

**ECOSOC Annual Ministerial Review  
Regional Preparatory Meeting for Asia and the Pacific**

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**Intervention made by Mr. Noriyuki Suzuki, General Secretary for Asia and the Pacific,  
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Globalisation has contributed to fast economic growth in the region and globally. Despite occasional twists and turns, ups and falls, we are confident that our region will remain as the centre for global growth in longer term.

However, looking into the distributive aspect of regional and national economies, the picture is quite different from what we had expected from globalization- unacceptable growing inequality in Asia and the Pacific. Globalisation has explicitly failed to deliver the promised decent living standards and has not benefited working people as a whole in the Asian and Pacific region. To succinctly put growth has not been inclusive.

Globalisation deficit is conspicuous in terms of **income and wages**. We have noted with serious concern that between 2001 and 2007 – a period of tremendous economic growth in Asia and the Pacific – average real wages in a sample of economies grew by only 1.9 per cent per year, far below the average annual growth in labour productivity. The elasticity of wage in real term against economic growth is a meagre 0.68. This means that the wages have not been catching up with the economic growth. Minimum wage is an important mechanism as a minimum guarantee of income. However, in reality, minimum wage is not a living wage, lagging behind the cost of living, not protected against inflation. Thus, impressive economic growth has not translated into fare income redistribution. Due to international competition, enormous downward pressure is applied on wages.

In addition to the macro level declining trend of labour share, the income gap has been widening. In most countries in Asia and the Pacific where economic growth is faster, the GINI index is rising. Ones in ASEAN countries are higher ones in South Asian countries. Under the general trend of declining labour share, seriously, income gap is widening.

This declining labour share and widening gap is because of weak distributive and redistributive mechanisms in the region: they are collective bargaining, social Safety Nets, and fair taxation and fiscal policy.

Employment is another area where globalisation deficit is visible. Driven by neo-liberal labour market policy, employment is at stake. First, quantity: The global unemployment rate stands at 6%, however, youth unemployment, seriously, stands at 13%. In the region, economic growth in the last few years was 6%; however, employment growth is only 2%. Particularly in countries which registered almost double digit growth productive employment creation has been way behind.

Second, quality: precarious employment and informal economy are surging. In some countries, informal economy accounts for nearly 90% and precarious workforce stands more than 50%. Millions are further pushed into unprotected jobs. Those workforces, who needs the legislative protection the most, are largely not protected by labour laws and social protection laws. Due to severe international cost competition, standard or full employment is rapidly replaced by

precarious employment. Women and youth are the most adversely affected segment of workforce.

Labour in the region is also “on the move”. Over 50 million Asians are living outside their countries of birth, representing about a quarter of the world’s migrant population, with 6 per cent growth annually. And remittance flows to the East Asia and Pacific region are expected to grow at 8.5 per cent in 2012, to reach \$106 billion in 2012. For the destination countries, migrant workers support key economic sectors.

However, on the other hand, migration reflects a lack of gainful and decent employment in sending countries which also needs to be addressed. In fact many governments see migration as an easy solution to growing unemployment instead of adopting employment-centred economic development policies. Major concerns also persist about violations of migrant workers’ rights including high recruitment costs, decent, often inhuman working conditions, exploitation and cases of forced labour and human trafficking. Of particular concern is the absence of freedom of association and the poor record of ratification of ILO instruments on migration. Migrants with irregular status are even more vulnerable to abuse and exploitation. Trade unions have been building supporting

We need to mention the appalling conditions of migrant **domestic workers**. We welcome the new convention 189. We appeal to governments to ratify the convention and effectively implement the same.

Since long, we have been raising our voice about the seriousness of the youth unemployment. Youth is our future. Unless properly trained and join actively in the labour market, they will be a lost generation. Productivity of the labour market will be seriously affected. Moreover, the high unemployment rate of youth will create serious social instability.

Social security is a basic right and all workers should have access to these provisions. The gender perspective should be fully taken into account. However, as the ILO DG report to the 15<sup>th</sup> APRM Meeting indicates, at present, many countries are spending relatively little on social protection. Expenditures on health care and social security average 5.3 per cent of GDP in Asia and the Pacific.

These schemes are part of re-distribution of national wealth. In this connection, tax and fiscal policy is closely connected to the area of social protection. We regret to note in the DG report that income tax for higher income bracket and corporate tax has been declining, but VAT remains unchanged. Accordingly, we can conclude that profit from economic activities have gone, not to national fiscal structure, but to corporations and shareholders, and less to workers. No wonder, insufficient funds for social safety nets.

The ITUC-AP defines the constructive industrial relations as follows:

“On the basis of full recognition and operations of trade unions in compliance with the ILO Conventions No. 87 and No. 98 in pursuit of Decent Work and common welfare, and in a stable political climate for social partners to operate without fear of reprisal; parties concerned share common interest in labour standards, performance of business, conditions of national economy, industries and labour market; and share a principle of fair distribution of output to stakeholders.”

For constructive industrial relations, firm institutional frameworks of bipartism and tripartism have to be allowed to function effectively. In this connection, neutrality and speed in dispute

settlement is essential. The process of dispute settlement is part of negotiation and a fair and quick process will contribute to smoother industrial relations, ultimately to building and promoting constructive industrial relations.

Distribution and redistribution of national wealth need sustainable economic growth. One of the key factors is productivity.

Importantly, gender equality is the cross cutting issue in the Decent Work and should be at the heart of the Decent Work. In our region, gender inequality persists. First, gender pay gap. Gender Pay Gap is a numerical score of gender inequality. Gender pay gap reflects the position of women in the labour market and also in families. Second, women in the leadership at workplace and in society. 30% of women in leadership position is the internationally recognised minimum standard. This is not the reality in the region. In corporation, administration, community, legislative bodies and trade unions, we have to continue our action to realise gender parity.

Gender inequality is deeply rooted into history, social practice, tradition and mindset of people. However, current economic development affords improvement for gender equality. Labour market participation, equal opportunity for women, work-life balance to enable women to participate in the labour market and society – with social partners, we have to continue to strive for gender equality. Free choice of life style for women and men – we want to pursue.

MDG is a question of distribution and re-distribution of national wealth. Decent Work Agenda – standards, employment, social protection and social dialogue – is the key factor to realise the MDG. And, importantly, the key factor is the recognition of trade unions which is the base for collective bargaining at company, industry and national level, and, by political mobilisation, for institutional reform in terms of social protection, taxation, etc.