights.

The newly revised OECD Guidelines on Multinational Enterprises are internationally recognised as a positive contribution to achieving an environment conducive to maximising the positive effects of foreign direct investment by reinforcing the social obligations of MNCs. The implementation of the Guidelines needs to be part of an ASEM tripartite dialogue concerning the social, environmental and developmental obligations of companies. The Seoul Summit should decide to integrate the OECD Guidelines into the IPAP as part of a process of building a successful framework of rules concerning the treatment of foreign direct investment within the ASEM area, including a review of the legislation and behaviour of export processing zones (EPZs) in different countries in order to avoid social dumping.

The ongoing negotiations on bilateral and regional trade and investment agreements in Asia should only proceed if they will bring fair benefits to all countries involved. The governments concerned should look not only at economic integration but also at building a strong social dimension into the process of integration, strengthening accountability in governance and social protection, in consultation with trade unions and other representative elements of civil society.

In the light of the experiences gained from the Asian crisis, concrete action should be taken at the Seoul ASEM Summit, parallel to international action, to provide a more highly regulated international financial system. The necessary measures would include improved fiscal and monetary policy co-ordination; improved and binding banking standards; cancellation of the debt burden of least developed countries which respect human rights including fundamental workers' rights, and give

priority to social spending; a mandatory role for commercial banks in comprehensive debt rescheduling or reduction programmes; recognition of the rights of developing countries to control foreign capital inflows and outflows, including a debt moratorium, when circumstances require; establishment of formal labour and social advisory committees to the IMF, World Bank and regional development banks; setting up a regional funding agency for currency stabilisation; and the establishment of a currency transactions tax.

Conclusion: A Social Pillar for ASEM

The third ASEM Summit provides an opportunity to build further co-operation between two of the major economic regions of the world which would make a contribution to increased trade, employment, growth and living standards and hence the reduction of poverty. Strengthening democracy, social participation and peace would also make an important contribution to international stability. But achieving the successful development of sustainable economic relations will depend upon a shared vision of the social goals of economic growth and development, not on a narrow free-market agenda based on business promotion alone. The ASEM process must be opened up to dialogue with trade unions and other representative components of civil society.

ASEM is often spoken of as having three pillars - political, economic and cultural. It needs badly a fourth pillar to provide its structure with stability: a strong social pillar based on respect for fundamental workers' rights. Consultation should be opened with both the social partners on both the general and specific priorities of the various pillars of co-operation in ASEM, in line with the social dimension included in the Maastricht and Amsterdam treaty provisions of the EU on social dialogue. Trade unions will organise a meeting on promoting sustainable quality employment, modernising social protection, maximising investment and meeting demographic challenges, to which we will invite civil society and the Asia Europe Business Forum, in line with the London Summit conclusions on strengthening links between all sectors of society.

The ICFTU, ICFTU-APRO, ETUC, ITS and TUAC have defended the interests of working people before successive ASEM summits. We intend to intensify trade union co-operation and dialogue between the European Union and Asian regions with a view to ensuring the ASEM process does lead to genuine social and economic development. In that sense, all the proposals made above provide ways of achieving sustainable recovery from the economic and financial crisis and so achieving a continuation and deepening of co-operation for increased trade, investment and economic growth at the same time as progress in living standards for the whole population.