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SUMMARY PROCEEDINGS

**Asian Employment Forum:  
Growth, Employment and Decent Work**

**Beijing  
13–15 August 2007**

International Labour Organization

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## Opening Session

*Chair:* Mr. Zhang Xiaojian, Vice-Minister of Labour and Social Security, China

*Speakers:* Mr. Hua Jianmin, Secretary-General, State Council, China

Mr. Juan Somavia, Director-General, ILO

Mr. Tian Chengping, Minister of Labour and Social Security, China

Poverty reduction and employment creation, began **Mr. Hua Jianmin**, China's Secretary-General of the State Council, are two important and interrelated goals of economic and social development. While Asia has been the fastest-growing region over the past two decades, employment has remained a severe challenge. To balance economic growth and job creation, he cautioned that promoting decent work should be a key policy priority throughout the region. In China, for example, the Government encourages job creation through economic development; since 2003, an annual gross domestic product (GDP) growth rate of more than 10 per cent has created about 10 million new jobs. At the same time however, employment policies have provided laid-off workers and the unemployed with support to start their own businesses or find jobs in expanding sectors. The vocational skills training system has been improved to meet market demands and a new Labour Contract Law was recently enacted. These examples, he said, reflect the Government's aim of developing harmonious labour relations and improving employment quality. (Full text of the speech is available at: <http://www.ilo.org/public/english/region/asro/bangkok/asiaforum/download/speech2.pdf>)

**Mr. Juan Somavia**, ILO Director-General, highlighted the decision of ILO constituents at the 14th Asian Regional Meeting in 2006 to establish a Decent Work Decade 2006–2015. But he stressed that the commitment to achieve decent work for all remains a major challenge. Despite high economic growth, “too many are still left behind” in Asia and the Pacific. He called for more attention to ensuring inclusive growth and emphasized that no single strategy is sufficient to respond to the needs. There are several common issues to be addressed in stimulating and sustaining growth from a decent work perspective: First, about one billion workers in the region are employed in the informal economy. Every country should strive to achieve a development objective that expands the security of its people, particularly workers in the informal sector. Second, sustainable development requires a closer look at the impact and potential of environmentally-friendly “green jobs”. Third, policy formulation should be based on a much wider and sophisticated set of social and employment statistics and indicators. Fourth, the knowledge base and access to information about the relevant policy experience of others should be strengthened. Achieving decent work goals, Mr. Somavia concluded, requires policy coherence at national, regional and international levels. (Full text of the speech is available at:

<http://www.ilo.org/public/english/bureau/dgo/speeches/somavia/2007/asianforum.pdf>)

**Mr. Tian Chengping**, China's Minister of Labour and Social Security, stressed that employment is the cornerstone of livelihood and social stability. To develop a harmonious society the Government has pushed to increase employment while promoting decent work. With its proactive fiscal and monetary policies, China has recently registered very rapid GDP growth, enabling economic development and job creation. The private economy is a particularly important source of economic growth and a major channel for employment expansion. The Government also has been implementing employment policies that encourage job creation. The promotion of equal rights for all workers, in particular the rights of women and disabled workers, has also been a priority. To enhance the social protection of workers, the

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Government is accelerating improvements to its social security system. In 2007 a series of labour laws were introduced to strengthen the governance of the labour market and safeguard the rights and interests of workers, including internal migrants. (Full text of the speech is available at:

<http://www.ilo.org/public/english/region/asro/bangkok/asiaforum/download/speech1.pdf>)

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## Roundtable: *Visions for the Decent Work Decade: Growth and Jobs to 2015*

### Objective

The Roundtable session was designed to set the stage for the ensuing Forum discussions by providing perspectives on the key opportunities and challenges confronting the Asia–Pacific region in the areas of productive employment and decent work. In addition speakers were asked to share ideas for the Asian Decent Work Decade.

<i>Chair:</i>	<i>Mr. Zhang Xiaojian</i> , Vice Minister of Labour and Social Security, China
<i>Moderator:</i>	<i>Mr. Simon Long</i> , Asia Editor, <i>The Economist</i> newspaper
<i>Speakers:</i>	<i>Ms. Sachiko Yamamoto</i> , Regional Director, ILO ROAP
	<i>Mr. Ong Keng Yong</i> , Secretary General, ASEAN
	<i>Mr. Noriyuki Suzuki</i> , General Secretary, ICFTU-APRO
	<i>Mr. Toshio Suzuki</i> , ILO Governing Body Member & IOE Regional Vice President for Asia
	<i>Mr. Sadakazu Tanigaki</i> , Former Minister of Finance, Japan
	<i>Mr. Arjun Sengupta</i> , Chairman, National Commission for Enterprises in the Unorganized Sector, India

The chairperson, **Mr. Zhang Xiaojian**, China’s Vice Minister of Labour and Social Security, opened the session by highlighting its objective. The moderator, **Mr. Simon Long**, Asia Editor of *The Economist*, introduced the panellists and facilitated the Roundtable discussion as well as the Ministerial Dialogue.

**Ms. Sachiko Yamamoto**, ILO ROAP Regional Director, introduced the ILO report *Visions for Asia’s Decent Work Decade: Sustainable Growth and Jobs to 2015*. She then drew attention to the challenges of promoting high productivity growth to ensure employment and decent work in the context of ageing populations, the growing “informalization” of work, the continuing existence of substantial pockets of poverty and increasing inequality in many countries. She also noted that huge environmental challenges further compound these developments.

**Mr. Ong Keng Yong**, ASEAN Secretary-General, remarked on the congruence of concerns in ASEAN and the ILO toward balancing economic growth with social equity throughout the region’s diverse countries. He mentioned various successful cooperative activities between ASEAN and ILO in such areas as industrial relations, occupational safety and health, human resources development and skills training, and underscored the challenges of legal and illegal migration. He appealed to participants to continue promoting activities aimed at improving opportunities for workers to obtain decent employment.

**Mr. Noriyuki Suzuki**, General Secretary of the ICFTU–APRO, pointed out the issues and challenges regarding the distribution and redistribution of national wealth created by economic growth for quality employment. He said there is a growing tendency under globalization toward the creation of atypical, flexible jobs, a growing “informalization” of economies and continued non-protection of a growing number of migrant workers. Noting a troubling lack of values in the employment changes taking place under structural adjustment, he called for institutional support for progressive income distribution.

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**Mr. Toshio Suzuki**, Governing Body Member and IOE Regional Vice President for Asia and the Pacific, welcomed the findings of the ILO report<sup>1</sup> and highlighting two specific points; firstly, the quality of labour in the transformation process from agriculture to the secondary and tertiary sectors, and secondly the relationship between productivity increases and employment shifts. He emphasized that the role of disciplined and creative human work – taking initiatives and entrepreneurial ability – has become increasingly evident and decisive in promoting growth and jobs in Asia. He underscored the importance of good work ethics in enabling productivity improvements.

**Mr. Sadakazu Tanigaki**, former Minister of Finance in Japan, encapsulated Japan’s history to stress the importance of linking economic growth, employment and decent work objectives. He noted that globalization now challenges the harmonious Japanese systems of growth and distribution of productivity increases that were in place until the 1990s. As a consequence various areas now require new policies, including the traditional system of distributional change, an ageing society and the functioning of the labour market. Mr. Tanigaki also touched upon the need for environmentally sustainable growth and harmonious labour relations to support beneficial societal changes. Decent work objectives, he added, could become an important element in setting an agenda for work–life balances.

**Mr. Arjun Sengupta**, Chairman of India’s National Commission for Enterprises in the Unorganized Sector, said that the decent work strategy could offer a new paradigm to better cover the world’s workforce in this era of globalization. He characterized globalization as cost-cutting that results in greater flexibility but also the consequent exploitation of workers, especially in the informal sector. He argued for public funds to establish a “social floor” that could reduce the exploitation of workers, cushion markets and thus provide informal-sector entrepreneurs with an opportunity to contribute to national growth.

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<sup>1</sup> *Visions for Asia’s Decent Work Decade: Sustainable Growth and Jobs to 2015*

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## Ministerial Dialogue

### Objective

The Ministerial Dialogue was an opportunity for ministers to offer their perspectives on the challenges identified during the Roundtable discussion. In addition the ministers were asked to present good examples of major employment and decent work initiatives in their countries and any lessons learned from them.

*Chair:* Mr. Zhang Xiaojian, Vice Minister of Labour and Social Security, China  
*Moderator:* Mr. Simon Long, *The Economist*, Asia Editor  
*Speakers:* Mr. Apai Chandanachulaka, Minister of Labour, Thailand  
Mr. Erman Suparno, Minister of Manpower and Transmigration, Indonesia  
Mr. Hakuo Yanagisawa, Minister of Health, Labour and Welfare, Japan  
Mr. Ghulam Sarwar Khan, Minister of Labour, Manpower and Overseas Pakistanis, Pakistan  
H.E. Datuk Seri Dr. Fong Chan Onn, Minister of Human Resources, Malaysia  
Mr. Athauda Senerviratne, Minister of Labour Relations and Manpower, Sri Lanka  
Mr. Gan Kim Yong, Minister of State for Manpower and Education, Singapore

**Mr. Apai Chandanachulaka**, Thailand's Minister of Labour, explained that Thailand remained seriously affected by the global economy and that changing production and employment patterns had brought many uncertainties and insecurities. In response the Thai Government is focusing more on education and human resources development to improve skills and productivity. At the same time it is also establishing various new laws and programmes to protect workers in Thailand against the adverse effects of globalization. He noted that the Government would certainly benefit from the proposed Asia-Pacific Knowledge Network on Decent Work.

**Mr. Erman Suparno**, Indonesia's Minister of Manpower and Transmigration, commented that the decent work strategy is in line with Indonesia's three basic principles of development: pro-growth, pro-poor and pro-employment. He elaborated on various tripartite activities to improve the labour market, such as employment and business creation programmes, youth entrepreneurship development, job fairs, strengthened career guidance in schools as well as participation in the Youth Employment Network. He also recommended that other countries look at Indonesia's successful Village Integrated Development Programme for ideas.

**Mr. Hakuo Yanagisawa**, Japan's Minister of Health, Labour and Welfare, noted that in contrast to other country presentations, the Japanese economy is experiencing a shrinking workforce that is requiring an increase in the labour force participation of older workers. This has necessitated changes in regulatory policies and the introduction of various laws, such as those prohibiting age limits in recruitment, as well as fiscal incentive schemes aimed at individuals and companies. This, he said, is one of the greatest challenges to implementing the Decent Work Agenda in Japan.

**Mr. Ghulam Sarwar Khan**, Pakistan's Minister of Labour, Manpower and Overseas Pakistanis, highlighted the efforts of his Government in setting up a Decent Work Country Programme and a draft National Employment Policy to foster stronger links between human

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resources development and poverty-reduction strategies. He also emphasized the Government's support for the development of a vibrant entrepreneurial class, while remaining committed to safeguarding the legitimate rights of workers. He stressed the importance of the ratification and implementation of core labour standards.

**H.E. Datuk Seri Dr. Fong Chan Onn**, Malaysia's Minister of Human Resources, cited four public-private partnerships in the areas of human resources, skills development and retraining programmes in Malaysia: the Human Resource Development Fund, which taxes companies 1 per cent of the wage bill for training activities, the Graduate Retraining Programme, the development of nationwide skills standards and the National Dual Training System, which aims to minimize skill mismatches and reduce reliance on foreign migrants.

**Mr. Athauda Senerviratne**, Sri Lanka's Minister of Labour Relations and Manpower, acknowledged his country's need to improve its overall economic performance by increasing employment opportunities, raising productivity and increasing international competitiveness. But he added that economic growth must be balanced with social equity. Policy coherence, whereby all institutions work for a common goal, was needed as well as tripartite decision making at national and village levels.

**Mr. Gan Kim Yong**, Singapore's Minister of State for Manpower and Education, indicated that by combining labour market flexibility and increased labour productivity, the island state had achieved substantial growth in wages and living standards. However, not all workers, especially those who are low skilled, benefit from such schemes. Thus, the Government had put into place workfare rather than welfare programmes to help these types of workers re-enter the labour market under better conditions and with better skills.

Referring to the lively presentations, **Mr. Juan Somavia** remarked that decent work for all had become a global goal although national policies to achieve decent work have varied. The Decent Work Country Programmes, he added, are being developed to assist countries in this endeavour. He noted with pleasure the wealth of experiences in many areas just presented. And thus, he said, the proposed Asia-Pacific Knowledge Network on Decent Work is an opportunity to ensure these experiences are widely communicated. He added that the strong growth in Asia allows, and the societal challenges warrant, serious consideration of the establishment of a social floor as a public good, allowing small enterprises to develop more vigorously and governments to more seriously develop "green jobs". He was convinced that international cooperation can and must play an important role in realizing these and other decent work goals. But to achieve the decent work goals and have greater policy coherence trust is needed between people and concerned partners. Having achieved consensus on the objectives of decent work agreement on the different policy trajectories has become even more important, he concluded.

In summarizing the discussion, the chairperson and moderator both reiterated the importance of knowledge sharing across the region and the need for socially and environmentally sustainable growth.

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## Theme 1A: *Setting policy directions for job creation and poverty reduction*

### Objective

Over the past decade the Asia–Pacific region has been leading in terms of economic growth. However, this growth has often not translated into adequate jobs to absorb the growing number of new labour market entrants and also has not led to sufficient poverty reduction to meet the targets of the UN Millennium Development Goals. Thus, the objective of this session was to discuss relevant policy changes needed to ensure that during the Decent Work Decade growth translates into more and better jobs to achieve poverty-alleviation targets across the region. In addition, the participants were asked to discuss the needs and requirements for economic and social policy coherence to realize employment objectives as well as the types of social security systems needed in the future.

<i>Chair:</i>	<i>Mr. Ghulam Sarwar Khan</i> , Minister of Labour, Manpower and Overseas Pakistanis, Pakistan
<i>Moderator:</i>	<i>Mr. Jose Manuel Salazar-Xirinachs</i> , Executive Director, Employment Sector, ILO
<i>Lead countries:</i>	<i>Mr. You Mingchun</i> , Vice Director-General, Social Security Department, Ministry of Finance, China <i>Mr. Sharda Prasad</i> , Director General (Employment & Training), Ministry of Labour and Employment, India <i>Mr. Bambang Widianto</i> , Expert Staff for Human Resources and Poverty Affairs, National Development Planning Agency, Indonesia
<i>Social partners:</i>	<i>Mr. Syed Shabir bin Syed Mohamud</i> , President, Malaysian Trades Union Congress, Malaysia <i>Mr. Asbraf Tabani</i> , Governing Body Member and President, Pakistan Employers' Federation, Pakistan
<i>Resource persons:</i>	<i>Mr. Ajit Singh</i> , University of Cambridge <i>Mr. Jesus Felipe</i> , Asian Development Bank

The chairperson, **Mr. Ghulam Sarwar Khan**, pointed out that despite good economic growth the Asia region is home to most of the world's poor. In addition and in the absence of effective social protection systems, Asia also harbours the majority of the working poor. Noting that at the 14th Asian Regional Meeting in Busan in 2006 ILO constituents agreed to launch the Asian Decent Work Decade, Mr. Khan remarked that the promotion of job creation and decent work opportunities, especially in the rural sector and the informal economy, were among the major priorities.

The moderator, **Mr. Jose Manuel Salazar-Xirinachs**, explained that the ILO's Global Employment Agenda supports the implementation of the Asian Decent Work Decade by offering “tangible outcomes and practical measures” related to effective demand-side drivers for job creation, enterprise development, skills upgrading and labour market institutions and policies. Mr. Salazar emphasized that the central policy issues involve raising and sustaining growth and the contribution of growth to increasing employment opportunities and reducing poverty and inequality. Thus the focus should be on a quality of growth that ensures both social and environmental sustainability. He noted that consumption has been the primary driver of growth in Asia, followed by investment, exports and government expenditure. While

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exports provide an important stimulus to the development process in Hong Kong, Malaysia, Thailand, Philippines and Viet Nam, in other economies – such as China, India and Indonesia – exports are relatively less important. He argued that consumption will be the main driver for sustained growth in the future and asked what changes in the policy framework might be needed to sustain economic growth and what strategies can be used to emphasize the employment-wage-consumption-distribution nexus.

The rich discussion that followed highlighted several main issues: Despite the diversity of approaches in the Asia region to achieving GDP, productivity and employment growth, panellists were concerned about the widespread underutilization of labour, which translates into high rates of unemployment and underemployment, poverty and vulnerability. The youth unemployment rate, which is likely to be three times the adult unemployment rate, was cited as a major policy concern.

The panellists discussed the main drivers of economic growth in their respective countries and seemed to agree that, in general, all drivers of growth were important from the policy perspective. While consumption, exports and investment are the main drivers in Asia and the Pacific, government expenditure is also critical, especially in the context of creating special employment schemes or employment guarantee measures for the more vulnerable sections of the workforce.

There was a clear consensus among participants that productive employment and decent work need to become a fundamental part of macroeconomic policies and the growth agenda. If not, in twenty years, the region might continue to enjoy economic growth but still harbour most of the world's poor. There was a call for coherent macroeconomic, employment and social protection policies in designing an integrated policy framework.

The panellists also emphasized that governments have a crucial role to play in ensuring full employment by pursuing policies that drive quality employment generation. The relevance of sector policies in boosting employment and raising productivity, especially in rural areas, was additionally highlighted.

All panellists agreed on the need for relevant skills development policies for addressing the employment and poverty challenge. Training and education systems must be more oriented toward industry needs so that the problem of skill mismatches and educated unemployment could be properly addressed.

Growing “informalization” has rendered more and more workers vulnerable. Some countries have initiated efforts to extend minimum social protection to workers in the informal economy. The participants concurred that establishing effective social floors is crucial for providing protection to the most vulnerable.

Representatives from employers' organizations enumerated a number of measures for generating employment, raising productivity and reducing poverty, especially in rural areas, through land titles, microcredit, diversified production and extension services, and simplified labour laws.

Representatives from workers' organizations reflected on the need for the gains of growth and productivity to be shared with the workers. They added that labour market policies, with a focus on skills development and the promotion of freedom of association and the protection of workers' rights in a context of flexible labour markets, are all critical strategies to address issues related to growing informal employment.

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There was broad consensus that special efforts to achieve decent work are needed in Asia and the Pacific and that policy approaches could benefit from the sharing of experiences among countries. ILO support through the Decent Work Country Programmes and the forthcoming knowledge network initiative was welcomed.

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## Theme 1B: *Sustaining productivity and competitiveness as a foundation of decent work*

### Objective

In a globalizing world, productivity and competitiveness provide an important foundation for gains in employment and decent work. Improved competitiveness at both the enterprise and national levels is closely linked to effective enterprise management practices and access to a skilled and motivated workforce. This, in turn, must be underpinned by effective education and training policies as well as good industrial relations practices. Thus, the objective of this session was to review policies and programmes and the roles of government, employers' organizations and trade unions in these and other related areas.

<i>Chair:</i>	<i>Mr. Gan Kim Yong</i> , Minister of State for Manpower and Education, Singapore
<i>Moderator:</i>	<i>Mr. Michael Henriques</i> , Director, Job Creation and Enterprise Development Department, ILO
<i>Lead countries:</i>	<i>Mr. Kazumi Matsui</i> , Assistant Minister, Ministry of Health, Labour and Welfare, Japan <i>Mr. Sabur Gbayur</i> , Chairman, Policy Planning Cell, Ministry of Labour, Pakistan <i>Mr. Mu-Song Lim</i> , Director, Employment Policy Division, Ministry of Labour, Republic of Korea <i>Mr. Sh Yahya Sh Mohamed</i> , Deputy Director General of Labour, Ministry of Human Resources, Malaysia
<i>Social partners:</i>	<i>Mr. Juan Kiat Koh</i> , Executive Director, Singapore National Employers Federation, Singapore <i>Mr. Shigeru Nakajima</i> , Director, International Affairs Department, Japanese Trade Union Confederation, Japan
<i>Resource persons:</i>	<i>Mr. K.P. Kannan</i> , Member, National Commission on Enterprises in the Unorganized Sector, India

The moderator, **Mr. Michael Henriques**, highlighted the links between productivity, competitiveness and decent work and described sustainable enterprise development through good workplace practices and human resources management as an important component of the broad subject.

The presentations focused on two driving forces; skills development and enterprise development. Presenters recognized that these cannot be effective without a broader enabling environment that includes employment-friendly macroeconomic policies, respect for core labour standards, affordable social protection, effective social dialogue and constructive labour-management cooperation.

Many participants emphasized the need to link skills formation to enterprise development and to focus on sectors with good job-creation potential. Employer representatives called attention to the role of the business sector in identifying skills needs and providing relevant training. The participants agreed that the key elements of support for sustainable enterprise development include access to infrastructure, utilities, transportation and markets, in addition to joint skills and enterprise development.

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The participants further discussed the importance of developing clusters that combine sectorial and local approaches. But for enterprise clusters to be productive and maintain competitiveness public investment is needed for training that can contribute to a conducive enabling environment. The participants especially highlighted public-private partnerships as a useful approach to providing incentives for workplace training within clusters. Knowledge-sharing among countries was recognized as vital for disseminating successful approaches to skills investment for cluster development in localities and regions.

Representatives from workers' organizations highlighted the importance of developing both the skills of workers and management within an open workplace culture. Workers' engagement and an enterprise culture that encourages workers to articulate their ideas were recognized as crucial for boosting innovation and lifting productivity. Initiatives to foster such a culture could take place at the enterprise level as well as on industry and national levels.

The discussion also covered the critical issue of productivity improvement in the informal economy. This requires linking formal with informal training, recognizing skills acquired, and finding new ways to expand skills and entrepreneurship training within the informal economy. The importance of training that targets specific groups was also considered, as women, young people, older workers and people with disabilities may encounter higher unemployment or may be trapped in low-productivity jobs. Many countries are looking at ways to bring them into productive work, either by addressing labour shortages or promoting social inclusion.

Participants widely recognized that social dialogue plays an important role in supporting productivity improvements, sharing the gains through better wages and working conditions, and facilitating re-investment to expand enterprises. Worker representatives offered some good examples and called for further efforts for promoting social dialogue on skills development and enterprise competitiveness issues.

There was a clear call for the ILO to identify successful policies and good practices and provide the constituents with an objective range of options. The session also revealed broad interest in regional cooperation on the issue of productivity and competitiveness improvements. The bringing of constituents together to share ideas is also clearly valued. The willingness of countries to share information in real time – to “learn together” as countries are trying new things – was striking. The participants also noted that productivity is not an issue that can be addressed in isolation. Because many factors combine to support or inhibit the growth of productivity, productivity issues should be integrated into all relevant areas of national development plans.

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## Theme 2A: *Defining institutions and policies for equitable and efficient labour markets*

### Objective

Promoting and realizing decent work goals in the context of global production systems, intensified competition and changing work patterns and employment relationships calls for the adaptation and modernization of labour market governance. The objective of this session was to hear some country experiences in addressing emerging labour market issues and challenges; reflect upon policies, laws, institutions and practices that have produced desirable labour market outcomes; and evaluate how best to learn, adapt, adopt and replicate good practices drawn from the Asia–Pacific region to support equitable and efficient labour markets in the Asian Decent Work Decade and beyond.

<i>Chair:</i>	<i>Mr. Kazumi Matsui</i> , Assistant Minister, Ministry of Health, Labour and Welfare, Japan
<i>Moderator:</i>	<i>Mr. Kari Tapiola</i> , Executive Director, Standards and Fundamental Principles and Rights at Work, ILO
<i>Lead countries:</i>	<i>Mr. Shyam P. Maniali</i> , Acting Secretary, Ministry of Labour and Transport Management, Nepal <i>Mr. Craig Armitage</i> , Group Manager, Workplace Policy, Department of Labour, New Zealand <i>Mr. Ong Yen Her</i> , Divisional Director, Labour Relations and Workplace Relations Division, Ministry of Manpower, Singapore
<i>Social partners:</i>	<i>Ms. Michelle Bisset</i> , Industrial Officer, Australian Council of Trade Unions, Australia <i>Mr. Paul Mackay</i> , Manager, Employment Relations Policy, Business New Zealand, New Zealand
<i>Resource persons:</i>	<i>Ms. Hua Fuzhou</i> , President, China Labour Studies Society, China <i>Mr. Russell Lansbury</i> , University of Sydney, Australia

The chairperson, **Mr. Kazumi Matsui**, drew attention to the conclusions adopted by the 14th Asian Regional Meeting in 2006 that recognized that strengthening policies and institutions to improve labour market governance was fundamental to realizing the decent work goals and hoped that the ensuing discussion would point the direction toward achieving the twin objectives of equity and efficiency in labour market outcomes.

The moderator, **Mr. Kari Tapiola**, also recalled that strengthening labour market policies and institutions and improving labour market governance to achieve decent work was identified as a priority at the Asian Regional Meeting. The participants of that meeting had reconfirmed the value of experience-sharing and the candid exchange of views on the challenges posed by globalization, and called for “practical measures and tangible outcomes” that would help achieve the goal of decent work for all. Mr. Tapiola then outlined the main issues for discussion; balancing labour market flexibility and employment security in country settings with low levels of social dialogue, weak labour market institutions and inadequate safety nets; reforming labour markets where regulations are strong on paper but weak in practice; macroeconomic and social policies and the necessary legal, institutional and procedural frameworks to address the burgeoning informal economy; developing strong, independent and representative workers’ and employers’ organizations and better-equipped labour administrations; and providing new ILO tools and services that can support constituents as

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they face emerging labour market challenges. Mr. Tapiola invited speakers to share information and knowledge about, a) innovative practices to improve labour administration systems and strengthen the capacities of employers' and workers' organizations; b) policies and institutions that have succeeded in balancing the needs of labour market flexibility and employment security; and c) to suggest how the Office could best support their work in this area through new research, tools and other strategies. He also highlighted the important role of social dialogue as a means to achieve the right balance between employment promotion and social protection.

The country presentations and the discussion that followed focused on two main themes: 1) the importance of tripartism and social dialogue in addressing the challenges posed by globalization and 2) the need to balance labour market flexibility and employment security by modernizing and improving labour market governance. This, the panellists agreed, would entail putting in place the right blend of policies and strengthening and improving labour market institutions using the best combination of available instruments, including effective labour and social legislation and social dialogue. The panellists noted that genuine efforts to build and promote innovative and effective labour market institutions and practices are underway in many Asian countries. However, they pointed out that the policies and institutions that influence labour market operations must be further strengthened and modernized to enable all countries to deal with the social and economic challenges generated by globalization and to ensure that its outcomes are perceived as efficient and fair by all. In this context, the respective roles that are being played – and need to be played – by governments and employers' and workers' organizations in promoting and realizing decent work were especially commended.

Participants also emphasized the value of tripartism and social dialogue as an indispensable tool for managing the economic and social consequences of globalization and achieving decent work for all with transparency, accountability and ownership of the outcomes. The discussion further clarified that tripartite social dialogue was not only a means but also a desirable end in itself. Several delegates supported the call for further strengthening of the capacities of the social partners and institutionalizing social dialogue mechanisms and processes. In this context the workers' representatives stressed the need to strengthen the capacity of the trade unions to organize in order to better promote and defend the rights and interests of workers, both in the formal and informal economies.

There was a clarion call to promote full respect for the fundamental rights of workers and employers – including freedom of association and the right to bargain collectively - which would enable and empower them to fully contribute, through effective social dialogue, to achieving decent work for all. The government delegate from Cambodia referred to his country's agreement with the United States to link export quotas for its apparel products and compliance with internationally-recognized labour standards.

Participants agreed that improved labour market governance would require coherence between different areas of economic and social policy and well-coordinated labour market intermediation from the national level down to enterprise level.

A consensus of views emerged on the need to achieve the appropriate balance between labour market flexibility and employment security, which was perceived as a common challenge for all. To this end the participants resolved that the tripartite social partners need to make optimal use of a combination of different policy instruments, going beyond “hard laws” and designing “soft regulations”, that they should support with capacity and commitment. The government delegate from New Zealand referred to policies adopted in her country in recent years to promote the value of work and achieve better work–life balance, that have led to the

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prevalence of quality, flexible work practices with desirable labour market outcomes in terms of high labour force participation rates and low unemployment.

The participants requested that the ILO continue its technical cooperation and assistance in developing the Decent Work Country Programmes. There was a general consensus on the need to share information on labour market issues and developments on a regular basis; all the participants welcomed the proposal to create the Asia-Pacific Knowledge Network on Decent Work.

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## Theme 2B: *Rolling back informality*

### Objective

The objective of this session was to review experiences in Asian countries that are adopting measures that recognize, upgrade, protect and support enterprises and workers in the informal economy. More specifically, the participants were asked to review the effectiveness of these programmes in terms of promoting decent work in the vast informal economy in Asian developing countries and their potential for replication and expansion.

<i>Chair:</i>	<i>Mr. Athauda Senerviratne</i> , Minister of Labour Relations and Manpower, Sri Lanka
<i>Moderator:</i>	<i>Ms. Azita Berar Awad</i> , Director, Employment Policy Department ILO
<i>Lead countries:</i>	<i>Mr. Romeo Lagman</i> , Undersecretary, Department of Labour and Employment, Philippines <i>Mr. Delwakkada L. Kumaradasa</i> , Additional Secretary, Ministry of Labour Relations and Manpower, Sri Lanka
<i>Social partners:</i>	<i>Mr. Ravindra Peiris</i> , Executive Director, Employers' Federation of Ceylon, Sri Lanka <i>Mr. Thampan Thomas</i> , President, Hind Mazdoor Sabha, India
<i>Resource persons:</i>	<i>Ms. Wilaiporn Lingasemsan</i> , Deputy Secretary General, National Economic and Social Development Board, Thailand <i>Mr. Mahabub Hossain</i> , Executive Director, BRAC, Bangladesh <i>Ms. Dong Kaijian</i> , Deputy Director-General, Chinese People's Association for Friendship with Foreign Countries, United Cities and Local Government Affiliates in China

The chairperson, **Mr. Athauda Senerviratne**, noted that moving the informal economy toward the Decent Work Agenda is a key dimension of the Asian Decent Work Decade. In spite of the rapid economic growth that the region has been experiencing, about one billion women and men in Asia and the Pacific work in the informal economy where low productivity and earnings, poor working conditions and little social protection are prevalent. Informal economy workers contribute to economic growth but do not share fully in the benefits of economic prosperity. Informal employment is likely to increase and requires immediate policy focus.

The moderator, **Ms. Azita Berar Awad**, highlighted a number of ways to “roll back informality”. These include policies promoting growth and income generation with a focus on the informal economy; investment in infrastructure and the delivery of public goods and services; promoting labour standards by making the fundamental principles and rights at work a key issue for the informal economy, and recognizing that even where laws exist there are sometimes problems of coverage and outreach; improving regulatory and policy frameworks for small business development; to develop and strengthen entrepreneurship, microfinance and skills linkages; extending social protection through tax-based schemes and community-based approaches as well as through the promotion of occupational safety and health and the prevention of HIV; and enabling local governments to support integrated development, especially in rural areas. Altogether, she noted, “we must look at coherence, coordination and the consistency of different measures to roll back informality.”

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In the rich discussion that followed a number of important issues were raised. There was strong awareness about the dominant share of informal employment in total employment and its substantial contribution to GDP. However, uncertainty persists on the size and composition of the informal economy, both in relation to GDP and employment. Despite the resolutions on informal economy statistics by the International Conference of Labour Statisticians, there was acknowledgement that work on mapping the informal economy must continue. The collection of data and measurement of the actual size of the informal economy needs further refinement to establish baseline data and capture trends for policy purposes.

The informal economy is heterogeneous in nature. It varies between traditional agriculture and home-based industries on the one hand and modern information technology-based outsourcing arrangements on the other. Labour relations, where they exist, are based on casual, personal relationships rather than formal, contractual arrangements. In addition, the widespread use of subcontracting and outsourcing practices has contributed to the precariousness and vulnerability of workers in the informal economy.

Participants agreed that priority needs to be given to expanding the Decent Work Agenda to cover the informal sector rather than reducing the size of the informal sector by integrating it into the formal sector. The prime objective should be decent work, with assistance for workers and enterprises to remain operational. Through consultation with the social partners the Decent Work Country Programmes of each country must include strategies for the informal economy, particularly for vulnerable workers such as rural migrants and laid-off workers.

Workers in the informal economy must be organized. However, this would require new forms of association suited to this highly disparate workforce. Representatives of workers' organizations from several countries noted that trade unions had effectively reached out to workers in the informal economy in a number of regions and sectors, often using innovative strategies. Trade unions have also been instrumental in mobilizing public policy and opinion to safeguard the interests of workers in the informal economy. The role of employers' organizations is also critical. Employer representatives emphasized the need for a business environment that is conducive to the growth of small and medium enterprises and micro-enterprises where most employment is generated.

Suggestions were made concerning the establishment of a minimum package of working conditions, wage standards and social benefits for workers in the informal economy, balanced against the need for economic competitiveness. However, the invisible and mobile nature of the informal workforce rendered it difficult to arrange social insurance contributions. Nevertheless, participants shared some emerging good practices in the region on extending minimum social security coverage to the informal economy.

There was broad consensus that country experiences on effective measures that are “rolling back informality” and the role of governments and workers' and employers' organizations in this process would be a key component of the proposed Asia–Pacific Knowledge Network on Decent Work.

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## Plenary session: *Asia-Pacific Knowledge Network on Decent Work*

### Objective

The Conclusions of the 14th Asian Regional Meeting included agreement to pursue regional cooperation initiatives and encourage tripartite initiatives to share information, knowledge and experience. The idea of a regional knowledge network was born out of these discussions. This session sought ideas and opinions from constituents for the proposed Asia–Pacific Knowledge Network on Decent Work.

*Co-Chairs:* Ms. Sachiko Yamamoto, Regional Director, ILO ROAP  
Mr. Jose Manuel Salazar-Xirinachs, Executive Director, Employment Sector, ILO  
*Resource person:* Mr. Shigeo Takenaka, Secretary-General, Asian Productivity Organization

The co-chairperson, **Ms. Sachiko Yamamoto**, noted that at every panel during the Asian Regional Forum, participants gave examples of sharing information and constituents identified clear needs related to information and knowledge. She stated that the idea of a regional “knowledge network” came out of the discussions at the Asian Regional Meeting in Busan. She drew attention to the background paper prepared for this Forum, which presented information on the steps and considerations for developing a network. She stated that the goal of this session was to get a better understanding of constituents’ needs along with an overall direction for action.

Ms. Yamamoto elaborated on some principles for an effective knowledge network, including the need for it to provide relevant products and services and add value to practices of knowledge sharing, development and learning; facilitate members’ willingness to offer information to others, and recognize people as the primary bearers of knowledge. She raised two questions for participants: 1) What are the subjects, issues and questions that constituents seek answers on? 2) What are the products and services that constituents want to receive and contribute to?

**Mr. Shigeo Takenaka**, Secretary-General of the Asian Productivity Organization (APO), highlighted the APO’s networking activities in Asia. He noted that the APO’s activities have much to do with labour relations and promoting the decent work goals. The APO has a two-tiered structure; an international Secretariat and a national productivity organization that exists in each APO member country. Mr. Takenaka explained that this structure facilitates networking between the Secretariat and stakeholders and among stakeholders. He stated that knowledge management is gaining importance among APO member countries and that APO plans to expand knowledge management-related activities in the future.

Participants expressed broad support for an Asia–Pacific Knowledge Network on Decent Work. However they warned that much needs to be done to assess and plan the best ways in which the network can be established and put into operation. They also underscored the need for the network to be adequately resourced and to have tripartite governance.

Recommended topics for the network included employment stability, labour market governance, labour migration, the informal economy, and productivity and competitiveness. The participants suggested that the network should include recent labour market statistics

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related to these topics, and that the four pillars of the Decent Work Agenda could form the basis of its structure. In addition the network should present ILO research and tools along with country experiences to facilitate learning among countries. Examples of both “positive” and “negative” experiences and practices would enrich dialogue between countries and the tripartite constituents. Decent Work Country Programmes could be presented in the network, which would be useful for those countries currently in the process of devising their programme.

Participants recommended that the network “start simple” and gradually expand over time. They also suggested that it have open access and an understandable format, provide relevant and timely information and target practitioners rather than academics.

The participants further recommended that the network make full use of existing networks, both in and outside the Asia–Pacific region and should aim at building constituents’ capacity through enhanced dialogue. A good example to study is the East Asian Industrial Relations Network, which aims to promote social dialogue. The constituents also suggested that as the Secretariat for the network the ILO should not judge or censor the resulting content but rather act as a facilitator for expanding dialogue among constituents..

In terms of specific actions for the International Labour Office, participants requested that the Governing Body discuss the establishment of the Asia–Pacific Knowledge Network on Decent Work during its November meeting to ensure full tripartite consideration. They also requested further clarification on how the network would function, relate to existing networks and be supported from a resource perspective.

Mrs. Yamamoto closed the session by thanking participants for providing useful guidance on their needs and interests. She stated that the proposed objective of the network, as identified in the background paper, appeared to reflect the needs expressed by constituents during the session. But, she added, it would be important to ensure that the range of materials and services provided in the network effectively meet constituents’ needs. She invited constituents to continue to actively participate in shaping the network and indicated that the next steps will be to have more technical country-level discussions and to involve those countries and constituents that were unable to attend this Forum.

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## Closing Session

*Chair:* Mr. Tian Chengping, Minister of Labour and Social Security, China  
*Speakers:* Ms. Sachiko Yamamoto, Regional Director, ILO ROAP  
Mr. Jose Manuel Salazar-Xirinachs, Executive Director, Employment Sector, ILO  
Mr. Juan Somavia, Director-General, ILO

The chairperson, **Mr. Tian Chengping**, acknowledged that the Asian Employment Forum had achieved its objectives of in-depth discussions and the sharing of viewpoints and good practices, which ultimately will lead to strengthened, mutual understanding.

**Ms. Sachiko Yamamoto** and **Mr. Jose Manuel Salazar-Xirinachs** summarized the outcomes of the Forum, highlighting common themes and directions for action. (The full account of their summary is available at:

<http://www.ilo.org/public/english/region/asro/bangkok/asiaforum/download/summary.pdf>)

The principal directions for action identified are as follows:

### Roundtable: *Visions for a Decent Work Decade*

- Support policy coherence related to social, environmental and economic sustainability and the decent work goals in Asia in a way that takes into account relevant regional initiatives.
- Promote sustainable enterprises in line with the Conclusions adopted by the 2007 International Labour Conference.
- Make the ILO's "Green Jobs Initiative" operational at regional and national levels, using tripartite discussions and links with Decent Work Country Programmes.

### Session 1A: *Setting policy directions for job creation and poverty reduction*

- Dialogue between constituents and planning agencies is essential for mainstreaming employment and decent work goals into national policies. The Office should seek to translate decent work goals into operational initiatives using pilot programmes. Experiences from these programmes should be shared throughout the region.
- Assist constituents to implement of the Global Employment Agenda, as an operational and integrated framework of the employment pillar of the Decent Work Country Programmes. This will provide a way to meet the call of the Asian Regional Meeting for "tangible outcomes and practical measures" in implementing the Asian Decent Work Decade.

### Session 1B: *Sustaining productivity and competitiveness as a foundation for decent work*

The ILO should identify successful policies and good practices and provide constituents with a range of objectively presented options. Areas where ideas and models of skills and enterprise development would be particularly valuable include:

- Support for cluster development – there is potential for knowledge-sharing among countries.
- Gender equality – there is a need to share information on reaching out to women and to address gender issues in skills and entrepreneurship training.

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- Services for those in low-productivity work or who are excluded from work because of discrimination, poor education or lack of access to resources.
  - Matching skills and enterprise development to the needs of sectors and industries that have the potential to grow and create quality jobs.
  - Increasing the capacity of the social partners to participate effectively in social dialogue on productivity and competitiveness.

### **Session 2A: Labour market governance**

- The ILO should continue to assist the tripartite constituents in developing and implementing legal frameworks that ensure full respect for fundamental rights and create an environment that enables the social partners to make a full contribution to achieving decent work.
- The ILO should continue to support capacity building to help the social partners develop and implement policies designed to strengthen labour market institutions and improve labour market governance.
- The ILO must become a more effective facilitator for the sharing of information, experiences and knowledge about good labour-market governance practices through the Knowledge Network on Decent Work.

### **Session 2B: Rolling back informality**

- There is a need to continue work on mapping the informal economy, building on definitions that have already been outlined by the International Conferences of Labour Statisticians and the Delhi Group.<sup>2</sup> Based on these definitions, there is a need to continue improving the collection, analysis and dissemination of information.
- A basic legal framework covering the informal economy is needed, within individual countries and across the region.
- Particular attention should be given to reducing the insecurity of vulnerable workers in the informal economy, including rural migrants and laid-off workers.
- There is a need to share knowledge about good practices in all areas of decent work, including innovative ways to improve productivity and working conditions, extending social protection, building self-reliant communities, strengthening representation and voice and extending the outreach of organizations.

### **Plenary Session: Asia–Pacific Knowledge Network on Decent Work**

- The Forum created a better understanding of how the Office could support constituents' calls for a better way to develop and exchange knowledge and best practices and build and strengthen the “knowledge communities” on relevant topics.
- The Forum initiated a process of consultation that will assist the Office in designing a better Asia–Pacific Knowledge Network on Decent Work.
- The network should “start simple” and gradually build up over time.

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<sup>2</sup> The Delhi Group on Informal Economy Statistics provides an international forum to exchange experiences in the measurement of the informal economy, document the data-collection practices, including definitions and survey methodologies followed by member countries, and recommend measures for improving the quality and comparability of informal economy statistics. See, <http://unstats.un.org/unsd/methods/citygroup/delhi.htm>.

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- The network should make full use of existing networks, both within the region and outside Asia and the Pacific.

**Mr. Juan Somavia** thanked the Chinese Government for hosting this important event. He also thanked all the ministers, vice ministers, representatives from labour ministries and the social partners as well as representatives from finance, development and planning ministries, and participants from academia and civil society.

Mr. Somavia then commented on the common theme of “connection” that surfaced throughout the Forum’s discussions: connecting growth, employment and decent work, connecting the ILO constituents with other actors, connecting national experiences and connecting policies. He highlighted areas in which the meeting had helped to give impetus to the implementation of the Decent Work Decade:

First, agreement on the importance of action at the local level has been reached. The Decent Work Agenda focuses on critical issues in the region and the Decent Work Country Programmes can serve as a practical tool to support national goals. The ILO has a key role to play in providing knowledge that will help constituents move forward at the country level, based on tripartism and social dialogue.

Second, the implementation of the Decent Work Agenda needs to be set in the context of much broader policy approaches. Implementing the Decent Work Agenda requires engagement of the finance, planning and other ministries. From a tripartite perspective, understanding the need for this engagement is essential, as is ensuring the tripartite actors have a voice at national level. Policy convergence is an intellectual as well as practical challenge, requiring a strong push for its achievement.

Third, creative policies are needed to deal with the informal economy. There is a need to have an affordable social floor to ensure that people do not fall in times of crisis. At the same time the market has to be functioning well so that jobs are available, from the informal economy to the high-tech economy. There is a need to achieve convergence between public policy and private investment. While countries differ, there could be a common approach to the challenge.

Fourth, the discussions clarified the importance of sharing experiences and ideas and the need for an Asia–Pacific Knowledge Network on Decent Work. The next step would be to make the idea more precise and operational.

Mr. Somavia concluded by reiterating the need for knowledge sharing, policy coherence and practical actions with respect to the informal economy, to which the ILO’s tripartite constituents had accorded high priority. He also underlined the importance of reaching out to other actors, as the Decent Work Agenda could not be realized by the ILO alone. He invited all participants to reflect on this challenge and work together to help strengthen policy coherence.

**Mr. Tian Chengping** thanked Mr. Somavia for his closing remarks and said that the Forum had provided an excellent opportunity for participating countries to obtain a better understanding of each other, to strengthen friendships and to exchange views and experiences. He thought that the Forum would contribute greatly to the ILO’s work in employment promotion and poverty reduction and to the implementation of a Decent Work Agenda in all countries of Asia. This would have far-reaching significance for achieving common prosperity and stability in the region.

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He extended his gratitude, on behalf of China's Ministry of Labour and Social Security, to all government officials, employers' and workers' representatives, officials from international organizations and representatives from academia, civil society and other organizations. Also, on behalf of all participants, he expressed deep appreciation to the ILO and the Forum organizers, including ILO officials, various agencies of the Chinese Government, as well as the Beijing and Tianjin municipal governments.

In closing he expressed his sincere faith in the ILO and his appreciation for its continual concern and support for the causes of employment promotion and poverty reduction in Asia. He urged all governments and workers' and employers' organizations throughout Asia to join hands in their endeavour for a greater and prosperous future.

## Annexes

The Programme of the Forum meeting can be found at:

<http://www.ilo.org/public/english/region/asro/bangkok/asiaforum/download/prog.pdf>

The lists of participants can be found at:

Governments

<http://www.ilo.org/public/english/region/asro/bangkok/asiaforum/download/list3.pdf>

Employers

<http://www.ilo.org/public/english/region/asro/bangkok/asiaforum/download/list1.pdf>

Workers

<http://www.ilo.org/public/english/region/asro/bangkok/asiaforum/download/list2.pdf>

Resource persons/observers

<http://www.ilo.org/public/english/region/asro/bangkok/asiaforum/download/list4.pdf>