



**Address by Juan Somavia  
Director-General of the International Labour Office  
to the 20th ASEAN Labour Ministers' Meeting (ALMM)**

**Bangkok, Thailand  
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Minister Thienthong,  
Ministers of Labour and Heads of ASEAN delegations,  
Deputy Secretary-General of ASEAN,  
Senior officials and delegates,  
Representatives of the ASEAN partner countries of China, Japan and Korea,  
Distinguished guests,  
And permit me to highlight Brunei Darussalam who last year joined the ILO,  
Dear friends,

To our host, the Government of Thailand, thank you for your hospitality and warm welcome.

Let me begin by expressing my profound sadness over the immense human tragedy that has hit Myanmar. During this difficult time of crisis, I want to reiterate our solidarity with the people of Myanmar and our commitment to the regional and international effort of support.

Dear friends, thank you so much for your invitation. It is a deep honour. I am very happy to be with all of you at a moment when you are making history in this region.

The ASEAN Charter is a fundamental political commitment. It is the foundation for building a powerful ASEAN Community with a potential for still greater influence in the region and the world.

The values and the vision around which your leaders have come together are also those of the ILO Constitution and the Decent Work Agenda.

To quote your Charter: you are seeking to build “a people-oriented ASEAN in which all sectors of society are encouraged to participate...and benefit from the process of...integration and community building.”

You have a vision “where all people enjoy equitable access to opportunities for total human development regardless of gender.” “Unity in diversity” as well as respect for fundamental freedoms, human rights and the promotion of social justice. All of this while balancing the economic, social and environmental dimension of a sustainable development vision.

These are powerful statements, especially as we are living through a process of globalization that—with all its benefits that your region knows so well—has in fact, for so many, devalued the dignity of working families.

You have said that on the contrary, the way to win in the markets of today, through productivity and competitiveness, is by honouring the dignity of work and responding to the

legitimate aspirations of people and families for a better life. In other words, a people-centred development.

It is inspiring. It is compelling. It is also an uphill struggle with many obstacles along the way.

Together with the ASEAN Secretariat, we have already joined forces to tackle common challenges—from youth entrepreneurship to occupational safety and health, from labour statistics to migration.

I want to thank former ASEAN Secretary-General Ong for his leadership and with whom we signed our important cooperation agreement. And, of course, Dr Surin Pitsuwan, a major international figure who is a long-time friend of the ILO for whom I have the highest respect. Some years ago, he was a member of the World Commission on the Social Dimension of Globalization established by the ILO.

## **ASEAN development success**

Among the almost 600 million citizens of ASEAN whom you represent, we see Asia in all its diversity. The success story that has unfolded in the region over the last decades is well known to the world.

Greater economic openness has fuelled growth and job creation. Today, the ASEAN consumer market is larger in terms of spending power than India—with half the population.

But you have also identified significant challenges and shortcomings. Development gaps among you. A large and growing informal economy. Despite large reductions in working poverty, nearly 150 million workers and their families are under the US\$2 poverty line. These are the issues to which the Prime Minister referred this morning.

And as Labour Ministers, you have had to deal with different forms of labour abuses—which unfortunately are still with us—and you have done it with limited resources for labour inspection and administration and crowded labour courts.

Add to these challenges the tremendous global turbulence and anxiety of today. Financial markets prone to speculation and instability. You know only too well this kind of experience. Inequalities are rising globally. And skyrocketing food prices are taking a big bite out of family budgets and people are beginning to protest in the streets.

At the same time, I see a deep consciousness among leaders in the region for proactive policies to sustain growth with equity.

In the Philippines, you have the “three e’s” of “economy, education, environment”.

In Malaysia, it is “employment, entrepreneurship, education”.

In Indonesia, you have shaped your national priorities around three objectives: “Pro-growth, Pro-poor, Pro-employment.”

All of your various national programmes may be best summed up in the Charter’s call for a “caring, sharing community.”

And, most importantly, here in Thailand, His Majesty the King who honoured the ILO by receiving me yesterday has articulated the vision of a sufficiency economy based on a strong moral foundation which I think has enormous universal value.

From all these perspectives, one conclusion is clear: the issues of labour and business—the social partners in the ILO’s context—are clearly at the heart of ASEAN’s future challenges.

## **ASEAN leadership**

With a “can-do” spirit, you are moving the Decent Work Agenda forward in ASEAN.

It is an agenda that transforms through productive job creation—empowers through workers’ rights—liberates through social protection—and unites through social dialogue.

It is a living agenda valid for all stages of life. There are ILO policies that accompany working families throughout life: from maternity protection to active aging—through important transitions—from school to work—to unemployment support—to new skills development—to helping people organize and voice their interests.

You are showing policy leadership in a variety of areas:

- Entrepreneurship initiatives in Viet Nam;
- youth employment in Indonesia;
- skills development in Singapore and Malaysia;
- extension of social security coverage in Thailand;
- improving working conditions in Cambodia;
- tackling child labour and human trafficking in the Mekong region;
- safety and health through an ASEAN OSHNET now led by Lao; and
- so many other examples.

And you are establishing networks to advance horizontal cooperation and share experiences.

Let me also salute Cambodia, Indonesia and the Philippines for ratifying all eight core conventions relating to the fundamental principles and rights at work.

I would encourage all members that have not yet ratified all the core conventions to give priority to this, as part of your commitment to workers rights.

Dear friends, the ASEAN of the future depends very much on how you deal with the vulnerable of today—what I would call the Marginalized Majority who are left on the sidelines of globalization’s success. That’s precisely the decent work focus that you have chosen for this meeting.

Today, let me highlight five key issues that I believe are critical to strengthening the social dimension of ASEAN integration.

### **First, building an effective social floor**

The basic social security component--what some see as safety nets—is generally understood. Access to basic health care; protection for children, the old and disabled; and social assistance for the poor or unemployed and other features that vary according to country.

The time has come to build on these elements to develop the notion of a comprehensive social floor that permits people not only to move out of poverty, but also to have a sure footing to further move ahead in life.

I envisage a solid social floor that integrates social investments, education and rights with market opportunities to expand social mobility based on increasingly more productive and better jobs in competitive economies.

Ultimately, a solid social floor is the foundation for building a solid middle class. And it is critical to ensuring people's security and a sense of community.

It can be built step by step according to each country's realities and needs with development cooperation available for least developed countries.

I believe that the diverse experience of your countries and your dialogue partners make this region a good place for exploring this approach in practical terms.

We will convene a meeting in New Delhi later this month to share experiences on social security for informal economy workers.

## **Second, strengthening employment and productivity in the rural economy**

Three quarters of the world's poor live in rural areas and agricultural work in ASEAN accounts for 45 per cent of total active labour.

When we have a crisis, many things become obvious. With the food price crisis, it is obvious now that we have not given enough attention to agricultural production and productivity.

I want to emphasize support for the initiative of the Asian Development Bank and lead UN agencies for immediate assistance.

It is essential to find ways of increasing production and help small farmers and the most vulnerable. So there are things to be done immediately, but there is also a structural problem. That includes addressing increasing employment-intensive investments in areas that can boost agricultural productivity such as rural infrastructure—irrigation, rural electrification, rural transport.

And it means supporting the efforts to give voice to the silent rural majority by strengthening their organizations.

With a certain degree of foresight, the ILO put, some time ago, the issues of rural employment on the agenda of the International Labour Conference later this month. This will be an extremely timely discussion for us all. Its value added is the opportunity to share your proposals for action within an international tripartite consensus.

## **Third, promoting sustainable enterprises particularly small and medium-sized enterprises**

The ILO's constituents—employers and workers together with governments—shape and represent the productive sector of the economy. We all know that small and medium-sized enterprises (SMEs) drive job creation. Supporting sustainable SMEs is our challenge. Many get up and go, but many do not survive.

We must create the conditions to help them move from survival to sustainability. It is one of the paths to moving from the informal to the formal economy. It is also a key route to expanding domestic markets and to improving competitiveness and productivity of the overall economy.

Much has been done in all countries—and I would highlight for example the Factory Improvement Programme in Vietnam and elsewhere, and the Start and Improve Your Business Initiative. But we are still falling short.

Too often, policies continue to be conceived principally with the interests of larger companies in mind which do not necessarily reflect the needs of small companies. Meanwhile the informal economy keeps growing.

You already helped to shape a better ILO approach last year. The framework for the promotion of sustainable enterprises is a comprehensive global consensus.

What does it imply for SMEs? Skills are the backbone of empowerment for workers and enterprises. Management, accounting and marketing support, access to finance and technology, safety and health systems are also critical ingredients.

There is much more that can be done to improve the quantity and quality of job generating growth in small enterprises. Maybe an ASEAN initiative for sustainable small enterprises could help spotlight this issue and change things around.

#### **Fourth, migration**

This is one of the most delicate political challenges we all face. Migration has always been with us. But it has never been as complex as it is today and it is where abuses tend to be hidden and go unreported.

I welcome the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers. This is an important area for our continued collaboration—and we were pleased to support the ASEAN Forum on Migrant Labour which was just held in Manila. The ILO has put on the table the non-binding multilateral framework for labour migration.

In migration, preserving the dignity of work and the worker is particularly important especially for those most vulnerable—from the victims of the scourge of human trafficking to those suffering the hidden abuses of domestic work.

Of course, the overwhelming majority are women. And this is once again a reminder that we need to recognize the broader and particular challenges of improving the rights of women.

#### **Finally, green jobs**

Your leaders speak of a vision of “a clean and green ASEAN with fully established mechanisms for sustainable development to ensure the protection of the region's environment.”

This will require major changes in technologies and production and consumption patterns. It entails a transition process that has already begun and may well last a couple of decades.

That productive transition will take place in enterprises. Important ILO tools can help smooth out that process and take into account the particular needs of least developed and middle-income countries.

To begin with, that includes promoting and identifying the many technological innovations, investment opportunities, enterprise and quality jobs creating the potential of a sustainable development path.

At the same time, we want to look at the adaptation and social protection needs of enterprises and workers that will be adversely affected by the production and consumption

shifts involved. If we do not look at potential job losses as well as job creation, we risk a backlash down the road.

As a result, the need for sound social dialogue and good industrial relations systems will be critical to successful adjustment.

After meeting with you, I will be on my way to a G8 Ministers meeting in Japan where we have been asked together with the Ministers of Labour of Thailand and Indonesia to stimulate a discussion on strategies for green jobs.

In all of these areas, I invite you to further action: in your national policies, in the ILO's Decent Work Country Programmes that you develop according to your priorities, in the ILO's Strategic Policy Framework 2010-2015, in regional and international cooperation. And, as always, the ILO is at your service as you advance in the implementation of the Asian Decent Work Decade you approved in Busan.

In this respect, let me add that the Office that I head will continue to engage with the Government of Myanmar—through dialogue and negotiation—to address forced labour situations as mandated by the International Labour Conference and the Governing Body.

## **Dealing with globalization**

In dealing with all of these issues, ASEAN will also have to address the need for a fairer globalization process.

What have we learned?

- There are many benefits, but not well distributed among and within countries.
- The existing model of globalization can reduce poverty, but it increases inequality.
- Economic growth has been important but it has not stopped the growth of the informal economy.
- Productivity has grown significantly, but it is not expressed in significantly better salaries for workers.
- A global financial system prone to speculation and even greed take away resources needed to invest in enterprises of the real economy.
- And the list could go on.

So must we stop globalization? Certainly not—open societies and open economies are better for everybody. But we need to shape it better—to manage it in a more balanced way.

We need a better balance between the regulatory and fiscal functions of the state, the dynamism and creativity of markets, the democratic voice of society, and the needs and aspirations of individuals, families and communities.

I have no doubt that it is possible but we must make it a shared political priority of the international community. The ASEAN Community can play an important leadership role in this discussion.

## Celebrating together

Dear friends, in this region with its depth and respect for history, I would like to invite you to celebrate the ILO's 90th anniversary next year.

Let us use that moment to focus on national action for decent work. A series of national summits can be convened around the common agenda of "Social dialogue for decent work and a fair globalization". The idea is to do it in the same week worldwide.

So in effect, it would be a global network of national summits—a sort of global summit at the local level—through the power of social dialogue.

And I will end on that note: Tripartism and social dialogue are empowering.

Whether at the local or national levels, people want their leaders to come together to focus on solutions that matter most in their lives and their future: the issues that have brought you here today.

If we want to move forward together, there is no substitute for dialogue.

I urge you to ensure that both workers and employers in this region have a voice within the ASEAN Community through the Confederation of Employers (ACE) and the ASEAN Trade Union Council (ATUC).

If we disregard dialogue then imbalances, tensions and recriminations emerge strongly and countries become weaker. Effective mechanisms for dialogue, organization and voice empower societies.

This is not easy. Dialogue is based on trust—on the belief that each side can listen to the other and feel that together, common ground is being reached. There isn't a single design for social dialogue—it depends on the history, culture and tradition of each society.

But heading the ILO, and also being someone who comes from a developing country, I know how much the lack of dialogue can sometimes hold societies back. I also know how the capacity to make dialogue work empowers societies and empowers a country to negotiate and defend its interests internationally.

In terms of advancing on our own social dialogue challenges, all of this means we need to keep reinforcing labour ministries and strengthening workers' and employers' organizations.

Your Charter reminds us of the goal: "a people-oriented ASEAN where all are encouraged to participate." On that journey, you can count on the ILO to be with you every step of the way.

I have to say that I have a profound belief in what you're trying to do. Your movement towards an ASEAN Community is an extraordinary step forward in terms of reinforcing your own work and acknowledging the differences among you.

You are seeing that the history of the world is moving towards Asia and you are preparing yourself to play your role in that historical evolution that we all understand is underway and I include, of course, the dialogue partners here—Korea, Japan and China.

I feel very strongly that this is a moment at which you are making history and you are clearly taking political decisions that will leave you stronger within but also stronger in the world and better prepared to respond to the complex challenges that each of our societies have. They

are not solved from one day to the other, but the direction you are going is extremely stimulating and I want to thank you again for this invitation to be with you.

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