

**Speech by Vice-Prime Minister & Minister of Foreign Affairs Steven VANACKERE**

**Trade Union Day preceding the Eighth Asia Europe Meeting 2010**

Brussels, 1 October 2010

Excellencies,

Ladies and Gentlemen,

**Check upon delivery**

Dear Participants,

Let me be frank. Belgium is proud to host the ASEM 8 Summit this year. The reason is not so much that it promises to be a prestigious event, one of the more challenging ones to take place while my country holds the rotating presidency of the EU. The real reason is that on this occasion, “Asia and Europe” have a good opportunity to make new steps towards each other, and with “Asia and Europe” I mean much more than the Heads of States and of Governments who will gather in the Royal Palace coming Monday and Tuesday. I include the many parallel dialogues that take place in town on the occasion of the Summit. Among these, this gathering of Trade Union Representatives is one of the more focused, more structured and more relevant ones, considering the challenges that we face on the present day.

Your work, in my view, is well framed in the overall picture of Asia – Europe relations. Meetings of the ASEM Labour Ministers date back to 2006 and 2008 and the next one is scheduled in Leiden in December this year. But more importantly, there is a solid non-governmental basis, and in Belgium, which has a strong trade union tradition, we know very well how important this is. Two meetings between ASEM social partners have taken place in June-July 2008 and in March this year in Brussels. This interaction is not only healthy, it also is necessary. It explains why the Belgian Government considered the holding of this special Trade Union Day so important and lent to it its full support.

The very fact that you come together here today, trade union representatives from Asia and from Europe, carries in itself a fundamental message. The defence of the rights of workers is not inspired by some narrow self-interest or protectionist motivation with geographical undertones. No, quite the contrary. Your meeting is the demonstration that the defence of workers’ rights proceeds from a universally perceived need to establish balance in the relationship with employers, to force respect for the contribution that workers bring to prosperity, and overall, to build societies that are more equitable, more inclusive and therefore also more stable and more prosperous, be they in Europe, or in Asia. I personally think that the sharing of experiences and the display of solidarity and mutual support that take place in a meeting like this are extremely important.

They are of immense value to workers' representatives, in particular to those who experience difficulties in operating in their own countries or who feel uncertain about how to tackle workers' rights issues. I believe that the role of a day like this is to demonstrate solidarity, strengthening their self confidence, fostering the belief in their action and contributing to the wider objective of a more rightful world.

Dear friends, you have very well chosen the three themes of your deliberations today: the promotion of decent work, the impact of trade on employment conditions and the effects of climate change on the livelihood of the working populations. They strike me indeed as highly relevant. As a matter of fact, I am here to tell you that on the basis of the prepared agenda of the ASEM 8 Summit, they will figure in good position in the interventions and debates among ASEM Leaders early next week.

The backdrop is the enormous progress achieved in raising the quality of the life of Europeans and Asians in the last twenty years. This resulted from a flourishing relationship: during that period Asia and Europe became each other's main trading and investment partner. A nice way to put it is that both regions "owe their success to each other". Still, now is not the time for complacency. We face important challenges.

The first priority for ASEM 8, as European and Asians see it, is to join forces in favour of strong, sustainable and balanced growth, with safeguards that prevent the kind of excesses that were seen on the financial markets in the recent past and with the clear objective of producing more inclusive economies. There is a clear realization that the economic and financial crisis is not over. The livelihood of millions of European and Asian citizens is not secured. Governments stopped the downward spiral in economic activity and in employment levels by rescuing the financial sector and by stimulating the real economy with increased expenditures. But now, in Europe and also in some Asian countries, public finances show the strain. The crisis of the common European currency has forced accelerated fiscal consolidation upon European governments. Asia faces the dangers of overheating economies, rising inflation and speculative bubbles. In both regions, the difficulty consists of combining reduced Keynesian support with growth friendly policies. It is of utmost importance that Europe and Asia see eye to eye about ways to address the crisis and mend its consequences, in particular the loss of millions of jobs and the danger of a "recovery without employment". ASEM Leaders, in my view, have the option to voice resolve and affirm their intention to move together. I hope this expectation will be fulfilled. With the G-20 Summit in Seoul early November in sight, the right message would be a display of joint determination to tackle the weaknesses of the policies of the past.

Dear friends, but this is tantamount to say that we can not simply return to the habits and patterns of before.

The production and consumption patterns of the last years are not sustainable. This has become a largely held view. ASEM Leaders generally agree with this, so much so that they decided to make of the advancement of sustainable development the overarching objective of their upcoming Summit. I can inform you that in the work program, a balanced approach has been chosen. Leaders will address in turn the three mutually reinforcing and interdependent pillars of sustainable development, namely economic development, social cohesion and environmental protection.

Concerning economic development, a proposal is being tabled that would help reconcile better trade and investment liberalization with the objective of moving our world towards more sustainable and more balanced growth. The point is to engage in a comprehensive dialogue with a view to identifying how trade and investments can be made to produce better living conditions, how the benefits they bring could be more fairly distributed, how they could raise more efficiently living standards in the poorest regions. The point is also to build consensus on the overall level of protection of the environment and of the people which markets would have to respect and which ASEM partners could jointly promote. Such parameters would then serve as references for governments undertaking to define national standards and set environmental and social policies. The hope is that this would lead to higher levels of protection all the while the principles of level playing field and of fair competition would be preserved. In short, sustainable developments concerns would start inspiring trade and investment policies and this would be a step forward in the way we manage our planet.

Concerning social cohesion, the ASEM 8 Summit is also preparing a number of important messages, pursuing the work initiated at the Seventh ASEM Summit in Beijing in 2008.

You should expect an agreement to promote the widest possible participation of people in the creation of prosperity as well as support for a more equitable distribution of income. These, in essence, are the fundamentals of decent work. ASEM partners are all members of the International Labour Organization. They recognize the guidance of this important body and will reiterate the importance of the fundamental principles and rights at work. In pursuance of the Global Jobs Pact adopted in June 2009, they will state their intention to implement the practical measures contained therein and that are designed to help recover from the crisis and stimulate “growth with employment”.

Leaders will express themselves in support of effective dialogue between social partners in order to promote mutual understanding on issues of productivity, working conditions, remuneration and economic change. Such dialogue contributes to effective national policy design and implementation. As a practical matter, there is a realization that in times of crisis, schemes negotiated through social dialogue such as cost-cutting measures through reduced working hours have genuinely helped limiting the negative effects on overall employment levels. I gather that there will also be discussions on corporate social responsibility and how it can help employers develop joint ownership of core labor standards, social stability and social justice with their employees. Corporate social responsibility can also serve objectives in skill development.

A very important topic will be the development of social safety nets, which in times of crisis have proven to operate as efficient economic stabilizers in addition to providing welfare and income redistribution. Social safety nets foster equal opportunity, remove barriers to social mobility and produce beneficial effects in terms of allocation of resources, sustainable economic growth, alleviation of poverty and overall macro-economic stability. The Asian approach of discretionary government support measures is different from the European approach of entitlement of the working individuals. In this respect, it is interesting to note that the UN Chief Executives Board for Coordination, led by the International Labor Organization (ILO) and the World Health Organization (WHO) is developing a new concept, the “Global Social Protection Floor”. Under this concept, the

livelihood security for poor and vulnerable populations – a more encompassing group than the working individuals – would be ensured through access to essential services such as nutrition, basic education and health. It would fight persistent poverty effectively but also would imply a level of expenditure that some countries cannot face without outside assistance.

I also think that the challenge of inclusive labour markets will figure prominently in the discussions. This is raising the issue of education and of vocational training, compounded by the new reality that labour markets evolve very fast, particularly in fast growing economies in Asia. Training for a specific job is not sufficient any more. Workers have to adapt to ever more complex tasks and continuously acquire new skills. This represents particular challenges in countries with overwhelmingly young populations. Countries with ageing populations face challenges of their own: there the issue is how to preserve a high proportion of participation in the labour market and how to finance the growing burden of elderly care.

Finally, I expect Leaders to give specific attention to migrant labor, including the respect of the human rights of migrant workers. The link between development and migration is recognized. It should lead to pledges of sharing best practices and of exploring comprehensive approaches with a view to developing shared benefits of legal migration.

Concerning environmental protection, ASEM 8 will seek to generate political will to make headway on the important climate change negotiations in Cancun, Mexico, at the end of this year. There is a shared consciousness that climate change will affect the livelihood of millions of people. In Asia, a number of countries have in place ambitious programs to reduce emissions and protect the environment. Also, some partners in Asia have refused to underwrite the Copenhagen accord because it does not go far enough. Yet, to accept international commitments is for many still a bridge too far and how to formulate the respective obligations of the developed and the developing countries, including on the issue of how international assistance would be spend and implemented, is still the object of an arduous debate. ASEM 8 will not be the place to conduct substantial negotiations but if it could contribute to a serene environment and generate goodwill, it would already be a step forward.

In effect, the gradual conversion to environmentally friendly, resource efficient and clean products and production processes, i.e. to a “green, low carbon economy”, is already underway. It is needed because of the limitations in available natural resources. Public awareness also has reached such a high point, that production and consumption patterns have started to change. This offers opportunities for it brings about new markets, new investments and creates new employment. Yet, it also raises challenges as to the fair distribution of the costs and benefits. Leaders will presumably explore here the possibilities for more intensive cooperation, raising further awareness, exchanging more information and best practices, training more experts in resource efficiency and developing ways and means to make resource efficient technologies and know how more widely available.

Dear friends, as you can see, your agenda and the agenda of the Summit are well tuned into each other. Time fails us to explore the many more interconnections that exist and that we could usefully explore together. Yet before closing, I would like to share with you my expectation that the interaction will continue. As I said, the ASEM Ministers of Labor will meet in Leiden in December and pursue the dialogue about the social issues I have mentioned. Ideally, the Ministers should go a step further and agree on concrete cooperation projects that will help bring European and Asian social standards more in line, consistent with the ILO standards and conventions. I also would expect the ASEM social partners to pursue, even accelerate and intensify their dialogue so as to underpin governmental action with genuine stakeholders input.

ASEM 8 for its part will do what has not been done in the past: the conclusions and recommendations of the parallel dialogues, including this one, will be on the agenda of the Leaders for examination and reaction. This is in recognition of the fact that the objectives of a closer partnership, of lasting friendship between the people of Europe and of Asia, are well served by the efforts and investments of non-governmental actors. Belgium will do its part to ensure that the recommendations will be examined and, if appropriate, followed up.

We look at this as a common project, designed to make our societies move “forward”, “together”, towards balance and stability, towards harmony and peace. “Decent work” is at the centre of your concerns. Achieving “greater wellbeing and greater dignity for all” is the general title under which the ASEM 8 Summit was placed. In fact, we all pursue an identical objective: bringing about societies in which the human person can give the best of himself.

I thank you very much.