Asian Regional Workshop on the Automotive Industry

Tokyo, Japan, December 7-9 2009

Points of Consensus

- **1.** The workshop was a part of the Action Programme on Transport Equipment Manufacturing. The workshop focussed on employment relationship, rights at work and social protection as well as on the impact of the financial crisis.
- 2. Global and country background papers ¹ were prepared for the workshop.
- **3.** The three-day workshop was held at the Cerulean Hotel in Tokyo on December 7–9 in 2009.
- **4.** 26 delegates and 19 observers from all eight invited countries ² participated in the workshop, together with ten resource persons and a number of ILO officials from Geneva, Bangkok and Tokyo.
- **5.** The workshop was chaired by Mr. Taro Muraki, Assistant Minister for International Affairs at Ministry of Health, Labour and Welfare, Japan.
- **6.** The workshop consisted of six sessions:
 - a. Automotive industry today: Presentation of the global study
 - b. Automotive industry in selected Asian countries
 - c. Employment relationship and rights at work in the automotive industry
 - d. How have the automotive enterprises reached to the crisis?
 - e. Social dialogue in the automotive industry: its role in tackling the crisis and reshaping the industry
 - f. ILO Global Jobs Pact: How to apply to the automotive industry?
- **7.** Based on the papers, presentations and lively discussions the following points of consensus can be arrived at. They deal with sustainable industry, response to the economic crisis, irregular workers, training, social dialogue and ILO Global Jobs Pact:

¹ Australia, India, Republic of Korea and Malaysia

² Australia, India, Indonesia, Japan, Republic of Korea, Malaysia, Philippines and Thailand

- a. The automotive industry faces a triple challenge: how to overcome the systemic problems of the past, mitigate the impact of the global economic crisis of today and prepare itself for the low-carbon future.
- b. A sustainable automotive industry, with greener production and greener products, requires an increase in research and development. A highly skilled workforce is instrumental in this change.
- c. Workforce in the automotive industry needs enhanced training and skills development. Transferable skills would mean better employment security for the workers.
- d. Training of workers is costly and needs to be undertaken at industry level. A high level of skills is a public good and governments have a role to play in helping the workers to improve their skills.
- e. Governments in many countries in the Asia-Pacific region have played an important role in the development of their domestic automotive industry. Automotive industry assemblers, suppliers and services is an important source of employment in all eight countries present at the workshop. Small and medium-size enterprises play an especially important role in providing employment.
- f. During the economic crisis many of the participating governments have alleviated the crisis by subsidizing employment preservation, improving social safety nets and by supporting skills development.
- g. Automotive enterprises in the countries have responded to the crisis by implementing a wide range of cost reducing measures.
- h. The use of irregular workers agency and non-permanent workers, contract workers etc increased during the decade preceding the crisis. While acknowledging the needs of the industry for flexibility and the preference of some workers for a temporary job, attention should be given to ensure that the use of irregular workers does not undermine productivity.
- i. Irregular workers play an important role in the automotive industry, therefore it is important that they have access to training and develop the skills needed for the future industry.
- j. Productivity and competitiveness go hand in hand with good industrial relations. Social dialogue is based on a common approach to solving problems. It is based on mutual respect and trust. Information exchange is useful for promoting mutual understanding of the parties and partners should have access to relevant information.
- k. During the economic crisis social dialogue has in many countries been used to overcome impacts of the crisis. The ongoing structural change of the industry calls for long-term dialogue.
- 1. ILO Global Jobs Pact is a toolkit, which can be applied to the automotive industry. Use of its elements may facilitate social dialogue and enable timely solving of problems concerning the automotive industry.
- m. Each government should decide and implement most appropriate policies depending on its own situation with the help of the Global Jobs Pact. The ILO can assist it based on its request.