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# **SOCDEM ASIA 3<sup>rd</sup> REGIONAL CONFERENCE**

## **JAKARTA, INDONESIA | 19-22 OCTOBER 2010**

### **REPORT & SUMMARY**

Prepared by  
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## SESSION 1: Context for Social Democratic Economic Policies

The context of the Conference was set by three distinguished speakers who each spoke on the general concepts of social democratic economics, the current economic paradigms in Asia and streaming down to the case of Indonesia economy and economic policies.

Sebastian Thomasius from the Germany discussed the general ideas of social market economy especially clarifying the common misconceptions about social democratic principles being in opposition to the business community. The discussion also focused on key concepts such as economic justice, social security and welfare state.

Liew Chin Tong, a Member of the Malaysian Parliament and director of Socio-Economic and Environmental Research Institute (SERI) gave an overall picture of the present state of Asian economy. He discussed four contradictions of the Asian economy, *i.e.*

1. Inequality – the disappearing middle class
2. Labor, jobs & wages – employment has never been the center of discussion. Instead, capital investment has always been the focus
3. Housing bubble – property price rapidly increasing, creating problems of affordable housing for even the former middle class
4. The role of the state – very powerful government with facades of democracy, but lack of public participation in terms of freedom, equality, education, transportation, health care and infrastructure.

Finally, Dr. A. Prasetyantoko presented the Indonesian scenario beginning with the observation that the founding principle of the country provided for a people-centred development, which he interpreted to be essentially social democratic. Yet, he noted that Indonesia lacked social policies especially post- 1998 Asian financial crisis.

He also argued that while the Indonesia financial system is compliant with international standards of governance, it does not benefit the majority of the people in the country. The neediest segments of the community are either outside the formal financial system or are credit unworthy, but mostly both.

### DISCUSSIONS

The participants centered around the question of distinctions between social democracy and the prevailing neo-liberalism in this region which has proven to have failed to address the issue of poverty, widening gap between classes, social security and the safeguard of national industries. Participants brainstormed how to present a social democratic economic alternative to Asia in the next decades of the 21<sup>st</sup> century.

In many Asian countries, especially in South East Asia, where communism was seen in a bad light, social democrats were often linked to communism. Therefore, it is important that social democrats also

distinguish themselves from communism which often has a record of restraining civil rights. As Social democrats we have to highlight our principles in regards to national and regional issues, including strengthening the civil society and the unions, empower women and children, promote jobs and social security and participate more actively in ASEAN and other regional initiatives. While social democrats can learn from our comrades in Europe, we should also contextualize based on the different needs and climates of Asian countries.

## **SESSION 2: How to Manage Balance Between Economic Growth and Social Security: The Case of Sweden**

Sebastian de Toro, an economist from Sweden shared how social democrats in Sweden, not least the Swedish Social Democratic Party (SDP) helped to revive the country after a recession in the early 90s. He gave examples of various reforms done by the SDP including the pension system, taxation, budgeting process, the wage system, social security and education reform. These policies and structural changes managed to put Sweden back on track and had a higher GDP growth than the USA in the 10 years period after the recession from 1995-2005.

The role of the government should be to help the people to fulfill their dreams, therefore government must embrace free will through promotion of both negative and positive rights.

He stressed that a strong welfare state will translate into a strong economy and a strong economy would in turn benefit the labour class. A welfare state is not the opposite of a strong economy, they can both go hand-in-hand.

Yet, welfare is not merely about transferring money from one place to another. There are three key concepts; firstly, welfare should aim to promote jobs and not unemployment. Secondly, it should enable the development of human resources, i.e. increase competency including via education opportunities, and finally, promote gender equality.

### **DISCUSSIONS**

There may be different interpretations of what it means to be a social democrat. The case of Sweden may differ from Asia and different countries from Asia may differ from each other. But the Network should not let these differences override the larger effort of collaborations. Social democrats, especially in Asia should focus on the core principles of Equality, Freedom and Solidarity as the starting point for discussions.

There is also an agreement that Sweden was able to create a strong welfare state because there was wealth to be redistributed, but the situation is different in Asia. Most Asian countries are still struggling as emerging economies and poverty rates are very high. Businesses thrive on tax-exemptions, low wages and money comes mainly from the exploitation of natural resources and foreign investments.

South Korean delegates pointed out that in the case of South Korea, wealth redistribution comes with the strengthening of democracy. The first steps towards a welfare state there was a democratic political process, not just a strong economy as proposed by the Sebastian.

## **SPECIAL SESSION: Women's Movement in Asia**

Overall, participants agree that while there have been improvements over the years in terms of women empowerment in the mainly patriarchal Asian societies, much still has to be done to achieve gender equality. Women participation in public life and the economy has increased, but the gender power gap still exists especially at the higher level of decision making, e.g. in the Parliament.

Most Asian countries are still striving to achieve at least 30% women participations at all levels of decision making. There are some countries such as India, Indonesia and the Philippines which have some kind of gender quota in place. Yet women are still finding it hard to win elections due to difficulties to get winnable seats from the Party, lack of financial resources for campaigning and public preoccupation with judging women candidates solely based on physical looks.

Gender-based discriminations also occurs in the work place with unequal pay, security of tenure, women are the last to be hired and first to be fired, sexual harassment at work place etc.

Participants recognized the importance of achieving the 30% critical mass of women participation in order to really impact country's policies to be more gender-sensitive. The challenge is still to unite women together because in some places, women are even divided among themselves by castes and political ideologies.

## **SESSION 3: Relationship between Social Democratic Parties and Business: Country Experiences**

The general perception of social democracy in this region is still as “anti-business and pro militant labour unions.” As such, dialogues and cooperation between social democrats and businesses remained at minimal except in those countries where the social democrats form the ruling parties.

Yet, experiences from these countries showed that mutual partnership can exist between social democrats and businesses and in fact such collaborations should take place in the interest of the country and the people. One fundamental role of a social democratic government is to ensure capital continues to function socially, *i.e.* that it benefits the people as a whole and not just a certain class of capital-owners. National interest, the people’s interest and the business interest, especially national SMEs are inextricably bound and should not be antagonistic. Social democrats therefore should seek to mediate between these stakeholders, regulating where necessary, to ensure a just economy and not an exploitative one.

Panelists also emphasized on the value of consultations between social democrats and business community, facilitating conducive business environment and encouraging entrepreneur innovations while at the same time establishing a permanent dialogue with the unions to ensure their participation in formulating economic policies.

There was a question on how to deal with the peasants as formerly agrarian Asian countries are now pursuing manufacturing-based and knowledge-based industries for economic growth.

## **PUBLIC FORUM: Achieving Prosperity and Guaranteeing Justice – The Role of Politics in Shaping Pro-Poor Growth**

All panelists agreed that social democrats must move beyond slogans into concrete policies which will affect the nation. Such policies must respect the individual's capacity as free agents but at the same time must be empowering. Social democrats should be constantly connected to the grassroots, especially labour and peasant community. The strength of social democratic parties lies in how much they can strengthen these grassroot communities.

### **DISCUSSIONS**

Social democrats' interactions with the market involve arbitrating between the different stakeholders, e.g the unions, the employers and the consumers. Knowledge of dealing with these actors comes from continual community organizing, sharing of resources such as happening in the SocDem Asia Network etc.

There was also a question raised on Akbayan's cooperation with President Benigno Aquino's liberal administration. Representative from the party, Risa Hontiveros, Akbayan's National spokesperson, clarified that the partnership with the Liberal Party was on shared political values especially in regards to clean and efficient administrations and promotion of democracy in contrast to the rampant corruption and authoritarianism practiced by the previous government. There is mutual respect when it comes to differences and the way forward depends on which areas Akbayan chose to prioritize and on how much the party can exert positive influence on its liberal partners.

Social democratic parties should also maximize media campaign. It is important to promote freedom of the press and the independence of the media, but it is equally important for social democrats to engage with media practitioners, not just during election campaigning but continually, especially to educate and influence the media about our core values.

The question on peasants and the empowerment of the poor was also raised, how do we mobilize these groups? The main responses received among the panelists are through education, capacity building and mass organizing.

## **SESSION 4: Elections in the Philippines and Sweden**

Panelists Olle Thorell from the Swedish Social Democratic Party (SDP) and Ronal Llamas from Philippines' Akbayan shared their respective experience in recently concluded national elections in their countries. While the SDP lost and remained the Opposition, Akbayan through its partnership with President Benigno Aquino won and is now part of the Philippines Government. There are different challenges to be faced by both parties given their present circumstances, but both are optimistic about the future.

### **DISCUSSIONS**

When the question on election campaign funding was raised; Olle clarified that the fund for political campaigning in Sweden come from State budget and is subject to Parliamentary scrutiny. Funding for SDP also comes from supporting organizations such as the labour union. For Akbayan, funding mainly comes from consolidating the financial strength of collaborating parties and the presidential candidates.

The challenge for SDP now is to gain back the support of the members of the unions and to focus the national discussion back to unemployment and jobs creation instead of tax cuts as is happening now. For Akbayan, it is to strategize how to operate in a partnership with the liberals and how to govern since this is the first time the party is entering the mainstream as part of the ruling coalition.

## SESSION 5: World Cafe

Table & Topics	Discussions	
	Challenges	Conclusion/Proposals
1. A Green New Deal Industrial Policies for a Sustainable Future	Deforestation, exploitation of nature esp. through the dependency on coal- and fuel-based energy, lack of enforcement, lack of awareness	<ol style="list-style-type: none"> <li>1. Make environment preservation a political issue</li> <li>2. Paradigm shift – stop seeing environmental issue as a “problem of the West”</li> <li>3. Create &amp; promote green jobs – e.g. eco-tourism</li> <li>4. Participate in the global movement towards eco-friendliness</li> </ol>
2. The Relationship between Social Security and Economic Growth	Social security may impact profitability and even caused decrease of productivity, increasing government’s debts to finance social security measures	<ol style="list-style-type: none"> <li>1. Social security has positive effect on the economy as shown by many countries which adopted such measures, increasing confidence and esteem of workers and promote productivity growth</li> <li>2. Its aims are to develop labour capacities and capabilities</li> <li>3. Social security narrows the gap between rich and poor</li> </ol>
3. Social Partnership as Means of Productivity Increase	No ideal model of social partnership in Asia	<ol style="list-style-type: none"> <li>1. Learn from other countries – e.g. Europe, USA</li> <li>2. Invite participations of NGOs, private sectors, unions in governance &amp; policy-making process</li> <li>3. Using Corporate Social Responsibility (CSR) model as mean of redistribution to prevent corruption in government bureaucracy – but must be regulated to ensure balanced implementation and not dictated solely by the private sector</li> <li>4. Instead of public-private partnership,</li> </ol>

		should be “public-people-private” partnership
4. How to Manage Mutual Relation between Social Democratic Parties and Business Community	A close partnership between political party and business community may give rise to corruption and cronyism.	<ol style="list-style-type: none"> <li>1. Organize semi-formal dialogues/meetings between political parties and business community – this can be a platform for business people to voice their suggestions towards addressing current issues</li> <li>2. Any party-business cooperation must be open and transparent</li> <li>3. Two-way partnership is also a good opportunity to educate and influence business community about social democratic values</li> </ol>

## **SESSION 6: Network of Social Democracy in Asia – Status Report, Where to go & What’s Next?**

Network secretary Steven Sim presented a report on the Network including activities for the past year. There was also a brief report on the South Asia Social Democratic Conference in Colombo early October 2010. Both reports are attached in the appendix.

### **DISCUSSIONS**

Participants agreed that the Network is an excellent platform to share resources and information between social democrats in the region. Many would like to see more activities and wider participations, including from organization from other ASEAN countries, NGOs and like-minded organizations from China etc. Participants were impressed by the Network’s observers mission to the Philippines National Election in May 2010 and suggested more of such missions in the future in order to promote the spirit of democracy and solidarity especially in countries where partner parties are contesting in the election.

There was also a proposal to establish a research centre or an academic wing of the Network to further facilitate the development of social democratic philosophy in this region.



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## APPENDIX

## INFORMATION ON SPEAKERS & MODERATORS

- **Ms. Ann Linde** is the international secretary of the Swedish Social Democratic Party since 2000. Before that she worked in several ministries including the Ministry of Foreign Affairs and the Ministry of Defense. She also worked at the Swedish Parliament.
- **Ms. Bolormaa Nordov** is the former Minister of Education, Culture and Science of Mongolia. She is a member of the Mongolian People's Revolution Party, and former Chairperson of the Capital City Citizens' Representative Khural (Ulaanbaatar City Council). Currently, she is the Vice President of the Mongolian Red Cross Society.
- **Mr. Budiman Sudjatmiko** is a Member of Parliament from the Indonesian Democratic Party of Struggle (PDI – P). Formerly Mr. Sujatmiko was an activist who protested continuously about the authoritarian practices of the New Order.
- **Mr. Charles Santiago** is a Member of Parliament from the DAP. He is representing the Klang constituency in Selangor. Prior to his election, Mr. Santiago was an economist and worked for NGOs such as the Coalition Against Water Privatization.
- **Mr. Erwin Schweisshelm** is the Resident Director of Friedrich – Ebert – Stiftung (FES) Indonesia since 2006. He has been working for FES, mainly in Asia, for over 30 years. Prior to his current position, Mr. Schweisshelm was Global Trade Union Coordinator at the FES Bonn office.
- **Mr. Gyu Youb Choi** is the President of the New Community Institute which is attached to the Korea Democratic Labor Party (KDLP). At the same time he is also Adjunct Professor at Hansin University,
- **Mr. Jens Orback** had served from 2004 to 2006 in the Swedish Government as the Minister of Democracy, Metropolitan Affairs, Integration and Gender Equality. Since 2008 he is the Secretary General of The Olof Palme International Center.
- **Mr. Liew Chin Tong** is a Member of Parliament from the Democratic Action Party (DAP) Malaysia for the Bukit Bandera constituency in Penang. He is the Policy Advisor to the Chief Minister of Penang. Liew is also a member of the DAP Central Executive Committee serving as the party's International Secretary.
- **Mr. Martin Manurung** is the Executive Director of the IWD. He has been involved in regional social democracy activities from his early youth. Mr. Manurung was member of the first consignment of Young Progressives Southeast Asia (YPSEA). In addition, Mr. Manurung is also a Senior Consultant at Sekurindo Global Consulting (SGC), a company providing political and economic risk assessment.
- **Mr. Munawar Liza Zain** is the Mayor of Sabang city of the Aceh province. Prior to his election Mr. Liza worked as Program Officer at the Olof Palme International Center in Aceh.
- **Mr. Nur Iman Subono** is a lecturer at the Department of Political Science University of Indonesia. He is also the editor of Jurnal Sosdem, and a researcher at Demos, an Indonesian research institute.

- **Mr. Olle Thorell** is a member of the national parliament for the Social Democratic Party since 2006. He is member of the standing committee on foreign affairs, and is specialized on Asian issues and world trade. Previously he worked in local politics and as a teacher in adult education.
- **Mr. Philipp Kauppert** is the Deputy Resident Director of the FES. Prior to working in Indonesia Mr. Kauppert focused on social and economic developments in Latin America.
- **Ms. Riza Hontiveros**, served as Representative (parliamentarian) of Akbayan! Citizens' Action Party at the House of Representatives of the the Philippines for two terms (13th-14th Congresses). She is known as a principled leader, a staunch human rights and reproductive health advocate, and a competent progressive lawmaker. Aside from her work in politics, Risa is an award-winning broadcast journalist and a dedicated single-parent to 4 kids. Now, she continues her anti-corruption campaign as the National Spokesperson of Akbayan
- **Mr. Sebastian de Toro** is a Senior Economic Advisor in the Swedish Social Democratic Parliamentary Group. He has also worked at the Ministry of Finance and at McKinsey & Co. He is author of the book *Making Europe Nobel Laureates in Education* with former Minister of Finance Pär Nuder.
- **Mr. Sebastian Thomasius** is an economist and works as seminar instructor for the Friedrich - Ebert - Stiftung and its Academy for Social Democracy with a focus on economics. His research interests are economic policies and public finances. Previously he worked for a leading consulting company.
- **Mr. Setyo Budiantoro** is the Executive Director of Perkumpulan Prakarsa, an Indonesian NGO focusing on governance issues and social security. Before joining Prakarsa, Mr. Budiantoro worked at Bina Swadaya, an NGO owning several profit companies to support its activities.
- **Mr. Steven Sim** is a member of the DAP and is the Executive Secretary of the Network of Social Democracy in Asia.

# Conference of the Network of Social Democracy in Asia

19 – 22 October 2010, Gran Melia Hotel, Jakarta, Indonesia

**Press Release | Wednesday, 19 October, 2010 | Jakarta, Indonesia**

## **Asian Social Democrats Meet in Jakarta to Discuss Social Democratic Economic Policies in Favour of Growth, Social Balance and Sustainability**

The Network of Social Democracy in Asia (SocDem Asia) in collaboration with the Jakarta-based Institute of Welfare Democracy (IWD), the Olaf-Palme International Center (OPIC) and Friedrich Ebert Stiftung (FES) Indonesia is organizing the Regional Conference of Social Democracy in Asia from 19-20 October 2010 in Jakarta, Indonesia.

The Conference this year is entitled, “Growth, Social Balance and Sustainability: Perspectives for Social Democratic Economic Policies in Asia”.

The key focus of the Conference will be to discuss economic growth from the perspective of social democracy and how social democrats in Asia can offer a viable economic model as we anticipate the failure of the neoliberal model practiced by regimes across the region.

The stereotypical perception is that social democratic parties only focus on social justice. One of the objectives of the Conference therefore is to discuss where profit-oriented business activities fit within the framework of social and economic justice. And this is important not least because of the onslaught of economic liberalization in emerging economies in Asia where not only workers are faced with mighty corporations given free reign by governments but national businesses, especially local SMEs, risk being forced to go out of business by major multinational corporations (MNCs).

On the first day of the conference, there will be a public forum entitled “Achieving Prosperity and Guaranteeing Justice – The Role of Politics in Shaping Pro-Poor Growth”. H.E. Mr. Fadel Muhammad, Minister of Fisheries and Maritime Affairs of the Republic of Indonesia will deliver the keynote at the forum, followed with a panel discussion by highly-regarded speakers -

1. Ms. Rustriningsih, the Vice Governor of Central Java, Indonesia
2. Mr. Jens Orback, former Swedish Minister of Democracy, Metropolitan Affairs, Integration and Gender Equality and presently, the Secretary General of the Olof-Palme International Center
3. Mr. Budiman Sudjatmiko, a Member of the Dewan Perwakilan Rakyat Indonesia (Indonesian Parliament) from the Partai Demokrasi Indonesia-Perjuangan (PDI-P)
4. Mr. Risa Hontiveros, the National Spokesperson of the Akbayan Citizen’s Action Party, the Philippines

The discussion will be moderated by Ms. Shanti Ruwyastuti, a well-known Indonesian TV personality.

Participants of the 3-day Conference represent social democratic parties and movements from Cambodia, Germany, India, Indonesia, Korea, Malaysia, Nepal, Philippines, Sweden, Timor Leste and Vietnam.



PHOTOS





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