



Issues for discussion preparing

3rd ASEM Labour and Employment Ministers Conference in December 2010 in the Netherlands

Executive Summary

The ASEM process is an important platform for dialogue and cooperation between the EU and Asia. The ASEM Employment High Level Forum organised by the European Commission on 29-31 March in Brussels will prepare orientations for discussions during the 3rd ASEM Labour and Employment Ministers Meeting in December 2010 in the Dutch city of Leiden. The aim is to discuss job crisis and recovery measures undertaken by ASEM countries in order to respond to employment and social consequences of the crisis as well as topics related to decent work agenda like social protection, CSR, skills and health and safety at work in line with concrete projects identified by the 2nd ASEM Labour and Employment Ministers Meeting in Bali in October 2008.

The 2008 Bali Declaration aimed at developing an adequate framework for constructive dialogue with social partners under the ASEM process. The 2nd ASEM Social Partners Forum organised by the European Commission prior to the ASEM Employment High Level Forum provides a platform for exchange between ASEM social partners in view of formulating their messages to the ASEM Ministerial meeting.

The ASEM dialogue in the area of employment and social policy – state of play

The ASEM process is an important platform for dialogue and cooperation between the EU and Asia. Further to successful outcomes of the first ASEM Labour and Employment Ministers Conference (ASEM LEMC) in Potsdam in Germany in 2006 which launched an employment and social dimension of the ASEM process and revealed the importance of exchanging views, experiences and political strategies of shaping the social dimension of globalization and maximising its effects, the second ASEM LEMC was held in Bali in Indonesia in 2008.

The Bali Conference sustained and expanded the ASEM dialogue on employment and social issues. For the first time ASEM Labour and Employment Ministers adopted a joint declaration which reflected their strong commitment to decent work in all its components: employment, full respect and effective implementation of core labour standards, promotion of social protection for all, including in the informal economy, universal access to basic social

security systems and social dialogue in line with the ILO Decent Work agenda and in the ILO 1998 Declaration on Fundamental Principles and Rights at Work.

The Bali Conference endorsed cooperation projects in the areas of decent work and social protection, skills and vocational training, health and safety at work as well as CSR clearly demonstrated the will to put the Europe-Asia partnership into practice. It allowed for specific thematic contributions from selected partner countries in the spirit of issue-based leadership. At the same time, the Bali Declaration called for further enhancing cooperation among all ASEM partner countries.

The informal exchange with social partners prior to the ministerial meeting, in which many European and Asian ministers participated, was an important step forward in involving social partners into the ASEM dialogue. The 1st ASEM Social Partners Forum of July 2008 also contributed to this respect.

The ASEM Summit in Beijing on the 24 and 25 of October 2008 in its Declaration on Sustainable Development took up into account all the important commitments to decent work, full respect and effective implementation of core labour standards as well as universal access to social protection systems and social dialogue that resulted from negotiations in Bali.

The aim of the 3rd ASEM LEMC in Leiden in the Netherlands in 2010

The 3rd ASEM LEMC in Leiden should build on achievements of the ASEM dialogue in the employment and social area and look into the future. The main focus of the meeting will be:

- To discuss how to turn the financial and economic crisis into an opportunity for creating jobs and strengthening social development at the global level as well as to discuss successful pathways from the crisis to a recovery that goes along with full employment and decent work for all and social sustainable dimension;
- To exchange views between the Asian and European countries and to identify issues of common interest in view of multilateral global frameworks of G20, UN and the ILO Global Jobs Pact;
- To implement conclusions of the future 8th ASEM Summit on the 4-5 October 2010 in Brussels on the employment and social aspects of quality of life;
- To discuss results of the practical cooperation activities and projects agreed in 2008 and their follow-up and/or additional ones;
- To involve appropriately social partners in the ASEM dialogue.

Along these lines the ASEM Employment High Level Forum organised by the European Commission on 29-31 March 2010 in Brussels will prepare orientations for discussions at the ministerial meeting in the Netherlands.

The 2008 Bali Declaration aimed at developing an adequate framework for constructive dialogue with social partners under the ASEM process. In this context the European Commission organises the 2nd ASEM Social Partners Forum prior to the ASEM Employment

High Level Forum. It provides a platform for exchange between ASEM social partners in view of formulating their messages to the ASEM ministerial meeting in December.

Challenge for ASEM countries: tackling the jobs crisis and turning it into a successful recovery

What started as a financial crisis at the time when the last ASEM LEMC was held is now a jobs crisis, with serious consequences for employment, poverty and social cohesion. The crisis has led to sharp falls in employment and surging unemployment, including in Europe and Asia, though with important differences according to specific national situations. The ILO estimates that as a result of the crisis, global unemployment has raised by 34 million since 2007 to total 212 million in 2009. The most affected are vulnerable groups like young people, women, older workers and migrants. It is likely that 100 million people will have fallen into absolute poverty last year.

Joblessness is likely to continue well into the future, despite initial signs of recovery. In some countries, as the ILO and the OECD's forecasts show, unemployment will not reach its peak until well into 2011 at the earliest. Several years may be needed before labour market conditions similar to those characterizing the pre-crisis situation are re-established.

This is a continuous challenge for Asian and European governments to face.

The crisis revealed its global nature and the interdependence of global economies. It triggered a new momentum for dialogue on strengthening the employment and social dimension of globalisation at international level. The importance of exchange of best practices, international cooperation and coordination has been highlighted by many international fora, including G20, G8, UN, ILO and the OECD.

G20 Leaders meeting in Pittsburgh launched a framework for strong, sustainable, economic growth, called for recovery plans that support decent work, help preserve growth and prioritise job growth and put quality of jobs at the heart of recovery. They called a meeting of G20 Employment and Labour Ministers in April 2010 to ensure continued focus on employment policies.

The ILO Global Jobs Pact constitutes a milestone in a global response to the crisis. It shows the international community's determination to carry on implementing Decent Work Agenda even in times of crisis and spells out how to balance the boosting of economic recovery with the creation of more decent, better and greener jobs and how to avoid a jobless recovery.

An exchange of experiences and good practice between ASEM countries and identification of issues of common interest in view of multilateral discussions on how to tackle jobs crisis and build a sustainable recovery would be of crucial importance.

The debate among ASEM Ministers should address the following themes:

- 1. The jobs crisis and successful recovery: the labour market and social policy response;**
- 2. Decent work including social protection, CSR, health and safety at work;**

3. Skills policies, also in the context of job potential stemming from transfer to a low carbon economy.

As a first step the ASEM Employment High Level Forum will discuss the following questions in order to help identify orientations for discussion at the ministerial meeting in December:

Topic 1: The jobs crisis and successful recovery: the labour market and social policy response;

Discussions at international level show a growing consensus that economic goals should go hand in hand with social and environmental ones. Employment and social considerations should be an important part of recovery plans in order to create growth and jobs and to secure inclusive and sustainable development in the future. There is no recovery until employment picks up and exit strategies from stimulus measures should take this principle into account. Crisis should not undermine efforts to implement Decent Work Agenda. Internationally recognised ILO core labour standards and their application at national level are crucial. The international institutions should consider them in their advice and activities.

In response to the crisis countries have taken large numbers of measures. In many cases they focused on helping people back into work where possible as well as supporting disadvantaged and vulnerable groups. They included short-time working arrangements combined with trainings and compensation for salary losses, taxation cuts and subsidies, effective active labour market policies, increased or broadened unemployment benefits and support for entrepreneurship, for example for small and medium firms through micro-credit schemes. In many countries the automatic stabilisation mechanisms of effective social protection systems have cushioned the economic and social impact of the recession, by containing the reduction of households' income, sustaining aggregate demand and limiting the human costs of the crisis.

The crisis has enhanced structural challenges the economy faces: globalisation, climate change, limited natural resources and demographic change. The crisis may be a catalyst for a change in the structure of the labour market. Exit strategies from the crisis should favour strong job creation and sustainable recovery. Recovery should not deteriorate decent work.

- *Do you agree with the above challenges? How do they apply to the situation in your country?*
- *Which of the recovery measures undertaken by ASEM countries constitute a “good practice” and serve as an inspiration for other countries?*
- *In the medium term which policies would contribute to job intensive growth and help avoid long term unemployment and exclusion from the labour market by contributing to sustainable recovery? What reforms of labour markets are needed to better face structural challenges of the economy?*

Topic 2: Decent work including social protection, CSR, health and safety at work;

Decent work

The Global Jobs Pact is based on the ILO's Decent Work Agenda and recalls that respecting fundamental principles and rights at work, promoting gender equality and encouraging voice, participation and social dialogue are also critical to recovery and development. In the 2008 Bali Declaration ASEM governments confirmed their support for the ILO Decent Work Agenda. Taking into account the impact of the crisis on the ASEM labour markets, implementation of decent work policies at national level in the framework of the Global Jobs Pact by complying with ILO conventions would be of crucial importance.

Social protection

In the 2008 Bali Declaration ASEM governments expressed support for promotion of a basic social protection, advocated by ILO. We need to continue these efforts. The ambition to extend the coverage of social security to all is a key challenge today, especially considering the high percentage of the world population lacking adequate social protection. People in developing countries as well as the poor in more developed countries should benefit from a globalized economy. It is particularly important that the most vulnerable also are protected during times of economic hardship and crisis.

Global social standards are not only necessary in order to combat poverty and to foster sustainable stability in national social societies but also in order to promote a fair global competition and to create a level playing field. They are thus in the interest of developing, emerging and developed economies.

There is no 'one size fits all' model of social protection. National circumstances and different levels of economic development have to be taken into account when moving forward on the path to realising the universal right to social protection for all.

- *Building on the commitments to social protection at the 2008 Bali Conference, how should the ASEM dialogue further promote the objective of basic social floor while taking account of national situations?*
- *Can we identify "good practices" of progress in the area of social protection, including the challenge constituted by vast informal economy in some partner countries?*

Corporate Social Responsibility

The 2008 Bali Declaration highlighted the need to mobilize all relevant stakeholders including social partners and to adopt a comprehensive approach, with regard to the promotion of corporate social responsibility. The High level ASEM-CSR Conference was held on 16-17 March 2009 in Potsdam in Germany. The conference was the first follow-up activity to implement the cooperation project "Cooperation in the field of Corporate Social Responsibility", which was initiated by the 2nd ASEM LEMC in Bali.

As key result, discussants agreed that the international instruments and initiatives should play a crucial role in CSR by providing a conducive framework for a stakeholder dialogue as well as advanced sustainable development and monitoring compliance. CSR offers an important set of tools to cope with the global crisis, which can help to keep people in the labour market

in the short run and can be used as part of a remedy to the crisis providing for better working conditions (economically, ecologically and socially) in the future. The Conference discussed also the issue of CSR in supply chain and affirmed the necessity to overcome the alleged protectionism by encouraging and assisting enterprises and governments to adopt CSR policies as a tool for open global trade, economic growth and sustainable development.

Participants agreed to follow-up the CSR Conference at a technical level including enterprises, social partners and experts by creating a network and workshop on CSR.

- *Do you agree to messages from the Potsdam CSR Conference and what could be further steps in CSR cooperation?*

Future practical cooperation

It is recalled that the 2008 Bali Declaration recommended development of several decent work initiatives and practical cooperation.

- *At which other aspects of decent work should we focus our future cooperation projects?*

Topic 3: Skills policies, including in the context of job potential stemming from transfer to a low carbon economy

The 2008 Bali Declaration highlighted the importance of investing efficiently in human capital and lifelong learning. Globalisation, technological change and ageing society increase the demand for skilled labour and therefore the importance of human capital development. The current crisis have shown that people need to be able to adapt to sudden changes in the structure of the economy, such as for example changes in the employment opportunities between different sectors. At the same time skills development is a major tool for sustainable recovery. New skills and competences will be required in a greener economy, as well as enhanced labour mobility across occupations and sectors. This poses new challenges for education and training systems and labour market policies.

The key challenge would be to better anticipate future needs, create opportunities for upgrading skills, better match workers' skills with changing needs of the labour market and to facilitate transitions between jobs and from education to work for young people.

Qualification recognition is important as it promotes further learning, improves matching skills supply with markets demand and helps people to work and study abroad. In the framework of ASEM technical cooperation the ASEM Conference on Harmonisation of Competency Standards was held in November 2009 in Bali in Indonesia. It concluded that further exchange on the issue of skills development and harmonisation of competency standards needed to be considered.

- *Which are the key policy issues in addressing the challenge of more adaptable and employable workforce to the changing situation at the labour market?*
- *What are "good practices" of recovery measures in the area of employment and social policy preparing for the low carbon economy?*

- *How to address the challenge of better matching skills with labour market needs?*