



Asia-Europe Meeting

ASEM Seminar on Social Dialogue

Social progress through social dialogue
in a rapidly changing business environment

9-10-11 March 2014

Conclusions of the ASEM Seminar on the promotion of social dialogue

On the invitation of co-chairs, the Belgian Federal Public Service Employment, Labour and Social dialogue and the Indonesian Ministry of Manpower and Transmigration and with the support of the European Commission, delegations of 75 officials, social partners organizations and experts representing several countries of the European Union and Asia, and ILO experts, exchanged visions, experiences and findings on important issues regarding the promotion of good industrial relations and effective social dialogue (SD) on both continents.

Contexts and occurrences

The topics were addressed taking into account factual occurrences: the reality of international chains of production and subcontracting on a large scale within and between both continents; the particular situation of shops and small and medium sized enterprises and the varying national contexts in which industries are organized and operate. Additionally, according to trade unions and some governments, it is a fact that the widespread informal economy is viewed as a real challenge for industrial relations. Informal economy, covering a wide range of activities and economic profiles, reveals structural difficulties for social dialogue. The participants were looking forward to discussing the transition from informal to formal economy during the next International Labour Conference in June 2014 in Geneva.

1. Regarding the institutional support and conflicts resolution mechanisms

Objectives of social dialogue

Bearing in mind the main objectives of SD (resolving important economic and social issues, while promoting economic progress and competitive industries and maintaining social and industrial peace by promoting constructive interaction and consensus between management and labour and stakeholders in society, through all types of negotiation, consultation, joint action and exchange of information), the participants recognised its importance as a pillar of the notion of Decent Work and, as proved by research in Europe and Asia, its contribution to the reduction of inequalities and eradication of poverty. Regular dialogue among social partners, collective bargaining and tripartite consultations are major contributions to increasing productivity, avoiding labour disputes and building cohesive societies and social capital, to guaranteeing political stability, good governance and sustainable industrial relations. SD can lead to arrangements well reflecting the needs of companies and employees thereby contributing to competitiveness, employment growth and social stability.

A multi-level approach

SD is not only a centralised issue even if different kinds of arrangements, agreements and social Pacts or tripartite action plans should be agreed at State level. SD should be also a reality at more decentralised levels without excluding simultaneous initiatives at different levels. Social partners were insisting that SD is a bottom-up process rather than a top-down process. It means that the mandate for all negotiations between the social partners can ultimately be traced back to the individual employers and employees and their respective organisations. For responsible SD, there needs to be a common vision amongst the partners and the will to attaining the common goals through creative solutions.

Public policy framework and pre-conditions for a sustainable social dialogue

Many interventions during the seminar recognised that governments should create an environment conducive for effective dialogue, including freedom of association, collective bargaining, strong, independent and representative organisations that lead to genuine autonomous social dialogue. SD is the responsibility of all parties involved, including the State through the creation of an appropriate legal and institutional framework and training on capacities. The improvement of working conditions is not an investment depending on international donors and finance corporations exclusively. Employers underlined that support for SD must not result in state interference in either content or procedure and that social partners themselves are best placed to define their operating framework. Social partners have also to involve themselves in projects to build their capacities and voices. Ensuring an enabling (legal) environment, empowering representative organisations and establishing effective enforcement mechanisms including well-resourced labour inspectorates are key.

Various models and trends

The comparative analysis about social dialogue trends in Europe and Asia revealed contrasting evolutions in both regions. In the European Union, a group of countries has well-developed institutional frameworks and levels for information, consultation and collective bargaining, and a longer tradition of organized industrial relations; another group has more nascent experiences and there are those in with collective bargaining is taking place mainly at enterprise level. Trends over the last ten years show that while there has been a decline in union density in some countries, the coverage of workers by collective bargaining has remained relatively stable, at least in countries that continued to provide policy support for collective labour relations. Even if austerity measures following the financial crisis placed strains on SD, the ILO could mention remarkable innovations of creative measures that emerged from SD in some countries to address the crisis. It was recalled that the EU and the Member States have as an objective the promotion of social dialogue and that social dialogue played an important role in response to the crisis. Tripartite Summits meet before each session of the European Council. EU promotes SD and labour rights in and outside its borders, including through trade agreements.

Several common trends of employment relations among Asian countries were identified despite a diversified picture of group of countries, in a context where the standing of the Asian countries in the world economy has strongly increased in recent years. The SD was used to address the impact of economic shocks and crisis in the past. More recently, interesting developments were observed, such as the Indonesian Jobs Pact signed in 2011 by the tripartite constituents.

All participants admitted the diversity of national circumstances and traditions. Different systems of industrial relations and social dialogue can lead to similar labour market outcomes. Models of SD are bound to development or growth models. Most of the participants reminded that many international labour conventions, such as the conventions on the freedom of association, the right to organize and collective bargaining (87, 98, 154), tripartite consultation on international labour standards (144 – as recently ratified by Indonesia, Singapore and Lao PDR -) and labour relations in public services, create the vital conditions for effective SD.

Ways of labour conflicts settlements

Participants discussed also systems of labour disputes settlement. Contrasted evolutions in this experience were observed. Among other Pacts in Indonesia, the National Bipartite Forum was formulated in 2008 with the employers' association and three labour confederations to find alternative measures to decrease industrial disputes and to provide inputs to the labour law reforms. It is noted that in Indonesia the mechanism is compulsory to settle the dispute in the workplaces by first engaging in bipartite consultations. Belgium argued about the useful role of social conciliators, a group of officials of the Federal Public Service Employment, Labour and Social dialogue entirely at

the disposal of all branches of the economy where joint committees play a preventive, constructive and effective role in resolving labour disputes. Employers insisted that mechanisms for conflicts resolution to be cost-effective. In these respects, government responsibility should be discharged by closely involving the two social partners preferably in a single entry mechanism even with different phases, if necessary.

2. About better working conditions in plants integrated in (international) supply chains

Contribution of the ILO Better Work programme

Participants received a high-level overview of the projects and findings of the ILO, especially the Better Work program conducted in cooperation with the International Financial Corporation in Asia. It promotes, not only in Asia, tripartite approaches towards better conditions in world supply chains while equally ensuring a competitive climate for firms. It involves actors at different stages of the supply chain and is conceived to develop strategic approaches, tools and specific programmes in interested countries towards tangible and sustainable progress in labour conditions, with the contribution of MNE's and international investors.

Various other initiatives with stakeholders and international linkages

When discussing the issue all participants had of course in mind accidents caused in Bangladesh by fire and physical structural weaknesses of factories, that caused deaths and injuries of thousands of workers during the last years. The participants received very well documented presentations on the initiatives taken since then to improve safety, working conditions, the application of labour standards and promote social dialogue within and around the factories. The Government engaged with ILO, the EU and other development partners, exporters, buyers and workers associations in taking all possible measures and agreements (ILO facilitated Government-employers-workers Joint Declaration on 4 May, 2013). The Sustainability Compact co-signed by the European Union, the ILO and Bangladesh (Geneva, 8 July, 2013) is another example of international efforts mobilising SD to better protect health and safety at work. International linkages and supports have created further opportunities in enforcing labour rights through social dialogue. Promoting standards is necessary to combat unfair competition. The Seminar recognised that work has still to be done for the effective implementation of international labour standards, laws and agreements by retailers, suppliers, management, labour inspectorate and government. The Seminar observed that in export-oriented countries, the chain of responsibility involves stakeholders in these countries and beyond. Weak internal and external governance in the supply chain has been considered by speakers as a major challenge.

International principles of responsible conduct

The government of The Netherlands delivered a presentation on its engagement in South-East Asia, in cooperation with the ILO, namely to anchor Corporate social responsibility (CSR), in Europe and Asia, in the organisation and management of chains of production, relying on international instruments, namely the UN Guiding Principles on Business and Human Rights. The Tripartite ILO Declaration of Principles concerning Multinational Enterprises and social policy has been reminded to participants as empowering governments, employers and workers to work more closely together on the promotion of national industrial relations, the respect of international principles as well as compliance with national laws and agreements. The CSR policy of companies can improve social dialogue at their own plant. Coherence is needed to guide international companies in the implementation of international principles. The EU tries to give a new impetus to existing initiatives. Cooperation between companies as it was done in Bangladesh is key. Such agreements linked to a national action plan create a unique set up where besides the traditional tripartite partners also the "buyer companies" are included in the dialogue. The ILO has a crucial role as impartial broker to accompanying such structures of agreements into practice. The Dutch government is working on a Sector Risk Analysis to discover the main risks in the supply chain of important Dutch sectors.

Transnational company agreements (TCAc)

Social partners organisations referred to existing transnational (framework) company agreements and the Revised OECD Guidelines for MNE's. The possibility to develop tailor-made arrangements is regarded by the European and International employers as the strength of TCA's. The employers believe these agreements should be entered at company level when it adds value for both parties.

Calls to ASEM Governments

The International Trade-Unions Confederation (ITUC) highlighted its engagement in the ASEM process since the very beginning. It insisted that the establishment of an ASEM Labour Forum, similar to the existing ASEM Business Forum (BF), is necessary and that unions should be granted a formal consultative status comparable to the BF. The Trade-Unions strongly recommend the practice of social partners' consultations before Labour and Employment Ministers Conferences to continue. Belgian and Indonesian trade unions have proposed research and strategizing seminars as follow-up to the seminar.

BusinessEurope and IOE expressed a clear preference for good tailor-made social dialogue promoted on the ground, independently whether a company is part of a global value chain, is in an export-processing zone or is a purely domestic company. They continue to oppose the idea to develop EU/international "framework" or "reference" for TCA's, as this would constrain the flexibility.

Appeals have been made to ASEM governments to promote responsible business and develop effective social dialogue in the global supply chain.

The co-chairs of this Seminar, Belgium and Indonesia, will report on these conclusions in the next 5th ASEM LEMC in 2014.

All participants appreciated the unique opportunity offered by the initiative of this Seminar and look forward to the next seminar which will be hosted in Indonesia