



Policy Proposals to the ASEM12 11th Asia-Europe Labour Forum (AELF11) Brussels, October 16–17, 2018

“[...] Leaders stressed the need for promoting labour rights and safe and secure working environments for all workers, including for migrant workers, in particular women migrants and those in precarious employment [...]”

“Leaders confirmed the importance of promoting adequate social protection systems for growth and jobs, enhancing youth labor market outcomes and promoting decent work and safer workplaces in global supply chains and promoting social dialogue to discuss and prepare for jobs of the future.”

Chair’s Statement, ASEM11, Ulaanbaatar, 2016

Minimum living wages: a right and an economic imperative

In Ulaanbaatar, ASEM recognised that parts of the workforce are in precarious employment. It is the first mention to ‘precarious employment’ in a Statement coming from a Heads of State meeting. Millions of workers in Europe and Asia have substandard jobs that cannot provide for decent livelihoods. Precarious work means short-term and adjustable employments contracts, insufficient wages – or pocket money - and fear to speak out and organise. Indeed, it is a disgrace that a job is not a guarantee out of poverty.

It is no surprise that, for decades now, wages have been stagnating compared to productivity and overall economic growth. Workers feel that hard work is not rewarding anymore and that has fuelled people’s distrust in governments and institutions. Eliminating poverty and achieving inclusive and sustainable growth need robust measures to raise aggregate demand and reverse the decline in the labour income share. Such outcomes can be achieved through the recognition, promotion and protection of the right of workers to freedom of association, promotion of full employment, living minimum wages, strengthening collective bargaining, ensuring adequate social protection floors, guaranteeing universal access to basic public services, and actively supporting the transition from the informal to the formal economy.

The AELF calls on ASEM partners to:

- promote the implementation of the Fundamental Principles and Rights at Work and the ratification of the International Labour Standards;
- ensure minimum living wages that are regularly adjusted for all workers, based on the cost-of-living evidence and negotiated with social partners;
- promote in practice collective bargaining on wages, ensuring broad coverage of collective agreements, including through utilising extension mechanisms;
- expand the scope and coverage of social protection aiming at universal access, including those in the informal economy;

- ensure adequate, predictable financing for social protection systems, making use of progressive taxation, employers' fair share of contributions and innovative financing solutions; to this end, instruct the convening of a joint meeting of Finance and Labour Ministers of ASEM, as recommended in the Labour Ministers' Sofia Declaration, to discuss the financing of public investment in social protection;
- address the widespread use of tax evasion and avoidance including by establishing a unitary approach to taxing multinational corporations and requiring and enforcing country-by-country reporting;
- commit to ambitious national plans of public investment in the care economy for the formalisation of care work, redistribution of paid and unpaid work between men and women, and recognise the potential transformative effects on the societies of Europe and Asia; and
- strengthen national social dialogue structures with the technical assistance of the ILO.

Making trade work for all: Decent work in global supply chains

"[The ASEM Leaders] encouraged that international labour standards and domestic laws regarding work-related health and safety rules are upheld and protection of the environment is given due consideration in their supply chains."

Chair's Statement, ASEM11, Ulaanbaatar, 2016

ASEM11 "encouraged" the application of international labour standards and domestic laws in global supply chains. Guaranteeing that workers in supply chains enjoy all labour rights and living wages needs strong commitment by states to protect workers and by business to respect all human rights across the whole chain of operations. The ASEM partners should oblige enterprises with international presence to be able to show what measures they take in order to prevent and mitigate human rights risks in their supply chains, and to compensate for infringements and accidents in line with the UN Guiding Principles on Business and Human Rights.

The liberalisation of trade and investment has created growth that is largely captured by the richest 1%, and has increased inequality, the fragmentation of labour relations, the feminisation of precarious work and the privatisation of public services. Trade agreements between Europe and Asia should be assessed before negotiations commence as to whether they would positively contribute to workers' income and reduce inequality with realistic modelling that still is to be developed. The Parties should make assessments to detect the impact of a trade agreement on countries' ability to promote the ILO Decent Work Agenda and to achieve the Agenda 2030 goals.

The AELF calls the ASEM12 Leaders to:

- require by law that all business embed human rights due diligence across their supply chains, provide grievance mechanisms and access to remedy in line with the UN Guiding Principles;
- continue work on the topic of global supply chains with a view to promoting compliance with core labour standards, and create instruments for the monitoring and enforcement of labour and environmental standards;
- encourage transnational collective bargaining and International Framework Agreements, and explore legislative options that would establish enforceability of such agreements;
- adopt a trade policy at global and national level that is coherent with the objectives of the 2030 Agenda and the ILO Declaration on Social Justice for a Fair Globalisation;
- to establish instruments in trade agreements for the effective enforcement –with appropriate and dissuasive sanctions- of ILO standards, including but not limited to the Fundamental Principles and Rights at Work;
- conduct ex-ante and ex-post labour, human rights, health, environmental protection and economic impact assessments of all proposed trade agreements and refrain from negotiating any trade agreement that has not been explicitly designed to advance social justice;

- follow up with financial commitments the Vision Zero Fund that aims at monitoring conditions, preventing occupational accidents and diseases, and compensating workers in case of failures; and
- establish binding legislation to place joint liability on multinationals for the violations committed within companies' supply chains including through support for a binding treaty to regulate transnational corporations;
- engage with strong political will in the negotiations of the UN Binding Treaty to set a global corporate governance standard; and
- support the development of ILO instrument that guarantees decent work in the global supply chains, as stated in the outcomes of the 2016 discussion at the International Labour Conference.

Saving the planet: a Just Transition to a zero-emission world

They recognized the importance of formulating long-term low greenhouse gas emission development strategies, ensuring a balanced approach in addressing the Paris Agreement's elements [...].

Chair's Statement, ASEM11, Ulaanbaatar, 2016

With the Paris Agreement, governments committed to take action to mitigate the reasons leading to climate change in order to preserve billions of lives and livelihoods. With the publication of the October 2018 Special Report on Global Warming of 1.5 °C, the Intergovernmental Panel on Climate Change asked governments to revise climate policy and goals. The commitment to stay well below 2°C average temperature increase must now be updated and the new goals implemented with urgent action and massive investment.

Trade unions over the world are concerned that the massive job creation potential of a green economy and the Just Transition to a low carbon economy are lagging behind the challenges posed by the changing climate.

The commitment to a Just Transition is part of the Paris Agreement. Governments, employers and trade unions have translated it into concrete policies in a consensus document, under the ILO's Guidelines for a Just Transition.

The ASEM Partners should commit to increase policy coherence among institutions of global governance and provide leadership by example. The AELF calls the ASEM12 Leaders to:

- actively promote the implementation of the ILO Guidelines for a Just Transition in their national contexts, in permanent dialogue with social partners, which implies anticipating potential sectoral transformations of a zero-emission trajectory and adopting skills policies;
- open a dialogue with all relevant stakeholders, including trade unions, in the process for implementing nationally-determined contributions (NDCs) and assess potential for improving their ambition and scope, as a means for implementing the Paris Agreement; and
- prepare the economies, the workforce and communities to adapt to a changed climate including increased heat and other extreme weather events, and build resilience to guarantee clean water supply and food security for all in the future.

Digitalisation should benefit all

Technological innovation has accelerated and some experts claim that a new industrial revolution is underway. However, technology has owners and it has not benefited everybody equally. While a few companies are fantasizing of a world where work will soon be unnecessary, more than a billion people still live without electricity.

Meanwhile, technological achievements pose challenges to the world of work. Online platforms use an employment model that externalises all risks and costs to workers, leaving them unprotected. Robotisation and 3D printing will have a deep impact on the number and quality of manufacturing jobs and beyond. Artificial intelligence and machine learning are already transforming the way services are reached and delivered. Employers use workers' data to create a strict regime of workplace surveillance.

The world's largest corporations are primarily in the business of data. The business model they seek to normalise depends on workers' exploitation, extensive use of tax avoidance and a regulatory framework that enables them to mine, process and extract value from data without restraint. This model poses serious threats to the rights of workers, the capacity of governments to make sovereign decisions and enforce their laws, and collect adequate revenue to deliver quality public services, public investment and social protection.

The ASEM Partners should take early measures to guarantee that digitalisation will benefit all and that the owners of technology pay their fair share.

The AELF asks the ASEM Leaders to discuss and agree on an ASEM Policy Framework for the digitalised workplace that includes:

- requirements for employers to take responsibility for all of their employment relationships and guarantee full rights and protections for their workers, including platform workers;
- active enforcement of labour rights and national labour laws, including regulations on employment relations, as well as dissuasive sanctions for non-compliance;
- access to insurance and training schemes that are accessible, co-financed by businesses and jointly administered by social partners;
- updating relevant legal and institutional frameworks in order to ensure just recognition of employment status of workers in digitalised workplaces, including those in the platform economy, equal competition among digital and traditional economic actors, and require local presence in order to eliminate disguised or concealed economic activity, and condition market access upon criteria of fair participation in the domestic economy;
- strengthen the protection and ownership of employee data to prevent surveillance and monitoring, and ensure that Data Protection Regulations are made with social partners contributions; and
- avoid regulating global electronic trade in goods and services with e-commerce chapters in trade agreements because this would only restrict the ability of states to legislate, take action and coordinate global policy in view of providing a level playing field between the digital and traditional economy.

Twenty years after its first meetings, the AELF is now an official ASEM Forum

We appraise the role of stakeholders in the ASEM process and underscore the need to increase their engagement in ASEM activities through incorporating the Asia-Europe youth forum and taking note of the Asia-Europe Labour Forum as additional ASEM stakeholders' fora, and to improve cooperation and coordination with and among ASEM stakeholders.

Chair's Statement, ASEM11, Ulaanbaatar, 2016

The AELF11 in 2018 is the first one to be held after the institutional recognition granted by the ASEM Leaders in ASEM11 in Mongolia. Trade unions have stood committed to ASEM and its goals for more than 20 years, and the lack of institutional recognition so far did not discourage us from making robust contributions on the ASEM agenda. The most important AELF contribution is the role our advocacy played in introducing the ASEM Labour and Employment Ministers Conferences and the gradual development of policy on social justice issues including social protection, supply chains, and youth employment.

We strongly encourage any ASEM partner to organise the next Labour and Employment Ministers Conference with the participation and contribution of social partners.

Looking into the future, we call for more opportunities of involvement for the AELF. To this end, the ASEM partners could take up more of the AELF policy recommendations and develop more space for consultations with labour representatives. We also call for policy coordination in new areas –for instance, promoting decent work in digital companies- that would increase social justice and equality in Asia and Europe.