



ASIA-EUROPE MEETING

Third ASEM Labour and Employment Ministers Conference

Leiden Declaration of

ASEM Ministers of Labour and Employment

"Full Employment and Decent Work for All: Getting Out of the Crisis with a Stronger Social Basis for our Citizens"

13-14 December 2010

What started as a financial crisis at the time when the last ASEM Labour and Employment Ministers Conference was held, became 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, however with important differences according to national situations. Joblessness is likely to continue well into the future, despite the advancing recovery in many countries. Several years may be needed before labour market conditions similar to those characterizing the pre-crisis situation are re-established.

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

Employment is a continuous challenge for Asian and European governments and the key to quality of lives of our citizens. Work provides the most sustainable route out of poverty, facilitating social mobility and promoting opportunity. Therefore we must do all we can to help people, particularly the poorest and most vulnerable, into work.

ASEM Leaders when they met in Brussels on 4-5 October 2010 stressed that social cohesion rests on the widest possible participation of people in the creation of

prosperity and on the equitable distribution of income. They agreed to promote decent work by spurring job creation and labour participation and they instructed Labour and Employment Ministers to further develop common strategies on various issues related to employment and social development and implement them by fostering cooperation among governments, dialogue between social partners and involvement of civil society organizations.

Following this mandate the third ASEM Labour and Employment Ministers Conference under the title "Full Employment and Decent Work for All: Getting Out of the Crisis with a Stronger Social Basis for our Citizens", was held in Leiden, the Netherlands, on 13 - 14 December 2010, building on successful outcomes of previous ASEM Labour Ministerial conferences in Potsdam in Germany in 2006 and in Bali in Indonesia in 2008.

The Ministers present, made the following Declaration:

1. We recognise the important role Asia and Europe play at the global level. We emphasise the growing role of the global economy and its impact on our labour markets. We fully support the ILO's Global Jobs Pact and its role in the G20 process as well as the options it sets out for employment and social protection measures.
2. We are aware of the economic, social and cultural diversity between the Asia and Europe, and will take into due consideration these facts in formulating our common action. We share similar challenges that we will have to address over the next decade. They include globalisation, technological progress, climate change and demographic ageing. Our cooperation is therefore of crucial importance. We express our wish to work together when developing employment and social policies, because we recognise the added value this cooperation can bring for each others policy.
3. We will work towards a "job rich" recovery. In many ASEM-countries the political importance of employment and labour issues and the acknowledgement of the impact of economic policies on employment have led to an integrated approach to economic growth policies and employment and social protection policies. Such policies support labour demand and labour supply by enabling more women and men to enter productive employment. An integrated approach requires greater coherence and coordination of the policies of our national governments as well as between international bodies responsible for different aspects of international economic policy.
4. We note the activities of international organisations and their important role in the development of social and economic policies (see par 1 of the Leiden Framework of Action in the attached Annex, point 1). We therefore agree to cooperate in the relevant international fora, with a view to improving policy coherence and strengthening the social dimension of globalisation and meeting the related challenges.
5. We further recognise the role of social dialogue in social and economic policy development and of the ASEM Social Partners Forum in this dialogue. In this regard the outcome of the meeting of the Forum on 29 March 2010 and the meeting on 12 December 2010 that preceded the Ministerial Conference was very fruitful. We had

an in depth dialogue with social partners and recognise that social partners can play a constructive role in the crisis recovery process. In many countries tripartite understandings, social dialogue, collective bargaining and diverse labour-management agreements to address the crisis (from the firm to the national level) take place. We believe that in the critical years ahead, social dialogue based on mutual trust and shared objectives can prove to be a key management tool to help implement policies to accelerate a job-rich recovery and shape a more stable and inclusive path for the global economy. In this regard ministers welcome the continuing engagement of social partners to the ministerial meeting and encourage the organisation of ASEM social partner forums in the future.

Crisis and recovery measures

6. The recovery from the crisis is progressing in many countries because of appropriate monetary policy support for the financial system and fiscal stimulus measures, employment actions and active labour market policies of the governments in the past years.
7. In many cases recovery measures focussed on preserving employment and helping people back into work where possible as well as supporting disadvantaged and vulnerable groups. They included short-time working arrangements combined with training and compensation for salary losses, taxation cuts, 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.
8. The extraordinary actions undertaken by governments have had a considerable impact on national budgets and should be gradually phased out in order to foster a financial sustainability. The timing and sequencing of the progressive winding down of extraordinary measures will however require careful assessment.
9. The crisis has enhanced structural challenges the economy faces and may be a catalyst for a change in the structure of our labour markets. Exit strategies from the crisis should favour strong job creation as well as inclusive and sustainable growth. A credible long-term structural reform agenda is an integral part of any comprehensive exit strategy.

Globalisation and Decent Work for All

10. During the crisis the Decent Work Agenda has proved to be an important tool to achieve a more decent life for all. The Decent Work Agenda, which encompasses fundamental principles and rights at work and international labour standards; employment and income opportunities; social protection and social security; and social dialogue and tripartism, is a basis for global social policy, both in the formal and informal sector. Crisis and recovery should not undermine efforts to implement the Decent Work Agenda and the ILO's Global Jobs Pact which contains a wide

menu of options to foster decent work. We reaffirm our previous commitments that the internationally recognised ILO core labour standards should be fully respected and effectively implemented. The international institutions should consider them and take into account labour market and social impacts in their advice and cooperation with governments.

11. We took note of the recent political developments in Myanmar and reaffirm our engagement made in Bali to using the ASEM dialogue and the appropriate channels to improve the implementation of core labour standards¹ and we note the declaration made by some ministers.
12. There is a growing consciousness of the benefits of social protection as a measure to protect people from becoming trapped in debilitating poverty, to empower them to seize opportunities, to help workers to adjust to changes and to deal with unemployment and thus support productivity.
13. Ministers stressed the importance of building adequate social protection for all, drawing on a basic social protection floor including access to health care, income security for the elderly and persons with disabilities, child benefits and income security combined with public employment guarantee schemes for the unemployed and working poor. Social protection should be extended depending on national social and economic circumstances in member states. We welcome the efforts under the ASEM issue-based leadership of France in making us better understand the possibilities for the social protection in the informal economy.
14. Several ASEM-countries are already putting in place and expanding progressively a comprehensive and fiscally sound basic policy of social protection both in the formal and informal sector as a regular component of overall economic and social policies. We welcome and encourage increased support by multilateral development banks for extension of social protection systems and invite the ILO to assist countries in designing and building such systems.
15. We look forward to the ILO International Labour Conference in 2011 and its focus on social protection. We underline our readiness to work together on this topic with a view to achieving ambitious results in this context, and continue technical cooperation as set out in the Leiden framework of action. This may include a discussion on solutions which address concerns of member states of varying socio-economic diversities.
16. We reaffirm the importance of corporate social responsibility for both small and large companies. We welcome the work held under the issue-based leadership of Germany for better understanding of that issue. We support the promotion and implementation of CSR through national and international and voluntary initiatives. These help employers to develop joint ownership of core labour standards, social stability and social justice with their employees. In this context we would also like to recall the ILO Declaration on Social Justice for a Fair Globalisation which states that the violation of fundamental principles and rights at work cannot be invoked or

¹ See para's 6 and 7 of the Bali Declaration of the ministers of social affairs and employment in 2008.

otherwise used as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes.

Matching skills development with future opportunities

17. Skills development is a relevant tool for sustainable recovery. The current crisis has shown that people need to be able to adapt to sudden changes in the structure of the economy, for example changes in the employment opportunities between different sectors. At the same time new skills and competences will be required in a low carbon economy, as well as enhanced labour mobility across occupations and sectors posing new demands on education and training institutions, and labour market policies. We welcome the efforts under the issue-based leadership of Indonesia in the area of skills, education and training, including exchanges of experiences on qualification frameworks in Asian and European countries.
18. We recognize the key challenge 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.
19. To improve skills matching, we need to make sure that we link more closely the worlds of education, training and work. All actors involved like governments, social partners, non-governmental organizations, educational and vocational institutions play critical roles in addressing skills development. We believe that work related training experiences are important opportunities for guidance and skills enhancement.
20. The creation of robust national competency and skills frameworks promotes further learning while improving the matching of skills supply with market demand both within and between countries. We recognize that stronger national skills frameworks can form the basis for future exchange of knowledge of competency standards and support exchanges on these issues within the framework of ASEM.

Looking Ahead

21. Looking ahead to the next year and beyond, ASEM-countries are faced with a differentiated recovery in output and a continuing jobs crisis and challenging public finances. Prolonged labour market weakness has a "scarring" effect on the economy and society that is hard to heal. Furthermore unemployment and underemployment are hampering recovery and heightening risks of a slow return to strong growth. Accelerating the jobs recovery is thus the key policy challenge for all ASEM countries.
22. We believe that strong, sustained and balanced growth, including strong growth in quality jobs, as called for by G20 Leaders, will require adaptations to the policy mixes and more attention to employment and social protection. In responding to the global crisis, countries have moved in that direction. A continued focus, in all ASEM countries, on productive investment, sustainable enterprises, enhancing jobs potential of the green economy, inclusive labour markets, including through greater participation of young people, women, older workers, low skilled workers, people

with disabilities and legally resident migrant workers, and wide coverage of social protection and basic labour rights and other important elements of the Decent Work Agenda, will make an ASEM contribution possible to a more stable, stronger world economy with a robust social dimension.

23. In light of the above we adopted a Leiden Framework of Action that describes our concrete actions leading to the next ASEM LEMC that will take place in an Asian country in 2012 (see the annex). In this context, ASEM partners welcome the intention of Vietnam to consider hosting the 4th ASEM LEMC.

2010 12 14 Final

Annex:

Leiden Framework of Action

Following the successful third ASEM Labour and Employment Ministers Conference in Leiden we commit the following actions leading to the fourth ASEM Labour and Employment Ministers Conference in an Asian country in 2012:

1. Contribution to the debate on employment and social policy at the global level on issues of common interest, including in the framework of G20, ILO, OECD, UN, World Bank and the IMF;
2. Promotion of social dialogue through developing of active involvement of social partners in the ASEM employment and social policy cooperation, including technical projects;
3. Strengthening dialogue and cooperation through regular Senior Official and/or technical meetings. Discussions could include for example employment and social consequences of the crisis, exit strategies from extraordinary measures in the area of employment and social policy, Corporate Social Responsibility, jobs potential stemming from transfer to a low carbon economy, etc;
4. Implementation of technical projects on the basis of the issue-based leadership in the following areas:
 - Social Protection: Vietnam/Finland
 - Youth Employment: China/Spain
 - Health and Safety at Work: Singapore/Indonesia/France
 - Skills Policies: the Philippines and an EU country to be determined later.