

# How to make globalisation a success for all ? Social partner contributions to the ASEM process

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We publish on ESSF website, as document, the report of the 1<sup>st</sup> ASEM Social Partners Forum held in Brussels, 30 June-1 July 2008. It was the first meeting of this kind in relation to the Asia-Europe Meeting (ASEM) inter-governmental process. The notion of “social partners” included here both labour and bosses’ organisations. The explicit purpose of the forum (see the title) was to help “make globalisation a success for all” (an impossible task). His political aim was to test how to give legitimacy to the ASEM process through a more constant cooperation with the so-called “social partners”.

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## EXECUTIVE SUMMARY AND CONCLUSIONS

The 1<sup>st</sup> ASEM Labour and Employment Ministers Conference held in September 2006 in Potsdam, Germany, initiated **a new dialogue and cooperation between Asia and Europe on employment and social policy**. While underlining the importance of a close and productive dialogue in this field and welcoming the exchange of best practices on labour market and employment policies and social protection in the ASEM context, Ministers recommended that **further cooperation in this area should involve the social partners** and other relevant actors in an appropriate way. At their 2006 ASEM Summit meeting in Helsinki, Finland, Heads of State discussed on globalisation and the opportunities and challenges that it is bringing about both in Asia and Europe. In this context, and in their related Declaration on the Future of ASEM, they highlighted the importance of the first ASEM Labour and Employment Ministers’ Conference and its results and called for a sustained **substantive dialogue and cooperation on employment and social policy, including with social partners**.

In response to the above mandates to promote the active involvement of social partners in the ASEM process, the **European Commission hosted a first ASEM Social Partners Forum** on 30 June - 1 July 2008 in Brussels. This Forum - the first event ever of this kind, bringing together social partner representatives from more than 40 countries in Asia and Europe - had been organised jointly with the European and international social partner organisations (BUSINESSEUROPE, ETUC, IOE, ITUC). The Commission associated to the Forum the EU Presidency, successively held by the Slovenian Ministry of Labour, Family and Social Affairs and the French Ministry of Labour, Social Relations, Family and Solidarity, as

well as the Indonesian Ministry of Manpower and Transmigration. The Forum provided a **new, unique opportunity for social partners from Asia and Europe** to get to know each other; share information and best practice on policy priorities and social dialogue practices in the context of globalisation; formulate expectations concerning the ASEM process in general and the ASEM dialogue on employment and social policy in particular; discuss on the role of social partners in those processes and their possible further contributions to them; and hold in-depth discussions in a number of thematic areas, including: qualifications, training and employability; employment creation and flexicurity; poverty reduction, social protection and social cohesion; and working conditions and quality of work.

The Forum brought together some **150 participants, including more than 100 social partner representatives** from ASEM member countries and European and international social partner organisations. The Forum was first and foremost the forum of the social partners, and keynote speakers from social partner organisations included: Mr Sharad Patil, Secretary General of the Employers' Federation of India; Mr Guy Ryder, General Secretary of ITUC; Mr Rekson Silaban, General Chairman of the Indonesia Prosperity Trade Union; Mr Emmanuel Julien, Deputy Director for Social Affairs at MEDEF; Mr Thamrin Mossie, President of the Confederation of Indonesian Trade Unions; Mr Jørgen Rønne, Director for Social Affairs at BUSINESSEUROPE; Mr Nam-Hong Cho, Senior Advisor to the Korea Employers Federation; and Mr John Monks, General Secretary of ETUC. The opening and closing sessions of the Forum were also attended by government representatives, including: Ms Marjeta Cotman, Minister of Labour, Family and Social Affairs of Slovenia; Mr Vladimir Špidla, European Commissioner in charge of Employment, Social Affairs and Equal Opportunities; Mr Karel De Gucht, Minister of Foreign Affairs of Belgium; and Mr Riphat Kesoema, Ambassador of Indonesia to the EU.

The Forum gave a very encouraging message and delivered a **strong political signal of the interest of social partners, from both Asia and Europe, to be involved in the ASEM process**. By enabling a first exchange of information, experience and best practice among social partners from Europe and Asia the Forum helped develop common understanding and common language, identify common priorities and formulate consensus views where appropriate. It showed in particular that, despite disparities in legal settings and institutional structures as well as in the levels of development both within and between the two regions, **Europe and Asia can benefit from an enhanced policy dialogue on a number of shared concerns and common policy challenges:**

- first, the need to face common global trends such as globalisation, technological change and environmental degradation;
- second, a common commitment to promote economic and social progress in parallel, including through appropriate employment and social policies, good industrial relations, social partnership and social dialogue, including as a means to build consensus and ensure public support for reform and adaptation to change;
- third, a joint emphasis on the need to ensure a fair allocation of the benefits of globalisation and strengthen its social dimension, promote social responsibility and social cohesion, address rising inequalities and reduce poverty, labour market segmentation and social exclusion, and promote decent work as key for sustainable development.

The Forum highlighted useful **factors of success for tackling the above challenges**, including:

- trust and confidence between institutionalised actors, notably government and social partners;
- long-term policy orientations aimed at sustainable socio-economic development;
- an adequate institutional framework and sufficient resources to ensure the effective implementation of national laws and internationally recognised core labour rights, including the freedom of association and the right to collective bargaining.

The Forum was conceived to pave the way for the involvement of social partners in the ASEM process. Forum participants underlined the strong interest in further developing the relations between EU and Asian social partners, both at bipartite and tripartite level, building on the climate of confidence and the common language of this 1<sup>st</sup> ASEM Social Partners Forum and supported through capacity building measures where appropriate.

The conclusions of the Forum debates highlighted the following **perspectives regarding the future involvement of social partners in the ASEM process**:

- There is a general need and wish to promote and further develop social partner exchange and consultations as well as social dialogue at intra-regional and international level. It would be useful to strengthen the capacity of social partners in this respect.
- There is consensus on the added value of involving social partners in the ASEM process. It would be useful to invite social partner contributions to relevant future ASEM meetings and recognise their role in the conclusions of those meetings.
- ASEM would benefit in particular from developing appropriate exchanges and consultations with social partners, for example in the context of the biannual meetings of ASEM Labour and Employment Ministers and other relevant ASEM meetings as appropriate.
- ASEM would also benefit from involving social partners in future cooperation projects to be carried out in the ASEM framework, including in those to be identified at the Bali ministerial meeting.
- As a follow-up to this successful 1<sup>st</sup> ASEM Social Partners Forum, it is recommended to organise regular events of this type and to fully integrate them into the ASEM process. It is suggested to hold a 2<sup>nd</sup> ASEM Social Partners Forum in 2010.

The European Commission, together with the French EU Presidency and the Indonesian Ministry of Manpower and Transmigration, represented by the Ambassador of the Republic of Indonesia to the EU, took note of the results of this Forum, including the suggested perspectives for the involvement of social partners in the ASEM process, and pledged to take them into account in the preparation of the next ministerial meeting in Bali and the ASEM Summit in Beijing, and with a view to promote the exchange of views and/or other forms of consultations or involvement of the social partners in relation to future ASEM meetings and cooperation activities.

## 1. Introduction

The 1<sup>st</sup> ASEM Labour and Employment Ministers Conference held in September 2006 in Potsdam, Germany, initiated a new dialogue and cooperation between Asia and Europe on employment and social policy. While underlining the importance of a close and productive dialogue in this field and welcoming the exchange of best practices on labour market and employment policies and social protection in the ASEM context, Ministers recommended that further cooperation in this area should involve the social partners and other relevant actors in an appropriate way.

At their 2006 ASEM Summit meeting in Helsinki, Finland, Heads of State discussed on globalisation and the opportunities and challenges that it is bringing about both in Asia and Europe. In this context, and in their related Declaration on the Future of ASEM, they highlighted the importance of the first ASEM Labour and Employment Ministers' Conference and its results and called for a sustained substantive dialogue and cooperation on employment and social policy, including with social partners.

In response to the above mandates to promote the active involvement of social partners in the ASEM process, the European Commission hosted a first ASEM Social Partners Forum on 30 June - 1 July 2008 in Brussels. This Forum - the first event ever of this kind, bringing together social partner representatives from more than 40 countries in Asia and Europe - had been organised jointly with the European and international social partner organisations (BUSINESSEUROPE, ETUC, IOE, ITUC). The Commission associated to the Forum the EU Presidency, successively held by the Slovenian Ministry of Labour, Family and Social Affairs and the French Ministry of Labour, Social Relations, Family and Solidarity, as well as the Indonesian Ministry of Manpower and Transmigration.

The Forum provided a new, unique opportunity for social partners from Asia and Europe to get to know each other; share information and best practice on policy priorities and social dialogue practices in the context of globalisation; formulate expectations concerning the ASEM process in general and the ASEM dialogue on employment and social policy in particular; discuss on the role of social partners in those processes and their possible further contributions to them; and hold in-depth discussions in a number of thematic areas, including: qualifications, training and employability; employment creation and flexicurity; poverty reduction, social protection and social cohesion; and working conditions and quality of work.

The Forum brought together some 150 participants, including more than 100 social partner representatives from ASEM member countries and European and international social partner organisations.

The Forum was first and foremost the forum of the social partners, and keynote speakers from social partner organisations included: Mr Sharad Patil, Secretary General of the Employers' Federation of India; Mr Guy Ryder, General Secretary of ITUC; Mr Rekson Silaban, General Chairman of the Indonesia Prosperity Trade Union; Mr Emmanuel Julien, Deputy Director for Social Affairs at MEDEF; Mr Thamrin Mossie, President of the Confederation of Indonesian Trade Unions; Mr Jørgen Rønne, Director for Social Affairs at BUSINESSEUROPE; Mr Nam-Hong Cho, Senior Advisor to the Korea Employers Federation; and Mr John Monks, General Secretary of ETUC.

The opening and closing sessions of the Forum were also attended by government representatives, including: Ms Marjeta Cotman, Minister of Labour, Family and Social Affairs of Slovenia; Mr Vladimir Špidla, European Commissioner in charge of Employment, Social

Affairs and Equal Opportunities; Mr Karel De Gucht, Minister of Foreign Affairs of Belgium; and Mr Riphat Kesoema, Ambassador of Indonesia to the EU.

## **2. The social dimension of ASEM**

The opening session discussed recent developments and future ways to “strengthen the new ASEM dialogue and cooperation on employment and social policy to help make globalisation a success for all”. The session was chaired by Ms Petra Pinzler, journalist at the German weekly *Die Zeit* in Berlin; it included: opening addresses by Commissioner Špidla, Ambassador Riphat Kesoema and Minister Cotman; a keynote presentation on the social dimension of ASEM by Professor Peter Mayer from the University of Applied Sciences in Osnabrück, Germany; and a panel discussion involving high-level social partner representatives from Asia and Europe.

Participants widely agreed on the key role that ASEM can play in the context of globalisation. Representing more than 60% of the world population and labour force and of economic exchanges at global level, and more than 50% of world GDP, decisions that are taken and consensus that is reached within ASEM have weight in the globalised economy, and efforts to strengthen the social dimension of ASEM are likely to have a wider impact.

Against this background participants welcomed the increasing attention that the ASEM process has been paying to the social pillar, as highlighted by the recent launch of new ministerial dialogues in the areas of employment and education, and the request - endorsed in the 2006 Helsinki Declaration on the Future of ASEM - for strengthening the involvement of social partners and other stakeholders in those dialogues. Participants agreed that measures to ensure a fair allocation of the benefits of globalisation and reduce poverty, including through the promotion of decent work, were key for sustainable socio-economic development.

As highlighted by Professor Mayer in his keynote presentation, the ASEM process can contribute in an important way to shaping globalisation, including through its influence on the work and priorities of international organisations and through improving the national policies of ASEM member countries on the basis of an exchange of best practices. To be effective, however, there is a need to reinforce institutional mechanisms within ASEM to address social issues and promote a constructive involvement of social partners - since social progress was not just the work of governments but also that of social partners. Cooperation in a number of areas also needs to be upgraded, including on: international labour standards, labour market reform, social security provision, education and human resource investment, financial market regulation, trade liberalisation and corporate social responsibility practices.

Commissioner Špidla highlighted the need for joint responses to address the new trends of growing inequalities both between and within countries and to mitigate the negative impact of financial market turbulence and rising food prices. Social partners have a key role in helping ensure a fair distribution of the gains of globalisation and in particular in promoting decent work for all - a shared objective for both Europe and Asia. The recent ILO Declaration on Social Justice for a Fair Globalisation is a good example of how Europe and Asia can shape globalisation if they accord on common strategies and policy priorities. Commissioner Špidla further recalled the European experience with social dialogue - including Treaty-based rights for social partners for information and consultation - as one of the key factors of European economic governance and competitiveness. He welcomed the increasing interest, including from Asia, in the European model and experience with its integrated approach to economic development, social progress and environmental protection.

While noting the important disparities in economic development between Europe and Asia, Ambassador Riphat Kesoema underlined the need to take into account the social dimension since globalisation influences the relationship among nations and reshapes the economic and social order of every single state. He confirmed the Indonesian government's openness to cooperating in the international arena to develop jointly, based on a partnership approach, new mechanisms to create a fair globalisation and promote decent work, while supporting people to readjust their activities in order to minimize any detrimental effects of globalisation.

Minister Cotman welcomed the quick development of the ASEM dialogue on employment and social policy over recent years and highlighted the importance of a closer cooperation between the EU and Asia to address the challenges of our time, notably globalisation and climate change, building on a constructive social dialogue at all levels as a precondition for success. She welcomed that the ASEM Social Partners Forum provided for an exchange of best practice between the EU and Asian countries, inviting social partners from Asia and Europe to stress common goals, notably with regard to labour standards, the protection of workers, the promotion of decent work and the fight against social exclusion.

Social partner representatives from Asia and Europe agreed that it was time to broaden the national and international policy agendas and strengthen cooperation to promote flexicurity and sustainable development and better address problems such as low skills, disappointing job creation records and lack of employability, persistent poverty, lack of social security notably for workers in the informal economy, lack of access to social services, and increasing imbalances in the global economy. Other topics which would deserve more attention include law enforcement, working conditions in export processing zones and employment and social impacts of trade liberalisation.

Social partner representatives largely agreed on the added value which the ASEM dialogue can provide through exchange of information and best practices, including e.g. on the European experiences in translating economic growth into social development and pursuing both objectives in parallel. Such exchange should be complemented by concrete cooperation projects. While not shying away from less consensual topics, agreement should be sought on a list of common priority areas in which to start cooperation.

Participants largely agreed on the relevance of the topics suggested for the Bali ministerial meeting, while recalling that the ILO Decent Work agenda is a valid reference point for action to strengthen the social dimension of globalisation and that the ILO's capacity needs to be further reinforced in this area. The Decent Work agenda needs to be adapted to the local context which is where social partners can intervene most usefully and play an important role. Independent social partners and institutionalised social dialogue and tripartite governance structures were considered of particular importance in this respect.

According to the trade union representatives on the panel this first ASEM Social Partners Forum responded in part to the long-standing criticism of trade unions on the lack of a social dimension of the ASEM process and on the imbalance of the ASEM process, missing to involve worker representatives while organising regular business summits in the margin of the biannual ASEM summits. ITUC Secretary-General Guy Ryder called for the establishment of a corresponding institutional mechanism for consultation of the trade union movement within ASEM. Rekson Silaban, chairman of the Indonesia Prosperity Trade Union, expressed his wish that the Indonesian government would invite social partners to participate in the 2<sup>nd</sup> ASEM Labour and Employment Ministers Conference in October 2008 in Bali and push for the adoption of an institutionalised status of social partner consultations within the ASEM process.

### **3. The role of social partners**

The second session discussed European and Asian experiences of industrial relations and social dialogue and the role of social partners in the ASEM process. The session was co-chaired by Mr Ridwan Sijabat, journalist at The Jakarta Post, and Mr Richard Werly, European Affairs correspondent at Geneva-based daily Le Temps; it included: a video presentation on the European social dialogue; interventions by Mr Jackie Morin, Head of Unit for Industrial Relations and Social Dialogue in the European Commission, Mr Alan Boulton, Director of the ILO Regional Office in Jakarta, and Mr Ariel Castro, Assistant General Secretary of the ASEAN Trade Union Council; and a panel discussion involving social partner representatives from Asia and Europe.

Participants welcomed the initiative by the European Commission to host this first ever meeting between European and Asian social partner representatives in the context of the ASEM process, and they expressed the wish that it would be continued. As in the opening session, participants agreed that ASEM provides a strong framework for social partners to discuss on common priority topics and exchange best practices. Given the key role of social partners in the negotiation, design and implementation of employment and social policies in most ASEM member countries, they underlined that social partner involvement in the ASEM process in general and in the new ASEM dialogue on employment and social policy in particular is necessary to ensure success with regard to both the effective follow-up of recommendations and the implementation of future concrete cooperation projects. Participants further stressed that - despite the differences in the institutional basis and labour law provisions, in the coverage and topics addressed, as well as in the underlying values and beliefs - social dialogue is not specific to any of the two regions, Europe or Asia, and it is indispensable to sustainable development in both regions. Discussions covered in particular the social dialogue experiences in the EU and in selected Asian countries such as India, Malaysia and Singapore.

As highlighted by Mr Jackie Morin (European Commission) and EU-level social partner representatives, in the EU social dialogue is an important policy instrument with institutional foundations in Treaties and labour laws. It promotes a constructive dialogue at various levels (European, national or regional; cross-industry, sectoral or multisectoral; etc.) and contributes effectively to improving industrial relations and creating norms and standards which are to be implemented and respected in all EU member states. The European experience also shows that one need to work in parallel on topics and institutions and that strong, institutionalised actors and decision making structures are needed for success, while respecting the autonomy of social partners. It further shows that constructive agreements can be reached between social partners based on shared interests - and this despite sometimes seemingly diverging interests at the start of negotiations. Joint multi-annual work programmes between the social partners have proven particularly useful to identify the shared interests of the social partners. More generally, strong and independent social partner organisations with voluntary membership are seen a pre-condition for successful social dialogue.

In Asia, as highlighted by Mr Alan Boulton (ILO) and Mr Ariel Castro (ASEAN Trade Union Council), both topical coverage and effectiveness of social dialogue remain somewhat different from that in Europe. They recalled that only few countries in Asia - including Japan, Indonesia, the Philippines and Cambodia - have ratified ILO convention 87 on freedom of association and that the institutional structures of both, workers' and employers' organisations, tend to remain weak. Challenges ahead include in particular: reducing the informality of large parts of the Asian economies; addressing increasing inequality trends and

contributing to poverty reduction as a key to making globalisation sustainable; fostering employment creation and strengthening the capacity of labour market institutions, including through an improved awareness of existing labour legislation among workers and an improved enforcement of existing laws; encouraging governments to hold more regular consultations and discussions with social partners; and strengthening tripartite institutions, social dialogue and involvement of trade unions and other relevant NGOs in decision making and law enforcement - including possibly through the establishment of an ASEAN Economic and Social Committee and a formal consultative status within ASEAN for trade unions, e.g. through an ASEAN Labour Advisory Council.

Mr Alan Boulton (ILO) further highlighted that a stronger dialogue on those issues, as foreseen e.g. in the new ILO-ASEAN cooperation agreement, would also be very helpful. A reinforced EU assistance in these areas, notably for ASEAN countries, would be appreciated and could in particular support ASEAN in making its first steps towards an ASEAN Community.

Further measures were considered necessary to effectively involve social partners in the ASEM dialogue process, including: capacity building measures helping social partners play their legal role in implementing laws and ensuring information, consultation and awareness-raising where appropriate; a re-assessment of existing policy instruments; the development of new, parallel policy initiatives e.g. on regional qualification frameworks; and improved labour inspection.

Subsequent discussions addressed a series of issues including: the 'uniqueness' of the European social model; possible lessons which Europe can learn from the Asian experiences; the need to build trust and confidence between the social partners; the links between economic progress and social progress; the need to balance rights and obligations; appropriate ways to ensure a constructive social dialogue taking into account the dependence of labour relations on the economic cycle; the need for a flexible system of labour relations and social dialogue institutions, adapted to the national traditions and level of development; the need for independent expertise and institutional capacity on both sides; the need for actors to be credible in their requirements and to take into account of the wider socio-economic impacts of their requests and agreements.

The session made clear that social dialogue was in place both in Europe and Asia, and that it is not a 'unique' European experience. However, institutional structures, outcomes and effectiveness were seen to vary widely between the two regions, as well as within the two regions. There was in particular wide agreement that, although the European experience is an interesting and instructive one, there is no 'one-size-fits-all' solution and the European model cannot be transmitted to Asia, but that Asian countries have to develop their own models of social dialogue, depending on their traditions and levels of economic development. Asian participants, both workers' and employers' representatives, further underlined the very manifest lack of capacity in the area of social dialogue in Asia and that support for capacity-building and strengthening of social partners would be a welcome area for cooperation in the ASEM context.

#### **4. Topical sessions**

In-depth discussions in a number of thematic areas of particular interest to social partners took place in parallel sessions. They covered the following issues: (a) qualifications, training and employability; (b) poverty reduction, social protection and social cohesion; (c) working conditions and quality of work; and (d) employment creation and flexicurity. The sessions



were moderated by: (a) Mr Jens Bjornavold, Head of the Brussels office of the European Centre for the Development of Vocational Training (CEDFEOP); (b) Mr Alan Boulton, Director of the ILO Regional Office in Jakarta; (c) Mr Youngmo Yoon, Director of the Korea Labour and Society Institute; and (d) Mr Eric Oechslein, Adviser of the International Organisation of Employers. In each session, social partner representatives from Asia and Europe made keynote presentations, followed by an open discussion.

#### ***a. Qualification, training and employability***

The discussion underlined a number of common concerns, challenges and policy priorities for Europe and Asia. It highlighted the increasing internationalisation of qualification and education issues, including the development of intra-regional qualification frameworks and the identification of common benchmarks. In times of globalisation, there is no room anymore for self-sufficient national or even regional education systems, with global standards and questions regarding recognition and portability of qualifications becoming ever more important. While education and qualification are key investments in support of both economic competitiveness and social inclusion and social cohesion, however, there is evidence of decreasing investments by companies in training and lifelong learning. Both the state and other actors, notably multinational companies and social partners, need to develop solutions to address this problem of under-investment in education and training.

Participants agreed that the EU and Asia share a number of common policy challenges in this area, including: promoting inclusive education systems and ensuring access to education for all; developing informal learning and focussing on learning outcomes more than on traditionally defined inputs; encouraging lifelong learning combined with new, adequate working time models; developing new approaches based on individual rights to and shared responsibilities for education and lifelong learning; increasing awareness of the rights and benefits of training, e.g. through UK-type 'union learning representatives'; ensuring adequate funding and effective cost-sharing; addressing disparities in education opportunities (formal vs. informal economy workers; regular vs. irregular employees; small and medium-sized vs. large companies; employed vs. unemployed; etc); improving the recognition and transferability of informal learning outcomes; ensuring and improving the quality of education and training; and addressing persisting mismatches between vocational training on the one hand and employment and career development on the other, including through the promotion of dual training systems, the upgrading of vocational training and an increased cooperation between education and industrial policy.

Participants agreed on the key role that social partners have for the design and implementation of education policies, notably in relation to lifelong learning policies, not only for career and employment purposes, but also to promote personal development and active citizenship. They underlined the need to strengthen the participation of social partners in the governance of training programmes and to strengthen related tripartite bodies. Participants further agreed that the area of qualification, training and employability is a good area for defining concrete cooperation projects to be carried out in the ASEM process.

#### ***b. Poverty reduction, social protection and social inclusion***

The discussion on this relatively broad topic started by recalling the related international commitments including the new reference to the role of decent work as one of the MDG targets, the 2008 conclusions of the UN Commission for Social Development on the need

for extending social protection, and the recent ILO Declaration on Social Justice for a Fair Globalisation. Both the EU and Asia are confronted with problems of poverty, labour market segmentation and social exclusion. The discussion focussed on three issues: first, the increasing international attention to the necessary extension of social protection and social security coverage, including to the informal sector of the economy; second, the key role of social partners for policy design and reform in this area; and third, possible technical assistance and cooperation projects in the area of social protection and social security between the EU and Asia.

Participants agreed on the key role of employment creation and decent work for poverty reduction. Productive employment and decent work were considered the most efficient way out of poverty, while social protection systems were seen most useful in providing support during short-term adjustments and in promoting active inclusion. There was, on the other hand, some controversy around the impact of free trade and further trade liberalisation on poverty reduction. While most EU social partners saw free trade, accompanied by adequate adjustment measures where appropriate, as a chance for promoting development, Asian trade unionists expressed strong concerns about the impact of free trade on socio-economic development in Asian countries.

Participants agreed on the added value of experience sharing between the EU and Asia in this area, where the European experience could be of particular interest for Asia. While the build-up and reform of social protection and social security systems in Asia has to take into account the national traditions and levels of development, participants highlighted some conditions for developing social security systems: the insight that an inclusive society is desirable both ethically and in terms of socio-economic stability and sustainability; the agreement that the benefits of growth should be shared between all stakeholders; and the need for regulation and state intervention, combined with a strong involvement of social partners. Participants also agreed widely on the need to strengthen the involvement of communities and the empowerment of people to fight poverty and social exclusion, as exemplified by a good practice example on empowering self-employed women in India. Capacity building measures to strengthen all relevant actors were seen as vital in this context. Participants finally agreed that this area provides strong opportunities for cooperation between the EU and Asia, and notably ASEAN, with a view to developing minimum standards.

### ***c. Working conditions and quality of work***

Discussions in this session addressed the perceived erosion of wages and working conditions in Europe and Asia, combined with reduced access to benefits and training, and increasing trends of employment uncertainty and income inequality. These trends reflect in part new forms of work and contract types, both in the EU and Asia, and they affect both workers and employers. Participants highlighted that migrant workers are suffering most from these trends. Participants regretted that businesses focus increasingly on short-term goals and workers are under-investing in qualification and lifelong learning. Participants agreed on the need to strengthen minimum wages, health and safety standards and equal pay principles. Various instruments are in place, including ILO conventions and the ILO Declaration on Social Justice for a Fair Globalisation.

To build confidence and make progress, both legislation and social partner involvement, including trans-national and global agreements, were considered as key instruments. As in the other sessions, participants highlighted the need for capacity building,

strengthening in particular governmental capacity for labour inspection and the effective enforcement of existing laws as well as the capacity of social partners. As in the other sessions, participants also stressed the added value of exchanging experiences between the EU and Asia on these issues, and notably on the development and effective implementation of common minimum standards; in addition, participants highlighted the need for strengthened cooperation and sharing of experience between Asian countries.

#### ***d. Employment creation and flexicurity***

The session discussed ways to promote a new balance between employment flexibility and security and thus foster human resources investment and employment creation. It was recalled that the flexicurity approach cannot offer a unique policy model, and that in particular the Danish flexicurity model cannot be implemented wholesale in other, notably Asian countries, but that the flexicurity policies need to be adapted to the local conditions. It remains unclear to what extent the flexicurity approach can offer solutions to the problems of economies with large informal sectors and smaller public budgets.

The session discussed particular experiences of flexicurity policies and challenges for three countries: Thailand, Singapore and Finland. Singapore e.g. combines high degrees of contractual flexibility and performance-based pay with contributions-based security through health care, housing and pensions; trade unions are involved on the governing boards of social security organisations and in providing training to workers, financed through contributions from workers and government budget. Finland is an example of a small, open economy that has been successfully managing globalisation pressures, based on a tradition of strong industrial relations, independent negotiations between social partners and government support to the implementation of their agreements. Thailand, moreover, was presented as an example of a country where the social and economic preconditions for a shift to a Danish 'golden triangle' model are not present.

Participants agreed on the need to move from job security to employment security while avoiding the emergence of precarious employment, and to strengthen social protection and social dialogue. Social partners have to play a key role in this context, based on trust and cooperation, supporting the design and implementation of flexicurity policies.

Common conclusions in all of the above topical sessions include: the importance of these topics and the need to address them at the Bali ministerial meeting or other relevant ASEM meetings; the recognition of the added value of sharing experiences in these policy areas between the EU and Asia; the agreement on the key role of social dialogue and social partners for the design and implementation of the respective policies; and the need for concrete cooperation projects and capacity building activities in the ASEM framework in these areas. In two sessions, participants also recommended to strengthen EU-Asia cooperation with a view to developing common minimum standards.

### **5. Conclusions and follow-up**

The closing session reviewed the main results of the two-day discussions and aimed at formulating policy perspectives and recommendations to "strengthen future EU-Asia strategic cooperation on global labour market issues and decent work". The session was chaired by Mr Jean-Paul Tricart, Head of Unit for International Affairs and Enlargement at the European Commission; it included: summary reports by the moderators of the parallel topical discussions; final statements by high-level social partner representatives from Europe and Asia; and closing addresses by Ambassador Riphat Kesoema, Minister De Gucht and high-

level representatives from the current ASEM coordinators France and China.

Mr Thamrin Mossie, President of the Confederation of Indonesian Trade Unions (CITU) recalled that the goal of strengthening the social dimension of globalisation goes well beyond job creation and the provision of health and education; it also relates to the challenges to share the benefits of globalisation, ensure the respect of core labour and social rights, promote decent work conditions and social security for all, including for migrant workers, and fight poverty and social exclusion. He welcomed the 1<sup>st</sup> ASEM Social Partners Forum as an important step in the right direction and asked the Indonesian government, on behalf of Asian trade unions, to invite social partners to the 2<sup>nd</sup> ASEM Labour and Employment Ministers Conference in October 2008 in Bali.

Mr Jørgen Rønne, Director for European Affairs at BUSINESSEUROPE, welcomed the opportunity provided by the Forum to exchange practices among social partners and formulate expectations and suggestions concerning the ASEM dialogue on employment and social policy. One important conclusion of the discussions is the focus on change and the need for continued reform, both in Europe and Asia, and the recognition of the need to help people and businesses to adjust to change; this is an area where social partners can play a key role and make an important contribution to related reform processes. Social partners have a key role to play to build trust and confidence as prerequisites for reform, and to ensure the necessary support for reform processes among firms, workers and voters.

Mr Nam-Hong Cho, Senior Advisor to the Korea Employers Federation (KEF), also thanked the Forum organisers for their initiative and stated that it could be instrumental in enhancing EU-Asia cooperation in the future. He stated that while the value of social dialogue cannot be over-emphasized, it is not a panacea for sustainable development of modern societies; instead a broader approach to social responsibility going beyond social dialogue is needed – an approach which would cover all actors, support good governance and enable the parallel development of decent work and sustainable productivity growth: Employers should make an effort to improve business ethics and strengthen good governance; workers and trade unions anticipate and support change and reforms and develop new forms of work ethics; and governments ensure effective law enforcement and promote social dialogue.

Mr John Monks, General Secretary of the European Trade Union Confederation (ETUC), thanked the Forum organisers for this first initiative to help implement the 2006 Helsinki ASEM Summit mandate to involve social partners in the ASEM process; the initiative was seen to respond to long-standing trade union requests to strengthen the social dimension of ASEM. Despite remaining diverging views and problems in Europe regarding the appropriate balance between free market provisions and respect for fundamental rights, he agreed that ASEM can play an important role for the promotion of decent work at global level, including through the implementation of universal social protection to fight poverty and exclusion; the protection of migrant workers' rights; the strengthening of social dialogue; and the uptake of the social dimension in all EU-Asia trade, political and economic relations. While stressing the constructive approach of European trade unions to globalisation, he highlighted the need to ensure a fair distribution of its benefits not least to ensure public support to the process of globalisation and to avoid an increasing 'retreat into protectionist economic nationalism'. Mr Monks asked for a regular follow-up to this Forum and for its full integration into the ASEM process, emphasizing the importance of giving equal status to business and workers in the ASEM process and of holding a joint social partners consultation with the Bali ministerial meeting in October 2008.

Ms Agnès Leclerc underlined the commitment of the French EU Presidency for a social

Europe, and for an improved social governance of globalisation. In this context, she highlighted the key role of the ILO Decent Work agenda and notably the effective application of ratified ILO conventions and the promotion of social protection, and she in particular welcomed the recent ILO Declaration on Social Justice for a Fair Globalisation. Further work is needed to develop decent work indicators and improve the knowledge basis. She argued that socio-economic progress depends increasingly on social dialogue, including at European level, and stressed the need for freedom of association and the right to collective bargaining. The Forum constitutes a positive signal in this regard, and it would be useful to ensure the follow-up of its discussions at the Bali ministerial meeting.

Minister De Gucht welcomed this Forum as a rare occasion to address globalisation in a meaningful, constructive and not just negative way, with a focus on the key issue on how globalisation relates to global inequality. He welcomed that it allowed in addition to promote 'the much needed input of social partners' to formulate common answers to the common challenges brought about by globalisation. He underlined that, while protectionism cannot be an answer to concerns regarding the consequences of globalisation, the further development of open trade regimes and globalisation, and its impact of poverty reduction and social development, would depend on the ability to making globalisation a success for all and having a positive impact on world inequality. Accordingly, 'the yardstick for every global trend such as globalisation should be how it contributes to the global well-being'. In this context, Minister De Gucht stressed the need to complement existing social dialogue at national level with social dialogue and exchange of best practices at international level. He also underlined the potential added value of challenging the global consensus, regretting that the alter-globalist movement seems to have lost its momentum over the last few years.

The representatives from Indonesia and China welcomed the Forum as an innovative framework for constructive discussions between social partners and their involvement in the ASEM dialogue on ways to support a fair globalisation, promote decent work and strengthen the social dimension of globalisation. While recalling the need to take into account the diversity among ASEM countries in terms of culture, political systems and levels of economic development, both underlined the increasing interdependence of ASEM economies and the ensuing need for stronger cooperation between governments, together with social partners and other civil society groups, in the design and implementation of socio-economic policies. In China the set-up of sound industrial relations and harmonious labour relations remains a policy priority, as exemplified by recent developments in this area: the establishment of tripartite consultation institutions at national and regional level; the establishment of trade unions in multinational companies since 2006, and the adoption of new labour contract and labour dispute mediation and arbitration laws in 2007.

Both Indonesia and China expressed their wish that the issues discussed at the Forum would be taken up and deepened in further exchanges at bipartite and tripartite level - in the context of ASEM as well as in other inter-regional fora - and that concrete cooperation projects would be implemented together with social partners.

Mr Riphat Kesoema, Ambassador of the Republic of Indonesia to the European Union, agreed that the outcomes of this 1<sup>st</sup> ASEM Social Partners Forum can be invaluable inputs for the 2<sup>nd</sup> ASEM Labour and Employment Ministers Conference and confirmed the Indonesian government's interest in seeing positive engagement of social partners within the appropriate ASEM framework of cooperation in the near future.

In his concluding remarks Mr Jean-Paul Tricart, Head of Unit for International Affairs in the European Commission's Directorate-General for Employment, Social Affairs and Equal

Opportunities, recalled that the organisation of this Forum – the first ever of its kind – had been a real challenge, given the need to identify the expectations and interests of social partners not only from Europe and Asia, but also within the regions concerned. He thanked all those who supported the organisation of the Forum, including in particular the European and international social partner organisations (BUSINESSEUROPE, ETUC, IOE, ITUC), the Friedrich Ebert Foundation, the International Labour Organisation and the journalists, expert speakers and social partner representatives who accepted to participate and intervene in the Forum discussions. He also noted the continued support to the Commission's initiative from the Slovenian and French EU Presidencies as well as from Indonesia and China as coordinators on the Asian side.

He welcomed the very encouraging message of the Forum which underlined a series of common priorities and delivered a strong political signal of the interest of social partners from both Asia and Europe to be involved in the ASEM process. The Forum also helped further develop common understanding, common wording and, in some cases, formulate consensus views. It provided a good basis for a first exchange of information, experience and best practice and showed that, despite the disparities in legal settings, institutional structures and levels of development, Europe and Asia are actually sharing a great number of concerns and can benefit from an enhanced policy dialogue and cooperation on a number of shared concerns and common policy challenges:

- first, the need to face common global trends such as globalisation, technological change and environmental degradation;
- second, a common commitment to promote economic and social progress in parallel, including through appropriate employment and social policies, good industrial relations, social partnership and social dialogue - including as a means to build consensus and ensure public support for reform and adaptation to change - based on pre-conditions such as trust, long-term policy orientations, an adequate institutional framework, and an effective implementation of national laws and internationally recognised core labour rights, including the freedom of association and the right to collective bargaining; and
- third, a joint emphasis on the need to ensure a fair allocation of the benefits of globalisation and strengthen its social dimension, promote social responsibility and social cohesion, address rising inequalities and reduce poverty, labour market segmentation and social exclusion, and promote decent work as key for sustainable development.

The Forum underlined the strong interest in further developing the relations between EU and Asian social partners, building on the climate of confidence and the common language of this 1<sup>st</sup> ASEM Social Partners Forum. It provided perspectives for the further development of appropriate exchanges and consultations with the social partners in the ASEM process, including for example: social partner consultations in relation to future ASEM meetings; the involvement of social partners in future cooperation projects to be carried out in the ASEM framework; and the organisation of follow-up events to this 1<sup>st</sup> ASEM Social Partners Forum.

The European Commission, together with the French EU Presidency and the Indonesian Ministry of Manpower and Transmigration, represented by the Ambassador of the Republic of Indonesia to the EU, took note of the results of this Forum, including the suggested perspectives for the involvement of social partners in the ASEM process, and pledged to take them into account in the preparation of the next ministerial meeting in Bali and the ASEM

Summit in Beijing, and with a view to promote the exchange of views and/or other forms of consultations or involvement of the social partners in relation to future ASEM meetings and cooperation activities.

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**P.S.**

\* SourceAsien Haus (Germany):

<http://www.asienhaus.de/public/arch...>