BUILDING TRADE UNIONS INTO THE 21ST CENTURY



Thematic Paper adopted by the 16th ICFTU-APRO Regional Conference held at Cebu City, Philippines, December 18-20, 1996

C 01 - 00192



ICFTU Asian and Pacific Regional Organisation (ICFTU-APRO)
Trade Union House, Shenton Way, Singapore

C O N T E N T S

	<u> </u>	Page
FOREWORD		i
I. AN OVERVI	EW	1
II. WHERE DO	WE STAND NOW?	4
1.	Income Distribution - An Inequitable Equation	4
2.	Changing Employment Structure	6
3.	Changing Organisation Of Work	9
4.	Informal Sector	
5.	International Labour Migration	10
6.	Regional Economic Groupings	11
7.	International Labour Standards	13
8.	Increasing Activities Of Multinational Companies (MNCs)	14
9.	Role Of The State	15
10	. Trade Union Situation	17
	SHOULD DO?	
HOW FAR	CAN WE GO ?	22
1.	Union Democracy	22
2.	Union Finance	
3.	Union Activities	24
4.	International Solidarity Actions	26
5.	ICFTU-APRO Charter Of Minimum Demands	26
6.	ICFTU-APRO Social Charter For Democratic Development	27
IV. CONCLUS	IONS	· 28
APPENDICES		
I	A Rationale For Codes Of Conduct For MNCs	
II	ICFTU-APRO Charter Of Minimum Demands	
II	ICFTU-APRO Social Charter For Democratic Development	38
IV V	Resolution On Building Trade Unions Into the 21st Century	47 48
	adopted by the ICFTU-APRO 16th Regional Conference	40

FOREWORD

As the dawn of the next millennium approaches trade unions have to brace themselves well to meet the challenges ahead. Thus the International Confederation of Free Trade Unions - Asian and Pacific Regional Organisation (ICFTU-APRO) selected the theme, "Building Trade Unions Into The 21st Century" for its Sixteenth Regional Conference held in December 1996.

The ICFTU-APRO has since its Fifteenth Regional Conference held four years ago in December 1992 been preparing itself to face the onslaught of increasing liberalisation and globalisation. It had since then held several for aincluding an Economic Conference in 1993 which set the momentum towards the preparation of the ICFTU-APRO Social Charter for Democratic Development. The Social Charter was adopted in 1994 at the ICFTU-APRO 64th Regional Executive Board Meeting held in Seoul. The Regional Symposium on International Competitiveness in Trade and Investment - Challenges and Opportunities For Trade Unions was conducted in 1995 to discuss the effects of international competitiveness in trade and investment and the response of trade unions. In May this year the Regional Symposium on Trade Unions Into The 21st Century was organised where the ICFTU-APRO Charter of Minimum Demands was drawn up and subsequently endorsed at the 66th Regional Executive Board Meeting of ICFTU-APRO. Three sub-regional workshops were then held to discuss the implementation of action programmes for the future of trade unions including the Charter of Minimum Demands.

This thematic paper for the 16th Regional Conference among others took into consideration the discussions of these for and sought to respond to the following three questions:-

- Where Do We Stand Now?
- What We Should Do?
- How Far Can We Go?

The paper looks at the present economic, social and trade union scenario and tries to find ways and means to build trade unions to ensure that they remain relevant in the fast changing milieu. The glaring inequalities including restrictions on trade unions call for definite actions.

Various action programmes are identified to be implemented on a multispeed and multiprong basis. The need to continuously build democratic and

ii

financially sound trade unions is important. So is the necessity to organise and to engage in capacity building activities such as education and training.

Trade unions will remain to be the only organisations by, of and for workers. The significant role of trade unions is well recognised and acknowledged. The following quote from the 1995 World Development Report published by the World Bank entitled "Workers in an Integrating World" clearly illustrates this.

"Trade unions......can help raise workplace productivity and reduce workplace discrimination. They have a noneconomic role as well - some unions have contributed significantly to their countries' political and social development."

Trade unions will continue to play its rightful role in the economic, social and political development of workers in particular and society in general right into and beyond the 21st century. Trade unions will ensure that economic growth will be accompanied by social development. The 21st century will be a century with a human face.

The Sixteenth ICFTU-APRO Sixteenth Regional Conference, held in Cebu City, Philippines, 18 - 20 December 1996 adopted this Thematic Paper on Building Trade Unions Into the 21st Century. Since its adoption this thematic paper a number of national workshops and seminars on this topic have been organised by APRO affiliates and friendly organisations with the cooperation and assistance from the APRO. In all these events the thematic paper has been used as the key document around which the deliberations have been centred. The paper has been well received and suggestions have been made that the paper should be extensively used for information and future educational programmes at the international, regional, national and local levels, and for wider distribution among social partners for focusing attention on issues of vital importance and concern to the world of labour on the turn of the century.

I take this opportunity to place on record with many thanks the assistance given by the Japan Institute of Labour (JIL) and by the Danish Trade Union Council for International Development Cooperation (LO/FTF) for publishing this thematic paper.

TAKASHI IZUMI General Secretary ICFTU-APRO

October, 1997

iii

Building Trade Unions Into The 21st Century

An Asia-Pacific Regional Perspective

AN OVERVIEW

Trade Unions
- organisations
by, of and
for working
people

Trade unions, organisations by, of and for working people are going to continue to be the single largest units of organisation to work for the betterment of working people in the world right into the 21st century and beyond. However trade union strategies and action programmes will have to be reviewed and changed where necessary to meet the ever changing needs and circumstances of the day. This is especially so in the Asia-Pacific region which is the most dynamic region in the world. In fact it has been said that the 21st century will be an Asia-Pacific century in view of the tremendous economic changes that the region had undergone in the last two decades and is still undergoing.

Political and social changes

- The region is undergoing a significant political and social metamorphosis. A number of countries in the region are in the midst of an evolutionary process towards achieving more democratic and people-oriented political structures. Trade unions are playing their roles in varying degrees in such a process and sometimes even at risks to their leaders concerned such as in the case of the Republic of South Korea, Fiji and the Philippines. Trade unions will continue to be one of the driving forces in the democratisation process right into the next millennium.
- The growing population of the Asia-Pacific region would reach over 5 billion out of an estimated world population of 8.5 billion by the year 2030. Accounting for more than 60% of the world population today, the region has a population of 3.5 billion out of the total world population of 5.7 billion. The world's two most densely populated

Asia-Pacific: the population growth centre with accompanying problems and challenges.

countries of China and India will continue to contribute to this huge growth. In fact with their present growth rates, for each year the annual increase in population in China is equivalent to the total population in Malaysia while the annual increase in India amounts to the whole population in Australia. This huge and expanding population is one of the main causes for the incidence of poverty and the lack of means to meet basic human needs such as education, health and housing. This increasing population is accompanied by the lack of employment opportunities for adults while at the same time child labour is increasing as well as the migration of labour from the rural to the urban areas and from one country to another. Crimes and other undesirable social problems are also on the rise.

Growing aging population in future

The changing population structure will also add to these problems. Although the majority of the population now are young, below the age of 35 years, by the year 2035, this structure will have changed with the rapid aging of the population as crude birth rates fall while life expectancy increases. This will bring about changes in priorities as such a situation will compel more concerns and expenditures on medical cost and social security cost such as pensions and other social welfare expenditures. With such a scenario, trade unions are thus operating under very taxing and vexing situation.

A growing consumerist and individualistic society

The Asia-Pacific region is also witnessing one of the most rapid changes in social values and consumption pattern. A growing consumer oriented society is evolving vis-à-vis an ideological based society with rapid economic advancement. This means that people are becoming more and more materialistic, conservative and are more concerned with individual advancement and personal gains rather than working for the common good. Such kind of individualism is further strengthened by some government actions in the area of industrial relations as in the case of New Zealand through policies and legislative means. This is and will be one of the greatest challenges for trade unions which are based on collective actions and collective benefits.

Unequal growth among nations

The leading economic performance of the region especially Asia which recorded an average annual growth rate of about 8% for the last decade as compared to the global annual average rate of about 3% is expected to continue into the 21st century. World trade in goods and services has also expanded greatly, in fact, by 8% in 1995 which for the first time breached the US\$ 6,000 billion mark. Foreign direct investment (FDI) had also increased tremendously especially in this region where in 1994 FDI reached a high of more than US\$ 52,000 million. However these astounding growth rates are not evenly distributed within the region. There are countries like Malaysia and Thailand which recorded about 8% growth annually for several years while countries like India, Pakistan and Bangladesh recorded between 4-6% annual growth and the Pacific Island countries such as Fiji and Vanuatu registering only between 2-4% per annum. Not only is this the

situation, there is also growing inequalities within the countries concerned.

Increasing inequalities

The lack of the human dimension of the structural adjustment programmes implemented on the insistence of the Bretton Woods institutions i.e. the International Monetary Fund (IMF) and World Bank in countries such as India, Turkey and Fiji contributed to the worsening of the inequalities.

Regional economic groupings increase globalisation

- In addition, with increasing globalisation the inequality problems are further aggravated as globalisation accelerated inequalities in society as seen in today's world. The situation becomes more acute as governments resort to increasing liberalisation in trade and investment fueling the process of globalisation especially with the formation of economic groupings such as the Asia-Pacific Economic Cooperation (APEC) and the South Asian Association for Regional Cooperation (SAARC).
- The acceleration of both liberalisation and globalisation is brought about by, among others, the following factors:-

Factors accentuating liberalisation and globalisation process

- the fall of the Soviet-led communist states with planned/control economies.
- the opening up of India, China and Vietnam to outside countries.
- the implementation of the structural adjustment programmes by the governments in most of the countries in the region as initiated by the IMF/World Bank where deregulation, privatisation, economic and industrial restructuring policies are emphasised.
- the continued expansion of the export-led economies of Singapore, Malaysia, Republic of China, Republic of Korea, Hong Kong, etc.
- increasing investment activities of Asian countries such as Japan, Republic of Korea, Republic of China, Singapore, etc.
- the formation of regional economic and political groupings like the APEC and SAARC and the conclusion of trade agreements like, Asean Free Trade Agreement (AFTA), South Asian Preferential Trade Agreement (SAPTA), and the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA).
- the conclusion of the Uruguay Round of General Agreement on Tariffs and Trade (GATT) and the

establishment of the World Trade Organisation (WTO) in January 1995.

• development of dialogue between the 10 Asian countries and the EU under the process of the Asia-Europe Meeting (ASEM) of heads of state and government.

- Trade unions
 agents and
 catalysts in
 reducing
 inequalities
- Trade unions as agents and catalysts in reducing inequalities and in ensuring social justice thus are faced with an enormous task. In fact trade unions have never before in history faced such challenges as they are now presently facing brought about by the surging globalisation. Trade unions must be ready to face up to the changing economic and social scenario to ensure that working people both positively influence global development and equitably share in its potential benefits. Trade unions must regard these both as challenges and great opportunities before them now and in the years ahead. Thus trade unions should address the following three questions of themselves:-
 - Where do we stand now?
 - What we should do?
 - How far can we go?

II. WHERE DO WE STAND NOW?

The present scenario as scanned through the overview does not provide an encouraging picture for the working people. A more detailed examination of the issues throws more light on the dismal scene.

1. Income Distribution - An Inequitable Equation

Shameful inequalities

The United Nations Development Programme (UNDP) Human Development Report 1996 very vividly described the factual situation of the inequality of growth in the world. It would not do justice to this well-researched report without quoting from it when discussing income inequality. Thus the relevant sections are quoted below.

"The world has become more polarized, and the gulf between the poor and rich of the world has widened even further. Of the \$23 trillion global GDP in 1993, \$18 trillion is in the industrial countries - only \$5 trillion in the developing countries, even though they have nearly 80% of the world's people.

• The poorest 20% of the world's people saw their share of global income decline from 2.3% to 1.4% in the past 30 years. Meanwhile, the share of the richest 20% rose from 70% to 85%. That

- doubled the ratio of the shares of the richest and the poorest from 30:1 to 61:1.
- The assets of the world's 358 billionaires exceed the combined annual incomes of countries with 45% of the world's people."

"..... During 1970-85 global GNP increased by 40%, yet the number of poor increased by 17%. While 200 million people saw their per capita incomes fall during 1965-80, more than one billion people did in 1980-93"

"..... The imbalances in economic growth, if allowed to continue, will produce a world gargantuan in its excesses and grotesque in its human and economic inequalities."

Rich getting richer

The well-touted spectacular growth in the world thus can be seen to benefit the rich who are essentially the capitalists as compared to working people. Thus the maxim of the capitalists, "increase revenue through reduction in cost to maximise profits" is and will be the order of the day. The rhetoric of "the rich getting richer and the poor getting poorer" is proven true.

Inequalities among Asian Pacific nations In the context of the Asia-Pacific region, inequalities could be seen between countries like Japan as well as the Newly Industrialising Economies (NIEs) of Singapore, Hong Kong, the Republic of China, the Republic of Korea and countries in South Asia such as Bangladesh and Nepal as well as some of the South Pacific Island nations. This is well illustrated by the differences in the Gross National Product (GNP) per capita of the following countries.

<u>Countries</u>	GNP Per Capita 1994 (US\$)
Japan	36,630
Singapore	23,360
Hong Kong	21,650
Australia	17,980
New Zealand	13,190
Republic of China	11,604
Republic of Korea	8,220
Fiji	730
Pakistan	440
India	310
Bangladesh	230
Nepal	200

Sources: Asian Development Outlook, 1996 and 1997 published by the Asian Development Bank APEC publication, 1996.

Growing inequalities within nations

Inequalities are not found only across borders. Inequalities are also found within countries and are increasingly so including in the developed and newly industrialising economies. In the United States of America, which is one of the three countries with the highest standard of living, income disparities are seen to be increasing especially after

the 1980s. In fact from 1983 to 1989 the top one per cent highest income bracket garnered 62% of the increase in total wealth and from 1989 to 1992 this group increased their share of the overall gains to 68%. This trend is expected to increase into the 1990s. In the case of Thailand the country's top 20 per cent reaped the most gains from the impressive growth over the last 20 years. Their share of the wealth in the country increased from 47% to 55% while the share of the poorest 20 per cent decreased from 6.5% to 4.0%. This disturbing trend can also be seen in countries like Indonesia, Malaysia and India.

Increasing wage differentials between workers on basis of education / skills The inequalities gap between working people of different education and skill levels are also increasing even in countries where there are substantial wage increases for the lower category of workers. The more educated and skilled are earning increasingly more wages than those with less education and skills as demand for those with higher educational and skills training grows as the world moves towards a more technologically bias era. The 21st century is going to be such an era. This situation can already be seen in countries like Singapore and India as well.

Gender wage differentials Wage differentials between man and women is another area of inequalities that has to be addressed. Even in developed countries such as the United States there are much differentials in gender wage rates. In fact it was found that women earn only 72% of men's earnings. Such gender-based disparities in earnings are also found in countries of this region like India and Japan.

Lack of social security benefits aggravates inequalities Those who can especially the rich, are able to afford to ensure that they are well provided for in their old age or in times of need such as when sick or when met with an accident. There are others including the low wage earners who are not able to enjoy such social security benefits except in cases where social security schemes such as old age pension and employment accident insurance are provided. However in most cases such benefits provided are inadequate. In the majority of the countries in this region unemployment benefits are however not provided. This non-existent or inadequate provision for social security further aggravated the inequalities that exist.

Collective bargaining reduces inequalities In unionised sectors, unions are able to bargain for better wages for their members thus affecting positively the wage differentials especially in the case of reducing the gender-based wage disparities. In fact in most collective agreements there are no wage disparities between the sexes for jobs of the same nature. Besides collective bargaining leading to improvements in working conditions helps to reduce inequalities.

2. Changing Employment Structure

Employment takes on changing faces

Employment structure has changed substantially over the past three decades. In terms of sectoral changes in the economy, global agricultural sector employment has declined and is still declining. This

is also the case for industry although at a slower rate. However employment in the service sector is increasing. For the developing countries the trend is somewhat different in the sense that employment in industry is also increasing as well as that for the service sector. It is only employment in the agriculture sector that is declining. This trend can clearly be seen in the table below as extracted from the World Employment Report 1995 published by the International Labour Organisation (ILO).

Structure of World Employment, 1965 and 1989-91

<u></u>	Agriculture		Industry		Services	
	1965	1989-91	1965	1989-91	1965	1989-91
World	57	48	19	17	24	35
Industrialised countries	22	7	37	26	41	67
Developing countries	72	61	11	14	17	25
East & South-east Asia	73	50	9	18	18	32

Figures for 1960 instead of 1965; industry includes only manufacturing

Shifting of employment opportunities from rural to urban areas resulting in bottlenecks in urban areas With the changing of sectoral emphasis from agriculture to manufacturing and services in a number of the Asia-Pacific countries, there has been a corresponding shift of emphasis in the locational incidence of employment from rural to urban areas. This is because manufacturing and service sector activities are mainly concentrated in the urban areas. This has caused undue demand on the existing infrastructure in urban areas as in the case of Metro Manila and Bombay. Thus housing becomes an acute problem with increasing cost in terms of rentals and cost of houses as well as increase in the number of squatters and slum dwellers who are mainly low wage earners. Besides there are the other problems of a scarcity of potable water and electricity supply as well as the problem of transportation especially to and from work.

Increasing participation of women in formal employment

Women have made a substantial impact on the labour market over the last three decades. A substantial number are now employed in industry and the service sectors. In fact women now make up 38% of the labour force in the world. However the majority of women are still employed in low paying jobs such as production operators at the factory floor located mainly in the Export Processing Zones (EPZs). In fact between 70 - 90% of the workers are women workers in these zones where they work under very stringent and sometimes hazardous conditions. They are also mainly employed in areas where traditionally women are expected to be employed i.e. as teachers and nurses. In recent years however, the proportion of women employed in administrative, professional and technical occupations has increased and is increasing due to better educational opportunities for women.

Significant contributions of women workers

The main reason for women having to come out to work is because of the need to earn the necessary income to help meet the increasing cost of running a household. In some cases as in the Philippines, Sri Lanka and increasingly so in the case of Indonesia, women even have to leave

their home countries to work overseas as domestic helpers. Sometimes at great risks of being exploited. The contribution to the national coffer by these women workers are substantial especially in the case of the Philippines. With better education and opportunities an increasing number of women also choose to work outside their homes on their own volition. There is also an increasing number of women who have become the main breadwinners in the family.

ICFTU-APRO: Building Trade Unions Into The 21st Century - An Asia Pacific Regional Perspective

Young Asia-Pacific and increasing child labour

32% of the 3.5 billion people in Asia-Pacific are in the 0 - 14 years age group. Another 63% are between the ages of 15 - 64 years with the remaining 5% who are 65 years and above. This means that at present the population of this region is relatively young and thus the working population is also young, the majority of whom are below 35 years of age. Another aspect of the situation is the problem of child labour. The ILO estimated that there are about 250 million child labour in the world with 61% i.e. 153 million in Asia where 1.1 billion people are in the age group of 14 years and below. Increasing globalisation is going to further worsen the problem of child labour with the increasing inequalities that it brings along.

Technological improvement leading to demand for more skills training

In this fast changing world especially in terms of technological advancement, there is a growing demand for more trained and skilled working people as reflected in the changing nature of occupations. Thus there will be more demand for human resource development activities to upgrade/improve skills and for acquiring new skills by working people. Even new entrants to the labour market are also seeking opportunities to equip themselves with the relevant skills so as to be employable.

Change due to automation and robotics

Automation of industries and use of robotics have also changed the character of the manufacturing sector and the structure of employment in developed countries like Japan. This situation is also increasing so in the NIEs especially in the case of the Republic of Korea.

Increasing employment in some while unemployment still high in others

The employment and unemployment situation varies from sub-region to sub-region in the Asia and Pacific region. In the case of East and South-East Asia (with the exception of countries like the Philippines) employment grew significantly in the 1980s and are still growing. The employment annual growth rates ranged from 2.3% in Hong Kong to 5.9% in Singapore. This had resulted in the fall of the unemployment rate especially between the mid-1980s to early 1990s with rates ranging from 2 - 3%. In the case of South Asia employment grew by 2.7% per year between 1982 and 1990. However unemployment is still relatively high ranging between 6% (Pakistan) to 14% (Sri Lanka) in 1992. In addition to this there is a high rate of under-employment of between 20 - 30% in this sub-region. The situation for the South Pacific is getting worse with unemployment increasing especially in the island countries such as Fiji where the unemployment rate now has increased to more than 10%.

3. Changing Organisation Of Work

Hollowing-out of industries

With the ease with which capital moves from one country to another in search of maximum profits, security of employment is threatened. Work can be easily organised across the border that whole factories or certain work processes can be transferred from one country to another. Japan experienced a serious case of what was termed as the "hollowing out" of industries during the late 1980s and early 1990s when the value of the yen rose substantially against the US dollar thus increasing the cost of production in Japan. Unemployment increased and reached a record level of 3.5% in Japan. The "life-long employment" practice was threatened as workers found that they were thrown out of work as a result of the "hollowing out" i.e. the moving out of factories to other countries. This process has however slowed down recently. Countries like Singapore and Malaysia are now facing such a problem as companies move their factories to other lower cost countries like China and Vietnam.

Increasing internationalisation in organisation of work in services

The international organisation of work is not just confined to the industry/manufacturing sector. In the service sector, division of work across boundaries has also occurred and is increasing. As an example, certain work processes such as part of the accounting work can now be done away from the country where the company concerned is based. Another example is the production of daily newspaper where certain work processes are done in another country and sent back via satellite before the whole newspaper is put together for sale and distribution to the readers.

Increasing "deformalisation" of work

Another aspect of the changing work organisation is the increasing "deformalisation" of work. Employers are increasingly resorting to contracting out work to workers who work on contract basis with the employer or with contractors engaged by the employers to do the work concerned. In other cases certain work are farmed out to a worker or workers who then either work at the employers' premises or at some other locations such as their homes. In fact the extent of home workers has increased to such a level that the ILO had during its last Conference in June 1996 adopted a convention on home workers. These workers are the most exploited and employers shirk off their legal obligations and responsibilities as employers once they resort to such work arrangements.

Increasing part-time and other workers Apart from the above, part-time work, flexi-work and temporary work are also on the increase. Sales practices such as direct selling is also on the increase especially among women. The advance of technology is also increasing the number of teleworkers who usually work at home most of the time. These workers are also usually not provided with the legal protection due to workers such as social security including occupational health and safety protection, as well as basic workers' rights of representation through unions.

4. Informal Sector

Growing informal sector

The informal sector is a significant sector especially in the South Asian countries. In these countries a large proportion of the labour force are in agriculture and the urban informal sector. For example in India, employment in the informal segment of the manufacturing sector account for 75% of total manufacturing employment in 1990 while in Pakistan the proportion for such employment was 70%. There is also a significant size of the urban informal sector in the Philippines while in the other countries the proportion of such a sector though not really significant but is large enough to be of concern especially when it is increasing.

Exploitation in informal sector

Increasing globalisation which is marginalising the vulnerable segment of society has contributed and continues to contribute to the expansion of the informal sector. Rampant exploitation occurs in this sector as workers in this sector are usually not brought under the ambit of labour legislations either through legal limitations of such legislations or the blatant disregard for such legislations by employers. Women are the main victims as they make up a large proportion of workers in this sector. Another concern is the growing incidence of child labour in this sector.

5. International Labour Migration

Changing pattern of labour migration

Labour migration within the Asia-Pacific region has increased over the last several years especially after the Gulf War in 1991 and will continue to do so amidst the advancing globalisation. A significant feature of labour migration in Asia is the changing destination, from the developed countries in the 'traditional north' and the Gulf States to the newly industrialising economies within the region such as the Republic of Korea, Republic of China, Singapore, Hong Kong and the fast growing countries of Thailand and Malaysia. The number of women migrant workers is also increasing. More migrant workers move to other developing countries to take up jobs as opportunities are more easily available in recent years in these countries. In the Pacific, labour migration is usually from the Pacific Island nations to Australia and New Zealand.

Lower wages and poorer working conditions for migrant workers Migrant workers are usually paid lower wages and have to work under poor working conditions as well as live in conditions that leave much to be desired. These situations are sometimes coupled with abuses and ill-treatment by employers. Such dismal conditions have led to a general lowering of working condition for workers as a whole. In fact, from a survey conducted by ICFTU-APRO in 1996 among its affiliates, it was found that the large majority of the respondents replied that the employment of migrant workers leads to the lowering of working conditions. This situation is expected to continue into the future.

Migrant workers 36 and 3-D jobs

Migrant workers are now working in almost all sectors of the economy. However they are still usually found working in jobs which are not favoured by the nationals of the host countries. These jobs are usually known as the 3-D jobs i.e. dirty, dangerous and difficult jobs.

Jobs of women migrant workers

Women migrant workers are found mainly working in the service sector working in jobs such as domestic helpers and entertainers. They are sometimes subjected to sexual abuse by their employers as well as being overworked.

Migrant workers ³⁸ with better skills

- In recent years there is an increase in the number of migrant workers who are better educated working in skilled and professional jobs such as engineers and computer programmers into Asia, especially Southeast Asia from the traditional developed countries.
- The contributions of migrant workers to the economies of their home countries are significant. In fact in the case of countries like the Philippines and Bangladesh, the remittances these workers send home constituted a large proportion of their gross national products. Apart from this the social and economic opportunities that these remittances bring about to their families such as making it possible for family members to go to schools and have decent housing and health/medical care should be fully recognised and acknowledged.

Significant contributions of migrant workers to home countries as well as host countries

In the host countries the migrant workers contributed not to a less extent to the countries' economic growth. In fact the growth in countries like Singapore and Malaysia might not have been so spectacular if not for the contributions of these migrant workers who among others work in the construction industry, building houses, office blocks and mass transit infra-structures.

Limitations in unionisation of migrant workers However in most cases the migrant workers are not unionised as a practice. They are also in most cases excluded from the provisions of labour legislation on social security issues. These foreign migrants however can legally be organised in the union in many countries of the region but there are some restrictions with regard to their holding of office.

Migrant workers
- not a commodity

Unfortunately migrant workers are regarded and treated as commodities for export and import although labour is not a commodity. This inhuman treatment of migrant workers should be changed and positive actions should be taken by all parties concerned i.e. government, employers and employment agents to give due respect and recognition to this group of economically active humanity.

6. Regional Economic Groupings

With an increasingly interdependent world, countries feel a greater need to forge economic collaboration and alliances leading to the formation of more economic and trade groupings in the name of trade liberalisation. There are now several such groupings in this region and

Formation of economic groupings and trade union groups

sub-regions such as the Asean Free Trade Area (AFTA), the South Asia Association for Regional Cooperation (SAARC) and the Australia-New Zealand Closer Economic Relations Trade Agreement (ANZCERTA). Trade unions in the sub-regions concerned responded by forming the Asean Trade Union Council (ATUC), South Asian Regional Trade Union Council (SARTUC) and the North Pacific Trade Union Forum (NPTUF).

Rising importance of APEC

The most significant grouping covering both the Asian and Pacific areas is the Asia-Pacific Economic Cooperation (APEC) forum set up in 1989. Since 1993 APEC has taken a much greater profile as a regional economic group that is seriously working towards economic cooperation and trade liberalisation. It set the target of achieving trade liberalisation by 2020 with the industrialised member economies liberalising by 2010 and the developing economies by 2020. At present APEC comprises of 18 member economies with three of the world's most significant economies i.e. United States of America, China and Japan as members.

APEC - a government and business forum

The 18 APEC member economies as they are now accounted for 46% of world exports, 53% of world production and 38% of world population. With India, the Russian Federation and others expressing their desire to join APEC, the potential growth and significance of this economic grouping is tremendous. As it is today APEC is already the world's largest trade grouping. However, today's APEC is purely a governmental and business organisation. In fact in 1996, the APEC Business Council (ABAC) was established to further strengthen the business content of APEC. Trade unions on the other hand have been completely sidelined.

APEC - lack social dimension

Trade unions are most concerned with the fact that most of these regional economic groupings especially APEC lack a clear defined goal towards achieving social development. The preoccupation is increasing trade and investment to attain economic growth. Economic growth alone without concerted efforts to ensure social equity will not be sustainable.

ICFTU / APRO respond to APEC

Recognising this lack of trade union involvement and participation, the ICFTU-APRO at its 65th Executive Board Meeting held in August 1995 in Taipei adopted a resolution on APEC calling for ICFTU and ICFTU-APRO to work towards having social dialogues and consultations with APEC.

Formation of APLN

A conference on APEC was organised by ICFTU and hosted by the Australian Council of Trade Unions (ACTU) in September 1995 in Melbourne. At that Conference, the ICFTU Asia-Pacific Labour Network (APLN) was set up with ICFTU-APRO as its contact point. Following the Conference, the APLN members met the Prime Minister of Japan, the then Chair of APEC and submitted a statement calling for trade union involvement in the APEC process.

Setting up of the Labour Forum within APEC

A second conference was organised by ICFTU and ICFTU-APRO and hosted by the Trade Union Congress of the Philippines (TUCP) in October 1996. A meeting with President Ramos of the Philippines who is the 1996 Chair of APEC was held immediately after the Conference. The Conference Statement entitled, "A Trade Union Vision For APEC" was presented to him. The statement among others included the issue on the setting up of a Labour Forum within APEC. There are now some contacts between the ICFTU-APRO and APEC at the Secretariat level as well as participation of some union representatives at the Working Group on Human Resource Development, Senior Officers Meetings and Ministerial Meetings of the APEC. Trade unions of the APEC region need to do much more in their respective countries to secure union representation in APEC.

ICFTU in PECC-HRD

The ICFTU/APRO/ORIT were invited to the Pacific Economic Cooperation Council (PECC) Human Resource Development (HRD) meeting held in Brunei in June 1996. The ICFTU-APRO attended representing also ICFTU and ORIT (Inter American Regional Organisation of Workers). A presentation was made in the name of the APLN at the meeting. The PECC is one of the three organisations which have observer status with APEC. The other two being the Association of South East Asian Nations (ASEAN) and the South Pacific Forum.

7. International Labour Standards

International labour standards sidelined International labour standards are not just being increasingly pushed aside and trampled upon where 'de-formalising' of employment occurs but also where governments are more keen to use oppressive and suppressive tactics on labour to attract multinational companies (MNCs) to invest in their countries and to increase export. International Labour Conventions adopted by the ILO, provide the minimum labour standards which should be followed by all member countries as a basis for setting labour standards for the improvement of working conditions in particular and social development in general. Countries should at least ratify the core labour conventions. Unfortunately the record of ratification of these conventions is very disappointing where this region is concerned as can be seen below.

Ratifications of ILO Conventions

ILO Conventions	Ratifications (1995)				
		orld members)	Asia-Pacific (24 members)		
	No.	%	No.	%	
No. 87	112	64	7	29	
No. 98	124	71	13	54	
No. 29	135	78	18	74	
No. 105	114	65	9	37	
No. 100	123	71	10	41	

No. 111 119 68 10 41 No. 138 46 26 0 0

Note:

- ILO Convention No. 87 Freedom of Association and Protection of the Right to Organise, 1948
- ILO Convention No. 98 Right to Organise and Collective Bargaining, 1949
- ILO Convention No. 29 Forced Labour, 1930
- ILO Convention No. 105 Abolition of Forced Labour, 1957.
- ILO Convention No. 100 Equal Remuneration, 1951
- ILO Convention No. 111 Discrimination (Employment and Occupation), 1958
- ILO Convention No. 138 Minimum Age, 1973

Poor implementation of ILO Conventions

Ratification should be followed by effective implementation of the conventions. However there are countries such as Pakistan and Burma which had ratified among others, Convention Nos. 87 and 29 but the record of trade union rights violation in terms of restriction of right to organise and the use of forced labour is well-known.

Importance of ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy was adopted by the ILO Governing Body in November 1977. The Tripartite Declaration contains principles and guidelines relating to the social dimension of foreign direct investment. It is the only such universal voluntary instrument which addresses all the parties concerned i.e. the home and host country governments, organisations representing employers and workers, national enterprises and MNCs in all the ILO member countries. Unfortunately all the parties concerned do not pay much heed to the principles and guidelines of the Tripartite Declaration. This is among others manifested in the inequalities that are found prevailing in the world today.

8. Increasing Activities Of Multinational Companies (MNCs)

Increasing presence of MNCs

In the course of increasing liberalisation and globalisation, the economic role and presence of MNCs will be further enhanced especially in countries where low wage labour is available and international labour standards are ignored. In fact in the 1990s there are now more than 37,000 MNCs where more than 90% of the parent companies are from the Organisation for Economic and Cooperation Development (OECD). These MNCs operated with more than 200,000 foreign affiliates and in 1992 they employed more than 73 million people with 44 million by the parent companies. They employed 29 million in offshore affiliates and out of this 41% or 12 million of them are employed in developing countries, half of them in China alone. The flow of investment funds in terms of foreign direct investments (FDI) which is invariably associated with MNC activities, into the Asia-

Pacific region is also significant. In fact not only the number of MNCs is growing, FDI is also increasing.

Increasing flow of FDI into Asia Pacific

Between 1983 to 1989 the average annual FDI inflow into the region were US\$ 5.2 billion but between 1990 and 1993 this had increased to US\$ 19.8 billion. In 1993 alone the region received 64% (US\$ 44,935 million) of the total FDI flows of US\$ 70,058 million that went to non-OECD countries. The major recipients were China, Malaysia, Singapore, Thailand and Hong Kong. The two major OECD member countries from this region i.e. Australia and Japan have also invested substantially in the region. In 1993 Australia invested 32% of its foreign investments in the region while Japan's share was 19% of its FDI.

Growing strength of Asian MNCs and increasing international involvement of trade unions The NIEs have also started to invest in other countries especially in those of the region itself. From 1986 - 1992, about 70% of FDI into China, Indonesia, Malaysia, the Philippines and Thailand were from countries and territories of this region. A breakdown shows that 50% of this came from Hong Kong, the Republic of Korea, Republic of Singapore and the Republic of China while 18% was from Japan. The combined FDI shares from Europe and the United States were only about 20%. This trend is going to continue into the 21st century as more of the fast growing countries such as Malaysia and Thailand are also starting to invest in other countries in the region. As they are responsible for an increasing proportion of FDI in this region, the MNCs from Asia-Pacific will be playing a greater role in the economic growth of the host countries in the region itself. This means that trade unions in the host countries in this region will increasingly have to deal with foreign employers based within this region itself, as well as with those from Europe and the United States. Besides trade unions from the home countries will also be increasingly drawn into playing a more active role in international trade union solidarity activities.

Imposing wealth of MNCs

There is no doubt of the significant role that MNCs play in the economic growth of the region with the means i.e. capital that they own. In fact the extent of the wealth that MNCs garnered can best be illustrated by the fact that Bill Gates, the owner of Microsoft, has a personal wealth of US\$ 18 billion which is "enough to purchase half a dozen poor countries". (Comments by Guardian Newspaper).

Codes of conduct for MNCs

The social development role that MNCs can play is enormous. However they have fought shy of doing so in most cases. They should be made to commit to advance social development in the countries concerned be it home or host countries. Economic growth to be sustainable should be accompanied by social development in areas such as good industrial relations practices, decent wages, good working conditions including occupational safety, health and environment. Thus codes of conduct (practice) for MNCs should be drawn up for Asia-Pacific in view of the increasing activities of MNCs in this region. A rationale for codes of conduct for MNCs is attached as Appendix I.

9. Role Of The State

Detrimental aspect of greater liberalisation

Governments in their enthusiasm to push their economies deeper into the globalisation process through liberalisation could lead to problems for their domestic industries as in the case of Pakistan. These industries with the lowering of tariffs and tax barriers could find themselves not able to compete with the foreign investors thus leading to their closure or reduction in production. This would push up unemployment as workers are generally retrenched under such circumstances.

Small governments and its adverse effects

The move to have small governments in terms of privatising government/state owned enterprises/bodies and/or cut down budgetary allocations for social development such as education and health to allow the market to play a larger role in the economy have also led to adverse effects on the labour market. Workers who are retrenched as a result of privatisation and are not able to rejoin the formal employment sector add to the ranks of the informal sector as in the case of Fiji and Turkey. The worse affected are women workers.

Retarding budgetary allocations

Budgetary allocations of some governments need to be re-examined from the point of view of social development. For example the Government of Pakistan had in the past allocated 27.9% of the budget for defence and only 1.6% for education while in the case of India the allocation was 15.0% for defence and 2.1% for education. Such disproportionate allocations retards social development.

Positive impacts of government interventions

However in the case of the fast developing countries of East and Southeast Asia strong government interventions in selected areas have led to positive trends. In the case of the Republic of South Korea the emphasis place on education has resulted in the development of a skilled and educated labour force which are able to respond to meet the challenges in propelling the country to achieve record economic gains. As for Singapore the strong government hand is seen in enabling more than 90% of its citizens owning their own houses. This rate is among the highest in the world. Apart from this there is the compulsory savings scheme under the Central Provident Fund (CPF). Employers and workers have to contribute each 20% i.e. a total of 40% of the workers' monthly wage to the Fund. This provides a secure means for the social security protection of workers especially in their old age. These are but some examples to illustrate how positive intervention of governments can contribute to social development.

Negative actions of government in industrial relations Unfortunately there are also negative aspects of state interventions as in the case of New Zealand where unfair amendments to labour legislation was enacted. The most worrying for trade unions is that this trend seems to be catching on. In fact the government of the Republic of Korea had sent a team to New Zealand to study the situation there. It had in the meantime disbanded the Presidential Commission on Industrial Relations Reform set up to propose changes to the labour legislations. The membership of the Commission comprised of

employers and trade union representatives and public interest groups. It now plans to institute reforms on its own. The Federation of Korean Trade Unions (FKTU) and the Korean Confederation of Trade Unions (KCTU), the two affiliates of ICFTU-APRO have taken and are still taking actions to protest against such a unilateral move by the Government. In Australia, certain state governments and the newly elected conservative federal government are also taking steps in the same direction to curb trade union activities in the field of industrial relations and others. The Federal Government has in fact stopped the "Accord practice". (According to this practice the Federal Government and the Australia Council of Trade Union, ACTU, signed an annual accord on labour issues).

Negative impacts of government interventions Besides the Federal Government of Australia has and is resorting to cutbacks in terms of funding for trade union related activities. The cutback for TUTA, the premier trade union education centre of Australia had resulted in the trimming of TUTA to the extent that the trade union college in Clyde Cameroon had to close down. It had also cut off the funding for trade union activities of the South Pacific and Oceanic Council of Trade Unions (SPOCTU). This will invariably affect the development of trade unions in the Pacific Island countries, at least in the short run.

Governments losing control to market forces

The negative intervention of the state is further pushing the economy into the arms of the market leading to the losing of control by the government. The poignant observations of the World Employment Report 1995 published by the ILO as quoted below is but the reflection of what the present situation is with regard to the losing of control by the state.

"Today globalization has triumphed. The world economy is more closely integrated than ever before: the market is rapidly superseding government controls and planning as a mechanism for allocating resources......"

10. Trade Union Situation

Dark side of trade union pluralism

Trade union pluralism has taken the most extreme form in most of the countries in the region, especially in the South Asian sub-region, where for example in Bangladesh there are as many as 23 national trade union centres. In the case of India there are more than 55,000 unions. This multiplicity is not so much due to ideological cleavages, but mainly due to party political affinities and personality cliques. In some countries as in the case of Malaysia, it is government intervention that led to an increase in the number of small enterprise based unions especially in the electronics industry. The Malaysian Trades union Congress (MTUC) in fact has been striving for more than 20 years to set up a national union for workers in the electronic industry which is the largest employer in the manufacturing sector after the refusal of the

government to allow the electronics workers to join the Electrical Industry Workers Union (EIWU). The matter was even brought to the ILO but the government continues to disallow the EIWU to organise the electronics workers maintaining that electrical and electronics belong to different industries although the ILO had ruled that they belong to the same.

Restrictions on trade unions through compulsory registration In most of the countries, by law, trade unions are required to register themselves with government authorities. In fact from the ICFTU-APRO survey as mentioned earlier, 81.3% of the respondents said that the trade unions have to be registered while only 18.7% said they need not. As for trade union national centres, 43.7% of the respondents said that their national centres have to be registered while 25.0% said they need not have to be. Where trade unions have to be compulsorily registered, their legitimate existence and membership scope will be influenced and controlled by the government concerned in certain cases as seen in the case of the electronics workers in Malaysia. In some countries, the governments recognise only one national trade union centre, as in the case of Indonesia, Republics of China and Korea, which are violative of universally accepted principles and practices. In the Asia-Pacific region, in countries such as China, North Korea, and Vietnam, the trade unions there continue to work under the control of the Communist Party.

Unionisation rate low in most countries

Union density in most of the countries in the region is abysmally poor. Increasing number of new entrants to the labour market is not reflected in the union membership. On the contrary, established trade unions are reportedly losing their membership. It is a pity that in some places trade union leaders seem to be content with a small number of 'captive' membership without any attempt to broaden the base of the unions. Many reasons are advanced for the existing trade unions' inability to organise the unorganised. While trade unions may lack financial resources and full-time human resources, there should be no lack of activists where the trade union movement is seen as 'doing the job' on behalf of working people. In fact trade unions in this region at present represent between a low of 2% of the labour force as in Thailand and a high of 70% as in Mongolia. The unionisation rate is declining generally. This is not the case for the Asia-Pacific region alone, but is also the case in other continents. Trade unions in the world are becoming more conscious of this detrimental development today. Not recruiting more new members would pose a survival issue to the trade unions of the future.

Low union dues generally

The level of union dues being paid is rather minimal in a number of countries especially in South Asia. In the case of India union dues varies from less than half a rupee to one rupee per member per month (1 US\$ \approx 35 Indian Rupees). In the Philippines the union dues is about 20 peso per member per month (1 US\$ \approx 26 peso). However union dues in East Asia is much higher. Union members pay one percent or more of their monthly wages/salaries as union dues. Apart from this,

Difficulties in collection of dues

unions also face difficulties in collection of union dues mainly because check-off system is not widely practised except in some countries like Japan and the Republic of Korea. As a result, unions in a number of cases claim they are not able to pay adequate affiliation fees to their national centres which are usually weak financially. This leads to the dependency on outside funds.

Union shop system preferred - no free riders Most of the countries in the region practise an open shop system i.e. workers are free to choose to be union members or not. This has led to the problem of free riders i.e. workers who are not union members but also enjoy collective bargaining agreement benefits. In Japan however the system in practise is the union shop system where workers have to become union members once they are confirmed in their employment. The agency shop system is hardly practised in this region. Under this system workers who are not union members but who also enjoy benefits negotiated by the unions in the collective bargaining agreements pay a certain fee to the union. Closed shop system where workers have to be members of unions first before getting employed is also hardly seen in this region.

Lack of trade union professionalism

There is also a lack of professionalism among most trade union leaders. Generation gap is evident among trade union leaders with no mandatory age for retirement of trade union leaders in some cases. The challenges posed by the global market involving complex and complicated issues call for a professional approach to trade union structure and functioning and a process of 'self-renewal' is very much lacking in the region.

Use of information technology an advantage for trade unions Nowadays as trade unions have to handle situations which assume greater international dimensions there is a greater need for expertise and networking among trade unions not only in the region but also in other parts of the world. The use of information technology will thus be an advantage. However trade unions in this region are still not so well equipped both in terms of manpower and hardware as yet.

Poor public image of trade unions

Trade unions are generally not viewed in a positive light by the public. They are regarded in most cases as 'trouble makers' who are interested in strikes causing inconveniences to the public at large. The good work of unions is usually not noticed, not just by the public, but also in some cases by union members themselves.

Restrictions of workers' rights in EPZs

The unprecedented emphasis on liberalisation and globalisation as well as encouraging the free play of market forces undeniably have profound impact on the trade union movement. These effects are not always positive. The belief that the private sector in developing countries through foreign direct investments could propel their economic growth to greater heights led governments to adopt policies and programmes that are meant to attract and keep these foreign investors staying in their countries. This policy has been chiefly pursued at the expense of labour as restrictive laws and practices are put in place to curb worker's

rights. In some instances, export processing zones (EPZs) are set up where labour laws are not applied or restricted.

Restrictions of workers' rights to attract FDI

Some governments, for example the Bangladesh Government has even gone to the extent of advertising in the inflight magazine, DIGANTO, of the Biman Bangladesh Airlines stating that, "Law forbids formation of labour unions in the zones and strikes are illegal". In the case of the Philippines, although the law does not forbid or restrict unionisation, some local government officials take it upon themselves to put in place similar restrictions on workers in the EPZs. In Bangladesh and Pakistan the governments even go to the extent of setting up certain EPZs specifically for investors from a specific country offering among others restrictions on trade union rights as incentives.

Collective industrial relations threatened

Industrial relations practices have also taken on new turns and twists. Employers together with governments have become more confrontational against the trade union movement after the cold war is over. In some cases, collective bargaining where it exists is being threatened and where it does not, its chances of taking root is being snipped off. This is because in such cases, there is the move towards individualism as against collectivism in the area of industrial relations. This is encouraged or even instituted by certain governments as in the case of New Zealand. In this particular case, the New Zealand Government amended the Employment Contracts Act in 1991 providing for employees to sign individual contracts with their respective employers thus making unions collective representation redundant or unnecessary. In fact after the introduction of this amendment trade union membership in New Zealand dropped by 42% between December 1991 to December 1995. This is happening at the time when there are already restrictions in law and practices on the scope and contents of collective bargaining in some countries as seen for example, in Japan and Malaysia as well as the denial of the right to collective bargaining in the public sector as in the case of Thailand, Indonesia, Pakistan and the Republic of Korea, to cite a few.

Need for an Asia-Pacific Industrial Relations Institute An analysis of the industrial relations laws and practices in the Asian Pacific countries will reveal more of differences than of similarities. In the process of globalization, some governments in the region as seen earlier have unfortunately thought it necessary to amend their industrial relations legislations resulting in greater restrictive provisions and erosion of hard-won standards. It is indeed a pity that more and more of the countries in the region are getting influenced by the negative and ominous trends and regressive measures in the field of industrial relations. While the workers and their representative trade unions have a vital and direct stake in industrial relations law and practices, invariably they are not sufficiently involved in the process of policymaking. In this context, the need has been expressed for establishing an Asia-Pacific Industrial Relations Institute which will undertake research and promotional activities in the labour and social fields and work towards the development of sound industrial relations in law and practice.

Increasing bipartism needed Apart from collective bargaining for wages and working conditions, bipartite relationship on a joint consultative basis to discuss issues other than those relating to CBAs are not commonly practised in many countries in the region. For example, in many instances trade unions are not informed with regard to company-sponsored activities such as family days. There should be more consultative activities between trade unions and employers on issues other than CBA matters as well.

Tripartism not functioning effectively

Tripartism in most cases in this region is not functioning effectively although in a number of countries there are tripartite bodies set up such as wage boards to determine minimum wages, employees' provident fund boards and labour advisory councils where trade unions are represented. This is mainly due to the fact that these bodies do not meet as frequently as they should or when they do the government and employers' representatives tend to work together against the trade union representatives. Sometimes when trade union representatives incur the wrath of the government over certain issues, such representatives are conveniently removed from such boards or bodies. For example MTUC's representatives were not re-appointed to the Employees' Provident Board during the period the Malaysian Government was not happy with the MTUC over certain issues although the MTUC had been the workers' representatives at the Board since its inception in 1952. There is also growing concern that tripartism is being given a new interpretation in the sense that academics are being increasingly taken to replace trade union representatives as the third component in the tripartite set up. Academia cannot replace trade unions as they are not workers' organisations like the trade unions. The ILO concept of tripartism where government, employers' and workers' organisations are the three pillars of the tripartite set up should never be changed in anyway.

Social partner role of trade unions important

Besides, trade unions although the largest organisations representing the interest of workers who generally comprised the majority section of society, are not represented in most cases in this region in national development planning bodies such as the Economic Planning Unit or Commission. This deprives trade unions from discharging effectively its role as a social partner. This social partner role of trade unions when curbed limits trade unions to act as the social conscience of any national economic programmes. Economic development without a social dimension as seen in many countries is not sustainable. Thus it is important that trade unions are in a position to play its social partner role effectively.

Unity actions by ICFTU-APRO The ICFTU-APRO has taken efforts through the convening of unity meetings and conferences in the countries concerned such as Bangladesh, Sri Lanka and Pakistan to bring about closer relationship among the affiliates to work towards unification. There are now some encouraging signs as in the case of Malaysia where the two national centres have now decided to have only the Malaysian Trades Union Congress as the national centre by dissolving the other. However, in many of the other countries concerned, the path towards unity is still

not so smooth as desired. The ICFTU-APRO has also through its various activities such as education and training, affirmative action programmes, research and information assistance help to strengthen the trade unions in the region.

Difficult task ahead for trade unions

However it will be a formidable, though not impossible, task for trade unions to continue to play a meaningful and relevant role in the 21st century in the upliftment of the economic and social well-being of workers in particular and society in general for ensuring social justice. To play such a role effectively, trade unions should take a more practical and pragmatic approach and have to transform themselves to become more dynamic, more professional, financially sound and independent.

III. WHAT WE SHOULD DO? HOW FAR CAN WE GO?

What should be done and how far can trade unions go in building trade unions into the 21st century? These are the questions that need to be asked and answered.

Trade unions take up the challenges

Trade unions in meeting the challenges of the 21st century should now take concrete actions and not just wallow in rhetorics and general ideas. However in view of the different economic and social scenario and different levels of trade union development in the different countries, action programmes should be implemented on a multispeed basis i.e. different action programmes should be implemented at different points of time but within a reasonable overall time frame by the different unions concerned. The starting point to measure the speed of implementation should be from the date of the 16th Regional Conference of ICFTU-APRO i.e. December 1996. The overall target date for attaining the goals of the action programmes will be between the years 2005 and 2015 according to the level of trade union development in the countries concerned. In between the period, evaluation will be carried out to keep track of the development in the different countries concerned.

2005-2015 target years

The following action programmes are identified as the areas for action so as to achieve the certain common level of trade union development in the region by 2015. Where trade unions have already achieved the levels as identified, they should strive for higher levels. The identified action programmes are grouped into the following six categories:

Action programmes with multispeed level of attainment

- Union Democracy
- Union Finance
- Union Activities
- International Solidarity Actions

- ICFTU-APRO Charter of Minimum Demands
- ICFTU-APRO Social Charter for Democratic Development

1. Union Democracy

Trade unions are democratic organisations

- Trade unions should not just claim or be seen as democratic organisations. Trade unions should actually engage in democratic practices. Union members should participate in decision making and be a party to the decisions made. This will also further strengthen the sense of commitment of union members towards their unions and pride of owning. Thus the following action programmes have been identified for further democratic development of trade unions.
 - (a) Development of union professionalism among trade union officials and employees.
 - (b) Ensure democratic practices at all union levels.
 - (c) Reviewing the retirement age of union officials from the point of view of grooming young leaders.
 - (d) Promote increased women's representation at all union bodies to reach the ICFTU policy of 30% or more women representation at all union levels.
 - (e) Work towards trade union unity
 - (f) Ensure that there is union pluralism however not at the expense of union fragmentation and union disunity.

2. Union Finance

Financial independence of trade unions

Trade unions are dues-paying membership-based organisations. Members who do not pay up their dues within a certain stipulated time should not be regarded as members and should lose all benefits as members. This concept should be deeply entrenched into the minds of union members. This is to ensure that trade unions should not be financially dependent on outside sources either local or international.

Dependency syndrome among trade unions discouraged Trade unions which are financially dependent on political parties should sever such ties. The fortunes of trade unions should not depend on the "ups and downs' of political parties i.e. whether the political parties concerned gain or lose power to govern the country. Trade unions should not depend on foreign/international funds for their very existence. Such funds if at all needed should be for specific activities such as education and training. Trade unions in such a position should work towards eventual self-reliance even in these areas and should not

develop the dependency syndrome. Such syndrome if exist should be nipped off even in the budding stage.

Sense of commitment and owning by union members

- Trade union members should develop a sense of commitment to the unions and should take it that the unions belong to them. This sense of commitment and owning will be further developed and strengthened with the realisation by union members that it is their monetary contributions which help build the unions. Thus the following action programmes have been identified for implementation.
 - (a) Union dues should be one (1) % or more of the basic monthly wages/salaries of union members.
 - (b) Check-off system should be included in collective bargaining agreements.
 - (c) Union shop or agency shop clauses should be incorporated in collective bargaining agreements.

3. Union Activities

Value for money

Not only that a sense of commitment and owning be deepened but also a sense that there is value for their contributions in terms of benefits for themselves and also that activities carried out will be towards the building of their own organisations i.e. the trade unions concerned. Thus activities which are of interest and in the interest of union members are identified below for implementation and/or continued implementation.

Activities for implementation and/or continued implementation

- (a) Give high priority to organising activities, especially targeting on women and young workers. Target set for organising rate should be at least 30% of labour force and if this is already presently the case, then the target should be 50% or more.
- (b) Increase awareness, education and training programmes for union members on issues such as occupational safety, health and environment, economics and industrial relations.
- (c) Increase research activities, especially in social and economic areas as economic issues are now of more crucial importance for trade unions than ever before.
- (d) Improve union communication and information dissemination among union members.
- (e) Improve public relations and public image of unions through publications, mass media, etc.

- (f) Ensure that there is security of employment especially among union members.
- (g) Work for implementation of shorter working hours with a maximum of 40 hours per week.
- (h) Increase the scope of collective bargaining to include issues on women such as maternity protection and allowance with at least a minimum as set in the ILO standards, menstruation leave and other issues such as those on occupational health, safety and environment.
- (i) Extend collective bargaining coverage to groups like temporary, part-time, sub-contract, fixed term and migrant workers and public sector employees.
- (j) Demand for implementation of official old age pension scheme for workers in both the public and private sectors.
- (k) Demand for implementation of governmental employment accident insurance.
- (1) Implement at least one social security scheme for example, additional old age pension scheme to be administered and managed by unions according to the needs of the country concerned.
- (m) Involve in human resource development programmes, especially in the area of vocational retraining and professional qualification.
- (n) Work for having compulsory consultation/agreements with unions on lay-off and redundancy.
- (o) Work for having right of consultation with unions for the introduction of new technologies at the workplace.
- (p) Work for having of immunity for industrial actions and disputes.
- (q) Lobby for introduction and implementation of progressive labour laws.
- (r) Fight against the concept of individualism as against collectivism in industrial relations.
- (s) Engage in strategic political engagements and social dialogue without being controlled by political parties or government.

- (t) Ensure the ratification and implementation of ILO Conventions by the governments especially, Nos. 87, 98, 100, 111, 29, 105, 138 and 151. (Refer to paragraph 50 for details).
- (u) Work towards the introduction by the government of a higher income policy and be involved in public policy formulation.
- (v) Ensure effective practice of tripartism and bipartism.
- (w) Effectively promote trade union and other human rights ensuring that the links between trade unions and other human rights such as food, clothing, shelter, social security, education, health care, the rights of women and children and economic development are clearly understood.
- (x) Engage in union socio-economic activities such as setting up of cooperatives, providing health services and sports and recreation facilities.
- (y) Increase contact and work with Non-governmental Organisations (NGOs) on specific issues such as human rights, consumerism and the environment.

4. International Solidarity Actions

Trade unions in the age of increasing globalisation cannot confine or limit their activities within their national boundaries. In view of the expanding activities of MNCs and actions of some governments to the detriment of the interest of working people, trade unions both in the home and host countries should work together in combating any unfair labour practice and social injustice brought upon working people. Thus trade unions should:

International actions by trade unions against unfair labour practices

- (a) Lobby for the effective implementation of the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy both in the home and host countries.
- (b) Draw up ICFTU-APRO codes of conduct (practice) for the MNCs operating in the Asia-Pacific region and ensure their effective implementation.
- (c) Work towards the setting up of an Asia-Pacific Industrial Relations Institute.

5. ICFTU-APRO Charter Of Minimum Demands

The Charter of Minimum Demands covers five essential areas as minimum demands. Affiliates of ICFTU-APRO which have not already attained these demands are to take actions for the attainment of these demands by the year 2005 so that there is an accepted minimum standard in the five selected areas of concern for working people in the Asia-Pacific region. These five areas are:

Five essential areas of minimum

a. Essential Social Security Schemes

Under this four schemes are to be implemented by the government. They are old age pension, unemployment benefits, employment accident insurance and official minimum guaranteed wage. However under the employment accident benefits schemes employers should also be involved apart from the government.

b. Essential Clauses in Collective Bargaining Agreements (CBA)

Four areas are identified that should be included in CBAs. They are:

- union and agency shop
- check-off
- compulsory consultation for redundancies
- joint consultative system

c. Essential Provisions in Labour Legislation

There should be no requirement for union registration under any labour legislations which should provide for compulsory tripartism and immunity for industrial disputes.

d. Essential Area in Social Development

Three essential areas i.e. compulsory education, eradication of child labour and universal health care are identified under this section.

e. <u>Essential Conventions on International Labour</u> Standards

Unions should demand for the ratification and effective implementation of ILO Conventions especially Nos. 87, 98, 111, 138 and 151 by the governments concerned.

The Charter is attached as Appendix II.

6. ICFTU-APRO Social Charter For Democratic Development

- The Social Charter for Democratic Development "is concerned with how unions should work together to promote the recognition and respect for the fundamental rights of workers". It contains a guideline for social dialogue covering the following areas. Trade unions should use this guideline in carrying out their activities.
 - employment
 - wages and working conditions
 - vocational training and retraining
 - industrial relations
 - safety, health and environment
 - women workers
 - MNCs and EPZs
 - economic migrant workers
 - social security
 - trade union development
- The Social Charter is attached as Appendix III.
- The ICFTU-APRO resolution on "Social Charter The Need For Activity" adopted at the ICFTU-APRO 64th Regional Executive Board Meeting in 1994 held in Seoul is attached as Appendix IV.

IV. CONCLUSIONS

- The issue of inequalities today has to be addressed urgently. Inequalities in economic growth between countries, income/wages, employment opportunities, social security benefits have to be narrowed otherwise social agitation and/or unrest may result. This will be to the detriment of any economic gains that a country might have achieved.
- Formation of regional economic groupings such as APEC leading to greater liberalisation of trade and investment and hastening of the globalisation process also increases inequalities if social development is not part of the terms agreed to. In this instance APEC had after several years of neglect, in November 1996 adopted the APEC Framework for Strengthening Economic Cooperation and Development which agreed that the goals of economic and technical cooperation and development are:-
 - to attain sustainable growth and equitable development in the Asia-Pacific region;
 - to reduce economic disparities among APEC economies;
 - to improve the economic and social well-being of the people; and
 - to deepen the spirit of community in the Asia-Pacific.

Role of State

Standards for

development

social

The ILO standards in the form of conventions provide the necessary minimum standards for social development. Thus they should be ratified and implemented. The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy should be followed as it is also a good instrument to ensure that social justice is not forgotten by the parties concerned in the zest to attract FDI. ICFTU-APRO Codes of conduct (practices) for MNCs should also be introduced and implemented to strengthen social development with regard to MNCs' activities. Efforts should also be made to establish the Asia-Pacific Industrial Relations Institute.

The role of the State should be strengthened to provide for social development. The State should not surrender its role to market forces in the form of business such as the MNCs to the detriment of social progress. Tripartism would be adversely affected if one of its pillars is so weakened vis-à-vis another. Tripartism should function effectively in a democratic society.

Abolish restrictive laws and policy measures

Individualism is against trade union development. Thus it should not be allowed to spread especially in view of the fact that some governments in this region are trying to propagate this idea through legislative means and policy measures. Legal and policy restrictions on trade union rights such as freedom of association and the right to organise including the rights of EPZs and migrant workers to form/join unions, collective bargaining and representation should be abolished.

Building vibrant trade unions to give human face to 21st century 102 Trade unions in this region should ensure that they are democratically run and that they also build up their own financial resources and capabilities. Thus activities such as organising; collective bargaining; industrial relations practices; workers education and training; research and information dissemination should be effectively and continuously carried out. Trade union leaders must have the political will to take the necessary actions as well as to carry out these activities and where necessary to make changes. These actions and activities will help build trade unions so that they not only can further serve their members well but also engage in meaningful social dialogues with the parties concerned be it governments or inter-governmental institutions. A target time frame of between 9 - 19 years from now (i.e. 2005-2015 as target years) is set to attain such goals. Trade unions in the Asia-Pacific region will thus by then be able to effectively play their roles to ensure that the social dimension of economic growth is not forgotten. This will help to propel the 21st century into a century with a human face.

Need to reduce inequalities

APEC - signs of social concern

APPENDIX I

A RATIONALE FOR CODES OF CONDUCT FOR MULTINATIONAL COMPANIES

1. Company And Industry Codes Of Conduct On Labour Practices

- 1. Over the last few years a number of Transnational Corporations (TNCs) and industry associations have adopted their own codes of conduct on labour practices. In a number of cases this has been in response to international and national union pressure to improve working conditions in subsidiaries and sub-contractors. The Committee will recall that the ICFTU has launched a campaign for a toy industry code of conduct to prevent amongst other things a repeat of the Kader fire disaster and discussions are continuing with the international industry association. Recently, the ICFTU, together with the ITGLWF and FIET also successfully concluded a code on with FIFA on footballs. The most recent meeting of the ICFTU/ITS Working Party on multinational companies discussed codes of conduct and proposed that the Economic and Social Committee and the Executive Board review developments with a view to strengthening union action.
- 2. The types of codes of conduct considered were public pledges by companies or industry associations with respect to labour practices as well as charters drawn up by organisations campaigning on behalf of labour conditions. In almost all cases, companies adopting codes of conduct did so as a result of pressure from human rights, development, religious, consumer and trade union organisations based on allegations of extreme exploitation such as child labour, slave wages, brutal treatment or unsafe working conditions. Most of the companies adopting codes have been manufacturers, merchandisers and retailers organising production internationally through outsourcing to suppliers in developing countries. Almost all codes adopted so far concern labour-intensive manufacturing such as clothing and footwear e.g. Levi-Strauss, GAP, Reebok. However, the number of sectors in which production can be organised in this manner is increasing and codes could cover services as well as other kinds of manufacturing, including purchasing and procurement policies.
- 3. An evaluation of codes of conduct and how they can be used by unions is therefore timely. One reason to suspect the motives of companies introducing them is that most codes do not include a commitment to trade union rights and thus create the impression that it is possible to protect the interests of workers without trade unions. Another reason is the danger that in the absence of good enforcement procedures the codes may have a minimal impact on labour practices beyond addressing one or two major scandals, which adds to concerns that most are merely public relations exercises. In this regard a US Labor Department study of child labour released on 22 October is revealing. It showed some progress in eliminating child labour in US-owned companies in Latin America and concluded that business is responding to pressure, but that codes are only as effective as the monitoring

- policies the companies use to enforce them. The study showed that 36 US clothing companies have adopted codes but only 22 out of 70 plant managers had told their workers about them.
- 4. The attraction for unions of codes is that they can be used to pressurise companies that have a high profile, but vulnerable, public image to gain public attention for exploitative practices and embarrass companies into remedying the situation. The problem is maintaining the pressure when the publicity spotlight inevitably fades. This has led to the demand by groups seeking codes that codes must also be actively and consistently implemented by companies and, most importantly, be independently monitored to ensure that they are actually being observed. The ICFTU, at the request of the ICFTU/ITS Working Party on Multinational Companies, has therefore prepared a draft model code of conduct and a memorandum of understanding between a company and trade unions/ NGOs covering how a code would be implemented and monitored. The Working Party has suggested, with a view to generating wider involvement of affiliates and ITS in the campaigns for codes, that a major effort be launched to spread awareness of the issues involved with codes of conduct and requested comments on the model code and agreement.

2. The Role Of Trade Unions In Promoting Or Negotiating Codes Of Conduct

- 5. It would clearly be desirable if codes of conduct were only negotiated with trade unions which should also enforce and monitor compliance with codes rather than be unilaterally adopted by the companies. However, codes of conduct typically address widespread exploitation that exists largely because there are no trade unions and trade union rights are not respected. To avoid codes of conduct being used as a substitute for collective bargaining, unions need to ensure that codes of conduct recognise such international standards as the right to join and form trade unions and to bargain collectively, and thus can be used to promote union organisation and collective bargaining.
- 6. Where codes of conduct fail to include these rights, they could be read to imply that employers themselves can protect workers, who therefore did not need trade unions, which are just "third parties" to the company's relations with its workers. A further difficulty is that some NGOs may seek establish themselves as "alternative workers' organisations" and use codes to establish relationships with businesses that wanted to avoid trade unions. On the other hand, unions have often joined with other groups to exert consumer pressure on companies which is much more easily mobilised on specific examples of exploitation rather than on the principle of union representation. Companies are well aware of this dynamic and are often more forthcoming on promises to, for example, do away with child labour than to recognise unions.
- 7. Codes also cover a variety of situations, countries or industries and sometimes deal with issues beyond labour standards. Limiting codes to internationally recognised labour standards would prevent codes from becoming substitutes for collective

bargaining and avoid charges of protectionism, but this is not always feasible. Cooperation between trade unions in various countries and the ICFTU and ITS is
clearly vital in determining objectives and ensuring that other groups involved in
campaigns, as well as the companies themselves, appreciate the importance of
including basic workers' rights to freedom of association in codes. One example of
this is the Code of Labour Practice negotiated by the ITGLWF, FIET and the
ICFTU with the Federation Internationale de Football Association (FIFA) for the
production of FIFA-licensed products. To stay ahead of the current wave of codes
unions will have to become pro-active and ensure that they are involved in the
process from the outset.

3. Codes Of Conduct And Trade Union Strategies For Globalisation

- 8. Codes of conduct are a potentially important means of addressing the social consequences of globalisation caused by the failure of intergovernmental co-operation to prevent downward pressure on labour standards caused by international competition. Through public pressure, codes seek to hold business accountable for labour practices in the absence of an enforceable international framework. Codes cannot substitute for national law but are a means of reaching over national boundaries to mobilise pressure where it can be applied to help workers in difficulty. The international character of codes calls for international trade union cooperation. The number and variety of codes, of groups campaigning for codes, as well as of companies and industry associations adopting codes, suggest that trade unions must have a consistent policy.
- 9. Codes of conduct and campaigns for these codes are complementary to the campaign for incorporating labour standards into trade and investment agreements. This is especially true where codes of conduct are based on internationally-recognised labour standards. Where business adopts standards that are similar to the social clause, it strengthens the case for acceptance by governments and where they do not, it strengthens the case for intergovernmental co-operation. Either way, codes of conduct can be the basis of campaigns that keep the issue of international labour standards before the public and governments. Trade union involvement with codes of conduct is a step toward developing global trade union/company relationships and a system of international industrial relations that is, toward "tackling the TNCs." The development of Company Works Councils at the European level and other such consultative arrangements may provide a useful platform for promoting adoption of codes and for trade union monitoring of code implementation.
- 10. Some codes refer to the need for companies to adhere to national law and sometimes also practice. This can be a problem where such laws are inferior to international labour standards particularly concerning trade union rights. Indeed since the most acute problems of exploitation arise where unions are not free to organise and bargain, such provisions can undermine one of the main objectives of unions which is to enlarge the opportunities of workers to join unions. The point of reference for the provisions of codes should therefore be ILO standards supported

by the relevant ILO jurisprudence. The role of the ILO as a source of good practice needs to be developed, using its existing Tripartite Declaration on Multinational Enterprises and Social Policy. Furthermore the ILO can be a means for securing trade union involvement in the negotiation and implementation of codes of conduct. Reference to international standards also avoids any danger of codes of conduct being used for protectionist purposes and is the most solid basis for defining minimum global labour practices throughout a company or industry.

11. Codes of conduct are in effect a market response to the problem of social inequality in a global market. Companies that adopt them presumably do so out of concern to attract and retain customers as well as out of a general sense of corporate social responsibility. By creating a tangible link between corporate labour practices and the market for the companies products, they can improve the observance of international standards generally, if they are followed and not allowed to gather dust on the shelf.

4. The Role For Ngos And What Should Be The Relationship Between Unions And Ngos

12. NGOs, in particular those focused on development, environment, human rights and consumer affairs as well as church groups, have played a leading role in a number of campaigns on corporate responsibility for labour practices. Indeed NGOs were often the leading organisations in campaigning for codes of conduct and the largest and most established NGOs have considerable influence. Although this can lead to tensions with unions over priorities and tactics, in the main unions have welcomed and encouraged NGO involvement. Furthermore, NGOs are likely to continue to be involved with codes. It would therefore be advisable for trade unions to develop positive relationships with selected key NGOs. Experience in a number of campaigns suggests that this is possible and is usually welcomed by the NGOs themselves. The main criteria for such co-operation must be that the NGOs concerned support basic international labour standards and agree that codes of conduct should not be used by companies to replace trade unions. A common international union policy with respect to both the content of codes and to the necessity of implementing and independently monitoring any code would help to place co-operation with NGOs on a sound footing.

5. The Implementation And Monitoring Of Codes Of Conduct

- 13. The central question is whether codes of conduct can be implemented and verified, that is whether some way can be found to ensure that companies that adopt codes will take positive measures to follow through on their promises and whether some independent means can be found of monitoring whether the codes are being observed. Without implementation and independent monitoring, codes of conduct will change little, if anything, and will not be usable.
- 14. This question has developed a sense of urgency for several reasons. First companies and industry associations are beginning to respond to critisicm over the

absence of implementation and verification procedures. Some companies are engaging commercial enterprises such as SGS, Price Waterhouse, Arthur Little and Ernst and Young to monitor their codes. Second, some NGOs have made progress on the issue. The UK-based Fair Trade Foundation is involved in a pilot project with some food retailers covering certain products. The Netherlands-based Clean Clothes Campaign is proposing to clothing retailers that a foundation jointly controlled by NGOs, trade unions and retailers be established that would eventually monitor a code of conduct. An informal network of NGOs has been set to look into the best implementation and monitoring systems. Third, the Federation Internationale de Football Associations (FIFA) have agreed to the principle of independent monitoring of their code, however the details of this are still under discussion with the ITGLWF, FIET and the ICFTU.

- 15. Where trade unions do not exist, they will have great difficulty monitoring codes of conduct. Nevertheless, unions can make use of codes in organising by highlighting the need for independent worker representation as a means for keeping companies to their commitments. Independent monitoring of codes will provide information on the scale and the complexity of business relations in the international chains of production and thus help unions to target organising campaigns. Codes could thus become a first step towards collective bargaining in sectors that are difficult to organise.
- 16. The question of independent monitoring of labour practices could be resolved by adopting something similar to the system used to audit the financial records of a company. Companies would expand their quality control practices to include labour practices. Companies would then engage independent commercial or non-profit firms to verify that their codes were being observed in much the same manner that companies now engage independent auditors to examine their financial records. In one model, trade unions would be involved in spot checking the independent "social auditors" and in providing or certifying their training. In another model, trade unions would, together with companies that have adopted codes of conduct, jointly control an organisation that engages independent "social auditors."

6. Conclusions

- 17. Trade unions will evaluate codes on a case by case basis as to whether they address the key issues and whether they are enforced. The degree to which unions will wish to work with companies depends to a large extent on our evaluation of the commitment they are prepared to make on both counts. Some general conclusions with respect to codes of conduct on labour practices are given below.
 - Codes of conduct are only part of a union response to globalization. Campaigns for codes of conduct can lead to increased public knowledge and acceptance of international labour standards, which raises expectations by the public and governments with respect to the behaviour of international business.

- ii. Codes of Conduct are one element in a long term strategy to achieve an international framework for international business activity. Codes of conduct are brought about by pressure in consuming nations that result in applying standards to producing nations. They cannot by their nature overcome the problems created by the lack of an enforcement and by their lack of universal application. Only multilaterally-negotiated agreements by governments can achieve this.
- iii. Codes of Conduct are not a substitute for secure and independent trade unions but trade unions are the best means of implementing codes of conduct. Codes of conduct will only work where workers are allowed to join free and independent trade unions and to bargain collectively with their employer in the knowledge that their rights to join trade unions and to bargain collectively are secure and protected. Codes of conduct should not be viewed as a satisfactory substitute for, nor as an alternative to, collective bargaining. Standards, even when observed, cannot replace the representation function of trade unions at the workplace, nor do standards cover au of the legitimate concerns of workers.
- iv. Codes of Conduct must be based on international standards. Codes of conduct should not pledge to observe national law and practice where an ILO and or other internationally-recognised standard exists. Codes of conduct should not address issues that are more appropriate for collective bargaining. Codes of conduct should be able to receive the support of the entire international trade union movement and should not contain protectionist provisions.
- v. Codes of conduct must include all core ILO labour standards. These core standards include the two key conventions on freedom of association (Convention No. 87 on Freedom of Association and Convention No. 98 on the Right to Organise and Collective Bargaining). They also include Convention No. 29 on Forced Labour, Convention No. 105 on the Abolition of Forced Labour, Convention No. 138 on the Minimum Age for Employment, Convention No. 100 on Equal Remuneration and Convention No. 111 on Discrimination in Employment and Occupation.
- vi. Codes of conduct must be implemented. Responsibility for codes should not be left with the public relations department (or agency) of the company that adopts the code but should be incorporated into the overall philosophy of the company, and responsibility for implementing the code placed in the appropriate part of the Organisation and assigned at each workplace. Codes should apply both to the company that is adopting the code and its contractors, sub-contractors and

- suppliers. Observance of the code must be made an enforceable, and enforced, part of any agreements the company enters into when outsourcing.
- vii. Codes of conduct must be independently monitored by individuals or organisations. Companies adopting codes should not make claims concerning their conduct that are not based on independent verification.
- viii. Codes of conduct must involve organisations independent of the enterprise or industry association adopting the code. "Voluntary" should not mean "unilateral". Consumers have no reason to, nor are they likely to, give credibility to self-promulgated codes by companies whose implementation and verification are entirely controlled by the company. Any company serious about its obligations to workers employed through outsourcing should welcome the co-operation of organisations that can assist it in achieving this objective. A main purpose for the involvement of other organisations is to agree to the selection and training of independent inspectors. Trade unions should be involved in developing codes addressing labour standards and practice.
- ix. Codes of conduct must involve the workers the code is meant to protect. At a minimum, workers must be informed of the terms of any code of conduct applying to them in a language that they can understand and must be provided with a secure and confidential means of reporting violations of the code. Workers should not be disciplined, dismissed or discriminated against for providing information concerning the observance of a code of conduct.
- x. Codes of Conduct should receive more attention by international trade union organisations. The ICFTU should establish a database on codes. Trade union organisations participating in campaigns seeking codes of conduct should inform and cooperate with appropriate international trade union organisations. International trade union organisations should work with other organisations seeking the adoption of codes of conduct by international business.

APPENDIX II

ICFTU-APRO CHARTER OF MINIMUM DEMANDS

Essential Social Security Schemes

- a. Old Age Pension: Retirees who have completed their working life and have reached a pensionable age and do not have any regular earnings should have the right to a national financial support after their retirement. In case there is no such scheme, unions should press for the introduction of an official 'Old Age Pension' scheme to ensure that all such workers are adequately provided for in their lifetime.
- b. Unemployment Benefits: Workers, who have lost their means of earning from their employment should be entitled to an official unemployment benefit for at least six months to give them the much-needed financial support giving them time to find a new job.
- c. Employment Accident Insurance: Every worker must have a right to accident compensation for any kind of injuries and accident suffered in the course of their employment. In the event of no such insurance in existence, unions have a responsibility to ensure that government and employers implement an 'Employment Accident Insurance' scheme covering all workers.
- d. Official Minimum Guaranteed Wage: A statutory official minimum wage should be put in place to guarantee workers' minimum wage to meet decent living costs. All categories of workers, including migrant workers should be covered under this official minimum wage to guard against exploitation.

2. Essential Clauses in Collective Bargaining Agreements (CBA)

- a. Union and Agency Shops: Union shop should be encouraged to be included in the collective bargaining agreements to secure and strengthen union's membership unity. And also, agency shop should be included in the contract of employment for these workers who do not join but enjoy union negotiated benefits so that they pay the union for meeting union's negotiation and representation costs.
- b. Check-off: A membership-based permanent institution as trade unions must of necessity have its own regular and legitimate source of funding among which membership dues will be the prime and essential part. All unions need to press for a check-off system with legal sanctioning.
- c. Compulsory Consultation for Redundancies: Unions need to ensure compulsory consultation is written into the collective bargaining agreements in regard to redundancy of workers.

d. **Joint Consultative system:** There should be joint consultative system between employers and trade union representatives set up to handle issues other than those in the collective bargaining agreements.

3. Essential Provisions in Labour Legislation

- a. No Requirement for Union Registration: The right to association is a fundamental and inalienable right of an individual. There is therefore no need for union to register itself for it to acquire a juridical personality. Registration infringes on basic democratic rights as it lends the possibility for the government to control in the name of regulation the democratic functioning of free trade unions.
- b. **Compulsory Tripartism**: Representative organisations of workers are equal social partners, alongside the government and the employers. Tripartism must be entrenched legally and practiced as an article of faith by all parties.
- c. Immunity for Industrial Disputes: Industrial disputes are recognised under the ILO Conventions which are ratified by many member countries. Unionists should be protected by the law against any legal action by employers in the course of legitimate union activities for the protection and promotion of workers' rights and interests.

4. Essential Area in Social Development

- a. Compulsory Education: Compulsory and free education, at least up to the elementary stage, should be provided to all citizens by the State. Unions have a responsibility to ensure that all governments implement this.
- b. Eradication of Child Labour: Child labour in any form is a disgraceful violation of human rights. Exploiting children for monetary gain runs counter to basic human dignity and decency. Unions should pressure government to end child labour.
- c. Universal Health Care: Environmental pollution and degradation affects human health. It is the duty and responsibility of all governments to not only provide universal health care to all but also to ensure universal environmental

5. Essential Conventions on International Labour Standards

Governments should work towards the ratification and implementation of ILO Conventions, especially of Nos. 87, 98, 111, 138 and 151. Unions should press effective implementation.

APPENDIX III

ICFTU-APRO SOCIAL CHARTER FOR DEMOCRATIC DEVELOPMENT

Preface

The Fifteenth Regional Conference of the ICFTU Asian and Pacific Regional Organisation (ICFTU-APRO), held in Tokyo, December 3-4, 1992, noted the growing globalisation and increasing interdependence of the world economy, and the universal shift towards market-oriented economies, which can offer vast opportunities. The Conference however asserted that it cannot be an end to the economic development process but rather the means to further improve living standards and the quality of life of all sections of people.

The ICFTU-APRO covers more than half the globe in terms of geographical area and over 60 per cent of the world population. The Asia Pacific region is rich in cultural diversity and represents countries both most advanced and least developed. The ICFTU-APRO enjoys the dominant representative position to represent organised labour in the region which is fast industrializing, and admittedly the engine of economic growth in the Twenty-first Century. Booming economy in the region, however, in the process of globalisation, poses many threats, challenges as well as opportunities for the working class and their representative trade unions. The threats must be overcome. The challenges must be faced. And the opportunities must be seized by the working class. In this context, "Think Globally, and Act Locally" is the position of the ICFTU-APRO in promoting social dialogues with the governments and employers, as the role of workers and trade unions in nation building efforts is becoming more crucial and pivotal.

The ICFTU-APRO Conference emphatically proclaimed that strong independent trade unions are needed as checks and balances to negate the adverse effects of market mechanism. The existence of dynamic trade unions is an essential requirement for sustainable economic and social development.

In this context, the Conference identified the need for a "Social Charter" to be developed for the countries of the Asia Pacific region - a social charter to contain minimum basic standards and best practice standards, recognition of human and trade union rights, social policies which cover such issues as social security, equal opportunity and affirmative action, labour market, industrial relations, migrant workers, occupational safety and health, and the environment.

With this mandate from the Conference, and after a series of meetings of the ICFTU-APRO Drafting Committee on Social Charter which deliberated on the various issues of interest and concern to workers, the ICFTU-APRO governing bodies have since adopted a Social Charter for Democratic Development. This Social Charter is concerned with how unions should work together to promote the recognition and respect for the fundamental rights of workers.

ICFTU-APRO: Building Trade Unions Into The 21st Century - An Asia Pacific Regional Perspective

The 64th ICFTU-APRO Executive Board, meeting in Seoul, August 23-24, in a Resolution on "Social Charter - The Need for Activity" appealed to the governments of the Asia Pacific region to endorse the considered views of free and democratic trade unions as expressed in the ICFTU-APRO Social Charter for Democratic Development, and to give effect to the principles contained therein through appropriate legislation and administrative actions.

The Executive Board requested all ICFTU-APRO affiliates that in considering the adoption and endorsement of the Social Charter, they should indicate the ideas and initiatives for action around the popularizing of the Social Charter and the advancement of its objectives and principles.

We do hope that this booklet will also assist trade unions in their education and training programmes, and in chalking out their action programmes to meet the challenges of time.

TAKASHI IZUMI General Secretary ICFTU-APRO

November, 1994

ICFTU-APRO: Building Trade Unions Into The 21st Century - An Asia Pacific Regional Perspective

I. Justice at the Workplace in a Global Market Economy

- In the context of increasing inter-dependence between nations and globalization in all walks of human endeavours, there is an imperative need to adopt a Social Charter for Democratic Development in the Asian and Pacific region, which promotes, recognises and respects fundamental rights of workers.
- Trade unions believe that the foundation for regional cooperation should be a shared commitment to the elimination of repression, discrimination and exploitation at the workplace. We therefore urge all States which have not already done so to ratify and implement, in particular, the following ILO Conventions, viz.:

No. 87 & 98 - Freedom of Association, Right to Organise and

Collective Bargaining

No. 100 & 111 - Equality and non-discrimination

No. 29 & 105 - Forced Labour No. 138 - Child Labour

- Trade unions reject the idea that the principles contained in the ILO Conventions and Recommendations need to be interpreted differently in different countries. The means of application of ILO standards, which are the minimum universally acceptable ones, can be adapted to the different legal and industrial relations systems of different countries.
- A strong, free and democratic trade union movement representative of the views and interests of working men and women is a vital component to nation building, democratic development and social justice.
- Discrimination in any form against women being an affront to human dignity, positive action must be taken to fight for non-discrimination of women in order to enhance the status of women in society, in employment, and in trade unions, in such a way that equality issues are appropriately and meaningfully incorporated both in law and practice.
- The rights of indigenous and tribal peoples (ILO Convention No. 107) must be protected in society, in employment and trade unions in such a way that these rights are appropriately and meaningfully incorporated both in law and practice.
- 7 Trade unions place great importance on respecting different cultures, traditions, history and values. The concept of a social charter is not to challenge or to threaten them but in fact to enhance them. In doing so, we seek from our diversity a greater sense of unity of purpose that comes from a commitment to shared values.
- 8 The collective representation of workers' interest through trade unions is both consistent with the values of our societies and an essential counter-balance for workers in their relations with employers.
- Social dialogue must be promoted in all economic and social spheres. Representation of trade unions should be ensured in all political, economic and social institutions, not only for the purpose of consultation but in the formulation of policies and programmes, and in the decision-making process.

- It is neither desirable nor possible at the present time for developing country trade unions to seek employment conditions comparable to those in developed countries. It should be the primary responsibility of trade unions particularly in developing countries to continuously seek improvements in the working and living standards of people, as national output rises.
- 11 Trade unions strongly advocate and expect the development of ILO principle of tripartism in all spheres of globalizing industrial society, and the promotion of bona fide tripartism and bipartism in labour-management and industrial relations field.
- 12 It must be recognised that stability is dependent on effective democratic systems of government, capable of ensuring social justice for all.
- 13 Trade unions reiterate and reaffirm their faith in the fundamental principles enunciated in the founding documents of the International Labour Organisation (ILO) and as further elaborated in the Declaration of Philadelphia of 1944, namely that (a) labour is not a commodity; (b) freedom of expression and of association are essential to sustained progress; and (c) poverty anywhere constitutes a danger to prosperity everywhere.
- Trade unions in Asia and the Pacific demand the strengthening of the ILO. The remaining States who are not members should take the necessary steps to join the ILO. The ILO must improve the effectiveness of its procedures to tighten compliance with its standards. New mechanisms should be developed to ensure that Member States take effective steps to implement promptly the recommendations of the ILO regarding the application of its standards.
- The liberalization of trade underpinned by the signing of the Uruguay Round of General Agreement on Tariffs and Trade (GATT) and the establishment of the World Trade Organisation (WTO), in order to be fair and free, should not be based on or encourage repression, exploitation or discrimination against workers.
- The primary function of trade unions in society today remains as a mechanism to influence the distribution of wealth within the society and to initiate activities that enhance the individual and collective rights of workers, expose and prevail against exploitation and the abuse of working people and their families.
- Workers and their representative trade unions firmly believe that rules for the enlargement of markets and the prevention of protectionism must be so designed as to encourage and promote internationally accepted basic workers' rights. We urge governments to discuss as a matter of priority how the new World Trade Organisation (WTO) and the ILO can work together to these ends.
- Workers and their representative trade unions are against any form of protectionism, declared or disguised, in trade and investment regime, for in the ultimate analysis protectionism protects nobody.
- 19 The emergence of regional economic groupings should eventually lead to the promotion of greater international trade and must complement the GATT multilateral trade agreement, rather than functioning as protectionist groups.
- The conclusion of the Uruguay Round of multilateral trade negotiations and the establishment of the new World Trade Organisation (WTO) will have a major impact

- on our region, holding the potential for a significant expansion of trade, the prevention of protectionism, and the prevention of social dumping. Trade unions support the strengthening of the multilateral system for resolving trade disputes.
- The end of cold war has led to the justifiable demand for reduction in arms expenditure in the developed countries thus releasing increased resources for aid and investment. Such aids from developed nations and the savings from similar defence expenditure in the developing should be directed towards improving the social infrastructure and people's living standards.
- Developed nations are required to formulate and implement a plan of action to alleviate the debt burden of many developing countries by large scale debt write-off, as well as to provide resources for promoting the accelerated growth of developing countries with special emphasis on poverty alleviation, employment creation, and social integration. For this purpose, the international financial and monetary institutions must be revamped and suitably reformed.
- 23 Trade unions look forward to discussing the Social Charter with employers and governments nationally, sub-regionally and regionally. We believe that a broadbased consensus on the social foundations of democratic development is both desirable and possible. The process of social dialogue is a vital means at identifying solutions to pressing economic and social problems.
- Trade unions are willing and ready to cooperate with non-governmental organisations that share our democratic values for the furtherance of the Social Charter.
- Our Social Charter is intended to be applicable to all States of the Asian and Pacific region. We believe that the workers of our region will find in it a basis for the development of the role of trade unions in an increasingly inter-dependent world. Unity of the union movement is only possible on the basis of shared principles. We trust, therefore, that the Social Charter will increasingly come to be accepted as a guideline for all unions, including those not yet affiliated to the ICFTU.
- The ICFTU Manifesto and this ICFTU-APRO Social Charter shall serve as instruments, and the sub-regional groupings of trade unions in the Asia Pacific region may wish to work on Social Charters of their own reflecting their respective situations and their peoples' needs, aspirations, and cultural values in building a better human society as a whole.
- The issues raised in this Social Charter for Democratic Development and the Social Clause concept as propounded by the ICFTU need to become a central aspect of ICFTU-APRO's educational and organisational activities as well as the focus for dialogue within unions as well as with employers' organisations and the governments of the Asia Pacific region.

II. A Guideline for Social Dialogue

There is a long agenda of issues warranting the attention of trade unions, employers and governments. Priorities may differ from country to country, but the following guidelines are suggested for social dialogue:

EMPLOYMENT

- In all developmental plans for economic growth, moves towards full employment must be the over-riding consideration;
- 2 Employment policy must be based on detailed study and analyses of labour market information and its flexibility to avoid distortions;
- Poverty alleviation being the priority in many of the developing countries of the region, employment creation and improvement in the quality of employment must be given utmost importance in the economic and social developmental plans;
- In the process of economic reforms, structural adjustment programmes, and introduction of new technology, which result in changes in the pattern of employment and, job losses, however transitional it may be, the representative trade unions must not only be consulted, but should take part in the decision-making process at all stages. Retraining and re-deployment should be guaranteed;
- Changes in employment pattern indicating a trend of growth in informal sector, positive action should be taken to integrate such increasingly informalized workers into the formal sector with due place accorded for the legitimate role of trade unions.

WAGES AND WORKING CONDITIONS

- Wage development should be an instrument for equitable and fair distribution of income and wealth of a country;
- Wages must be based not just on productivity alone but must reflect the overall economic growth of the country;
- Higher income policy with all its positive contribution to revitalising the economy must be pursued earnestly in wage development;
- 4 Fixation of national minimum wage should be seen more as guidelines rather than a ceiling, as not to restrict the process of wage negotiations between social partners;
- Strict enforcement of minimum wages regulations must be carried out with due sanctions for default;
- The concept and practices of flexi wage system must be studied and analyzed in relation to the respective economic situation, without suggesting in any manner for a wage freeze or wage cut in the name of competitiveness of market;
- Hours of work, leave provisions including medical and maternity leave, and other conditions of work should be in relation to the standards established by the ILO;
- Due provisions must be made for paid educational leave for professional and personal development.

VOCATIONAL TRAINING AND RETRAINING

- Vocational training being crucial to productive employment, facilities both institutional as well as on-the-job should be created for all;
- In the context of changing work organisation and method, retraining opportunities for upgrading of skills should be made available to workers.

INDUSTRIAL RELATIONS

- 1 Trade unions subscribe fully to the principles and policy of tripartism in the field of industrial relations *per se*, and promotion of bipartism in collective bargaining and other labour management relations;
- Legislations and administrative rules in regard to registration and recognition of trade unions must be regulatory rather than a device for control and use of discretionary powers by the authorities to curb trade union rights;
- In any unavoidable event of lay off or retrenchment, trade unions must be consulted at all stages of decision-making for which appropriate clauses should be incorporated in the collective bargaining agreements to facilitate appreciation of trade union views on these questions;
- 4 Trade unions should have the right of information on all matters connected with industrial relations, and the management should be bound for disclosure of information by legislative and administrative measures.

SAFETY, HEALTH AND ENVIRONMENT

- Occupational safety and health standards as universally accepted must be secured for all workers through legislations and administrative rules.
- 2 Safety and Health committees must be set up at all work places, factory level and at national level, which will have tripartite representation and involvement of other voluntary agencies;
- 3 Effective machinery must be set up for proper inspection and strict enforcement of safety and health regulations, and corrective steps should be earnestly followed;
- Accident and occupational disease compensation must be legally provided, and the quantum of compensation should be realistic and reasonable;
- In cases of general and specific hazards, such as chemical substances, the representative trade unions must have the right of information with regard to products, storage and handling;
- Trade unions should be involved in formulation of policies and programmes for protection of environment and ecology, as they relate to the world of work.

WOMEN WORKERS

- Recognizing the increasing number of women in the workforce and in trade union membership, positive action must be taken for empowerment of women workers for their full integration and participation in trade unions at all levels;
- In all social and economic issues, the gender-perspective must be kept in view for ensuring meaningful participation and integration of women in the development process;
- Gender-based violence and all forms of sexual harassment and exploitation, including those resulting from cultural prejudice and international trafficking, are incompatible with the dignity and worth of the human person, and must be eliminated;

4 Equality of status and opportunities must be secured for women both in law and in practice;

MNCs AND EPZs

- 1 The policies and programmes in regard to multinational companies and export processing zones should be so pursed as to eventually lead to greater localisation and indigenisation;
- 2 The concessions, incentives and subsidies offered in order to attract foreign direct investment should not in any way compromise the right or interest issues of workers and their representative trade unions;
- Bntry and operations of multinational companies must conform to international instruments, such as the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the OECD Declaration and Decisions on International Investment and Multinational Enterprises;
- 4 Legislations must be enacted with provisions for more binding elements for respect and observance of the code of conduct by multinational companies;
- Freedom of association and right to collective bargaining as well as other rights and interests of workers in the Export Processing Zones (EPZ)/Free Trade Zones (FTZ)/Special Economic Zones (SPZ), must be protected and promoted, as in the case of all other workers in the country.

ECONOMIC MIGRANT WORKERS

- Recognizing the increasing trend and changing pattern of migration of labour, more between south and south countries, greater attention must be paid to the rights and freedoms of economic migrant workers, by the governments, employers, and more particularly by the trade unions;
- Appropriate measures must be undertaken and procedures laid down for treatment of migrant workers in the home country as well as in the host country with provision for tripartite consultation and the full involvement of trade unions in the respective countries;
- Conditions should be so created that the trend towards migration is arrested and employment opportunities are made available locally for workers in their own social environment;
- The problems and prospects for returnee migrants inherent in the changing pattern of migration must be studied and measures taken for resettlement of such workers at appropriate levels;
- ILO Conventions and other instruments established by specialised international agencies concerning migrant workers should be ratified and implemented. In this respect due attention must be paid to the impact and implication of migrant workers on domestic labour market and the wages and other working conditions of workers in the receiving countries.

SOCIAL SECURITY

- Social security benefits must be available to all workers guaranteed by statutory provisions as well as in collective bargaining agreements;
- 2 Unemployment benefit schemes by the government or through insurance should be provided for all adult workers for a period of up to one year with the amount related to the last drawn salary;
- 3 Health and medical benefits must be secured for all workers and their families, during the period of employment as well as after retirement;
- 4 Pension schemes should be established for all workers as a part of social security schemes with benefits over and above those provided by the employers.

TRADE UNION DEVELOPMENT

- Organized trade unions must pay urgent attention to organizing the unorganized, both in the formal and informal sectors. Organizing work must be targeted at special groups of workers, as women, youth, rural workers, migrant workers, and workers in the growing informal sector;
- 2 Priority attention should be paid by trade unions to increasing the rate unionisation and their representative character in order to play their legitimate and due role in the society;
- There is an urgent need for free and democratic trade union movement to take new initiatives and make every effort to expand and strengthen international solidarity and organisation building by seeking new affiliates in the various region;
- 4 Restructuring and revamping of trade unions should be undertaken for greater democratisation and functional and financial viability to meet the challenges of time;
- The added meaning and importance of building and strengthening international solidarity of workers under the banner of International Confederation of Free Trade Unions (ICFTU) is emphasized by free and democratic trade unions in the Asia Pacific region.

APPENDIX V

APPENDIX IV

64th Regional Executive Board Meeting Seoul, Korea: August 23-24, 1994

RESOLUTION ON SOCIAL CHARTER - THE NEED FOR ACTIVITY

The 64th Regional Executive Board of the ICFTU Asian and Pacific Regional Organisation (ICFTU-APRO), meeting in Seoul, Korea, August 23-24, 1994:

RESOLVES

that in endorsing the ICFTU-APRO Social Charter for Democratic Development, it is understood that the ICFTU-APRO Executive Board regards the Social Clause as a separate

That the ICFTU-APRO Social Charter for Democratic Development in the Asia Pacific Region is concerned with how unions should work together to promote the recognition and respect of the fundamental rights of workers:

RECOGNIZING

the immense economic growth potential now being developed through significant reform and structural adjustment programmes embarked upon in many Asian and Pacific countries;

EMPHASIZING

the imperative need for the governments of these countries to associate trade unions and social institutions as partners who by their responsive and responsible cooperation and support can contribute to the formulation and implementation of economic and social developmental plans:

REQUESTS

all ICFTU-APRO affiliates to respond positively to the final text of the ICFTU-APRO Social Charter for Democratic Development when received, and in considering the adoption and endorsement of the Charter, to indicate the ideas and initiatives for action around the popularising of the Charter and the advancement of its objectives and principles;

APPEALS

to the governments of the Asian and Pacific region to endorse the considered views of free and democratic trade unions as expressed in the ICFTU-APRO Social Charter for Democratic Development, and to give effect to the principles contained therein through appropriate legislation and administrative actions;

FURTHER CALLS

upon affiliates, sun-regional structures and International Trade Secretariats (ITS) within the Asia Pacific Region to report on action taken or planned in their Country Reports to successive Regional Executive Board meetings.

RESOLUTION ON

BUILDING TRADE UNIONS INTO THE 21ST CENTURY

The Sixteenth Regional Conference of the International Confederation of Free Trade Unions-Asian and Pacific Regional Organisation, meeting in Cebu City, Philippines, 18-20 December 1996:

RECOGNISES

NOTES WITH ALARM

that for improvement to occur in the lives of working people it is necessary for effective collective organisation through the trade union movement. Without trade unions our societies will be less democratic and more unequal:

that in many countries the level of trade union organisation is

falling:

affiliates at national, regional and local levels to make the task of CALLS UPON

recruiting new union members a top priority:

that for unions to remain relevant to the needs of working people RECOGNISES

they must be:

• democratic;

• representative;

• non-discriminatory;

active in the workplace;

concerned and involved with other organisations in areas

such as the environment and social justice;

• relevant to the circumstances of the modern workplace;

• active in regard to the needs of women and young people.

ENCOURAGES

trade union organisations to establish links with supportive NGOs

involved in social justice and labour issues:

CALLS UPON

affiliates to re-examine and re-assess their roles with the emphasis to continuing to build themselves into democratic, financially sound and self-reliant organisations actively carrying out activities such as organising; education and training; research and information dissemination; engaging in collective bargaining and other industrial relations practices; securing provisions for social security; fighting

for trade union and other human rights:

affiliates to diligently carry out the multiprong activities within a **URGES**

target time frame of between the years 2005-2015 with the goals of the APRO Charter of Minimum Demands to be attained by 2005;

that ICFTU-APRO with the full cooperation of its affiliates will **PLEDGES**

play its rightful role in ensuring that the 21st Century will be a

century with a "human face".

