

International Confederation of Free Trade Unions (ICFTU)
European Trade Union Confederation (ETUC)
ICFTU Asian and Pacific Regional Organization (ICFTU-APRO)
(FINAL)

Building a Social Pillar for ASEM:
Trade Union Statement¹ -
Towards the 4th Summit of the Asia-Europe Meeting (ASEM)
Copenhagen, 22-24 September 2002

Introduction

1. The global economy is facing economic downturn, and working people and their families will be the first to suffer if conditions worsen. The ASEM Leaders meeting for their fourth Summit on 22-24 September 2002 in Copenhagen must recognize this grave risk as their point of departure, and commit themselves to implement adequate policies in response.

2. Security issues stand to be foremost on the ASEM Leaders' agenda in the wake of the terrorist attacks on 11 September 2001. The international trade union movement has expressed its full solidarity with the victims of the attacks, most of whom were workers, and with their families. In order to eliminate any future occurrence of such terrorism and ensure global peace and security, ASEM Leaders must firmly commit themselves to working together in governing the globalization process and reducing poverty anywhere in the world, including assisting the interim government of Afghanistan to achieve a true and democratic reconstruction of its nation. At the same time, human rights and civil liberties must be firmly defended and ethnic minorities protected from discrimination, which risks worsening in some countries.

3. ASEM Leaders must reaffirm their commitment to achieving the highest sustainable levels of economic growth and employment and to reshaping a social model of globalization. In doing so, Leaders must give a clear instruction to their governments that their policies should not aim at merely facilitating trade and investment, but creating decent work, improving living and working conditions and strengthening social protection. The fourth ASEM Summit must be an opportunity for Leaders to review ASEM's work to date and to set the broad direction toward the future of ASEM through a dialogue with all stakeholders, including trade unions. As immediate points for actions, we call on ASEM Leaders to: -

- a) Establish a Social Pillar of ASEM;
- b) Endorse a formal consultative status of trade unions within ASEM;
- c) Set up a Social Forum for consultation with representative civil society organizations and trade unions;
- d) Restructure the ASEM to promote the inclusion of social policy work programmes and achieve effective participation of trade unions in its work;

¹ This statement was discussed in a trade union conference in Bonn on 7-8 March 2002 sponsored by the Friedrich Ebert Stiftung (FES) with the participation of ICFTU, ETUC and ICFTU-APRO affiliates, TUAC and trade unions from China, Vietnam and Indonesia.

- e) Hold regular meetings of Labour and Social Ministers;
- f) Allocate the highest priority to poverty reduction and other social concerns in the second phase of the ASEM Trust Fund (ATF), which should be managed directly by the European Union and Asian countries, not by the World Bank;
- g) Commit themselves to respect for freedom of association and other core labour standards, including in bilateral trade, investment and co-operation agreements;
- h) Hold a dialogue on promoting core labour standards at the ILO, IMF, World Bank and WTO, with a view to removing misunderstandings and overcoming disagreements;
- i) Secure sufficient official development assistance to contribute to the social development of developing countries;
- j) Address the problem of energy and environment, particularly the effective implementation of the Kyoto Protocol;
- k) Incorporate the OECD Guidelines on Multinational Enterprises into the ASEM Investment Promotion Action Plan (IPAP) and establish a mechanism to monitor the observance of social and labour standards by multinational enterprises; and
- l) Support a more highly regulated international financial system.

4. Since its first summit in Bangkok in 1996, ASEM has sought to strengthen cooperation between the two regions concerning political, economic and cultural issues. In particular, it assisted the recovery of member countries hit by the 1997-1999 financial crisis with the launch of the ASEM Trust Fund (ATF). It has promoted dialogue with business through its established relationship with the Asia-Europe Business Forum (AEBF). The Asia-Europe Foundation (ASEF) has conducted some activities with other stakeholders, but so far ASEM has not done enough to respond to popular concerns. **This must change in Copenhagen if ASEM is to achieve legitimacy with the working people of the ASEM region.**

A Social Pillar for ASEM

5. The fourth ASEM Summit should provide an opportunity to build further co-operation between two of the major economic regions of the world that would make a contribution to both economic development and social progress. Achieving the successful development of sustainable economic relations will depend upon a shared vision of the social goals of growth and development, not on a narrow deregulated market for trade/investment liberalization.

6. ASEM has three pillars to achieve its objective – political, economic and cultural/intellectual. Now ASEM Leaders must agree to the establishment of the social pillar within the formal ASEM structure to discuss employment, labour and social issues. Furthermore, Leaders must recommend that ASEM be restructured so that it can take a more comprehensive approach based on integration and interaction between the “four” pillars. In this context, Leaders must endorse establishing a formal consultative status of trade unions with ASEM as a counterpart to the AEBF. A mechanism for social dialogue at the ASEM level for trade unions jointly with the AEBF should further be established. Resources must be earmarked to cover the costs of setting up such consultative structures.

7. Social participation is a prerequisite to economic success in the relations of the two regions and thus ASEM must encourage the participation of representatives of civil society, including trade unions, in its full work programme. Trade unions must be involved in the work of the TFAP, IFAP and other major ASEM work programmes. In addition, an ASEM Social Forum should be set up as a consultative mechanism with civil society and trade unions to enable the regular and systematic exchange of views and ideas.²

Social and Employment Issues in the ASEM agenda

8. Growth cannot be sustained without ensuring secure lives, with higher living standards, for working people. Many women and men in the two regions are still suffering from the lack of decent work or adequate social security systems and are trapped in unprotected employment. The Copenhagen Summit should mandate ASEM ministers to establish Task Forces to integrate social concerns, such as poverty reduction, job creation, human resource development, and social safety nets throughout the ASEM work programme. Regular meetings of ASEM social and labour ministers should be held to discuss these issues. Furthermore, ASEM economic ministers should meet with social and labour ministers to discuss macroeconomic, industrial, social and employment policies for a sustainable growth.

9. ASEM should take a decision to establish a specific social policy work programme within the ASEF framework and for this purpose the ASEF should be restructured to include representatives of the social partners in its management and its activities. The programme would cover:

- a) Effective industrial relations based on respect for fundamental workers' rights
- b) Occupational health and safety and environmental protection
- c) Gender equality
- d) Migrant workers' rights
- e) The elimination of child labour
- f) Good governance, institution-building, anti-corruption measures and the rule of law
- g) Participatory development
- h) Human resource development
- i) Social safety nets
- j) Information and communication technology (ICT)

10. We welcome the decision of the ASEM finance ministers at their third meeting (Kobe, January 2001) to launch the second phase of the ASEM Trust Fund (ATF II) with the objective of providing technical assistance and training to assist recipient countries in reforming financial and corporate sector policies and social policies and institutions. However, the European Union and the Asian ASEM governments must assume direct control through a joint advisory board to run the ASEM Trust Fund, rather than allow the World Bank to be the executing agency. The ATF II must give the highest priority to poverty alleviation, the promotion of workers' rights and other social areas described above (para. 6). As the Chairman's Statement of the third ASEM Finance Ministers' Meeting states that ATF II should encourage dialogue among those involved in policy formulation, ATF-financed projects should be implemented in close cooperation with the

² During an International Workshop in Berlin on March 4-5, 2000, representatives of the *Asia Europe People's Forum* and the *ICFTU* began consultations which led to the drawing up of a joint statement of shared concerns entitled "Integrating a Social Dimension in the ASEM Process: Towards A Social Forum". The joint statement is attached in annex.

social partners at the national and international levels, in conjunction with the International Labour Organization (ILO) and other relevant international organizations, including the Asian Development Bank (ADB).

Fundamental Rights

11. Trade unions should be a partner in economic and social development in every country. Fair distribution of the fruits of growth can best be achieved through respect for fundamental workers' rights, including freedom of association and the right to bargain collectively. These rights are internationally recognized as being basic human rights for all people. However, it is a reality that many trade unions, especially in Asian countries are suffering from persecution. ASEM Leaders must now decide to support real and meaningful social dialogue and tripartism in all member countries. They must instruct their governments to take the necessary measures to guarantee the fundamental rights of workers and support the effective implementation of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up.

12. A gender perspective should be included at all levels of ASEM activities, including ASEM programmes and AFT-financed projects. Special attention should be given to the effective implementation of the principles included 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.

Policies and Programmes for Global Social Development

13. Bilateral and multilateral development assistance must play a more important role in assisting developing countries in Asia, in terms of both financial stability and sustainable development. Development can only be attained when there are improvements in social indicators, and the ASEM governments, both recipients and donors, should co-operate in ensuring that development assistance is focused on sustainable development, in particular poverty eradication; information on labour law, core labour standards and other human rights; basic education and primary health care; and the strengthening of social safety nets as well as institutions needed for good governance. The donor governments must secure a sufficient budget level allocated to development assistance, at least in line with the UN recommendation of allotting 0.7% of their GDP.

Environmental Issues

14. The problem of energy and environment is a challenge for all. The ASEM Leaders must reaffirm the great importance of environmental protection, transfer of environmental technologies to developing countries, just transition that assists workers and other citizens displaced by the processes of change, and enhanced cooperation between ASEM members. They must also reiterate their commitment to working toward a successful Earth Summit (the World Summit on Sustainable Development) to take place in Johannesburg in August-September 2002 and ensuring the early application of the Kyoto Protocol.

Global Governance for Trade, Investment and Financial Stability

15. ASEM Leaders have spoken before of the importance of economic governance and the regulation of the global market in promoting global growth, prosperity and sustainable development and humanizing the globalization process. They must instruct their governments to work together in developing effective international economic governance, including a rules-based multilateral trading system based on common values and respect for human rights, adequate governance of the private sector and a strong, transparent international financial architecture, based on universally accepted social and environmental standards.

16. Recent global-wide public pressures against the liberalization of trade have shown that there will be little public support for any negotiations if the agenda places the interests of commerce ahead of the protection of core labour standards and the environment. As part of an overall balance in the new round of WTO negotiations, the ASEM Leaders should recommend that the WTO make progress on development and social concerns, including advisory mechanisms for trade unions and other representative organizations. The WTO must also play a formal and active role in the ILO's new World Commission on the social dimensions of globalization. ASEM Leaders should hold a dialogue on promoting core labour standards at the ILO, IMF, World Bank and WTO, with a view to removing misunderstandings and overcoming their past disagreements.

17. An increasing number of bilateral and sub-regional trade agreements exist and more are being negotiated in the Asian region, as well as between the EU and other regions of the world. The Leaders must stress that these agreements should only proceed if they will bring fair benefits to all countries involved. Leaders 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. EU policy calls for building core labour standards into all bilateral agreements, and ASEM Leaders should address this issue in their discussions at ASEM IV.

18. Investment flows, especially activities of multinational enterprises, are an important element of the global economy and can either lead to high growth or to increased exploitation. As part of the work of the Investment Promotion Action Plan (IPAP), ASEM produced in 1999 the list of Most Effective Measures (MEM) to attract foreign direct investment, including reference to the absence of strikes as an effective investment incentive. The fifth Investment Expert Group (IEG) meeting (Brussels, July 2001) recommended furthering the MEM to remove obstacles to foreign direct investment. But seventeen ASEM countries are now obliged to ensure that their companies world-wide adhere to the OECD Guidelines for Multinational Enterprises, and the IPAP should be rewritten to incorporate social concerns, such as core labour standards and employment objectives with reference to the OECD Guidelines and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Leaders must also recommend establishing a formal mechanism within the IPAP framework to monitor the observance of these social concerns with the active participation of the social partners, including through the effective promotion of the OECD Guidelines. In the current discussions of investment at the WTO, ASEM Leaders should agree on the inclusion of social, labour and environmental issues.

19. In the light of the experiences gained from the Asian crisis and recent chaos in Argentina, concrete action should be taken at the Copenhagen Summit to achieve 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, including a debt moratorium when circumstances require, and an international bankruptcy procedure; recognition of the rights of developing countries to control foreign capital inflows and outflows; establishment of formal labour and social advisory committees to the IMF, World Bank and regional development banks; setting up regional funding agencies for currency stabilization; and the establishment of a currency transactions tax.

Conclusion

20. The ICFTU, ICFTU-APRO, ETUC and all other trade union organizations supporting this Statement will firmly act together to intensify trade union dialogue between the European Union and Asia in order for all the proposals made above to be realized. We believe that this is the only effective way for ASEM to achieve its objective of increasing trade and investment growth and promoting higher living standards for the whole population.

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