



**5th ASEM Labour and Employment Ministers' Conference**

**3 – 4 December 2015, Sofia, Bulgaria**

**SOFIA DECLARATION**

**"Towards Sustainable Social Development in Asia and Europe:**

**A joint Vision for Decent Work and Social Protection"**

**Introduction**

1. We, Ministers responsible for labour and employment affairs and heads of delegations from 44 countries of the Asia-Europe Meeting (ASEM), and the European Commissioner for Employment, Social Affairs, Skills and Labour Mobility met in Sofia, Bulgaria, on 3 – 4 December 2015, on the eve of the 20<sup>th</sup> anniversary of ASEM, to continue our forward-leaning dialogue on labour, employment and social issues on the theme "*Towards Sustainable Social Development in Asia and Europe: A Joint Vision for Decent Work and Social Protection*", to exchange good practice and encourage tangible activities in the interest of both our regions. The representatives of the Asia-Europe Foundation (ASEF) and the ILO Regional Office for Europe and Central Asia have also attended our Conference as guest speakers.
2. Our exchange on these issues is particularly timely in this momentous year for sustainable development, marked by the adoption of the 2030 Agenda for Sustainable Development with the Addis Ababa Action Agenda as an integral part, the G7 Action for

Fair Production, the G20 Leaders' Communiqué and in a few days the hopefully successful outcome of the COP21 for a universal agreement on climate.

3. Over the three years since our last meeting in Hanoi, Vietnam, in the immediate aftermath of financial, economic and social crises, the global growth has remained modest with stubborn unemployment and widening inequalities in many economies, while structural factors such as demographic change and profound shifts in demand for skills shape the world of work. While some Asian economies showed greater resilience, there is a need to pay greater attention to extending social protection to many more people, and creating high-quality jobs and safe working environments needs to keep pace with growth. Europe's economy is strengthening and European countries are implementing reforms and robust investments to further support the recovery. However, unemployment – though on a declining path – still remains high, especially among the youth. Widening inequalities and social exclusion, ageing populations, the growing share of those facing long-term unemployment or underemployment, including among young people, as well as skills shortages and mismatches pose major concern to Asia's and Europe's economies and societies, which, if left unattended, can hamper growth and sustainable development in both regions. In this respect, for us Sustainable Development Goal 8 of the 2030 Agenda "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" is highly relevant.
4. We discussed these challenges to follow-up on the commitments that our Leaders made at the 10<sup>th</sup> ASEM Summit on 16 – 17 October 2014, in Milan, to strengthen policies, programmes and cooperation to promote skills, employment, rights at work, industrial relations, social protection and decent work. We also welcomed the engagement and the views of employers and workers at the ASEM Social Partners Forum on 3 December 2015 that took place before our meeting.

We have adopted the following Declaration:

#### **Enhancing youth labour market outcomes**

5. We underline that the success of sustainable development depends on the active engagement of young people in economy and society. We call for their full and equal

enjoyment of social rights, freedoms and strong labour market outcomes according to national circumstances.

6. We welcome the new stream of actions taken by the European Union since our last meeting in Hanoi, in particular the Youth Guarantee which gave impetus to a wide range of initiatives and cooperation with employers, structural reforms, and helped reduce youth unemployment. We also welcome that youth unemployment in many countries in Asia remained the lowest among all regions and more and more countries in Asia are putting comprehensive youth policies into place.
7. We recognise however that young people are still disproportionately affected by unemployment or underemployment in Europe and Asia and they are most at risk of being permanently scarred by prolonged periods of joblessness, inactivity or locked in poor-quality and low-wage jobs, especially in the informal economy or in non-standard forms of employment, which hamper their employment outcomes and limit economic growth.
8. To turn this around, we highlight the importance of dynamic labour markets, adaptable workforce and decent jobs. We emphasise the necessity of long-term, coordinated measures to enhance labour market outcomes for young people especially by enabling them to develop the right skills for sustainable employment, notably through vocational training and improved public employment service, as well as by removing barriers that prevent them from acquiring decent and productive employment in the formal economy.
9. We highlight the importance of sustained efforts to facilitate young people's transition from school to further education, vocational education or work, which have decisive impact on young people's employment possibilities and outcomes in both regions. We reconfirm the strategic role of anticipating skills needs to look ahead to the careers of tomorrow and to ensure that our education institutions adapt accordingly. We stress the need to create an environment and the right incentives for private businesses to promote work-based learning, including via quality apprenticeship and internship programmes, as well as vocational placements to help young people acquire skills and training for employment. We highlight the need for enhancing the labour-market relevance of education and training programmes, including effective vocational training and education, including dual education systems. We reconfirm the importance of

partnerships between all relevant players in the education, training, labour market and youth sectors.

10. We agree to strengthen active labour market policies in order to increase the supply of skilled and work-ready young people and their access to jobs. Depending on national circumstances, targeted and well-designed wage subsidies, job counselling and work experience programmes can be supportive to this end. We also emphasise the need to improve recognition of skills formally or informally acquired to facilitate job mobility and employability of young people.
11. We recognize entrepreneurship and self-employment as potentially powerful options to overcome unemployment and we encourage our young people to also seek entrepreneurial opportunities to gain control of their economic future. We stress the need for governments, businesses and civil society to consider the specific challenges young entrepreneurs can be confronted with, such as limited access to finance and start-up support services, lack of entrepreneurial skills and experience, limited networks as well as regulatory and administrative barriers, and to work in partnership in order to remove these obstacles.
12. We recognise and emphasise the challenges and opportunities linked to labour mobility to address the issue of decent and productive employment. We take note of the deliberations in this matter on the forums of G20 and BRICS. We also compliment ILO for the initiative for fair migration.
13. We welcome the outcome of the Asia-Europe Foundation's Young Leaders Summit on Entrepreneurship and Youth Employment held in November 2015 in Luxembourg, as well as the contributions of the ASEF project series on migrant labour in 2014-2015.
14. We agree that special attention must be given to the most disadvantaged and vulnerable youth. We stress the need for prevention and early intervention and activation, including through effective outreach strategies towards young people and tailor-made individual support services for their inclusion in education, training or employment.
15. We underline that our cooperation and actions would help deliver on the commitments made within the context of the 2030 Agenda for Sustainable Development, especially to substantially increase the number of youth who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship by

2030; and to substantially reduce the proportion of youth not in employment, education or training by 2020.

16. We agree to raise awareness within other formations of ASEM co-operation, too, of the economic, social and environmental concerns of young people in Europe and Asia; to initiate ASEM Sustainable Development Dialogue exchanges on how to improve economic, environmental and social outcomes for young people and how to better engage them on sustainable development.
17. We call on ASEM Leaders to reiterate their commitment to enhance labour market outcomes for young people through structural reforms and investment, including through skills, labour market reform, school-to-work transition and decent work as a means to achieve inclusive and sustainable growth; maintain a special focus on youth most at risk of being permanently left behind; and acknowledge social partners' key role in fostering youth employment.

#### **Promoting decent work and safer workplaces in global supply chains**

18. We recognise the value of global supply chains as generators of economic growth with significant employment potential: up to half of the workers in some Asian countries and around one third of workers in Europe hold a job linked to global supply chains. At the same time we noted with concern that global supply chains are often associated with infringements of the ILO core labour standards, as well as unregulated or unsafe work environments, wages below poverty level, poor industrial relations and compromised workers' rights which hinder sustainable economic and social development. Often women in global supply chains face discrimination regarding access to decent work, wages and career opportunities.
19. We underline that such weaknesses are often due to limitations in implementation and enforcement of labour and work-related health and safety rules, which can be the result of insufficient human, administrative and business capacities, lack of prevention, absence of awareness and transparency, insufficient due diligence of businesses, limited access to remedy, lack of adequate level of social dialogue or of involvement of and partnership between stakeholders, including state authorities, businesses, workers and civil society, or lack of gender mainstreaming.

20. We highlight the governments` critical role in promoting decent work; implementing regulatory frameworks to ensure workers` rights; enhancing health and safety at work through investment in human and administrative capacity, including for labour inspections and complaint mechanisms; developing public programmes that help businesses build their capacity to operate safe and healthy workplaces and promote workers` skills related to safety and health; as well as in promoting anticipation and prevention of hazards at the workplace in partnership with stakeholders, including the private sector and the social partners.
21. We agree that informality often gives rise to serious decent work and labour rights deficits, including in sectors of particular concern; underline the importance of continuing efforts to integrate the informal sector into the formal economy in line with country circumstances; welcome the G20 Policy Priorities for Creating Better Jobs (2014 Australian G20 Presidency); endorse the new ILO Recommendation No. 204 (2015) on the transition from the informal to the formal economy and take commitment for its implementation; as well as welcome the EU initiative for establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work; and confirm our interest in further cooperation within the ASEM context on this matter.
22. We take note of the various initiatives, including policies and multi-stakeholder programmes by ASEM countries to promote decent work, in particular but not limited to those established in the Annex attached hereto.
23. We agree to do more to encourage large firms as well as buyers headquartered or operating in our respective countries to ensure that international labour standards and guidelines, including occupational health and safety guidelines, are being upheld in their supply chains. We agree to do more to encourage firms to take this responsibility and to act accordingly to the UN Guiding Principles On Business And Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration on Multinational Enterprises and Social Policy; as well as to keep encouraging firms, including SMEs, to create decent jobs and pioneer initiatives like the Bangladesh Accord and the Alliance to improve workplace safety.
24. We recognise that the issue of supply chains sustainability goes beyond the national context and it requires coordinated action also at regional, international and

multilateral level; we welcome the G7 Action for Fair Production and G20 strong commitments under the Australian Presidency to improve safer and healthier workplaces. We welcome the ILO's new "OSH Global Action for Prevention Programme" and commit to actively engage in the general discussion on decent work in global supply chains at next year's International Labour Conference. We are encouraged by the priority given to supply chain issues and the social dimensions of globalisation in the Asia-Pacific Economic Cooperation (APEC) Human Resources Development (HRD) Ministerial Action Plan (2015-2018) on Promoting Quality Employment and Strengthening People-to-People Connectivity Through HRD, and encourage the implementation of that action plan by relevant member economies.

25. We reiterate the importance of governments` proactively supporting and engaging in multi-stakeholder initiatives that seek to improve labour and social compliance in global supply chains, in particular in high risks sectors, and promote workplace health and safety. In this regard we appreciate the Myanmar Labour Law Initiative, the Bangladesh Sustainability Compact, the G7 Vision Zero Fund, the ILO Better Work programme, and the ILO National EII scheme for Bangladesh workers of the ready-made garment and the supply-chain sectors.
26. We call on ASEM Leaders i) to commit themselves to the promotion of decent work within and outside supply chains, and also in the informal economy, by means of strengthening public frameworks – including human and administrative capacities for enforcement of workers` rights – and the application of international labour standards and ii) to promote international framework agreements and responsible business conduct, including social dialogue, as a means to combat social dumping and hazardous working conditions, as well as to iii) promote a level playing field for sustainable businesses with regard to decent work.

### **Promoting adequate social protection systems for growth and jobs**

27. We take note of the progress made in implementing nationally defined social protection floors since our last meeting in Hanoi, including via preventive measures with a view to reducing poverty and inequality.
28. We reaffirm the need for sustaining these efforts also in view of our commitment under the 2030 Agenda for Sustainable Development to implement nationally

appropriate social protection systems and measures for all, including floors as referred to in the ILO Social Protection Floors Recommendation, No. 202 (2012), and by 2030 achieve substantial coverage of the poor and the vulnerable.

29. We recognise social protection also as a key tool to enable and activate those who are able to enter the labour market, hence an essential lever to promote participation, labour productivity and balanced growth.
30. We highlight the need to substantially extend appropriate national social protection systems to all those excluded today and address the transition from informal to formal work according to ILO recommendation No. 204, including in global supply chains and in rural areas, as part of efforts to formalise economic activity and ensure adequacy of welfare systems. We also appreciate the need to adapt relevant policies and social protection systems to ensure that they remain fiscally sustainable and provide suitable incentives for participation in the workforce in combination with other anti-poverty measures.
31. We consider investments and reform as part and parcel of adequate and appropriate national social protection systems. We commit to exchange good practice and expertise in the field of social protection and its role in ensuring sustainable development in all dimensions.
32. We reconfirm the need to enhance cooperation within and between ASEM countries in formulating and implementing country-specific social protection policies, in terms of technical support, capacity building and piloting new policies and programs in line with national priorities and circumstances. We welcome the valuable contributions to this work by Belgium and Indonesia through workshops organized in Brussels on 9 – 11 March 2014 and in Bali on 30 September – 2 October 2015, which also underlined the role of social dialogue in promoting adequate social protection. We welcome the increasing technical cooperation on social protection and the facilities made available to support the provision of expertise to developing countries, such as provided by amongst other the ILO and the World Bank, as well as by SOCIEUX and future SOCIEUX Plus Facility (funded by the European Commission), and invite developing countries to make use of these facilities.
33. We recommend our Leaders recognise the importance of rendering social protection systems inclusive, more effective and more sustainable via investment and reform as a

means to achieve stronger and more sustainable and inclusive economic growth with more quality jobs. We also recommend our Leaders encourage dialogue between ASEM Labour and Employment Ministers and ASEM Finance Ministers on European and Asian experiences in enhancing national fiscal space to invest in expanding coverage of nationally defined and appropriate social protection floors to combat poverty and generate opportunities for decent work and inclusive economic growth.

### **Future cooperation**

34. We especially welcome the intent of the following ASEM countries in organising events leading up to the 6<sup>th</sup> ASEM Labour and Employment Ministers' Conference which will take place in an Asian ASEM country:

Germany (sustainable supply chains)

Indonesia (social protection)

Italy (youth employment)

Singapore (occupational safety and health),

and we invite partner countries to join these initiatives.

35. We will bring this Declaration to the attention of the ASEM Leaders who will meet at the 11<sup>th</sup> ASEM Summit in Ulaanbaatar, Mongolia, to commemorate the 20th anniversary of ASEM, in July 2016, and call on them to include our recommendations in their discussions and Chair's Statement. In addition, when determining the direction of ASEM for the next decade, we recommend our Leaders consider the strengths and accomplishments of our cooperation in the employment and social areas over the past 10 years and encourage this cooperation to have an even more prominent role in the ASEM context. Also, we recommend our Leaders consider deepening a joint engagement of business and labour in the ASEM process, also taking into account the activities of the Asia-Europe Labour Forum.

36. We express our appreciation to Bulgaria for its hospitality and initiative to organise the 5<sup>th</sup> ASEM Labour and Employment Ministers' Conference.

## **Annex to the Sofia Declaration**

### ***Examples of ASEM country initiatives to promote decent work, including in supply chains***

- **Forthcoming CSR initiatives and sectoral agreements on which work is advancing in France and in the Netherlands, respectively;**
- **The establishment in Italy of the National Inspection Agency;**
- **The implementation of the ILO/Japan Fund for Building Social Safety Nets in Asia and the Pacific (SSN Fund);**
- **The Total Workplace Safety and Health in Singapore;**
- **The joint project between ILO, Sweden, Bangladesh and the social partners to promote social dialogue in the ready-made garment industry**
- **The global framework agreement signed by H&M and IndustryAll;**
- **The establishment in Thailand of the one-stop-service centre, "Smart Job, Smart Worker";**
- **The ILO Better Work programme in the Garment Sector, and in particular the Bangladeshi Ready Made Garment (RMG) Industries;**
- **The government to government cooperation on improving the Health and Safety for Workers in Bangladesh and Myanmar through the strengthening of labour authorities and improved social dialogue in Myanmar (partnership projects between Bangladesh/Myanmar and Denmark);**
- **Switzerland's commitment to developing a national action plan on business and human rights;**
- **The Indonesian Initiative on Private Sector Workplace Compliance (*Pembinaan Kader Norma Ketenagakerjaan/KNK*);**
- **The Bangladesh Sustainability Compact launched in July 2013 bringing together the EU, Bangladesh, the USA, and the ILO to improve working conditions, rights at work and responsible business conduct in the RMG sector;**
- **The forthcoming Brunei Darussalam Industry Competency Framework (ICF)**
- **The Philippines' reform of its inspectorate system from pure enforcement to a combined regulatory and developmental, incentive-based approach to labour law compliance.**

- **The ILO/Republic of Korea cooperation project for building international network for knowledge and information on industrial safety and health at work.**