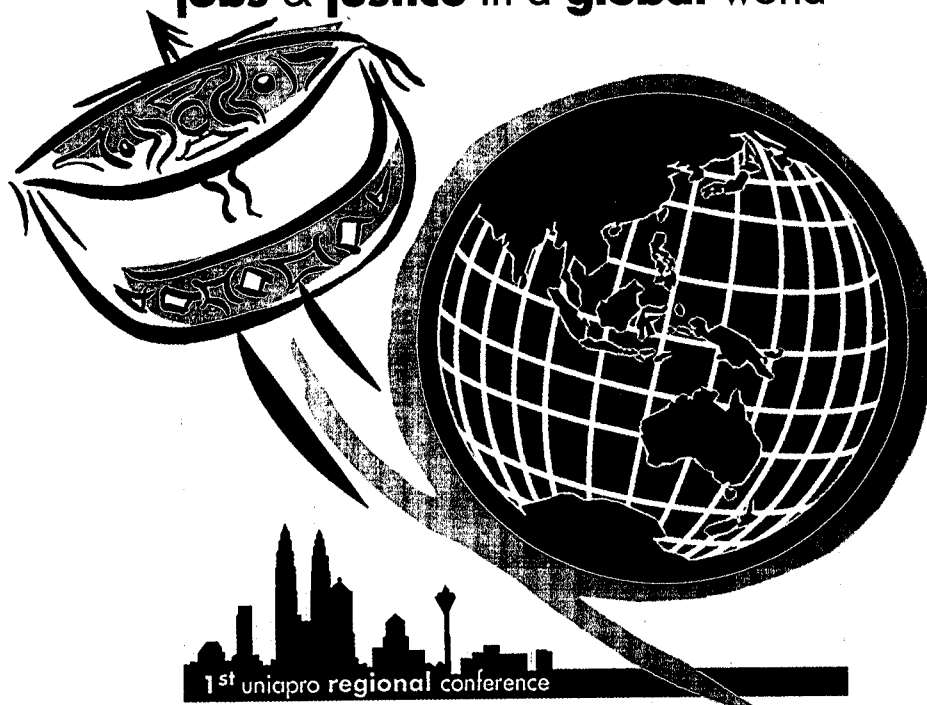


jobs & justice in a global world



● **asia & pacific**

Union Network International **2002** Kuala Lumpur **3th-5th June**

*Facing Up to the Challenges of
A Globalizing Asia-Pacific region*

(BACKGROUND REPORT)

C 02 - 01945

Introducing UNI (You and I)

Union Network International or UNI is the skills and services international launched on January 1, 2000. We are a new global union for a new millennium and a new economy. We are part of the trade union response to increasing economic regionalisation and globalisation and to the convergence of what were, in the past, separate industries. With the growing impact of globalisation and new technology - many of these industries are fast converging - so more and more of our members in different countries are working for the same global employers.

The job of a global union is to help affiliated unions and their members to put people first in this increasingly globalised economy. UNI encourages solidarity across borders, raises issues of common concern with employers, governments and international bodies - and promotes trade union rights worldwide.

UNI has more than 900 affiliated unions in 140 countries around the world, representing more than 15 million members. UNI has sector committees for commerce; finance; telecom; post; industry, IT and white collar; graphical; property services; media and entertainment; electricity; social insurance and private health care; tourism; hair and beauty.

UNI operates across industrial boundaries to bring together members with a common interest - women, professional and managerial staff and young people. They have their own conferences and highlight issues of special concern to them - like developing a trade union passport to help increasingly mobile workers and campaigning against violence to women. Young people are making their own distinctive contribution to UNI and have their own web pages.

UNI is both a global and a regional organisation. UNI-Asia and Pacific (UNI Apro) for example, has more than two million members and UNI-Africa has more than a million members. There's also UNI-Americas and UNI-Europa. They are all major players in their own regions. The regional organisations such as UNI Apro hold a conference every four years where the Regional Executive Committee including the Regional Secretary is elected. The regional executive committee and the regional trade sector and inter-professional group committees determine regional policies and activities.

UNI has offices in all the regions - in addition to our purpose-built head offices in Nyon, near Geneva, Switzerland. The offices are there to reinforce our regional presence and activities and to ensure that workers in each of the continents can make their distinctive contribution to the work of UNI. The Regional Office for UNI Apro, headed by the Regional Secretary is located in Singapore.

UNI is a network that promotes international cooperation between affiliated unions, so that they can better deal with increasingly multi-national employers and international institutions. We help unions in dispute in one country by putting them in touch with unions dealing with the same employer in other countries. We involve unions and members in solidarity activities - including cyber pickets, protest letters and quiet diplomacy - to help bring justice to members in dispute, wherever they are in the world.

UNI promotes global action days and conferences to spotlight key issues - like organising workers of the new, digital economy - and presses for on-line rights for on-line workers. Call centres and mobile phone companies are the subject of current campaigns.

Promoting negotiations between unions and global corporations is a key aim of UNI. In our first 100 days, we signed a global protocol with Telefónica enshrining basic labour rights. We are active in the creation of global and regional works councils to promote dialogue between employers and unions and their members. UNI supports the Global Compact launched by the United Nations and is using new OECD guidelines to regulate the behaviour of multi-nationals.

We work in developing countries to train and better equip unions and their members - and help build up democratic organisations.

UNI is funded by affiliation fees paid by affiliated unions all over the world. The fee rate is determined by the UNI World Congress and is calculated on the membership figure.

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FOREWORD

Fighting for JOBS and JUSTICE in a Globalizing Asia-Pacific Region

We are pleased to share with the delegates and participants of the First UNI Apro Regional Conference the following Conference Background Report entitled *Facing Up to the Challenges of a Globalizing Asia-Pacific Region*.

This Report, prepared jointly by Dr. Rene E. Ofreneo and myself, is in reality a Collective Report by the affiliates of UNI Apro in Asia and the Pacific. It is, after all, a synthesis of the various studies, seminars, workshops and consultations conducted by UNI Apro and its affiliate organizations since January 2000 when the world witnessed the birth of a new Global Union Federation, which is the Union Network International (UNI). It also takes off from the reports and results of the 1st. UNI World Congress held in Berlin last year and the UNI Apro Four-Sector Conference (Telecom, Postal, Finance and Commerce) held in Hiroshima and the UNI Apro Conferences of Professional and Managerial Staff, Women and Youth held in various countries during the period 2000 – 2001.

The Background Report summarizes the major trends, observations and insights on union organizing and union work in the context of the changes in the labor market and industrial relations environment of Asia and the Pacific. These changes are radical, sweeping and challenging to all those involved in this noble enterprise called union advocacy work.

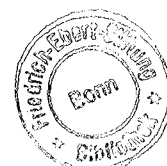
Are we at UNI Apro up to it? Are we prepared to face up to the challenges of an increasingly difficult trade union environment? How do we defend the jobs of our members given the phenomenon of jobless growth and the flexibility trends in the labor market under globalization? How do we fight for justice in an increasingly unequal world of work?

This Background Report seeks to provide the answers to the foregoing questions by outlining the changing terrain of labor organizing under globalization and by clarifying the major tasks confronting UNI Apro -- advocacy of a people-first development model, renewal of the trade union movement as a force for social change, global and regional organizing to match the strength of the multinationals and waging a comprehensive campaign for the preservation and creation of jobs.

It is our earnest wish that each and every delegate and participant will take the time to go over this Background Report and see how this Report can be transformed into a trade union weapon in the fight for jobs and the quest for justice in our individual national economy, across the Asia-Pacific region and beyond.

1st. May 2002

Christopher Ng
UNI Apro Regional Secretary



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EXECUTIVE SUMMARY

Facing Up to the Challenges Of A Globalizing Asia-Pacific Region

The labor movement in Asia and the Pacific continues to face difficult challenges in navigating around the perilous seas of economic globalization.

Never-ending changes in the work process. Changes in organization and work process are virtually non-stop, driven by two major factors:

- ✓ changes in technology which alter product demand and composition of work force and enable employers to rearrange work through endless re-engineering, downsizing and core-periphery division of labor; and
- ✓ structural changes in the economy through economic liberalization policies (also known as the Washington Consensus) such as the privatization of government-owned corporations (e.g., banks) and services (e.g., postal and telecom services), deregulation of entire sectors (e.g., liberalization of importation and distribution business), tariff reduction and general opening up of the economy to foreign participation.

Major economic trends affecting employment in Asia and the Pacific

Decline of the Japanese dragon. The long-running Japanese economic crisis has reduced the capacity of Japan to lead Asia in the economic growth process, resulting in less demand for Japanese products made in a number of Asian countries under international subcontracting arrangements.

Rise of the Chinese dragon. China is sucking in over \$40 billion a year in foreign investments (twice the total for ASEAN), displacing the labor-intensive exports of some Asian economies, and flooding Asia with cheap Chinese products such as garments, watches, household appliances, etc.

China's entry into WTO. China's accession to the World Trade Organization (WTO) intensifies regional competition for global market niches and creates uneasiness among Asian countries as China is capable of producing a wide range of products – from the most simple household tools to the more complicated machines – at prices below those of the Asian producers.

AFTA dilemma. The ASEAN Free Trade Area (AFTA) scheme, implemented through a Common Effective Preferential Tariff (CEPT) program, has a 2003 deadline -- for ASEAN member countries to reduce to 0-5 per cent the tariff on ASEAN products with at least 40 per cent "ASEAN content". But most of the ASEAN member countries are competing with each other in certain commodities (e.g., garments and agriculture) and industry lines (e.g., car parts).

India: the hidden dragon. India is another Asian dragon which is flooding Asia and the world with cheap products like textiles and chemicals. India has an edge on the high end of the IT industry (software engineering) but is competing with the Philippines and China in assembly works, data encoding and call services.

Recovery prospects from the Asian crisis and global slowdown. For most of the Asian economies, recovery from the 1997-98 Asian economic crisis and the 2000-2001 global economic slowdown has been uneven and slow.

The shrinking regular work force and The rising number of 'irregulars'

Under globalization, jobs for many are no longer what they used to be – *stable and for life.*

In Japan, which invented the term 'lifetime employment', the ratio of non-standard employee to regular employees is now 1:3 (or 25 per cent of the total employed). 'Non-standard' employees are "workers under contract to a dispatching agency, who are entrusted with specific duties by the companies to which they are assigned".

In the Asian NICs, trends towards labor flexibilization are all over.

In South Korea, protective labor laws were relaxed in 1998 in order to facilitate the dismissal of workers for 'managerial reasons'. As of June 2000, irregular workers made up 53 per cent of Korea's 13.3 million paid workers.

In Taiwan, many manufacturing jobs have disappeared due to the relocation of labor-intensive industries to China and other Asian countries. In 2001, Taiwan relaxed its protective labor laws.

Singapore and Hong Kong have been importing overseas migrant workers to fill up shortages at the low end of the labor market. However, the economic slowdown has caused tensions in Singapore's tripartite-based industrial relations system and in Hong Kong's labor market.

Malaysia hosts the largest number of foreign migrant workers in the ASEAN region.

In the developing Southeast Asian economies, flexible or casual labor is widespread. Thailand, Indonesia and the Philippines lost millions of jobs during the Asian crisis and are the most threatened by the China challenge. Vietnam, Kampuchea and Laos have cheaper labor vis-à-vis China but they are facing the twin problems of how to increase labor productivity and match the attractiveness of China as an investment destination.

Mainland China has difficult labor problems. As of 2000, there were 24 million unemployed (8.5 per cent of the total labor force), 70 million 'floating labor force' (those who left the rural areas), 42 million poor farmers and some 12 million 'xiagang' workers (those made redundant in privatized in state-owned enterprises or SOEs). Majority of the workers' riots in China are led by the xiagang workers.

In Australia and New Zealand, employers, backed by conservative governments at the federal and state levels, have been pushing aggressively for greater flexibility of labor laws, especially in the hiring, firing and bargaining arrangements with workers. However, in New Zealand, the new Labour Government is rolling back some of the anti union laws.

In South Asia, the privatization program in India, Bangladesh, Pakistan and Sri Lanka has caused industrial turmoils. IMF-imposed structural adjustment programs have perpetrated a dualistic type of economic development, creating pockets of growth in some industrial zones but stagnant development elsewhere.

Finally, Asia has a large floating trans-national migrant population. Japan, the Asian NICs, Australia and the Middle East are the major destinations of overseas migrant workers coming from the Philippines, Indonesia, Thailand, China, India, Pakistan, Bangladesh, Sri Lanka and other developing economies. Majority of the overseas migrant workers perform the '3D' jobs (dirty, dangerous and difficult jobs) or the SALEP jobs (shunned by all except by the poor) such as those performed by 'care givers' (home makers or maids), semi-skilled construction workers, night club entertainers (or 'guest relations officers'), cleaning and maintenance crew, etc.

Changing job landscape in the Asian and Pacific service sector

Trade in services has become global. It is now covered by the WTO through the General Agreement on Trade in Services (GATS) whose rules favor trans-national service providers. GATS require member countries to allow foreign service providers a 'commercial presence' and to treat them like their own nationals under the most-favored-nation (MFN) principle.

The opening up of the service sector is also aided by the neo-liberal policies of privatization, deregulation of industrial sectors (e.g., banking, telecom, postal, distribution, media and so on), investment liberalization and so on.

There is a merger mania sweeping the service sector. M & As are common among domestic banks, telecom companies and distribution companies, in anticipation of fiercer competition under a liberalized market and the entry of foreign service providers.

There are downsides in the globalization of the service sector – the abandonment of the concept of universal service in the delivery of certain basic services like telecommunication, postal and other services; the increased transnationalization of the economy, from the goods market to the service market; the transformation of a government monopoly into a private monopoly (e.g., the privatization of natural monopolies like the telecom industry); and the commercialization of public services.

For unions, the biggest concern is the preservation of job, union and income security. Joblessness is occurring because of the collapse of local industries and the domination of the market by a few, for example, a giant retailer like Carrefour wiping out hundreds of neighborhood stores. There are endless labor-shedding rationalization programs by firms, big and small. Companies are introducing new work techniques to tighten control over labor and which often lead to the casualization and 'flexibilization' of work. For the shrinking regular work force, work is intensified via productivity-enhancement schemes, e.g., linking pay with outputs and promoting multi-skilling for multi-tasking purposes.

UNI Apro agenda in the new economy

The scientific and technological advances of the 20th and 21st centuries offer humanity vast potentials to raise global living standards, feed itself and get connected with one another in peace and harmony. However, these advances are being appropriated by the neo-liberal globalists in the service of an unrestrained type of economic globalization driven solely by the dictates of the market.

The market has lost its social soul. Intense competition for market shares and investment has forced countries to compete aggressively with one another by lowering wages, reducing labor and environmental standards and abandoning or neglecting social protection. The present model of globalization is unsustainable and unacceptable.

We in UNI Apro demand a new framework of governance for global markets. Such a global framework must be based on the principles of accountability and transparency reinforced by a democratic system of government and good governance. The new framework must reflect the collective aspirations of the working populace designed to promote equitable and sustainable growth.

Governments have a central role to play in the growth process – to correct monopoly situation, to promote growth in areas lagging in development, to insure universal and affordable access for basic services, to protect basic or essential industries and so on.

The new global framework must be rooted in a *“people first” strategy*, aimed at improving the quality of life, job security, education and the health and welfare of working people. The other vital component must be respect for human rights, including trade union rights based on the core ILO standards on workers’ rights.

However, the trade union movement must also be revitalized. The new generation of trade unions will have to be more than service organizations, concerned with just bread and butter issues for their declining members. They need to have a wider social vision and extend their agenda to include issues affecting workers outside the workplaces. ***The trade union movement must become a movement for social change.*** It should be able to address the following tasks:

1. Generating broad societal support, at the national and international levels, for the enjoyment of full trade union rights by all workers.
2. Engaging in a meaningful social dialogue with government, with the employers and other social partners on fundamental development challenges facing society in each country and in the region.
3. Strengthening collective bargaining as an institution by reaffirming it as a fundamental right, by allowing new forms of negotiation to cover new workers and by exploring new areas of bargaining such as co-management of the enterprise.
4. Overcoming prejudices on gender-based organizing and resolving to make wide-ranging organizational changes related to issues of equality and real needs of women workers.

5. Recruiting and inspiring young workers to become active trade union members for they are the future of the trade union movement.
6. Upgrading, if not modernizing, organizational structures and processes to make the trade union movement relevant to a changed work environment, responsive to the emerging issues and demands of a network economy and meaningful to all workers, including the new groups of workers.
7. Renewing efforts to build up the solidarity of workers as the primary source of strength for the trade union movement.
8. Making the conduct of trade union education as a core activity for this is the key to improving the quality of trade union work, stimulating workers participation in trade unions and reinforcing their commitment to trade unions.

Special UNI Apro priorities Under globalization

1. Countering the influence of multinationals

One consequence of globalization is the tremendous expansion of the influence of multinational enterprises (MNEs) in all spheres of life. For unions, this influence can only be matched by the united strength of the unions themselves, especially at the regional and international levels through the various Global Union Federations such as UNI.

Regional and global organizing therefore should lead to regional and global social dialogue/negotiation with multinationals.

2. Waging a comprehensive campaign for the preservation and creation of jobs

As a result of the changing job market under globalization, unions in many countries have been losing members and experiencing erosion in their bargaining power. It is *important that unions grapple with the twin tasks of helping 1) preserve the jobs of their members and other workers and 2) create additional quality jobs for all.*

At the firm or micro level, unions must negotiate for the preservation of jobs, for the creation of new ones, and for assistance in the placement of affected employees to new jobs with minimum disruptions in their normal lives. Unions must also negotiate with the company on how affected employees can be

- ✓ given skills training to prepare them for the new jobs,
- ✓ relocated or re-deployed in other but understaffed departments,
- ✓ encouraged to take over the outsourcing business,
- ✓ asked on what new products and services can be developed to maintain the work force, and
- ✓ given a sufficient period to train, prepare and look for new jobs with the full assistance of the company.

At the very least, unions should negotiate for a job preservation clause in the collective bargaining agreement or CBA.

At the national or macro level, unions should participate, as they do, in the debates on how a country can preserve and create as much jobs as possible independent or separate from the recommendations of international financial institutions and the development formula developed in Washington or in a Paris Club meeting. Unions should make their voice heard by actively participating in tripartite bodies, by undertaking its own studies on alternative approaches to job preservation and job creation, and by engaging the government economic planners in a debate on how the investment plans of the country can be made job friendly, e.g., how to capitalize social security and pension funds which represent the forced savings of millions of workers and constitute the biggest source of investible funds in a number of countries.

At the regional and international levels, the struggle for a union's seat at the regional and international bodies shaping the directions of regional and global trade finance, and investment also remains at the top of the trade union agenda. One policy issue that should be raised in these trade bodies is how to give developing countries autonomy in formulating policies to preserve, maintain and modernize existing industries and agriculture according to their pace and level of development.

THE FUTURE OF THE TRADE UNION MOVEMENT

Despite all difficulties, the trade union movement must move forward. It must remain united to promote the growth and influence of the trade union movement as an instrument to:

- ✓ protect and advance human and democratic rights for all people,
- ✓ defend workers' rights and their dignity,
- ✓ eliminate poverty and inequality,
- ✓ insure social and economic justice for all within and among nations,
- ✓ enhance equal opportunity for all people,
- ✓ preserve and create jobs, and
- ✓ build peace and prosperity within a nation and the interdependent world.

UNI and UNI Apro have a vital role to play in fostering a strong spirit of international solidarity and developing the capacity and capability of trade unions to renew the trade union movement and infuse it with a new vitality capable not only of providing services to its members but also in leading the struggle of humanity for growth with equity and justice, for a global economy where people really matter.

“U” and “I” have a historic task ahead of us.

FACING UP TO THE CHALLENGES OF A GLOBALIZING ASIA-PACIFIC REGION

(BACKGROUND PAPER FOR THE 1ST. UNI APRO REGIONAL CONFERENCE
3 – 5 JUNE 2002, KUALA LUMPUR, MALAYSIA)*

The labor movement in Asia and the Pacific continues to face difficult challenges in navigating around the perilous seas of economic globalization.

Industry in each country keeps on changing and adjusting to the pressures of international and regional competition amidst a global economic slowdown, pushing companies to undertake varied organizational adjustments with technology often serving as a facilitating midwife. With the accession of the People's Republic of China to the World Trade Organization (WTO) and the decision of the WTO's Qatar Ministerial Conference to push through with the general liberalization agenda, competition in the region has further intensified and hastened structural changes in industry.

All these developments naturally have a direct impact on the supply, demand and utilization of labor not only because there are winners and losers in the globalization process but also because structural changes under global competition mean changes in the way workers are deployed, re-deployed or worse, made redundant, in each industrial undertaking. In turn, these changes in the economy and in the deployment of workers have serious ramifications, often dire, on the labor movement as these changes affect the size and composition of the workforce in each firm, the readiness of workers to join a union, the ability of union organizers to lead in the representation and bargaining processes and the overall capacity of the unions to provide a protective mantle to the working men and women on the shop floors, in the shops and in the business offices.

This background paper summarizes the developments in the Asian and the Pacific labor market and the challenges facing UNI Apro, its affiliates and the trade union movement of Asia and the Pacific.

**Background paper prepared by Dr. Rene E. Ofreneo. University of Philippines
and Christopher Ng, UNI Apro Regional Secretary*

NEVER-ENDING CHANGES IN THE WORK PROCESS

Changes in organization and work process are virtually non-stop under globalization. There are two major drivers behind this phenomenon.

First, *technology*. Changes in technology alter the demand for certain products while the varied applications of technology in the work process create changes in the size and composition of the work force. For example, in the telecom industry, the rise of the wireless and internet communication technologies has transformed the industry several times over, creating new telecom products and services such as wireless phones and text messaging services while consigning to history old telecom products and services such as telex machines and paging services.

Moreover, in the world of work, the widespread application of IT or the information technology has enabled employers to rearrange work and deployment of workers in the leanest and most flexible manner possible. IT is used in endless re-engineering exercises, which often lead to downsizing of personnel. For example, IT has enabled companies to reduce layers in the organizational hierarchy, as IT allows top managers broader span of control. IT is also used in classifying jobs into simple and complex tasks. Simple tasks are given to semi-skilled casual workers, who are usually hired through labor contracting or subcontracting arrangements. Complex and technical tasks are given to core workers, whose work productivity is sustained through various human resource management/human resource development (HRM/HRD) strategies, including multi-skilling programs for multi-tasking purposes. In short, IT facilitates the division of work into core and peripheral jobs, a division which has made the flexible contracting out of jobs to outsourcing companies a profitable business by itself. With modern communication, transport and IT, principals do not have problem monitoring the quality of work in the outsourcing companies.

With greater IT application and the adoption of various technology-related adjustments in the work process, jobs in the formal sector of the economy have become less and less stable. The process of informalization of the economy has resulted in the significant increase in casual, part-time, contract, non-standard and other forms of precarious work.

Second, *structural changes in an open economy*. The general liberalization of the economy, meaning the opening up of the economy to the free flow of goods and capital through policies promoting greater integration in the world economy, often leads to what economists dub as 'structural changes' or 'shifts' in industry and the economy. Some industries emerge as winners, others as losers. However, the complaints of many workers is that even if industries turn out to be winners, they still lose – as some structural changes are undertaken at the expense of the workers, e.g., mergers and consolidations which lead to bigger corporations but smaller regular work force (with most of the work subcontracted to contractual or casual labor).

Economic liberalization policies include privatization of government-owned corporations (e.g., banks) and services (e.g., postal and telecom services), deregulation of entire sectors of an economy (e.g., deregulation of importation and distribution business), import liberalization (e.g., tariff reductions and removal of import restrictions), and general

opening up of the economy to foreign participation. The IMF and the World Bank label such policies as 'structural reforms', more popularly known in some quarters as the 'Washington Consensus' for they are the universal recipes for growth recommended by Western neo-liberal economists.

For many developing economies, the concrete and practical consequence of structural reforms is a general shift of economic orientation in favor of the export sector. In the more successful economies, the export-led growth has created new jobs and new economic opportunities. China is often cited as an example. Before the Asian crisis, the Asian NICs (newly-industrialized countries) such as South Korea, Taiwan, Malaysia, Singapore and Hong Kong were also bandied around as the models. The problem is that in many developing economies with a large domestic-oriented sector, a shift in favor of export orientation usually means a decline in support and protection to local industries, which are the main sources of formal sector jobs and the base of traditional unionism. If domestic industries are unable to withstand the flood of imports arising from the greater openness of the economy, the likely consequence would be the collapse of jobs and the 'hollowing out' of the domestic economy such as what happened in Mexico in the mid-1990s, in Southeast Asia in the late 1990s, and more recently, in Argentina. And if the growth of the export sector is limited or marginal, the global integration process can even become a national catastrophe.

Structural changes in the economy means new industries or sectors may arise, e.g., IT-related industry, wireless telecom industry, etc. However, structural changes may also mean the collapse of old or existing industries, especially those which are not able to compete either in the export market or in the globalized domestic market of a given country.

Also, within industries, there are structural changes. For example, in the garment industry, a country may lose out in the low end of the industry because its labor cost has gone up vis-à-vis the cheaper-producing exporting nations. So, it may decide to concentrate on the high end (focusing on quality and high-value products) and relocate their low-end processes to the cheaper labor sites. This is what the Asian NICs such as Hong Kong, Taiwan and South Korea did in the 1980s and 1990s by concentrating on global marketing and relocating low-end production processes in Indonesia, Philippines, Vietnam, Cambodia and China.

China and the competition among Asian economies

But the most problematic under present-day globalization is the reality that economies of the world are really competing against each other instead of complementing or supplementing each other's growth requirements. In this globalized competition, success is measured in terms of expansion in the export market as well as in the globalized domestic market.

This is the reason why there is so much uneasiness in many Asia-Pacific countries about China and its membership in the World Trade Organization (WTO). China is seen as a giant economy capable of producing a wide range of products – from the most simple household tools and appliances to the more complicated machines and industrial raw materials – at prices way below those of the Asian producers.

In the past, the most worried about China were economies producing cheap labor-intensive products; today, even Singapore, Korea and Japan have expressed increasing

apprehension as China is able to steadily increase its industrial sophistication. Thus Singapore Prime Minister Goh Chok Tong warned the Singaporeans in a National Day speech in August 2001 as follows: “Our biggest challenge is ... to secure a niche for ourselves as China swamps the world with her high-quality but cheaper products” (cited in Panitchpakdi and Clifford, *China and the WTO*, 2002).

In the less developed economies of Asia, China is seen as a major threat even by cheap-labor countries. For example, the motorcycle industry of Vietnam and Indonesia cannot match the price of Chinese-made motorcycles, which can sell as low as \$300-400 a unit. In labor-intensive products such as garments, toys, etc., China is seen as a runaway winner.

Of course, there are widespread complaints that China’s competitiveness is due partly to the repression of labor rights in China. Without free and democratic trade unions, Chinese workers cannot effectively bargain for a fair share of their efforts. The explosive growth of wildcat strikes and spontaneous labor protest actions in China in recent years is clearly a result of the repression of basic labor rights of the Chinese workers as well as the absence of clear rules and procedures in the settlement of labor demands and disputes.

But overall, in relation to those of China, the industries of a number of Asia-Pacific countries are less competitive. Naturally, countries with more losing industries are bound to have more unemployment problems compared to those with more winning industries.

MAJOR ECONOMIC TRENDS AFFECTING LABOR ABSORPTION IN ASIA

In the light of the foregoing, what are the major economic developments that are shaping or likely to shape the pattern of labor absorption or labor creation in Asia and the Pacific? What are the job prospects in the region?

This is difficult to answer given the inherently unpredictable nature of the growth process under globalization as outlined above. However, some developments cannot be ignored such as the following:

1. Decline of the Japanese dragon

In the 1970s and 1980s, most of the East Asian and Southeast Asian economies became the destination of Japanese foreign direct investments. With a rising yen and rising cost of labor, Japan began regionalizing its famous industrial pyramid based on industrial subcontracting, transforming the neighboring NICs as sites for medium-technology manufacturing and the less developed Southeast Asian economies as sites for labor-intensive manufacturing. This development gave substance to the economic doctrine advanced by some Japanese economists – a flock of geese flying in inverted V formation led by the mother gander, Japan.

The flying geese doctrine is best exemplified by the car industry. The production of parts and components of the car such as axle, transmission, engine, chassis, body, etc. has been distributed to different countries, with Japan concentrating mainly on R & D and global marketing of cars.

To a certain extent, the flying geese doctrine as propagated by Japan is somewhat beneficial to Asia. Japan's growth tends to pull up the second tier of geese – the NICs, which, in turn, tend to pull up the next tier of geese – the less developed Asian and the Pacific economies.

But the strength of the flying geese – Japan – is also the weakness for the members of the flock. If Japan's economy gets sick, as what has been the situation since the early 1990s, the rest of the flocks are adversely affected. Today, Japan's economy is in the doldrums and there are wild speculations that the weakness of the Japanese banking industry portends of further economic decline.

The Japanese economic malaise means less demand for Japanese products made under international subcontracting arrangement. Thus, one reason for the economic and employment slowdown in Indonesia, Thailand, Malaysia and the Philippines, which have heavy Japanese investments, is due to weakening product demand from Japan. Japan is pulling Asia down.

On the other hand, the crisis in Japan means more and more Japanese are getting unemployed, now around a post-war high of 5.6 per cent and growing.

2. Rise of the Chinese dragon

China is the other Asian dragon. But its rise and impact are somewhat different from Japan. Unlike Japan, the Chinese dragon woke up only in the late 1970s and had to start at a very low level of development. In the 1980s, its southern provinces became the favorite site of cheap manufacturing for Hong Kong's exporters, who now have over six million workers in their various enterprises in China. Despite contrary admonitions by their political leaders, Taiwanese investors followed their Hong Kong counterparts in relocating their labor-intensive enterprises in China. Soon almost every multinational is investing in China, hoping to exploit its cheap labor, weak or compliant trade unions, huge market, stable business environment and good infrastructures.

Thus, in recent years, China is sucking in over \$40 billion a year in foreign investments, second only to the United States and double what the ASEAN countries are getting (see table 1). Moreover, some of the foreign investments, especially those coming from Japan and Taiwan, are in high-tech manufacturing such as IT-related products and car parts.

Table 1.
Foreign direct investments, 1995-2000
(\$ billion)

ASEAN	\$112
China	231

Source: *Newsweek*, September 3, 2001.

But unlike Japan, China's amazing growth, about 9 per cent a year since the 1980s, tends to affect other Asian countries in an adverse manner.

In fact, one explanation for the Asian financial crisis was that the hardest hit countries ran huge trade deficits in the mid-1990s because of their inability to stop China's export offensive. China exports were displacing the labor-intensive exports of these economies in the global market. On the other hand, these economies were themselves being flooded with cheap Chinese products such as garments, watches, household appliances, etc. But instead of correcting the trade deficits, these economies developed economic bubbles – in the stock market, real estate and commodities – which burst in 1997.

Today, even the more developed Asian economies such as Singapore are now feeling the pinch of competition by a fully-awakened Chinese dragon, as the latter is slowly succeeding in developing depth and quality in its industrial structure. Aside from low-priced labor-intensive products such as baby dresses, China is now producing more and more low-priced medium-tech products such as electric appliances, color television, washing machines, photocopiers and various electronic products such as computer peripherals, computer keyboards, hard-disc drives and desktop personal computers. Thus, for almost all the Southeast Asian economies, China is now seen as a competitor.

China's continued growth, especially after its accession to the World Trade Organization (WTO), is considered a threat rather than an opportunity. Many economists are

predicting a quantum leap in imports for China. Most of the imports needed by China will come mainly in four forms – grains, raw materials, petroleum and high-tech products. Some of these can be sourced by China from Southeast Asia, but most are likely to be sourced from the United States, Japan and Korea.

3. WTO and China

China's accession to the WTO intensifies regional competition for global market niches.

As a full WTO member, China can export more freely its products to the various Asian economies. This reality creates unease among Asian economies which have similar but higher-priced products. On the other hand, China has to reduce barriers to the entry of products from other Asian countries. The likely winners here are the exporters from Japan and the Asian NICs, which also happen to be among the major investors in China today. Japan and the Asian NICs are also likely to invest in China's service sector, particularly the banking sector which will be opened up under the WTO's General Agreement on Trade in Services (GATS).

In terms of two-way trade, it appears that China's leading trading partners in Asia are Japan and South Korea. Japan is China's biggest export market, while China is becoming the favorite destination of Japan's investors. Korea has become the major source of steel and petrochemicals for China, as a result of which Korea has been running a huge trade surplus with China.

Asian economies producing raw materials and agricultural products such as Indonesia and the Philippines may also be able to sell such products to China. However, it is doubtful if these will be sufficient to correct any trade imbalances in favor of China.

In the global market, China, as an emergent manufacturing center of the world, is likely to eat into the global shares of Asian economies, both developed and developing. One major concern of some Asian economies is the garments industry. With the quota system coming to an end by 2004, China can easily get additional shares of the global market. As it is, the biggest rival of Mexico in the biggest garment market of the world, the United States, is China.

In the more sophisticated products, China is likely to increase its capacity and its share in the global markets, sometimes at the expense of the Asian exporters. One indication of this is the rising share of China in the US consumer electronics market. In 1995, China was able to garner 6.9 share of this market compared to Korea's 9 per cent. In 2000, Korea's share went down to 7.8 per cent, while China's went up to 10.5 per cent (Panitchpakdi and Clifford, 2002).

4. The AFTA dilemma

Like in Europe and North America, the members of the Association of Southeast Asian Nations (ASEAN) have their version of a free trade area – the ASEAN Free Trade Area (AFTA), which is supposed to be implemented through a mechanism called the

Common Effective Preferential Tariff (CEPT). Launched on January 1, 1993, the CEPT-AFTA project calls for the gradual reduction of tariffs among the ASEAN member countries by targeting 15 major product groups. After numerous discussions, the ASEAN came to an agreement that by the year 2003, ASEAN member countries shall reduce to between zero (0) and five (5) per cent the tariff on ASEAN products with at least 40 per cent "ASEAN content".

Will AFTA strengthen ASEAN as an economic bloc and will AFTA shield ASEAN from the Chinese export juggernaut?

Unfortunately, progress is very limited in the formation of ASEAN as an economic bloc as there is very limited industrial complementation among them except in car part manufacturing. But in the case of the latter, this is only because the different car parts manufacturing plants in various ASEAN countries were set up by the Japanese carmakers in line with their regional division of labor. In fact, Malaysia has been making noises over the scheduled application of the 0-5 percent tariff rates on its Proton car project.

The truth is that the ASEAN member countries are competing with each other in certain commodities and industry lines. Thus, in garments, competition is fierce among producers from Kampuchea, Indonesia, the Philippines, Thailand and Vietnam. With the 0-5 per cent tariff schedule, it is likely that the more organized and developed economies in the ASEAN such as Singapore, Malaysia and Thailand are likely to gain from the arrangement in terms of added exports, while cheap-labor countries such as Indonesia and Vietnam are likely to attract more investments in labor-intensive production.

But vis-à-vis China, it is doubtful if the ASEAN constitutes as a major countervailing force. This January, Japan showed the relative weakness of ASEAN when it forged a bilateral free-trade agreement with Singapore. Japan and Australia have also initiated talks with some of the ASEAN countries regarding the possibility of bilateral free-trade agreements. There are also discussions on a China-ASEAN free trade bloc.

5. India: the Hidden Dragon

Some commentators view India not only as China's rival in Asia but also as the new Asian dragon. Like China, India has a huge population which can support the growth of a large and diversified domestic economy. Like China, India joined the global economy in earnest only in the last decade. And like China, India is flooding Asia and the world with cheap products like textiles and chemicals. India is the second fastest-growing economy in Asia, next to China.

However, even India is steeling itself against the onslaughts of cheaper Chinese products such as motorcycles.

One area where India appears to have an edge over China and the rest of Asia is on the high end of the IT industry – software engineering. India's software engineers and programmers are providing engineering solutions to the requirements of big IT players in California's Silicon Valley such as Cisco. However, in the data encoding and call center business, India's rival is the Philippines. As to the production of computer parts and

peripherals, this is completely dominated by China, Malaysia and the Philippines based on subcontracting arrangements with Japan, United States and the Asian NICs.

India is using its IT savvy in modernizing some of its old industries such as steel. However, there is a great deal of unevenness – and inequalities -- in the growth process just in like most countries of Asia. The growth of IT and other industries is accompanied with the collapse of existing industries, especially the big public enterprises established under the post-war mixed-economy model of India.

6. Recovery prospects from the Asian financial crisis **And the global economic slowdown**

A major determinant of labor absorption in Asia will be the rate of economic recovery for most of the Asian economies from the 1997-98 Asian economic crisis and the 2000-2001 global economic slowdown, which was capped by the September 11 terrorist bombing of New York's Twin Towers.

With the notable exception of China and Vietnam, most of the East and Southeast Asian economies have been severely bruised by these events. The 1997-98 economic contagion also demonstrated how tight is the integration of these economies in a globalized and liberalized economic order.

In the 1997-98 Asian financial crisis, the most severely hit countries are Thailand, Malaysia, Korea, Indonesia and the Philippines. But in the 2000-2001 global economic slowdown, nearly all the Asian economies were affected, with Taiwan and Singapore joining Japan on the recessionary path. Korea, which registered a strong recovery in 1999-2000, is also sputtering. All of this shows the high dependence of Asia, particularly East and Southeast Asia, on the global export market, especially the market of the United States and Europe. This also shows the great dependence of the Asian economies on the IT or electronic markets.

Hence, for most of the Asian economies, individual national recovery will depend on the global economic recovery led by the United States. However, such individual national recovery will also depend on how well a country is positioned to take advantage of such global recovery – as there are other players in the world market today, China and India among them. This means being able to find a niche in the global market.

But what if the global economic recovery proceeds in a slow and agonizing manner, as what seems to be happening?

THE SHRINKING REGULAR WORK FORCE, THE EXPANDING NUMBER OF 'IRREGULARS' AND THE 'FLOATING' WORK POPULATION

Under globalization, jobs for many in the formal sector are no longer what they used to be – *stable and for life*.

This observation is true for almost all the Asia-Pacific economies.

In *Japan*, which invented the term 'lifetime employment', more and more jobs are becoming precarious and contingent. Official estimates put the ratio of non-standard employee to regular employees at 1:3 or 25 per cent of the employed (see table 2). 'Non-standard' employees are "workers under contract to a dispatching agency, who are entrusted with specific duties by the companies to which they are assigned". Accordingly, there has been liberalization in the use of dispatch workers in recent years, meaning dispatch workers can now perform "any type of work" (JIL, 2000). The non-standard employees also cover the part-time casual worker, dubbed in Japan as 'freeter', from the English word 'free' and German 'arbeiter' for worker. Estimates put the number of freeters at around 3 million.

Table 2. Number of Employees by Employment Status, excluding Managers, in Japan*

	Total			Male			Female		
	Number	Increase since 1999	%	Number	Increase since 1999	%	Number	Increase since 1999	%
Total	4,903	(-10)	100	2,892	(-25)	100	2,011	(15)	100
Regular Employees	3,690	(-58)	74	2,553	(-41)	88.3	1,077	(-16)	53.6
Part-time employees	1,078	(54)	22	232	(25)	8	846	(29)	42.1
Agency workers, workers rehired after retirement and others	195	(-6)	4	106	(-10)	3.7	88	(3)	4.4
Agency workers	33			9			25		

*Source: *Report on the Special Survey of the Labor Force*, The Management and Coordination Agency, Feb. 2000

Apart from the decline of lifetime employment, other Japanese industrial relations practices such as seniority-based pay or *nenko* and promotion from within are also being eroded. Like other global corporations, Japanese companies are increasingly adopting flexible labor measures and hiring and retaining personnel on the basis of individual performance, not sheer loyalty or commitment to the company. There are also criticisms that the Japanese trainee system for overseas workers is really a means of hiring cheap foreign skilled labor in the guise of traineeship as the trainees are assigned to do regular work of regular employees.

As to unemployment, this reached 5.6 per cent in 2001, the highest recorded since 1953. This unemployment rate continues to rise, given the continuing economic crisis of Japan.

In the *Asian NICs*, trends towards labor flexibilization are also emerging.

In South Korea, protective labor laws were relaxed in 1998 in order to facilitate the dismissal of workers for 'managerial reasons'. The government used the Asian financial crisis as the main excuse in liberalizing the labor laws. Companies have taken advantage of these laws by replacing the regular full-time employees with 'irregular employees', who were described by the *Korea Herald* as follows:

"The number of irregular workers, which includes part-timers and short-term employees whose contracts run for a year or less, has rapidly grown since the currency crisis in 1997 sent the unemployment rate to a record high... As of June (2000), irregular workers made up 53 per cent of the nation's 13.3 million paid workers" (cited in Hart-Landsberg and Burkett, 2001).

What the above-cited figures indicate is that the well-publicized rapid economic recovery of South Korea from the 1997-98 Asian crisis has been attended by the rapid hiring of casuals or non-standard employees. South Korea has also allowed the recruitment of cheap overseas migrant workers for deployment in the construction industry, remaining garments factories and other labor-intensive companies. Like Japan, South Korea also has a traineeship system, which migrant NGOs criticize as a front for the hiring of cheap overseas workers.

In Taiwan, many manufacturing jobs have disappeared as a result of the relocation of labor-intensive industries to China and other Asian countries. Like Korea, Taiwan has been importing cheap migrant workers from the Philippines, Thailand and Indonesia for the labor-intensive factories remaining in this island state. In 2001, it also relaxed Taiwan's protective labor laws.

And despite the official policy of Taiwan encouraging Taiwanese firms to invest in other Asian countries such as Vietnam and to avoid mainland China, Taiwanese investments in China follow closely those of Hong Kong's. It is estimated that about \$60 billion were invested in the mainland by 80,000 Taiwanese enterprises between 1990 and 2000 (Panitchpakdi and Clifford, 2002).

Singapore and Hong Kong have also been importing overseas migrant workers, to fill up shortages of local skills. They were also not as harshly affected by the Asian financial crisis as Malaysia and Korea, partly because of their policy of maintaining strong currencies backed up by large foreign exchange reserves. However, they have not escaped the impact of the recent global economic slowdown. In particular, Singapore, which has a strong tripartite consensus to maintain jobs of regular employees or to give them maximum transition assistance if their separation cannot be avoided, was rocked last year by the decision of Union Overseas Bank and Tokai Bank to dismiss redundant workers with just a day's notice. Is this the beginning of a more flexible labor market arrangement in Singapore as it braces with the China challenge?

Among the Asian NICs, Malaysia probably hosts the largest number of foreign migrant workers. It has around a million Indonesians working in various parts of its sprawling territory. Malaysia's efforts to rapidly industrialize and develop high-tech industrial parks force her to look for supplementary skilled and semi-skilled overseas such as computer programmers and construction workers. However, Malaysia's medium- and high-tech electronic products are now in peril with the ominous rise of Chinese electronic production, facilitated by investments in the mainland in these areas by Taiwan, Japan and lately, South Korea.

Among the *developing Southeast Asian economies*, Thailand, Indonesia and the Philippines were the hardest hit by the Asian financial crisis. The 2000-2001 global economic slowdown also adversely affected their labor-intensive exports and tourism services. In the case of the Philippines and Indonesia, the plunge in tourism receipts was aggravated by the political instabilities in these countries. Indonesia and the Philippines have the highest unemployment rates in Asia, while Thailand lost over two million formal sector jobs at the height of the Asian financial crisis (AMRC, 2000).

Moreover, these three Southeast Asian countries are the most threatened by the China challenge. With cheaper labor and increasing productivity, China has been eating into the labor-intensive export niches of these countries such as garments and electronic product assemblies. Cheap China's products are also flooding the domestic markets of these countries, displacing in the process their less competitive domestic industries. China's WTO accession is likely to sharpen the dilemma of Thailand, Indonesia and the Philippines on how to position themselves vis-à-vis China's expanding role in the global and regional markets.

Flexible or casual labor is widespread in all the three countries. The Philippines has a relatively well-developed body of protective labor laws. But this has not prevented companies from hiring more and more casual and temporary workers, who easily outnumber the regular workers in most industries.

In the case of Vietnam, Kampuchea and Laos, which have cheaper labor vis-à-vis China, they are facing the twin problems of how to increase their labor productivity and how to match the overall attractiveness of China as an investment destination. Moreover, these countries are still recovering from the damages inflicted by the long Indochina wars and are having difficulties in managing the transition towards a market economy. In particular, there is the challenge of how to transform state-owned enterprises (SOEs) into more efficient entities, whether under government or private hands.

Mainland China, which is touted by the media as a big winner in its accession to WTO, has equally difficult problems to sort out, especially in its labor market. While its market reforms and global export offensive have increased the incomes of around 200 million Chinese, not everyone has benefited and social inequality has consequently deepened.

As of the year 2000, it was estimated that there were 24 million unemployed (8.5 per cent of the total labor force), 70 million 'floating labor force', 42 million poor farmers and some 12 million 'xiangang' workers (Leong and Frost, 2001).

By any global standard, an unemployment rate of 8.5 per cent (some authors give a 7 per cent figure) is high. With the exception of Indonesia and the Philippines, the unemployment rates in the other Asian countries range between 3 per cent of Taiwan and 6.3 per cent of South Korea (see table 3). But the absolute size of China's unemployed – 24 million – is even more stunning, as this is more than the population size of many small and medium-sized countries of the world. The ranks of the unemployed are a good breeding ground for any social unrest anywhere in the world.

Table 3
***Foreign direct investments
 And unemployment rates for select Asian countries
 (1999)***

	<u>FDIs (US \$ billion)</u>	<u>Unemployment (%)</u>
South Korea	15.5	6.3
Taiwan	4.2	2.9
Hong Kong	N.A.	6.3
Singapore	3.7	3.5
Thailand	3.6	4.2
Malaysia	2.9	3.5
Indonesia	10.9	N.A.
Philippines	2.7	9.7
<i>China</i>	<i>40.3</i>	<i>3.1 (urban areas only)</i>
Vietnam	1.5	7.4 (urban areas only)

Source: RIM Pacific Business and Industries, I, 50, 2001.

And so are the floating work force, rural poor and the xiagang workers. Accordingly, the floating work force consist of those who have left their area of residence, usually the rural areas, and have flocked to the cities or industrial areas in search of jobs, picking up odd and casual jobs at below standard wages or compensation. The poor farmers are those earning very little from farm plots that are increasingly narrowing in sizes, given the population of China and the rapid urbanization of the mainland.

But the xiagang phenomenon is one problem altogether. The xiagang workers are those made redundant as a result of the privatization or restructuring in the state-owned enterprises or SOEs. Technically, they are still entitled to certain SOE benefits but studies indicate most of the xiagang workers cannot get any benefits, especially from the bankrupt SOEs. Without jobs, the xiagang workers can technically be lumped together with the unemployed or the underemployed floating work force. Without the protection of strong and independent trade unions, the workers are subject to exploitation. Majority of the workers' riots and protest demonstrations that have rocked China in recent years are led by the xiagang workers.

What are the prospects for these workers with China's WTO accession?

First, the ranks of the xiagang workers are likely to grow as the privatization of SOEs is bound to intensify. In fact, with the entry of foreign and private domestic investors in the

banking industry and other areas traditionally reserved for the public sector, some of these SOEs' might be merged with private enterprises, or decimated in the process of competition with the more agile private sector enterprises.

Second, the ranks of the rural poor and the floating population are likely to grow also. To comply with the WTO, China will reduce whatever subsidy it is extending to the grains farmers and will increasingly liberalize the importation of grains. Already, American and other foreign grain companies are poised to dump wheat, corn and other agricultural products commanding higher prices in China. According to the US-China accord, imports of wheat are going to rise from 200,000 tons to 10.6 million tons annually, while corn imports will increase from 55,000 tons to 7.9 million tons annually (Weil, 2000). Agriculture is clearly one area where the United States expects to gain in its trade with China under the WTO rules (the other area is in the high-tech products).

The WTO means the end of the long-held principle of grain self-sufficiency in China. How many will be displaced from the rural areas as a consequence of the opening up of China's agriculture? It is anybody's guess. Some say that the floating population might double. However, it cannot be denied that the floating population, a source of potential social tensions, is also a source of competitiveness for the triumphant labor-intensive industries of China. They provide a source of cheap labor and, as a reserve army of labor; they tend to weaken the bargaining power of those with regular jobs. This is further compounded by the fact that the existing trade unions in China are not ready to cope with the challenges in the new economy. The trade unions still have yet to and must evolve into strong and free trade union organizations and develop their capacity to be able to protect and promote the interests of workers.

Of course, China can be a new market for certain agricultural products such as fruits and rice as well as mineral and other raw materials from Indochina, Thailand, Indonesia, Malaysia and the Philippines.

In deep down south, *Australia and New Zealand*, the situation is somewhat similar to those of Japan and the Asian NICs.

In Australia, employers, backed by conservative governments at the federal and state levels, have been pushing aggressively for greater flexibility of labor laws, meaning greater flexibility in the hiring, firing and bargaining arrangements with workers. However, unions have been vigilant in opposing these insidious efforts of governments and employers to subvert labor rights. Such union vigilance and militance have encouraged the national conservative government to monitor and even spy on union activities as evidenced by the attempt of the Australian military to eavesdrop on the conversations last year between the officials of the Maritime Union of Australia and those of the International Transport Federation. In the meantime, what some Australian industries are doing is to minimize the hiring of regulars by resorting to greater casual hiring and outsourcing of services such as the contracting out of customer services to the so-called call centers.

In New Zealand, the employers' success story in rolling back workers' rights through the infamous 1991 Employment Contracts Agreement (ECA) turned out to be a living proof that downward labor flexibility is in fact a formula for industrial and economic decline, as such flexibility is a disincentive to investments on industrial upgrading. Thus, the policy re-thinking on labor protection going on in New Zealand under a new labor government, which

is phasing out some of the anti-union laws. However, the damage done by the previous right-wing government is incalculable: decline of unionism from 43.5 per cent in 1985 to 17.7 per cent in 1998.

In *South Asia*, the vigorous implementation of the privatization program in India, Bangladesh, Pakistan and Sri Lanka has caused industrial turmoils and joblessness as these countries used to have large public corporate sectors. In Pakistan and Sri Lanka, unions have to work under extremely difficult conditions because of police and even military harassment of union officials, including ransacking of union offices and headquarters.

IMF-imposed structural adjustment programs in these countries have perpetrated a dualistic type of economic development, creating pockets of growth in some industrial zones but stagnant development elsewhere. However, jobs in special economic or export processing zones such as those in Bangladesh and Sri Lanka are strictly regulated and workers are denied their fundamental rights to join trade unions and bargain collectively. In Bangalore, the supposed Silicon Valley of India, gung-ho promoters of the IT industry suddenly found that like any other industry, IT jobs are vulnerable to the cycle of market booms and busts.

Like in China, South Asian cities are attracting a large and continuing exodus of rural migrants who literally constitute the reserve army of labor.

Finally, Asia also has a large *floating trans-national migrant population*. Japan, the Asian NICs, Australia and the Middle East are the major destinations of overseas migrant workers coming from the Philippines, Indonesia, Thailand, China, India, Pakistan, Bangladesh, Sri Lanka and other developing economies.

Majority of the overseas migrant workers perform the '3D' jobs (dirty, dangerous and difficult jobs) or the SALEP jobs (shunned by all except by the poor) such as those performed by 'care givers' (home makers or maids), semi-skilled construction workers, nightclub entertainers (or 'guest relations officers'), cleaning and maintenance crew, etc. Stories of abuses of overseas migrant workers are numerous – ranging from contract substitution to sexual abuses. With the Asian crisis, the softening of the demand for foreign workers in the Middle East and the global economic slowdown, jobs held by overseas migrant workers have also become very precarious and vulnerable to wage and benefit cuts unilaterally imposed by employers. The situation is aggravated by the reality that most of the overseas migrant workers are not allowed to join unions.

There are, of course, skilled migrant workers and professionals who enjoy higher pay and better protection. Many of the skilled migrant workers and professionals are in the IT industry (e.g., programmers), engineering, construction and medical services.

CHANGING JOB LANDSCAPE IN THE ASIA-PACIFIC SERVICE SECTOR

The foregoing outline of the changing nature of jobs brought about by sweeping changes in industry under globalization are most acutely felt in the service sector.

Until the 1980s, trade in services – finance, postal, telecom, retailing wholesaling, media, graphics, education, tourism, professional services, etc. -- was considered as something largely internal to a national economy. Services are rendered within the national borders and therefore, bought and consumed within the national borders. Hence, the traditional exclusion of services in any global talks on trade liberalization.

But through the global operations of trans-national service providers, the multinational banks in particular, trade in services has steadily become global. Trade in services was included in the 1993 Marrakesh Agreement or the Final Act (Uruguay Round) on the establishment of the World Trade Organization (WTO).

Thus, for the first time, services have been placed under the rules of global trading through the WTO's General Agreement on Trade in Services (GATS) – except that the rules were especially developed to suit the needs of trans-national service providers. For example, instead of the usual tariff and trade liberalization measures (to allow easy entry of goods), GATS rules require member countries to allow foreign service providers a 'commercial presence' and to treat them like their own nationals under the most-favored-nation (MFN) principle. Member countries are also supposed to commit to a schedule of liberalization or opening up of their respective service sectors and to make public all national rules governing the sector under the so-called principle of 'transparency'. GATS even defines how services can be traded globally – through the commercial presence in a member country by a foreign service provider, the movement of service personnel by a foreign service provider, the 'consumption abroad' of services by going to the country of a foreign service provider, and the cross-border trade transactions made with foreign service providers (facilitated by international communication facilities, e.g., internet-based e-commerce).

Note that the rules have been designed to favor the free movement and the easy conduct of commerce by trans-national service providers. Hence, the hypocrisy in the statement that GATS is aimed at improving the position of developing economies in global service trade. The hypocrisy is even underscored by the liberal treatment on the movement of personnel to provide service, as either part of an investment to set up a shop or establish a commercial presence or to provide service requested by clients overseas. In contrast, people moving overseas in search of work, meaning the migrant workers, are simply excluded from the rules.

In heavily-indebted developing countries of Asia, the opening up of the service sector has been aided by the neo-liberal policy impositions of the International Monetary Fund (IMF) and the World Bank (WB) such as the policies of privatization, deregulation of industrial sectors (e.g., banking, telecom, postal, distribution, media and so on), investment liberalization and so on. In the wake of the Asian crisis in 1997-98, the liberalization process has even been accelerated and deepened in some countries (e.g., Korea, Thailand, Indonesia and the Philippines), with big foreign banks and multinational service companies coming in as the supposed 'saviors' of the economy. Distressed banks, insurance companies,

supermarket chains, newspapers and so on have been sold to the multinational companies at a huge 'haircut' or discount.

To complete the picture, the liberalization of the sector has been complemented with the widespread application of technology (IT) and new human resource management (HRM) practices favoring a lean-and-mean operations, downsizing of regular personnel, and upsizing of peripheral or casual workers through varied outsourcing arrangements.

Today, the service sector of Asia and the Pacific has changed, beyond recognition of what it was in the 1980s.

All one has to do is take a tour of the major cities of the Asia-Pacific region and see the names of the global banks (such as Citibank, ABN Amro, HSBC, etc.), telecom companies (NTT, Nokia, Alcatel) and giant distributors (Carrefour, Metro, Makro, Wal-Mart) dominating the city's skylines. Or watch the television programs in any major Asian hotel and see how CNN Asia, CNBC Asia, ESPN, MTV Asia, TNT, HBO, Cinemax and Star TV are shaping the culture and consumption patterns in Asia under a globalized and globalizing service sector.

Today, the major developments taking place in the sector are as follows:

- ✓ National laws are being revised to suit the requirements of GATS, for example, the requirement for the domestic telecom industry to provide interconnection to foreign service providers (and to give them access to the use of local telecom infrastructures), or the liberalization of the laws restricting the entry of foreign retailers and wholesalers in the distribution industry.
- ✓ The privatization and corporatization of certain government corporations, particularly in the telecom, postal, banking and media industries, are being accelerated.
- ✓ There is a merger mania sweeping the service sector. M & As are common among domestic banks, telecom companies and distribution companies, in anticipation of fiercer competition under a liberalized market. A growing number of M & As also involve giant TNC banking, telecom and media companies.
- ✓ TNCs or multinational corporations are positioning themselves all over the place.

However, there are serious social and economic repercussions of the above changes.

First, many governments have virtually abandoned the concept of universal service in the delivery of certain basic services like telecommunication, postal and other services. In the past, earnings from profitable areas are used to support operations in remote and underdeveloped areas. Today, this concept is given up as everything is now subjected to the profitability test of the market.

Second, there is increased transnationalization of the economy, from the goods market to the service market.

Third, government monopoly becomes private monopoly, especially with the privatization of natural monopolies like the telecom industry.

Fourth, public service is also increasingly being commercialized.

But for unions, especially those under UNI Apro, the most immediate issue is the preservation of job, union and income security. Under globalization-induced industry restructuring, unions are losing members en masse – and in the process, part of their bargaining power. Joblessness is also occurring because of the collapse of local industries and the domination of the market by a few, for example, a giant retailer like Carrefour or Makro can wipe out so many hundreds of grocery and department stores in the neighborhood and along with this, wipe out hundreds, if not thousands, of jobs in the process such as what seems to be happening in Malaysia and Thailand.

Above all, there are endless labor-shedding rationalizations and re-engineering exercises taking place across firms, big and small. Companies are introducing new work techniques, new work processes and new work approaches to tighten control over labor. This often leads to the casualization and ‘flexibilization’ of work. For the shrinking regular work force, work flexibilization means work intensification via productivity-enhancement schemes, e.g., linking pay with outputs and adopting new work approaches such as multi-skilling for multi-tasking purposes.

Global competition, race to the bottom And eroding base for unionism

The changing environment for labor organizing as reflected in the above outline of the emerging trends in the labor market and service sector of Asia and the Pacific poses a major and difficult challenge to trade union organizers.

In the past, unions thrived with the growth of jobs in expanding national industries either protected by the State, through policies of industrial protection and promotion (pursued by Japan, the Asian NICs and some Asian countries), or owned and directly managed by the State such as the SOEs of China and Vietnam, the postal industry of Japan and Taiwan and the national industries in South Asia. With economic globalization and trade-investment liberalization, policies of industrial protection and State involvement in business are receding to history. They are being replaced with policies promoting foreign investments and the free flow of capital and goods.

In this new economic environment, formal sector jobs have become uncertain and flexible, with the lifetime of jobs becoming shorter and shorter. This is happening all over Asia and the Pacific.

Moreover, with the accession of China to WTO, there are strong pressures from investors for nations to become competitive by having cheap, productive and flexible labor. This pressure also applies to China, which is now experiencing the painful pangs of labor adjustment in a market economy. Although there are no formal written laws in support of these pressures, the mere threat of an investor to move on to another place, another country or another clime is enough to create nervousness on the part of government officials and weaken the bargaining power of unions and union organizers.

As a result, globalization is virtually pitting workers against workers and nations against nations in the race to get foreign investments and jobs. This, in turn, is deteriorating into a race to the bottom, subverting the traditional processes of industrial relations such as tripartite consultation and collective bargaining.

Globalization is also creating a new class of unemployed or underemployed – the formerly employed who are now unemployed, or the xiagang workers in the case of China. Endless re-engineering and reorganization exercises due to mergers, acquisitions, consolidations, outsourcing of work, adjustments to new technology and new markets, pressures of competition and the likes mean many workers will never reach normal retirement age and that jobs will never be secure even if a company has no intention of transferring operations in another country. In the public corporate sector or the SOEs of China, Japan, Korea, Taiwan, Vietnam, Indonesia, India, Pakistan and others, privatization is putting jobs en masse on the chopping block.

Privatization and corporate restructuring are the two main reasons for the decline of the base of unionism in Asia and worldwide. As it is, studies emanating from the International Labour Organization show that unionism is on the retreat almost everywhere. Union membership is declining. In China and Vietnam, unions have a presence in the crumbling SOEs, and yet have very little presence in the emerging private sector enterprises. Without free and strong trade unions, workers are subject to widespread exploitation and

trade unions are forced to resort to collective begging. Ironically, it is in a situation of joblessness and job uncertainties that unions are most needed, and yet, it is this same situation which is subverting unionism.

Clearly, unions today must re-think some old practices, come up with a clear vision of development under economic globalization and strategize new approaches in organizing and representing the workers. And they should make their position clear on many of the issues confronting the movement. Below is a proposed trade union agenda in the new economy:

UNI APRO AGENDA IN THE NEW GLOBAL ECONOMY

The trade union movement maintains that the scientific and technological advances of the 20th and 21st centuries offer humanity vast potentials to raise global living standards, feed itself and get connected with one another in peace and harmony.

Sadly, however, these scientific and technological advances are being appropriated by the neo-liberal globalists (or those who worship in the altar of untrammelled free trade) in the service of an unrestrained type of economic globalization driven solely by the dictates of the market. What is primary in this globalization model is the market and the so-called shareholders' value arising from greater hold on the market.

The market has lost its social soul. Intense competition for market shares and investment capital in an increasingly globalized economy has forced countries to compete aggressively with one another by lowering wages, reducing labor and environmental standards and abandoning or neglecting social protection. In the process, globalization has created one-third, one-fourth and even one-fifth societies, meaning only one-third, one-fourth or one-fifth of the population are benefiting from the fruits of economic expansion.

Globalization without a social dimension is unsustainable

Without a social dimension, the present neo-liberal globalization process has failed working people in the Asia-Pacific region and around the globe. The various WTO Agreements, both those in place and those still being negotiated, are increasingly seen by workers and their trade unions as promoting a one-sided type of economic development devoid of a human face. As Philip Jennings, UNI General Secretary, put it, the social fault lines in today's economy are all too clear. Despite tremendous global growth, poverty and unemployment remain endemic. The wealth gap within societies and between nations is growing. And so is the digital divide between the haves and the haves-not.

Without a social dimension, the present model of globalization is unsustainable and unacceptable.

We in UNI Apro demand a new approach, a new framework of governance for global markets. Such a global framework, if it is to be effective, must be based on the principles of accountability and transparency reinforced by a democratic system of government and good governance. The new framework must reflect the collective aspirations of the working populace designed to promote equitable and sustainable growth.

Governments have a central role to play. They cannot shirk their responsibility to society. They cannot leave everything to the market, nor can they continue justifying the need for people to make sacrifices or compromise their rights and integrity by blaming joblessness, faltering social services and growing inequities on increased competition and competitive pressures. They must lead in promoting growth with equity and justice. Thus, maintaining a strong public sector is a must – to correct monopoly situation, to promote growth in areas lagging in development, to insure universal and affordable access for basic services, to protect basic or essential industries and so on.

The race to the bottom – where the globe is searched and sourced for the cheapest and most malleable labor -- must stop and be replaced by an enlightened race to the top. The spread of wealth – not its concentration in fewer and fewer hands – must be the key objectives of national development and economic globalization.

Regional and international economic co-operation must be developed not solely to expand trade and services but primarily to enhance mutually beneficial economic complementation and promote social development and peace.

The new global framework must be rooted in a *“people first” strategy*, aimed at improving the quality of life, job security, education and the health and welfare of working people. The other vital component must be respect for human rights, including trade union rights based on the core ILO standards on workers’ rights.

And governments and inter-governmental organizations must engage in dialogue not only with employers but also with trade unions to build consensus for sustainable development strategy that will benefit all.

***Respect for workers’ rights –
an essential ingredient for sustainable and just globalization***

The new global framework must enshrine the sanctity of workers’ rights as human rights. Without respect for labor and human rights, globalization is bound to degenerate into a race to the bottom as it is happening today.

The right to form and join trade union of their own choosing and bargain collectively are two of the fundamental workers’ rights that must be recognized and reaffirmed by governments. These fundamental rights are spelled out in ILO Conventions Nos. 87 (Freedom of Association) and 98 (Right to Organize and Collective Bargaining).

And yet, according to the ILO, the ratification record for these two basic conventions in Asia “is not very encouraging...compared to the world-wide position.” Out of the 26 economies in the region, only ten have ratified Convention No. 87, while fourteen have ratified Convention no. 98. And even for those, which have ratified the Conventions, the ILO has received complaints regarding the non-observance of the Conventions. In some countries, there are activities amounting to the subversion of the spirit and principles of the Conventions. These include:

- ◆ Restrictions on the right to organize workers at certain enterprise and national levels, including in special designated economic zones;
- ◆ Various restrictions, overt and covert, on the right to strike;
- ◆ Denial of the right to organize for public sector employees, including workers in state-owned enterprises;
- ◆ Denial of the right to organize for certain categories of employees such as part-time workers, contract workers and professional and managerial staff;

- ◆ Restrictions on collective bargaining in terms of scope of coverage and contents such as individual workplace agreement; and
- ◆ All forms of restrictions and regulations on trade union activities.

Also, intense competition facilitated by excessive liberalization has intensified pressures for governments to deregulate labor market policies and regulations to achieve greater flexibility in the production system. Foremost among these efforts are employer proposals in favor of liberalization of the laws and rules on tenure, termination and collective bargaining. The new employment relations and work organization have deprived many workers -- especially the new workers, those on “a-typical” employment relations and the increasing number of professional and managerial employees -- of their right to form or join unions under outdated legislations.

However, at the level of industry itself, various organizational and human resources management programs are being developed to prevent unionism and collective bargaining. Downsizing, outsourcing, hiring of casual and contract workers and so on have become the norm in many industries. The drastic changes in work organization and methods are gradually eroding workers’ terms and conditions of employment. They are now under more pressure and employment security is threatened. Human resource management methods are continuously being refined to discourage workers from joining trade unions and weaken existing trade unions. In some countries, employers even have a clear-cut policy of banning unions. Union members are discriminated and union leaders penalized.

In some countries, employers have taken advantage of laws prohibiting professional and managerial staff to form union by promoting employees to artificial managerial positions to prevent them from joining trade union. This has led to a situation where, in some establishments in countries such as Pakistan and Bangladesh, all the workers, including office clerks and typists, are classified as managerial staff. Other employees, if there are any, are mostly contract employees or workers on atypical employment arrangement.

Challenge of reaffirming labor rights in national laws and global trade agreements. Hence, a reaffirmation of the workers’ basic rights to organize and bargain must not end with the ratification of the relevant ILO Conventions. The Conventions must be translated into specific and concrete national laws recognizing the rights of **all** employed workers to organize and bargain, be they at the managerial or rank-and-file levels and be they in the core business or in the outsourcing outfit. Further, there should be national programs educating employers on the need to respect such laws as part of corporate citizenship.

As stated earlier, fundamental workers’ rights must also be reaffirmed as part of the global framework.

The United Nations, through the Global Compact Initiative, has asked the world’s leading multinational corporations to make a commitment to respect basic labor, human and environmental rights in their global operations. Some global sourcing companies have also adopted their own Codes of Conduct incorporating respect for labor rights as part of their global sourcing requirements; on the other hand, global suppliers seek global certification under SA 8000 (Social Accountability 8000), which certifies that they are good employers.

These are positive developments. However, they are not enough. Aside from the universal affirmation of the core labor standards as reflected in existing ILO Conventions, there is a need to bring the core labor standards in the international discussions and forums on global and regional trade such as the WTO. As UNI General Secretary Philip Jennings put it, labor must have a seat in these discussions and forums – not only to articulate the importance of universal observance of core labor standards but also to engage the trade gurus in a debate on how to prevent existing international and regional trade rules into degenerating into an unsustainable race to the bottom.

It should be noted that at the WTO, little progress has been made in establishing a consultation process on trade and labor despite the declining number of governments opposed to such a mechanism. At the recent Doha conference of the WTO, there were no concrete measures or resolutions adopted in support of such a consultation process. It cannot be denied that ultimately, rules on universal adherence to core labor standards must be reflected in the global architecture of trade and finance.

***Revitalized trade union movement
In response to the challenges of network economy***

Some conservative forces believe that trade unions have become irrelevant in the new economy and, as such, will wither away.

The reality is that working people everywhere need the protection of strong, democratic and independent trade unions – today more than ever.

Trade unions are unique organizations and their philosophy and values are of critical importance to the maintenance of a just and progressive society. The respect for human rights and workers' dignity were valid in the past and remain very much so in today's interdependent world.

However, to fulfill its historic role, the trade union movement must be revitalized. The narrow business approach of focusing on negotiating for some select members, which is the practice of some unions, has isolated unions from society and even working people. It has also weakened the spirit of solidarity among working people.

The new generation of trade unions will have to be more than service organizations, concerned with just bread and butter issues for their declining members. They need to have a wider social vision and extend their agenda to include issues affecting workers outside the workplaces and of broad societal concerns. ***The trade union movement must become a movement for social change.*** Only in this way, can the trade union movement acquire the strength – derived from the committed support of all workers and segments of society -- to influence economic and social changes and manage the myriad challenges in a network economy.

Trade unions must give serious consideration to what steps they are going to take to make a difference. The way forward is through the strengthening of their organizations. They must increase their membership, improve their public image, strengthen their position at the bargaining table, make the voices of workers heard inside and outside the corporate walls, and develop and promote viable alternatives to neo-liberal structural adjustment policies.

In the new economic era, the trade unions themselves should undertake strategic adjustments to meet the globalization challenge. They must become truly global players, if they are to be more effective and influential.

Revitalizing the trade union movement is the responsibility not only of trade union leaders but also of the existing members and workers. Union leaders must, by their action and through constructive union activities and services, correct misconceptions about trade unions and restore the confidence of workers and society in trade unions. Some of the priority measures:

1. **The struggle for the enjoyment of trade union rights by all workers** -- The struggle for the enjoyment of trade union rights by all workers must remain a trade union priority at all times. The large majority of workers in various countries in the region are still deprived of their rights either by legislations or by various anti-union techniques of employers. These include the increasing number of professional and managerial staff and atypical employees, including casual employees and contract employees and those working part time. In fact, the presence of a large army of non-unionized workers are used by employers to weaken the ranks of the unionized.

The struggle for trade union rights is a global challenge that requires a global trade union response. The campaign for global respect for core labour standards must be intensified. National trade unions must assume greater responsibility by generating the support of the larger society for international trade union campaigns for respect of workers' rights, now directed at ILO and various inter-governmental organizations such as WTO, IMF, World Bank and the ADB and regional economic co-operation bodies such as ASEAN, SAARC, APEC and ASEM.

These organizations, particularly the ILO, IMF, World Bank, ADB and the WTO should work closely together to promote democracy and social justice and respect for core labour standards.

2. **Engaging in social dialogue with social partners** -- Trade unions must engage in social dialogue with government, with the employers and other social partners. This is so because building the new global architecture of trade and finance based on labor's vision of development requires dialogue with all concerned and consciousness-raising activities among all sectors of society.

A global economy requires global forums for social partnership. We want to build global partnership with employers and governments based on a shared commitment to equity and justice and respect for human and trade union rights. Together, we can build a better society where income, wealth and opportunities are equitably distributed.

The trade unions must push governments in the region to emulate the example of social dialogue in the European Union countries. The social dialogue and the introduction of European Works Councils in the trans-national industries are important instruments in the development of a Social Europe. They are used to promote:

- ◆ quality employment, job security and fairness at the place of work

- ◆ quality education, training and retraining and new form of work organization based on involvement and dialogue.
- ◆ equality of opportunity and better employment chances for women and young workers.
- ◆ better standards of health and safety at work.

Equally important, the process of social dialogue represents a major forum for strategic engagement across the total range of socio-economic spectrum to deal with the fundamental challenges facing the peoples in the country and region.

In today's interdependent world, there is a need for trade unions all over the world to be more united in the struggle for workers' right, social justice, democracy and a more equitable distribution of the wealth that workers help to create.

At the international level, UNI APRO, in close co-operation with UNI, ICFTU and other Global Union Federations, will continue to promote closer co-operation between the unions in the various countries grouped under intergovernmental organizations such as ASEAN, APEC and ASEM in pursuing dialogue at the regional and international levels. We will vigorously support these unions in their campaign for the inclusion of a social dimension to the ongoing regional economic integration process and for trade unions to be involved in the formulation of development strategy and policies of international financial institutions (IFIs) such as the IMF, World Bank and ADB.

The adoption of the ILO Declaration on Fundamental Principles and Rights at Work and the Follow-up Mechanism adopted at the 1998 International Labour Conference is an encouraging development. It reflects the international consensus on the need to guarantee a harmonious balance between economic and social progress in a sharing, caring and democratic society. UNI APRO is prepared to collaborate with the ILO's Regional Office and area/branch offices in the region in monitoring country observance of the Fundamental Declaration, contributing to the Follow-up reporting and propagating the Decent Work campaign based on the core labor standards.

3. Strengthening and broadening scope of organizing, collective bargaining and representation -- Organizing for collective bargaining is a basic function of all trade unions, in the representation of members' interests and in asserting fundamental workers' rights at the work place.

However, in a network economy, collective bargaining as an institution must be strengthened – by reaffirming it as a fundamental right, by allowing new forms of negotiation to cover new workers and by exploring new areas of bargaining such as co-management of the enterprise.

On the first and as provided for in ILO Convention 98, unions must be free to bargain without constraint. Some unions, restrained by laws and constrained by circumstances, are forced to resort to 'collective begging' with employers. There should be a campaign to reaffirm the fundamental right of workers to bargain through their unions and to remove the obstacles to free collective bargaining, particularly anti-union unfair labor practices of

employers such as refusal to bargain, sponsorship of alternative employee organizations, etc. There is no need to belabor here that without collective bargaining, unionism and industrial democracy become hollow.

However, the trade unions must also be open to new forms of bargaining and representation. The new professional and management staff in the network economy have demands that are distinct from the rank-and-file blue-collar and white-collar workers such as portability of benefits (when going in other areas or countries), skills certification and professional license. Thus, the traditional form of organizing and bargaining cannot apply to them – even if the same principles that motivate traditional organizing and bargaining apply to them, e.g., the need to coalesce to protect common interests and negotiate collectively to have unified strength.

Where feasible, unions may conclude co-management agreements, to better protect and promote their members' interests, especially in enhancing job security and insuring a fair sharing of productivity gains, not to mention possibilities of increasing union membership.

Other innovations in collective bargaining include the decentralisation of negotiation and expansion of the scope of the contents of collective agreements to include non-monetary demands such as training and retraining, and rights to full participation in decision making relating to employment and related issues such as the introduction of new technology.

The point is that a network economy means the unions must be able to organize and represent the workers based on the distribution of the workers in the network arrangement, in contrast to the traditional system of organizing the workers based on the triangular hierarchical business set-up. The network economy requires union activists to be more agile by being prepared for unorthodox styles of organizing and bargaining, not to mention the need to acquire new skills to be able to assume new roles and responsibilities.

For example, trade union officials and shop stewards will need new skills and methods in organizing the PMS personnel, on one hand, and the contractuels (either direct hires or in outsourcing companies), on the other. At the same time, once they have organized the PMS and contractuels, they must define and find certain commonalities in the interests of all the three – the regulars, the irregulars and the professionals – to be able to come up with a common trade union agenda. Like the employers, especially the multinational employers, trade unions must be co-ordinated in their collective bargaining strategy and must have general coherence in their policies and demands even if they have differentiated approaches in organizing and bargaining for varied types of members.

The unions must also be able to understand the business of a networked conglomerate and be able to forge ties with unions in other countries belonging to the conglomerate. Our goal must in the long run be able to bargain with multinational employers at the regional and international levels. Such regional or global agreements will cover broad areas such as employment policies, industrial relations practices and minimum standards and conditions of employment and working conditions. It will also be an effective means to ensure respect for basic labour standards as outlined in various ILO Conventions.

4. Taking up the equality challenge head-on – UNI APRO must also pay greater attention to the women issues.

Women now account for at least three out of every ten employees in the region, with the ratio higher in certain countries. Their number keeps on increasing. Women can be found in all industries and all types of employment and jobs. But they predominate in the service sector and the network economy. They also account for the majority of the part-time, casual, project, contingent, temporary and other a-typical workers such as tele-workers.

Numerically, they represent a large potential membership for the trade unions in most countries. The difficulty in organizing them can be attributed to many factors. Women in "transition" or casual employment are understandably worried that involvement in trade unions might affect their jobs and job prospects. On the other hand, those with regular and "career" employment, especially the married women and those with children, have difficulties coping with the unfair distribution of responsibilities for keeping home and going to work.

The organizing challenge is further complicated by the fact that men dominate most unions. Thus, by design or habit or lack of gender sensitivity, most unions' activities, services, work methods and overall policies are not conducive and relevant to attract women into trade unions.

Towards this end, trade unions must overcome prejudices and be prepared to make wide-ranging changes, including attitudes towards issues of equality and ensure that these policies reflect the real needs of women workers.

Organising strategies will have to be adapted to attract women into trade unions and activities have to be redesigned to facilitate women participation at all levels. Most important of all, there must be conscious and deliberate efforts to promote and achieve equality of opportunity and treatment between women and men at work and in society. The trade union movement must express in the clearest way possible its commitment to this goal by ensuring that women members are accorded equality in all aspects of trade union work and by reaffirming the readiness of the trade unions to fight all forms of discrimination at the work place.

5. Organizing the youth -- Recruiting young workers who are entering the labour force has to be the priority for all trade unions for they are the future of the trade union movement.

However, as in the case of other workers, the environment in a network economy has not been conducive in organizing the youth.

Some unions attribute the difficulties in organizing them to the widening generation gap between the unions, its leaders and the young workers. Young workers in general and young women in particular are more passive towards trade unions. Accordingly, young workers have different attitudes and have difficulties identifying with the trade unions. Many of the young workers are better educated and are looking for higher human needs which they perceive unions are unable to provide.

Some young workers find the image of trade union 'oldish' and in the context of new management methods, even irrelevant.

The unions must be able to address these perception problems if they are to be successful in organizing and integrating young workers into trade unions. Providing services and organizing activities relevant to the needs and interests of young workers may help attract them to the trade unions.

But these will not be sufficient to integrate them into the movement. They must be persuaded. Ways that are more effective must be found and these will have to include ways and means to restore their confidence in trade unionism and pride to be trade union members. They have to be engaged and made to feel that they are part of the movement. Trade unions must endeavor to attract the bright and young workers and tap their idealism to strengthen the trade union movement. Unions will have to retool themselves to win these young workers over.

6. Upgrading trade union structures and processes -- Inevitably, the trade unions must upgrade, if not modernize, their organizational structures and processes to make the trade union movement relevant to a changed work environment, responsive to the emerging issues and demands of a network economy and meaningful to all workers, including the new groups of workers.

Traditional union structures are increasingly outdated and unions must make conscious and deliberate efforts to upgrade them, in particular re-positioning union work in the light of the following developments:

- the globalization of the economy;
- the rapid expansion of science and technology;
- the revolution in communications and media;
- the restructuring and re-concentration in business and industry;
- the blurring of sectoral and professional boundaries; and
- the impact of market forces on union organizing and bargaining.

The decision of the four International Trade Secretariats or Global Union Federations, namely FIET, CI, MEI and IGF, to come together and establish a new and bigger Global Union Federation -- the *Union Network International* or UNI -- is a classic example of a pragmatic and modern response to the challenges of a network economy. Launched on the 1st of January 2000, the Union Network International is able to:

- Provide solidarity support across sectors and across frontiers, with a better chance of dealing effectively with the activities of multinationals;
- Avoid wasteful competition for membership and duplication of efforts in overlapping sectors;
- Pool resources to provide for effective support and assistance to affiliates in recruiting and organizing;

- Widen and strengthen regional structures which could speak with greater authority in their relations with regional and national institutions and attract new members in all sectors; and
- Utilize limited resources in a more effective way by rationalizing overlapping structures and the sharing of skills, experiences and networks.

The decision of the four Global Union Federations to merge is not unique. In recent years, there have been a number of mergers of unions in various countries. Some of the unions were forced to merge under pressure by various factors, including declining membership and resource constraints. But a large majority of the mergers or planned mergers were the result of anticipated needs, as is the case of the merger of the four Global Union Federations.

A number of unions have also taken steps to adjust their organizational structures, as part of a comprehensive strategy, to meet old and anticipated challenges and changes in industrial structures and work organization.

These include structural changes and administrative measures to:

- strengthen and expand their influence;
- expand their scope of representation;
- cope with the expansion of services and activities and to deliver quality services;
- Improve representation of members; and
- further facilitate membership participation and reinforce solidarity.

These unions have adapted their structures beyond the traditional ones in order to be more relevant and effective. For example, many companies, through downsizing facilitated by technological innovations and outsourcing of work, have reduced the number of their core employees, putting into question the viability of enterprise unions. However, some enterprise unions have been or are trying to restructure themselves to be able to represent both the regular and non-regular workers, setting up a union structure reflecting the interests of both types of workers.

The shift from blue-collar employment to white-collar or service employment has also encouraged unions representing blue-collar workers to expand their scope of organizing and representation. These are positive developments, but the pace of adaptation to the changed environment must be intensified if the trade union movement is to succeed in arresting the decline in membership and reclaiming its influence.

7. Renewing and rebuilding solidarity -- Globalization requires more, not less, labor solidarity.

This is especially true in the light of the decline in potency of traditional union weapons such as strike and industrial actions in threatening employers with the withholding of services to achieve union demands.

The fact that there were then very limited alternative services or substitutes for some goods further strengthened the workers' power and unions' leverage in the bargaining process. This power has been diluted by structural and technological changes. For example, outsourcing of work has made enterprises less vulnerable to the threat of strike. Increasingly, companies are now outsourcing their key operations such as accounting and even the entire computer system to specialized companies or subsidiaries located in other countries.

The aim is not only to reduce cost but also to have better control over the production process. Some employers, especially of organized companies, use this method to weaken their employees' trade unions by shifting employment to unorganized companies or sectors. New human resource management methods such as having an intensive employee communication system further dilute unions' influence at the workplace and shift the power balance in industrial relations in favor of the employers.

It is clear that unions can no longer depend solely on the sheer power of a union over an industry or threat of withdrawal of services as its leverage in bargaining. It has to refocus efforts to build up the solidarity of workers as the primary source of strength for the trade union movement.

Representing the majority of workers within an enterprise, an industry or at the national level is critical for representativeness. Thus, organizing the largest majority of workers into trade unions must continue to be the priority for all unions at all times. But a trade union or the trade union movement as a whole can only be strong and influential if it is supported by a committed membership -- members who are actively involved in the decision-making process and who are consciously committed to the union's vision, goals and policies.

Therefore, trade unions must make deliberate efforts to strengthen workers' commitment to and identification with the union's cause. The provision of basic union services such as collective bargaining, grievance handling and securing other material benefits such as price discounts are necessary to attract workers to trade unions as part of the organizing strategy. But such services by themselves are not enough. These services are not sufficient to keep the spirit of solidarity alive among the individual union members.

They have to be convinced and conscientized to become active and committed trade union members. Thus, the importance of a thoroughgoing trade union education program for workers and members to inform, clarify and inculcate a better appreciation of trade unionism.

They must have also a sense of participation in the union's affairs -- in policy formulations, in crafting welfare programs, in drawing up the bargaining agenda, in monitoring employer compliance with health and safety standards, etc. Hence, the importance of regular membership meetings and the formation of committees where members are encouraged to participate actively in various undertakings of the trade unions.

Trade unions must also strengthen their communication with members, potential members and between members and with the public. Effective and regular communications, by use of the mass media and other modern communications methods and tools, will not only keep the members informed and involved but also reinforce the close relations between unions and workers and the society.

8. Intensifying trade union education -- Trade union education is an essential and effective tool to develop trade unions into strong and self-reliant organisations.

An effective trade union education programme systematically implemented will improve the quality of trade union work, stimulate workers participation in trade unions and reinforce their commitment to trade unions. Such educational activities will also contribute to the development of harmonious labor-management relations and enable trade unions to play a constructive role in the national development process. Immaterial of its stage of development, *trade union education must be a core activity for all trade unions.*

Trade unions are continuously confronted by changes and have to be prepared to deal with new developments and challenges. Thus, training and education should be a continuous process if trade unions are to be able to sustain their capability and capacity to deal with existing and new challenges. The education program should be planned and implemented in a systematic manner and designed to meet the training needs of workers, members, union leaders and officials. It must be supported by an organisational structure and provided with adequate resources, including funding.

In the context of a global economy, it will be necessary for union members and leaders to be familiar and aware of the consequences and implications for workers of globalization and the challenges it poses for trade unions. Therefore, trade union education should be closely linked with organising drives as well as with the economic, political and social campaigns related to globalization. Course contents will have to be expanded to include international issues such as trade union and human rights, economic and political developments, equality issues, youth issues, child labour, environment and sustainable developments. Research activities will also have to be intensified and more focussed and made an integral part of trade union education activities.

SPECIAL PRIORITIES FOR UNI APRO

1. Countering the influence of multinationals

One of the obvious consequences of globalization, driven by the WTO and similar global agreements and facilitated by technological innovations, is the tremendous expansion of the influence of multinational enterprises (MNEs) in all spheres of life. Their investments and international outsourcing activities are spurring the globalization process. The wave of mergers and acquisitions, especially in the finance, commerce and telecommunication sectors, are further consolidating the power of a few super multinational companies and financial institutions. The concentration of investments of some MNEs has enabled them to achieve monopolistic control over some sectors of economic activity.

The MNEs are definitely powerful and their influence can be felt by all in one way or another through the complex network of businesses spread strategically all over the world. These MNEs, especially those with huge financial capital and those that control the financial markets, have been known to use their financial clout to pressure governments and inter-governmental organizations to liberalize markets, privatize the public services and deregulate labor market.

These multinational companies have significant influence on industrial relations practices. Weak or ambiguous legislations have enabled multinational companies to dictate employee relations' policies that exclude trade unions. Developing countries, desperate to retain and attract investments, have been forced to make concessions that always include suppression of national labor standards.

Cross-border convergence of work organization facilitated by an organization structure that splits the corporation into a number of separate companies has been used by MNCs as mechanisms for retaining tight and consistent control of operations to undermine legislations enacted to protect employees. Using their extensive network of branches or subsidiaries, they are able to transmit their industrial relations practices across national borders.

Their power and influence are directed not only at developing countries but also felt by industrialized countries. These MNEs are increasingly using the threat to relocate their production facilities or to resort to outsourcing to force trade unions to compromise, thus influencing the outcome of collective bargaining. Some unions have also reported attempts by MNEs to undermine the process of negotiation by withholding corporate information and in extreme cases, de-recognizing the trade unions.

There is obviously a need to scrutinize the power of multinational companies to keep them in check and ensure that workers' rights are fully protected and respected. National legislations need to be reviewed to make it more effective to deal with industrial relations practices in a global economy.

But for unions, the influence of multinationals can only be matched by the united strength of the unions themselves, especially at the regional and international levels through the various Global Union Federations such as UNI. Through global organizing and eventually global bargaining, we can force these multinationals to be more responsible and compliant

with international labor standards as outlined in the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy and the OECD Guidelines for Multinational Enterprises.

Regional and global organizing should lead to regional and global social dialogue/negotiation with multinationals.

The trend towards regional and even global negotiation is already evolving as is the case now in countries of the European Union. The establishment of European Works Councils (EWCs) for multinationals operating within the European Economic Area as mandated by the European Union has provided a genuine opportunity for workers and unions to gain greater influence over the international activities of multinational enterprises.

We envisage that these councils will evolve and expand, in spite of the legal constraints, to include countries outside the present defined area. Such regional or global framework agreements to be negotiated by unions grouped under regional works councils or even global works councils for the respective multinationals will be qualitative in definition, covering broad areas such as employment policies, basic principles for acceptable industrial relations practices and equitable standard of terms and conditions of employment and working conditions.

The concept of a global framework agreement is not new. Many national trade unions, together with their Global Union Federations such as UNI, have signed framework agreements with various multinationals on the implementation of trade union rights that are applicable to their international activities.

For framework agreements to be effective, their scope must not only cover basic employment and industrial relations issues but their geographical application must also be extended to all areas wherever the MNEs operate. Mechanisms for monitoring and supervision of implementation also need to be improved.

The progress towards global negotiation is expected to be slow, gradual and uncertain. However, UNI Apro is preparing the affiliates in the Asian-Pacific region for this new task and is seeking to speed up the process towards regional and/or global bargaining. Global bargaining with multinationals will strengthen the influence of trade unions and facilitate their participation in the process of globalization.

As it is, UNI has been successful in developing new levels of social dialogue at the European and the international levels between the trade unions and multinational employers in certain sectors. These experiences can serve as a model for the conduct of social dialogue – and possibly, negotiation -- with multinationals operating in Asia and other regions.

In the meantime, there is a need to prepare the foundation for regional and global negotiations.

It must be noted that global negotiation is a complicated process. It will affect the concept of national industrial relations and redefine traditional labor-management relations. Therefore, it will require a new framework for trade union co-operation as well as a different mechanism in the formulation of scope of coverage, negotiation and supervision of

implementation of a global agreement. Among others, it will be necessary to establish a clear delineation of the distribution of powers and responsibilities between and among national trade unions representing the workers in the countries where their employer (the multinational) is located.

The other problem will be the differences in national laws concerning employment and trade unions as well as variations in the organizational structure of the trade unions involved. This is further complicated by the uneven development of the trade union movement in the various countries in the region. The problem of competing trade unions and the lack of unity in some countries will also have to be considered.

Trade unions representing the workers in the same multinational must conduct their own inter-union dialogue to find a common solution to common problems and agree on the principles that must serve as the framework for trade union co-operation in support of regional and global bargaining.

One structure that can be developed now is the Asian Regional Works Council.

The creation of Regional Works Councils supplemented by Global Works Councils in multinational companies is one of the main components of UNI's global strategy to meet the challenges of the increasing influence of multinational companies in the global economy. Such Regional Works Councils operating in close co-operation with similar Works Councils in other regions under UNI will strengthen the component unions' influence in dealing with their common employers and in ensuring that these companies respect basic labor, environmental and social standards in their Asian and global operations.

2. Waging a comprehensive campaign for the preservation and creation of jobs

Globalization is a reality.

And so is globalization's impact on the job market – ***job gains*** for the new workers in surviving and emerging industries and ***job losses*** for those who have been made redundant by technology, endless organizational restructuring and failure of industry to compete. Unfortunately, there are more job losers than job gainers. Moreover, most of the new jobs are short-term and contractual in nature. The highly-paid skilled and professional workers constitute a distinct minority dubbed by *Fortune* as the 'elite workers'.

As a result of the changing job market under globalization, unions in many countries have been losing members. The bargaining units have shrunk and continue to shrink due to endless downsizing and flexible hiring arrangements.

What should the unions do? What are their options?

There are so many things unions can do – at the firm, national and regional/international levels. However, the appropriate policy responses or package which

unions may develop at each level will naturally vary depending on the specific circumstances of a country.

What is important is that unions grapple with the twin tasks of helping 1) preserve the jobs of their members and other workers and 2) create additional quality jobs for all.

Jobs are, of course, a function of investments, which, in turn, are generally determined by two major economic actors – the government and the private sector, with the latter composed of domestic and foreign investors. The challenge is how to influence the decisions of these actors in the preservation and creation of jobs in the context of the realities of global competition.

At the firm or micro level, unions can negotiate for the preservation of jobs, or if this is no longer possible, for the creation of new ones or for assistance in the placement of affected employees to new jobs with minimum disruptions in their normal lives. There are horror stories aplenty on how companies, faced with a difficult economic environment or offered an opportunity to modernize, simply embark on a bloody downsizing program without giving the workers enough time 1) to learn new skills to master the new jobs in the company, 2) to look for new jobs while still on the payroll of the present company, and 3) worst, to even pack up their things and mull their future. In short, workers are generally not given a sufficient transition and adjustment period. Ironically, the downsizing programs of many companies fail in achieving their goals of higher efficiency and bigger profits precisely because their downsizing programs are carried out in an arbitrary and haphazard manner, provoking divisive fights not only with the unions but also with other stakeholders such as the local host community.

And yet, there are some good stories (unfortunately still not too many) and ‘best practices’ in a right-sizing program. In the case of some affiliates of UNI Apro in Australia, Japan and Singapore, they have managed to negotiate for a say on how a right-sizing program can be undertaken with minimum job losses. For example, the introduction of a new technology to modernize operations often lead to redundancies. However, if the union is informed well in advance about the technological modernization program and is consulted on how such program can be undertaken, the union may negotiate with the company on how affected employees can be

- ✓ given skills training to prepare them for the new jobs,
- ✓ relocated or re-deployed in other but understaffed departments,
- ✓ encouraged to form an outsourcing outfit to assume the work being phased out by a company which is trying to focus on its core business,
- ✓ asked on what new products and services can be developed in order to keep them in the payroll (or even expand the work force), and
- ✓ given a sufficient period to train, prepare and look for new jobs with the full assistance of the company.

At the very least, unions should negotiate for a job preservation clause in the collective bargaining agreement or CBA. Even if such a clause is not enforceable when a company is facing a survival problem or a market crisis, it gives the union a leverage in negotiating with the company on how to deal with job crisis situations. In some cases, unions may negotiate even on an across-the-board reduction of some benefits to preserve the business and jobs of everyone, as long as the sharing of sacrifices is equitable and transparent.

On the other hand, the ability of unions to negotiate for the preservation and creation of jobs at the firm level means they have acquired a fuller understanding of the business and the market and that they have in their possession the right arguments on how technological modernization and business reorganization can be carried out.

At the national or macro level, unions should participate, as they do, in the debates on how a country can preserve and create as much jobs as possible.

A good starting point here is the critique by the global unions such as UNI on the application of the 'Washington Consensus' policy package of trade liberalization, privatization, economic sector deregulation and general investment facilitation without due regard to a country's level of development, readiness to implement the so-called 'structural reforms' and the timing of such policies. Joseph Stiglitz, the former chief economist of the World Bank, has asserted (and has not been rebutted since) that the International Monetary Fund (IMF), with its doctrinaire approach to structural reforms and fiscal discipline, deepened the economic malaise of South Korea, Thailand and Indonesia during the 1997-98 Asian financial crisis, with the notable exception of Malaysia which managed to resist or to be independent of the IMF.

The point is that a country, especially one with a big population and a mix of economic sectors (e.g., modern export sector, formal domestic business and industrial sector, traditional and subsistence agriculture, large informal sector, a sector of small and micro enterprises, overseas labor sector, etc.), cannot be the subject of one common development formula developed in Washington or in a Paris Club meeting for all developing and indebted countries. Where will the People's Republic of China be today if it did not negotiate carefully with the WTO – for 15 long years – on the terms and conditions of its membership in this global trading body, giving it time and opportunity to adjust its economy in a more flexible and dynamic manner? Where will Malaysia be today if it did not resist the financial speculative attacks on the ringgit by imposing the appropriate controls on capital flows?

In short, unions should participate in the debates on how the development framework of a country, which gives the 'signals' to government and the private sector on investment priorities, be crafted by advancing alternative policy measures reflected of the workers' interests. For example, should the privatization of a postal industry be opposed? If the government is hell bent on privatizing the industry, what kind of policy interventions should the unions make? Should it be privatized in one fell swoop? Or should it be done in a graduated or step-by-step manner which enables the industry to keep market and jobs intact? Are there any safety nets in place? Are there better ways of improving postal service other than the so-called program of privatization?

How could the unions make their voice heard in the employment issue?

One way is by actively participating in tripartite bodies and deliberations and bringing in the union agenda on job preservation and job creation. Another is undertaking its own studies on alternative approaches to job preservation and job creation. Still another is engaging the government economic planners in a debate on how the investment plans of the country can be made job friendly.

For example, one example which bears watching by the unions is the experiment in France on how to create more jobs for more people by shortening the workweek from 40 hours to 35 hours. Due to this workweek reduction program, France has experienced a tremendous decline in unemployment compared to other countries in Europe. Can such a similar program be adopted in other countries? Can it be sustained? How can employers competing with the employers of other countries in a globalized world economy be encouraged to accept such an arrangement, e.g., through tax reduction?

In the Congress of UNI in Berlin last year, one major proposal is encouraging unions to have a say on how to capitalize social security and pension funds, which represent the forced savings of millions of workers and constitute the biggest source of investible funds in a number of countries. There should be a more judicious program of putting these funds into investment activities that upgrade industry and agriculture and create more and better jobs. As it is, the main beneficiaries of these funds are select corporate borrowers and portfolio managers, whose main obsession is how to have quick financial returns without much consideration given to job creation. The unions should have a say on how those funds should be used. The unions should have a hand in managing these funds, which can very well serve as an alternative source of investment funds in labor-surplus economies.

In conclusion, ideas on job preservation and job creation in a country are many and varied. The point is that these tasks are too important to be given to just a handful of economists in the government, especially those adhering to the narrow perspective of the Washington Consensus. ***The unions should be involved in the policy debates and should work for a seat in the employment planning table, together with other sectors of society.***

At the regional and international levels, the struggle for a union's seat at the regional and international bodies shaping the directions of regional and global trade finance, and investment also remains at the top of the trade union agenda.

The emerging architecture of global trade, finance and investment has remained skewed in favor of a few global winners – the MNEs and a select number of big domestic enterprises. Such a global system is unequal, unjust and unsustainable.

There is a need to reform the global architecture of trade, finance and investment by bringing in the trade union perspective on how market rules can be blended with the requirements of equity and social justice at both the national and international levels. The reason why the existing global rules are patently unequal and unjust owes much to the fact that these rules have been formulated sans the participation of trade unions and civil society organizations.

Hence, the initiative of Kofi Annan, the UN Secretary General, to have a Global Compact with the world's biggest MNEs on their commitment to observe basic labor, human and environmental rights is indeed a major and welcome one. However, this is not enough

to give a social balance in the global trading system. The multilateral financial bodies such as the IMF, World Bank and Asian Development Bank should be opened not only to a social dialogue with the unions but also to a full-blown policy debate and consultation with the unions and other civil societies. The same should apply to the global trading body, which is the WTO, and to the regional economic bodies such as the ASEAN Free Trade Area (AFTA) and the Asia-Pacific Economic Cooperation (APEC).

In the area of job preservation and job creation, one policy issue that deserves a full hearing in these regional and international bodies is the need to give developing countries autonomy and elbow room in formulating policies to preserve, maintain and modernize existing industries and agriculture according to their pace and level of development.

The WTO principle of equal rules for everybody ignores the fact that equal rules for unequal trading partners (developed and developing) means greater inequality. And yet, the developed countries do not hesitate to adhere to their own rules (outside of the WTO's) to protect their own industries such as the unilateral move of President George W. Bush to impose a 30 per cent tariff on steel, the continuing efforts of the European countries to maintain a high level of subsidy to agriculture and screen out unwanted agricultural imports from other countries and so on and so forth.

Overall, the trade unions should play a more active role in the discussion, negotiation and formulation of policies related to job preservation and job creation at the firm, national and regional/international levels. Unions should be prepared to go beyond making slogans on job preservation and job creation. We must be ready with our own concrete alternatives and arguments, by doing our own studies and reflections. The reason why the call of the ILO for 'decent work' sounds empty is that it has not been accompanied by concrete policy proposals on how to make work in a globalizing world decent, decent meaning full and satisfying to the job holders. Making those concrete policy proposals – and even proposed legislations-- on job preservation and creation is one of the biggest challenges facing the trade union movement today.

This is why trade union sharing of experiences and insights on good and bad policies and on what works and what does not work in job preservation and job creation plays a very important role. This is where a global union like UNI becomes of strategic value to the unions and their members, as the UNI is able to distill and share such experiences and insights and organize forums to ventilate the union positions on these issues. This is one key area of trade union solidarity work.



THE FUTURE OF THE TRADE UNION MOVEMENT

The economic and social problems facing workers in most countries and the pains and sufferings associated with structural adjustments and globalization have awakened the workers' will to unite. A unified, powerful and issue-based proactive movement of workers has already emerged in some countries and will spread to others.

Despite all difficulties, the trade union movement must move forward. It must remain united to promote the growth and influence of the trade union movement as an instrument to:

- ✓ protect and advance human and democratic rights for all people,
- ✓ defend workers' rights and their dignity,
- ✓ eliminate poverty and inequality,
- ✓ insure social and economic justice for all within and among nations,
- ✓ enhance equal opportunity for all people,
- ✓ preserve and create jobs, and
- ✓ build peace and prosperity within a nation and the interdependent world.

UNI and UNI Apro have a vital role to play in fostering a strong spirit of international solidarity and developing the capacity and capability of trade unions to renew the trade union movement and infuse it with a new vitality capable not only of providing services to its members but also in leading the struggle of humanity for growth with equity and justice, for a global economy where people really matter.

“U” and “I” have a historic task ahead of us.

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Union Members: Global Players Strategic Objectives: 2002 – 2005

On the basis of the decisions taken during the 1st UNI World Congress in Berlin, the following 10 points constitute the strategic objectives of UNI for the period 2002 – 2005.

1. Social Dimension to Globalisation

UNI will work with the other Global Unions and other non-governmental organisations to campaign for a social dimension to globalisation. This will encompass a broad range of issues, from poverty reduction and debt relief to human and trade union rights, labour standards, and improved governance of the global institutions such as the IMF, World Bank and WTO.

2. Building Strong Trade Unions

Each regional organisation and sector will launch specific union organising and recruitment initiatives. An annual Global Organising Report will be produced. The Trade Union Development Department and the interprofessional groups for women, youth and professional and managerial staff will play a key role.

3. Social Dialogue with Employers

UNI will campaign at the ILO for the creation of global social dialogue in each sector. Each of the sectors will aim to establish social dialogue initiatives in the regional economic integration structures.

4. Agreements with Multinational Companies

The sectors, both globally and regionally, will identify those companies where there is the potential to negotiate regional and/or global agreements with employers.

5. Solidarity Action

UNI will continue to develop its solidarity action initiatives. The aim will be to respond to requests within 24 hours.

6. UNI Online

UNI will aim to bring all affiliates online by 2005. UNI will also support initiatives to bridge the digital divide.

7. UNI and Equality

UNI is committed to gender equality through its education and training programmes to empower women, constant efforts to involve women better in all its activities and bodies, as well as integrating a gender perspective in all its policies. UNI rejects all forms of discrimination, racism, xenophobia and all kinds of related intolerance and will work towards their elimination.

8. UNI Services

UNI will continue to develop new services for affiliates such as the UNI Passport, information and web-based initiatives.

9. The Global Union Family

As part of the Global Union family, which comprises the ICFTU, TUAC, ETUC and the Global Union Federations, UNI will continue to develop co-operative relations with these organisations. This will include creating strategic partnerships in sectors where there is mutual interest.

10. UNI and Communications

UNI will continue to develop its communications' strategy based on the UNIinfo as both a printed and web-based resource, on regular electronic bulletins like Net.news and the Solidarity Bulletin and on the website. To promote the work of UNI to affiliates, a DVD will be produced to assist affiliates to cover UNI activities in its own journals and websites.



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