

A Call to Action **Building States and Regional Alliances for People and the Environment**

Poverty is created by people - it can be eradicated. Governments need to reassert their control over corporations and be accountable to their citizens. Ultimately it is a question of political choice and priorities. We expect our leaders to be bold in the choices they make at this meeting.

Charles Santiago, MP Malaysia

ASEM8 is a historic opportunity for governments to take the timely and decisive actions needed to address the social, economic and ecological crises that have deepened the poverty, injustice, unprecedented loss of employment, and exclusion faced by millions across Asia and Europe.

The dominant policy approach over the last decades - based around deregulation of markets, increasing the power of corporations and trade liberalisation - has failed to meet the needs and rights of all citizens.

- *Over 3 billion people - still live on less than \$2.50 a day.*
- *The GDP of the 41 Heavily Indebted Poor Countries (567 million people) is less than the combined wealth of the world's 7 richest people.*
- *The wealthiest 20% of the world accounts for 77% of total private consumption. The poorest fifth just 1.5%.*
- *In most countries in Asia and Europe the gap between the richest and the poorest is widening, and access to resources, livelihood opportunities and basic services remains grossly unequal.*
- *Despite India's economic growth, 645 million live in poverty (55.4% of the total population), according to the Multidimensional Poverty Index (www.ophi.org.uk/policy/multidimensional-poverty-index)*
- *If everyone on earth had the same lifestyle as the average person in the EU we would need 3 planets.*
- *Unemployment in the EU is currently around 10% and increasing.*

Two years ago, Lehman Brothers went bust and precipitated a serious global crisis. The worldwide consensus was that we needed to rethink economic and financial policies - to end the false assumption that what was good for big banks and multinational businesses was necessarily good for citizens. Yet while hundreds of billions of dollars were easily mobilised to save the banks and the financial system, we are now told that essential social services are unaffordable. And rather than a fundamental rethink, the EU and many Asian governments continue to extend and entrench the liberalisation policies that caused this crisis.

The terms of a new trade deal being negotiated between the EU and India are indicative of this. Behind closed doors, negotiators on both sides are working hand-in-hand with company representatives to push a big-business-first agenda that will undermine governments' abilities to regulate strategic sectors and which threaten the lives and livelihoods of millions of small farmers, street traders and access to affordable medicines. Both Indian and European business lobbyists are insisting that no environmental or social standards form part of the deal.

Despite already existing laws, regulations, standards and mechanisms, governments have failed to prioritise human rights and labour rights over the profits of companies. There has been a lack of political will and investment in implementing regulation, enforcing national laws, and establishing redress mechanisms for firms operating in, and beyond their territories. Rather trade and investment treaties have increased the rights of companies to use international courts, such as the International Centre for Settlement of Investment Disputes to sue governments that attempt to regulate corporate activities.

Companies have used their expanded legal rights and exceptional access to decision-makers to aggressively push for policies that open up new markets and allow access to raw materials regardless of the social or environmental costs. We see this repeated in Brussels with the holding of the Asia Europe Business Forum (bringing together EC, government officials and representatives of big business. In this context, citizens are not represented and lose out as food prices go up, public services are underfunded or privatised, workers' rights are threatened and massive job cuts continue. Neither poverty nor climate change is addressed with the political urgency or resource allocation needed.

Governments must live up to their human rights obligations, including the duty to protect against abuses involving corporations.

Mary Robinson

The consequences of this corporate domination are clear. At best there has been a hollowing out of democratic accountability as elites make decisions and implement policies with little or no scrutiny from citizens, creating the conditions for poverty, inequality and growing social unrest. At worst, it further embeds authoritarian regimes that treat citizens' rights with impunity and devastate the environment.

The Asia-Europe People's Forum representing people's organisations, people and citizens from across Asia and Europe is calling on the Heads of State and Government of the ASEM member countries to take the following actions:

Pursue sustainable solutions to the Economic and Financial crises

European and Asian countries should pursue a comprehensive recovery plan that puts people and the environment at its heart and enables countries to better feed, educate and protect their people, invest in low-carbon development and sustainable decent jobs, and build up their economic resilience and sovereignty. This plan should include:

- **Regulating all financial actors and institutions.** All financial operators must be regulated and supervised, and operate in full transparency. Restore the clear separation between savings banks and investment banks.
- **Strictly regulate financial products.** Prohibit off balance sheet, offshore transactions, over the counter trading and high risk financial operations such as naked short selling, structured investment vehicles and collateralised debt obligations. Ban speculation on commodity futures by non-commercial traders, such as hedge funds and index funds.
- **Closing down tax havens under the jurisdiction of any EU member state and Asian countries.**
- **Promoting financial institutions and products that meet the needs of people and the environment,** such as public and cooperative banking.
- **Introducing a Financial Transactions Tax,** as an effective instrument to generate funds to support the social and environmental costs of the crisis as well as to fight global poverty and climate change and contribute to greater stability of the financial system by reducing speculation and excessive liquidity.
- **Establish a new global reserve system.** Ensure stabilised exchange rates by introducing a global reserve currency system, as promoted by the recent UN summit on the global crisis.
- Implement universal social protection policies that have been shown to be affordable and essential in alleviating poverty, using the UN Social Protection Floor Initiative as a starting point.
- For the EU - ensure social protection is part of the EU's Development Co-operation strategy and develop a Communication on Social Protection in development cooperation, tied to a concrete, time-bound action plan with dedicated resources to support the implementation of long-term and sustainable social protection systems.

Support a Just Trade and Investment system

European and Asian governments need to retain policy space so that they can plan and regulate their economies. Free trade, as promoted through the WTO or via Free Trade Agreements must be replaced by trade and investment policies that put the interest of farmers, workers, the environment and the respect for all human rights first. To that aim, Asian and European governments should:

- Put an immediate **halt to the implementation of the EU's "Global Europe" strategy,** including a **moratorium on ongoing free trade negotiations** between Europe and Asian countries/regions.
- **Suspend WTO negotiations** and reconsider the multilateral trading system as a whole
- Support an **independent investigation and stakeholder consultation process into the impacts of EU trade policies** on development, social, environmental, human and women's rights, in Asia and Europe.
- Demand an **international assessment of the responsibility of trade and financial liberalisation in the global financial and economic meltdown,** the global food crisis and the climate crisis. Found EU-Asia trade relations on an approach that:
 - bases its relations on a principle of non-reciprocity and special and differential treatment
 - recognises Asian producers' rights to trade protection within their own domestic and regional markets, as they and their governments judge necessary;
 - recognises and supports food sovereignty of Asian countries. Local and regional food systems should be prioritised over global agricultural trade;
 - endorses and respects the right of Asian countries to the necessary policy space to formulate and pursue their own development strategies.
 - stops pushing for the deregulation of financial services and the privatisation and deregulation of public goods like water, health and education, but aim instead to improve the quality of and access to these goods, for example, through partnerships among public authorities.
 - allows for the regulation of imports, exports and investments in order to realise social, cultural and political human rights and to pursue their own strategies for sustainable development.

Make corporations accountable to citizens

European Transnational Corporations (TNCs) are regarded as the “engines” of Europe's growth economy and as drivers of development in Asia, and the Global South. However, European TNCs have positioned themselves in strategic areas of the Asian economy, resulting in increased impoverishment, the devastation of natural resources, dismantling of public services, conflict, criminalisation of social protest and devastation of the environment. Voluntary codes of conduct, which form part of the Corporate Social Responsibility approach, have failed to tackle human rights and environmental abuses of TNCs. Therefore, it is critical to re-establish a system where corporations are accountable, do not hold more power than states, no longer can define responsibilities themselves and where their benefits are not being prioritised over the well-being of the people and the environment. To these aims, governments should:

- **Work** towards the development of an **International legal binding code**, which would define the limits of corporations' legal responsibilities for the consequences of their activities.
- **Promote** the creation of an **International Economic Tribunal** that can judge transnational companies, be responsible for defending the fundamental rights of people affected by TNC's activities and impose appropriate sanctions.
- Increase transparency of corporate accounts by adopting a country-by-country reporting standard for multinational companies. Ensure that corporations annually disclose their finances, environmental, workers safety, human and labour rights, lobbying and tax records.
- **End corporate lobbying privileges and secrecy** by introducing a high-quality, mandatory lobbying transparency register; assure full transparency and safeguards against corporate capture of European Commission advisory groups; close the revolving door between the European Commission and industry lobbies; implement effective conflicts of interest rules for Commissioners, Commission officials and Commission Special Advisers and institute enforceable ethics rules for corporate and business lobbyists, among others.
- **Put on hold all European Member States' Bilateral Investment Treaties (BITs) negotiations**, while the new EU investment policy framework is being defined.
- **Introduce a sunset clause on all existing European Member States' BITs**, under which they would expire at a certain date unless they were reviewed to achieve a greater balance between the protection of public and private interests and of economic, social, environmental and developmental interests.
- **Replace the investor-to-state dispute settlement mechanism**, embedded in international treaties, **with a state-to-state mechanism**.
- **Undertake a full assessment of EU investment policy** regarding their impact on the policy space of governments to further sustainable development, gender justice and social equity.
- Implement national legislation and regulation to protect **human** rights and uphold environmental standards and workers rights vis-à-vis corporate activities.

Protect rights to food and water

The EU and Asian governments must start to take a long-term view of the challenges facing agriculture. It is within their reach to promote agriculture, food, energy and trade policies that will stabilize food production and distribution to meet the global demand for healthy, adequate, and affordable food. To that end, governments should:

- **Considers food and water as a universal human right, not merely a commodity.**
- **Recognise the need for food sovereignty**, which gives people and governments in Asia and Europe the right to define their agricultural and food policy based on peoples' needs and their environment rather than according to the rules of international trade.
- **Take immediate action to curb financial speculation on food stocks and prices** by implementing a global registry of all commodity-related spot and derivatives transactions (including both exchange and OTC futures); restrict or prohibit investment funds' (including ETFs') access to commodity markets; introduce effective position limits; introduce comprehensive regulation of OTC trade, including the clearing of transactions; ban on commodity swaps and impose a financial transactions tax on all financial investments in food commodities, if there is not a complete ban (as done by the Indian government's 2008-09 budget, which imposed a tax on commodity options and futures).
- **Reform the EU Common Agricultural Policy and export-led agricultural models** to tackle the global food crisis and end the dumping of agricultural goods.

- **Guarantee that agriculture and food production remain free from GMOs** and fosters farmers' seeds and the diversity of domestic livestock species, building on local knowledge.
- **Stop promoting the use and the production of industrial agrofuels** (particularly, take a step back from the mandatory target on agrofuels by 2020) and gives priority to the reduction of transport in general.
- **Increase the funding for public water and sanitation infrastructure.** Water and sanitation must have the highest priority during the crisis.
- **Increase political and financial support for public-public partnerships in the water and sanitation sector,** through which strong public utilities support weaker ones on a not-for-profit basis

Enact Climate Justice

The negotiations in the United Framework Convention on Climate Change and the Kyoto Protocol are not producing just and equitable solutions to our current environmental crisis as economic interests remain dominant in the talks. The Copenhagen Accord produced by the COP15 and the resulting trend that it created in the still ongoing negotiations will roll back the achievements that are already made. The existing leakages in the negotiations, the leading role of financial institutions in climate finance and the domination of market-based approaches to climate mitigation and adaptation can neutralize current commitments and allow continued global warming. *Seriously addressing climate change requires a shift towards a post carbon and low resource economy, which will create decent green jobs for millions of people in Asia and the EU. To achieve these objectives, governments must:*

- **Invest in public infrastructure and the environmental transformation of the economy.** Public funds generated by new taxes must be invested in the rebuilding and expansion of public infrastructure (railways, local public transport, sustainable local energy systems, education, health etc.), ecological housing and jobs contributing to the ecological conversion of the economy (e.g. energy efficiency measures, localised food economies etc.). Subsidies and aid packages for any industry sector should be used to help the sector and its employees to engage in the socially just transition towards a post carbon and low resource economy.
- **Continue to work for the adoption at the UNFCCC** of a fair, ambitious, and binding international climate change agreement and just transition policy framework at the earliest opportunity.
- **Link Climate change to other crucial multilateral process such as the RIO+20 summit.**
- **Leave fossil fuels in the ground** and invest instead in appropriate energy-efficiency and safe, clean and community-led renewable energy.
- **Huge financial transfers from North to South,** based on differentiated responsibilities and polluter pays principle of carbon emissions. The costs of adaptation and mitigation should be paid for by redirecting military budgets, innovative taxes and debt cancellation.
- **Limit global temperature increase during the present century to 1° C** in order to reduce the effects of climate change. For this, Europe should reduce their emissions in 50% by the period 2012 to 2017 and greenhouse gas concentrations should be stabilise at 300ppm.
- **Reject market solutions to climate change** such as: carbon market, mechanisms for the reduction of emissions from deforestation and forest degradation (such as REDD or CDM). Instead, create of a mechanism that, respects the sovereignty of States, guarantees the rights of indigenous peoples and communities that live in forests, and is not based on carbon market mechanisms.
- Support the creation of a **Climate and Environmental Justice Tribunal.**
- **Take on board the proposals that emerged from the People's Accord** approved by 35.000 people that gathered in Cochabamba for the World Peoples Summit on Climate Change and Mother Earth Rights.
- Introduce an international tax on shipping and aviation emissions to reduce carbon emissions and raise up to \$30bn a year for climate adaptation.

Promote Decent Work

The Decent Work agenda requires Asian and European governments to commit to the objective of creating quality jobs in both regions as well as globally and to pursue cooperative solutions to this challenge. This mainly requires the creation of (mostly means) opportunities for productive and fairly remunerated work, security in the workplace, social protection for families and protection of the rights of migrant workers in both regions. To achieve these aims, governments must:

- **Initiate a process of “upwards” harmonisation of workers incomes, social and labor rights** in Asia and Europe, including equal rights for migrant workers.
- Regulate the financial sector – particularly of nationalised banks - in order to stimulate public policies and investment that encourage the **creation of decent jobs**.
- **Ratify and implement the ratification of all ILO core Labour Standard Conventions** - revising labour laws where they are not in compliance with conventions. Support the finalisation of a strong rights based ILO Convention on Domestic Work at the International Labour Conference in July 2011. Adopt national economic policies (e.g. Living wage) that guarantee decent wages for all that can cover all basic family expenses.
- **Ratify the UN Convention on the Protection of all Migrant Workers and Members of their Families** – in particular we call on the 27 Member States of the European Union to ratify this international Convention as well as the Asian States who have not yet ratified.
- **Create and protect decent jobs, particularly for young people, women, disabled people and workers within the informal sector**, by prioritising investment of resources in local economic development and tackling the persistence of precarious working conditions through the enforcement of labour laws. Temporary contracts should be limited to work that is temporary in nature only, and direct employment of workers should be ensured through strong regulation and restriction of employment through labour agencies. Countries should invest more in labour inspection, i.e. more resources for the training of inspectors, increase the number of independent inspectors and perform more labour inspections in the field.
- **Guarantee access to social protection, job security, health care, maternity leave and basic essential services** for permanent, contract and migrant workers, by implementing national social security policies and providing financial assistance to movements and organisations that are implementing their own social protection systems.
- **Guarantee workers’ rights to form and join trade unions and bargain collectively** with their employer, which are fundamental to realising decent work.
- **Prioritise the enforcement of employment law over the enforcement of immigration policies** to address the widespread exploitation of migrant workers and to ensure that migrant workers have full access to redress mechanisms when their worker rights are violated (including the provision of visa/residence permits independent from the employer).
- **End all forms of gender-based violence against workers, including migrant workers**, through ensuring appropriate legal and policy responses in coordination with women organisations and migrant communities.