

Asia – the inequality challenge

Asia's economy is growing very fast. Trade unions there have been fostering that trend. But they are also pressing for fairer shares in a continent that is still home to two-thirds of the developing world's poor.

“Developing Asia ended the twentieth century with so much to be proud of”, proclaimed the Asian Development Bank.¹ “In the early 1970s, more than half the region was poor, only two out of five adults were literate and the average Asian could expect to live just 48 years. Today the share of poor people is down to almost one-fourth, 70 per cent of adults are literate, and life expectancy is up to 65 years.”

Certainly, the region has made enormous strides. Its biggest nations, China and India, are embarked on rapid economic growth. In East and South-East Asia, hundreds of millions of people were lifted out of deep poverty within just four decades of development.

Rapid growth leaves many behind

And yet “two-thirds of the developing world's poor live in Asia”, a study commissioned by the ILO Bureau for Workers' Activities (ACTRAV) points out.² “Though the problem of poverty is less acute in Asia than in sub-Saharan Africa and Latin America, the greatest and the gravest social challenge in Asia concerns the number of poor – over 900 million – who live on less than US\$1 a day. The problem should not be seen merely in terms of dollar income, but in terms of quality of human life and other aspects of human deprivation.”

The twenty-first century “may well belong to Asia”, the study concedes. “Several Asian economies are registering much higher rates of growth than any of the industrialized nations. Yet, there is a growing concern about the widening inequality, growing unemployment and

underemployment and mounting poverty among and within nations. While growth or the lack of it was in itself a problem for many countries, even those which achieved sustained growth over the past decade or more are experiencing what the United Nations Development Programme (UNDP) called nearly a decade ago, jobless, fruitless, rootless and ruthless growth. The rich are becoming richer and the poor, poorer.” Those with employable skills are “not only able to keep their jobs, but also improve their wages and working conditions”. Those without skills are tending to lose their jobs – and even if they manage to hold on to them, “they are unable to maintain their standard of living due to falling real incomes and reduction in worker rights and social protection”.

A daunting prospect in a continent where the queues for decent work are certainly not about to shrink. “Based on available projections for the working-age population, Asia's labour force is expected to grow by 14 per cent over the next 10 years and by 24 per cent over the next 25”, the Asian Development Bank now says.³ “If, however, labour force participation rates increase – driven, for example, by greater participation of women – the future labour force will be even larger.” Ensuring productive use of so many potential workers “will not be easy and, while some parts of the region have done an excellent job in this regard, large parts continue with a vast pool of underutilized labour. This is most evident in South Asia where the large majority of the labour force is employed in agriculture and where low productivity of work has led to unacceptably high rates of poverty”.

But simply moving people off the land and into industry and services will not do the trick. The Bank also found that “non-agricultural work in Asia presents some alarming features”. For example, “a very large proportion of non-agricultural workers continues to be employed in the informal sector. Additionally, recent trends reveal either stagnation or even an increase in the share of workers engaged in the informal sector. Given the low earnings and low productivity of many informal sector jobs, these trends show the enormity of the challenge that lies ahead for Asia’s policy-makers”.

And for its trade unions. Worryingly, the Bank also notes “evidence of an increase in the share of formal sector workers engaged in non-regular work with few of the benefits that formal sector workers typically receive”. In other words, informal work will probably keep you poor, but formal employment is less and less likely to make you thrive.

As the Bank itself insists, “poverty reduction requires helping people as workers”. Which is what unions do – even if the ACTRAV-commissioned Asian study has some criticisms on that score. Many trade unions in the region, it says, “have negotiated a better wage rate for the permanent workers in the organized sector at the expense of the casual, contractual and contingent workforce. This has often resulted in the development of labour aristocracy where the gap between workers at the same skill level is much higher based on whether the job is permanent or temporary/casual than that between the lowest-paid workers and middle and senior level managers in terms of cash component of wage/salary”.

Be that as it may, the current fashion for wholesale labour “flexibilization” is not the answer – at least according to the Asian Development Bank: “A detailed examination of labour market policies in Asia, evidence from cross-country comparisons of labour market regulations, and stocktaking exercises for four countries – India, Indonesia, Philippines, and Viet Nam – led to the conclusion that, in gen-

eral, labour market regulations governing hiring and firing and minimum wage laws are not *the* binding constraint on employment generation.” It adds: “There may be *some* aspects of labour market regulation in *some* countries that do indeed constrain employment growth and that must therefore be addressed. For example, in some cases regulations that make it difficult to reallocate workers may need to be modified.” But, in general, it is unconvinced by “the case for across-the-board labour market reforms”⁴.

But jobs are the key to poverty reduction, the ACTRAV study insists: “Unemployment is the biggest enemy of trade unions. With rampant unemployment and underemployment, trade unions face an uphill task in ensuring minimum wages, improving real wages, dignified working conditions and decent work, including quality of work life and work-life balance.” And the key to new employment is growth: “There can be growth without job creation. But there cannot be jobs without growth.” But not just any old growth. “It is important to focus on the composition of growth, not just the rate of growth so that a higher rate of economic growth can induce and create additional jobs.”

Unions need to be involved in shaping the economy at the macro as well as the micro level, the ACTRAV-commissioned study argues. The Asian countries that have prospered most, and have reduced poverty fastest, have tended to be those in which unions have gone beyond wage bargaining and have played an active part in the development of the economy as a whole. Trade unions, it says, “need to prioritize their participation in poverty reduction and job creation programmes. They should call for the creation of appropriate structures for ongoing discussions with the government, on one hand, and with the ILO, international trade union movement and multilateral and bilateral agencies, on the other. They should also simultaneously work with and encourage their affiliates to take up actions and activities aimed at poverty reduction and creation of decent work”.

All well and good. But in countries that are under the economic tutelage of the International Monetary Fund and the World Bank, do unions really have any say in national policy? In Asia as elsewhere, this leads us into the vexed question of the Poverty Reduction Strategy Papers.

PRSPs – what role for the unions?

Since 1999, a system of Poverty Reduction Strategy Papers (PRSPs) has replaced the discredited structural adjustment policies previously imposed on developing countries by the International Monetary Fund and World Bank as a condition of financial assistance (“conditionality”). As the ACTRAV report notes, Asia’s unions “welcomed the policy shift among the World Bank and the IMF in 1999 which recognized that poverty reduction would be the key goal of their engagement in low and middle income countries”. Better still, “the World Bank and the IMF began to emphasize the active involvement of the civil society institutions in poverty reduction strategies. Each participating country was expected to prepare PRSPs. The PRSP framework thus provided a new opportunity for trade unions, along with NGOs and other civil society institutions, to engage with their governments and demand a role in policy-making”.

But there is a fly in the ointment. Unions “are wary of the fact that the World Bank and the IMF continue to persist with conditionality in a ‘one size fits all’ mindset”. So unions in some countries suspect that nothing has really changed. They feel that the poverty reduction strategy approach is just structural adjustment dressed up in new clothes.⁵

The study looks at the role of trade unions in the PRSPs or similar poverty reduction strategies of Bangladesh, Bhutan, Cambodia, India, Indonesia, Lao People’s Democratic Republic, Mongolia, Nepal, Pakistan, Sri Lanka and Viet Nam. Its finding: “While all PRSPs mention that the documents were prepared in consultation with NGOs and/or civil society institu-

tions, only Bangladesh, Cambodia, Indonesia, Lao People’s Democratic Republic, Nepal, Pakistan and Sri Lanka mention specifically that trade unions were consulted. The others did not make even a passing reference to or acknowledgement about consultations with trade unions.”

Asia-Pacific unions’ generally negative experience of poverty reduction strategies is summarized in Table 1. Nevertheless, the study sees PRSPs as an opportunity for unions to put across some positive points: “Instead of merely opposing the proposals of the other social partners, i.e. governments and employers, trade unions should express clearly and firmly what they want in a manner which is palatable to the other stakeholders.” They should put the emphasis on “enlightened self-interest such that the other stakeholders/social partners see mutual or wider common good”.

Alternative PRSPs

But do the self-interests of the various PRSP partners, enlightened or not, really coincide? Views on that vary. Some trade unions, often in alliance with civil society organizations, have chosen to produce their own, alternative PRSPs. The study supports that approach. Union-led alternative strategies should, it says, help to identify and prioritize the basic needs of poor people, and then go on to estimate the cost of providing them. “While estimating costs and fixing service charges, they should examine whether and how the principle of user charges in areas like water, for instance, excludes the really and extremely poor from access to public services and basic amenities. Therefore they should explore alternative sources of funding without taxing the poor who cannot afford the cost. Proper targeting of subsidies becomes a relevant issue.”

This is all the more important because most foreign assistance does not go into meeting the UN’s Millennium Development Goals (MDGs), but rather into debt servicing and other activities that do not

Table 1. Asia-Pacific trade unions' involvement in PRSPs

Aspect of PRSP process/ Poverty Reduction Programme	Trade union involvement in the region
Fundamental difference in perspectives	Trade unions focus on jobs, minimum wages and worker rights which specifically affect their members. The Millennium Development Goals (MDGs) set by the United Nations focus on human development indicators such as the proportion of the poor, literacy, nutrition, etc. Financial institutions are focusing on basic needs and infrastructure which concern the general public.
Interactions with World Bank, IMF and Asian Development Bank	Apex-level interactions at the headquarters by global unions and their representatives at the national level. Due to the multiplicity of unions in several Asian countries, most national unions do not get such an opportunity. At the national level, such dialogue does not usually take place between financial institutions and trade unions.
Union participation in PRSPs	In the few countries in the region which have PRSPs – Sri Lanka and Cambodia, for instance – involvement is usually in the form of information-sharing. Financial institutions and governments are not known to extend open invitations to all trade unions. Invitations are personal to majority recognized trade unions – or those which are in the good books of the concerned government where problems of one kind or another persist in determining the majority union.
Trade union representations on PRSP/PR programmes whether invited or not	Trade union congresses which are held at periodic intervals usually contain references to poverty reduction. But their focus is on employment and working conditions of organized labour, with occasional sympathy shown to unorganized labour. Rarely unions make representations that deal specifically with poverty reduction issues within the framework of, say, MDGs.
Trade unions' role in debates on PRSP/PR programmes	Trade unions have never played any role in the PRSP/PR programmes in terms of chairing sessions during debates, etc. Of course, trade unions do play such a role outside the consultation process, if any, of the IMF and the World Bank, when the unions organize meetings.
Are trade unions lumped under "NGO/civil society institutions"?	Yes, usually.
Do unions make written submissions?	Yes, on job protection, job creation, minimum wages and the need for strict enforcement of labour regulations. Also in opposition to liberalization, privatization and globalization which, in the view of most trade unions in the region, are pushing the working class into poverty. In such submissions, trade unions also usually protest against IMF/World Bank policies. As a result, the representatives of the World Bank, IMF and the Asian Development Bank (ADB) in the countries of the region usually shun meeting trade union leaders, except when the ICFTU and other global unions press the case for consultations. For instance, in September 2005, Public Services International (PSI) led a delegation of Asia-Pacific electricity workers' unions at a meeting with ADB officials in Manila.

Aspect of PRSP process/ Poverty Reduction Programme	Trade union involvement in the region
Do PRSPs incorporate trade union concerns?	The trade union submissions focus mainly on the concerns of their members, which are usually not reflected in any of the PRSPs. The PRSPs are focused more in terms of MDGs. The trade unions are usually not focused in their submissions in terms of MDGs. Thus, there is a fundamental difference in the perspectives and approaches of trade unions. It is necessary for trade unions to show enlightened self-interest and reflect more broadly on poverty concerns as well.
Is there a decent work focus in PRSP/ PR programmes?	Generally speaking, no. PRSPs are concerned about those below the poverty line. They talk about basic needs, but not about workers' rights nor about living standards, except in terms of minimal nutrition, literacy, etc. However, when ILO officials are involved in drafting PRSPs in certain countries in the region, there is a reference to decent work. But this is usually mere tokenism, as the PRSP simply makes a declaration of intent, without detailing what follow-up action is to be taken.
Involvement of ILO and Ministry of Labour in PRSP/ PR programmes	Interestingly, in almost all countries in the region which have PRSPs, the ILO and the Ministry of Labour are involved. But the final draft strategy is usually formulated under the aegis of the Finance Ministry. At this stage, the ILO is not usually in the picture and even if the Ministry of Labour is involved, its voice at this stage is normally muted.
Trade union frustrations	Unemployment is growing. Even where labour law reform is halted due to trade union opposition, the attitude of the executive and judiciary is in line with the neo-liberal economic policies. Thus trade unions are unable to halt the deterioration in wages and working conditions. So the working poor are on the increase. Poverty is no longer limited to the unemployed. The PRSPs are not addressing the problems faced by the workers as a result of the liberalization, privatization and globalization policies advocated by the IMF and the World Bank. Therefore they are unable to decide whether to trust them or not.
Union involvement in preparation/formulation	Partial. Consultations, but input not incorporated in strategies except in rare cases like election manifestos and policies (but without commensurate budgetary provisions).
Involvement in implementation	Nil.
Involvement in monitoring	Nil.
Involvement in evaluation	Nil.

Source: Adapted from *Poverty Reduction Strategy – Role of trade unions*, by C.S. Venkata Ratnam.

benefit the poor. “The rich countries have not lived up to their commitments in terms of the targeted funds flow for achieving MDGs. Therefore, there is a need to closely monitor and ensure that the limited foreign assistance is more efficiently used.” Emphasis should also be placed on the need to review the “conditionality associated with structural adjustment lending”.

Among the trade union centres that decided to draw up their own PRSPs is the Bangladesh Sanjukta Sramik Federation (BSSF). “On Bangladesh’s poverty reduction strategy, the Government consulted a range of civil society organizations and NGOs, but not the trade unions,” BSSF General Secretary Mukkadem Hossain recalls. “So our federation prepared its own counterproposal, which we submitted to the Government.”

This is against the background of extreme poverty in Bangladesh – and the rapid decline of its small formal sector, due to globalization. “There are 50 million people in our informal sector, and only 5 million in the formal sector. And the formal sector is being downsized, so the informal sector is growing. More than 80 per cent of our jute mills have closed, leaving 400,000 workers jobless. One thousand two hundred garment factories have closed, putting 6,000 people out of work. Out of 5,000 factories in the handloom sector, 3,000 have closed and 50,000 workers have been made redundant. In Bangladesh, 40 per cent of the people are below the poverty line, and there is no new inward investment.”

Hossain has two main criticisms of the Bangladesh Government’s poverty reduction strategy: “It didn’t mention either trade union rights or a minimum wage. Without trade union rights, without a minimum wage, how would it be possible to reduce poverty? So our proposal says a minimum wage is a must, decent work is a must, informal sector trade union rights are a must, and the creation of jobs is a must. It calls for the subsidization of the agricultural sector and the handloom sector. You can’t reduce poverty without increasing incomes – that’s our view.”

In Nepal, on the other hand, the unions were consulted on the formulation of the PRSP, “but only in the process of formulation”, says Umesh Upadhyaya, the Deputy Secretary General of the General Federation of Nepalese Trade Unions (GEFONT). “It was the ILO who got the Government to invite us. In the final draft, one or two of our points were reflected in a very generalized way, but nothing very concrete. So we’re dissatisfied with the outcome – although trade union involvement even in the formulation stage is significant. Previously, the National Planning Commission was not responsive to the voices of trade unions. This time, at least they consulted us.”

In Nepal, 92 per cent of the workforce is in the informal sector, mostly agricultural. “So first of all, we held a big campaign to secure a minimum wage for the informal sector and the agricultural sector, and we were successful in getting the Government to declare a minimum wage for agricultural workers.” The minimum is now 60 Nepalese rupees a day for agricultural workers (about 86 US cents).

Also “to counter the employers’ calls for labour flexibility, we have placed high emphasis on social protection, not only for formal sector workers, but for informal sector workers too. To extend social protection to informal workers, we have sought to involve local units, the village and district development committees”. Trade union education programmes and awareness programmes among informal workers are also essential to the fight against poverty, because they help people to stand up for their rights. Major rallies against poverty were held by the three Nepalese trade union confederations during 2005.

Wages are key

But how much should organized labour in the region be concentrating on government policies, how much on core trade union tasks such as collective bargaining, and how much on income-generating

Going the half hog Indonesian cooperatives' renewable lending

"Six years ago, we launched cooperatives that provide small loans to people in the informal economy. They are going well now." These union-run loan schemes owe their success to their low interest rates, says Rekson Silaban, President of the Indonesian Prosperity Trade Union (SBSI). "The banks charge 7-9 per cent. We charge 2 per cent ." The loans often go to people setting up as street vendors. They use the money to buy in stocks of fruit or rice.

Small-scale pig farmers also benefit – but loans to them tend to be in kind. "We give them piglets which they raise and use for breeding. Half of the piglets born are for them, half for us. Then we pass the new piglets on to other candidates. And so on."

Whether for cash or for hogs, schemes of this kind obviously require seed money. In the Indonesian case, initial funding came from Belgium's Christian trade union federation (CSC – Confédération des syndicats chrétiens), with the SBSI topping up later from its own resources.

Demand for small loans is growing in Indonesia, Silaban says. "For instance, the fishermen lack the funds to buy engines for their boats."

Are loans of this kind a good way of fighting poverty? "At the very least, they're a good way of stopping more people from slipping into poverty," Silaban thinks. A good organizing tool, too. "First they join the union, then they join the cooperative."

projects, cooperatives and similar direct anti-poverty action?

Wage bargaining is and will remain the top priority for the Malaysian Trades Union Congress (MTUC). Its President Syed Shahir bin Syed Mohamud is quite clear about that. "We are very much in the process of organizing workers in unions, so that we can start collective bargaining. I want to be quite consistent in my view that the issue of poverty, as far as workers are concerned, relates to the wages that they receive, and what we have now is insufficient for them to support themselves and their dependants. So the issue before us is that we need a minimum wage, a decent wage, so that they can support themselves." That said, he agrees that union-organized cooperatives, of which Malaysia has quite a few, can also generate income for those who most need it.

At present, there is no legal minimum wage in Malaysia. The MTUC wants it set at 900 ringgit a month, right across the board (about 201 or US\$238 in November 2005). Malaysia is one of the region's better-off countries, and the number of people below the poverty line is relatively low. But poverty wages are by no means a thing of the past. "There are workers who receive less than 400 ringgit a month," the

MTUC President says. "It's quite tough living on that kind of wage. Surveys we have done recently show that workers need 14 ringgit a day just for their own food and transport to and from work. So now we have people doing two different jobs each day, to earn enough to support their families."

Raising incomes, reducing vulnerability

When it comes to tackling poverty, Asian labour activists often favour a blend of approaches. Poverty removal means both raising incomes and reducing vulnerability, Ela Bhatt points out. She is the founder of India's Self-Employed Women's Association (SEWA).⁶ "The income approach tends to lead more to 'income-generation' programmes," she argues, "while the vulnerability approach leads to more social programmes such as education and health provision." SEWA's experience, through "years of working at the grass roots as well as with policy-makers at all levels", is that tackling poverty requires a "combination of both approaches, but with a deeper understanding of where the poor are placed within the structures of society".

Banking on change India's SEWA Bank

"We may be poor, but we are so many," said Chandaben. "Why don't we start a bank of our own? Our own women's bank, where we are treated with the respect and service that we deserve."

In 1974, she and other impoverished self-employed Indian women did just that. Four thousand of them each put 10 rupees of share capital into launching SEWA Bank. By 2002-3, its annual report showed deposits of 623.9 million rupees and 133.5 million rupees' worth of lending.

This highly successful cooperative of the working poor is an offshoot of the Self-Employed Women's Association (SEWA). Organizing in India's vast informal sector, SEWA now has a membership of over 687,000 women. They include homeworkers making garments, incense sticks and other products, street vendors, porters, construction workers and agricultural workers. Like SEWA itself, the bank is centred on the city of Ahmedabad and the surrounding rural areas.

More than 200,000 women currently save with the SEWA Bank, which helps them to break out of the poverty cycle by building up some capital.

The first step is often to free them from the clutches of the informal moneylenders by giving the women a loan to pay back existing debts on which they were paying extortionate interest. But unlike many union-run loan schemes, SEWA Bank charges normal commercial interest rates. "When the poor borrow from informal financial sources, they pay much higher interest rates than the prevailing market rate in the country," SEWA founder Ela Bhatt points out. "They do and are ready to pay the market rate of interest."

Once free of the loan sharks, the women are encouraged to build up savings. Here, the bank often finds itself pushing at an open door. "Poor women have a basic instinct for saving," Bhatt says. More welcoming than a traditional bank would be to low-income, often illiterate women, SEWA Bank persuades them to retrieve their savings from under the mattress and put them into a savings account. They may set aside just a few rupees a day, but it builds up. And having a bank passbook gives the women new self-confidence and improves their status within their families.

Business loans are usually the next stage. For instance, a vendor may want to increase her working capital, so that she can buy in more stock and improve her profits. A carpenter or a seamstress may borrow money to mechanize some of her tasks, and so raise her productivity. Most of them are conscientious repayers – no doubt in part because they feel their ownership of the Bank. Around 94 per cent of the loans are paid back in full. "The majority of the poor, particularly women, are economically active," Bhatt emphasizes. "They are involved in multiple economic activities, they have short period business cycles with high rates of return, and can and do repay loans, provided their repaying capacity is assessed properly." Bank members' income averages 1,000 rupees a month. The maximum loan is 25,000 rupees per individual. No collateral is needed, but a guarantor (formally employed, and possessing a valid pay slip) is required for all loans.

Finally, once the work side has improved, attention turns to living conditions, and the Bank members take out loans to improve their often very basic homes. In the case of homeworkers, of course, this can also have professional advantages – for instance, the installation of water and electricity supplies.

Low-income women working in the informal sector often have neither the time nor the means to visit Bank branches. So SEWA brought the Bank to the customer. Ever since 1978, its vans have criss-crossed the city, pioneering the concept of Doorstep Banking. "Handholders" are another innovation. These fieldworkers counsel women on planning for the future, and advise them on SEWA Bank services and products, which range from microfinance to insurance. The handholders also collect savings and loan repayments. They are helped by the "Banksaathis" (bank companions), a team of community-based leaders in each locality.

The handholding goes beyond finance. The women are told about SEWA's other activities and are encouraged to join. So through this outreach, SEWA's banking arm clearly also promotes organizing.

The Bank wants others to profit from its experience. It is the co-founder of the Indian School of Microfinance for Women, which has recently launched an international training programme.

For more on SEWA Bank, visit www.sewabank.org

In India's dry rural areas, for instance, "the provision of drinking water is closely linked to the capability of women to enter the labour markets, so that when we try to intervene to link the embroiderers with markets, we find that we have to deal with the Gujarat Water Board on better drinking water schemes for them".

Similarly, "while organizing women workers for better wages in tobacco processing plants, we were faced with the need for childcare for their children who otherwise had to spend their days in the midst of tobacco heaps".

And although the SEWA Bank is one of the pioneers of microcredit (see our inset), "we very early discovered that without helping the small entrepreneurs to deal with changing markets and policies, we could not expect the loans to work towards poverty reduction".

Obviously, continuous employment for informal workers is an important contributor to overcoming poverty. But as Ela Bhatt points out, "in the informal sector there are no 'jobs'. Employment is a combination of self-employment, or own-account work, wage employment, casual work, part-time work and a variety of employment relations. At any one time a poor person could be working at a number of different employments".

So achieving "full employment" in the informal economy is "no longer a matter of creating 'jobs', but of strengthening these workers and producers to overcome structural constraints and enter markets where they would be competitive".

Poor people, she says, need four things in order to achieve this kind of "full employment":

- "The poor need capital formation at the household level through access to financial services (savings, credit, insurance) to build up and create assets of their own (land, house, workshed, equipment, cattle, bank balance). Asset ownership is the surest weapon to fight the vulnerability of poverty.
- "The poor need building of their capacity to stand firm in the competitive mar-

ket, i.e. access to market infrastructure, access to technology, information, education, knowledge and relevant skills (accountancy, management, planning, designing, for example).

- "The poor need social security – at least health care, childcare, shelter and relief – to combat the chronic risks faced by them and their families.
- "The poor need collective, organized strength (through their associations) to be able to actively participate at various levels in the planning, implementation and monitoring processes of the programmes meant for them, and also in all other affairs of the nation."

Nepalese unions, too, favour a mix of action. Hence, GEFONT runs various micro-cooperatives to generate income for the poorest groups of workers. Pig and goat raising are among the projects supported by the union. It also provides sewing machines to impoverished women who want to earn a living as seamstresses, and union skills training courses range from plumbing to painting and auto mechanics. Health provision for agricultural workers and campaigns against child labour are other focuses of the unions' anti-poverty work. Since 2001, bonded labour (a form of debt slavery) has been illegal in Nepal – largely due to pressure from the unions and the NGOs. Although the practice persists, many bonded labourers have indeed been released, and they are another group benefiting from the Nepalese unions' income generation schemes. The ILO has helped GEFONT with many of these anti-poverty activities, Umesh Upadhyaya points out.

Union successes

The ACTRAV study's round-up of positive trade union contributions to the fight against poverty in the region does suggest that bargaining and organizing remain crucial, alongside project work and campaigns for better public policies:

- Unions in some countries have been striving to get the right to a job recognized as a fundamental right. In India, “they have succeeded in the year 2005, through collectively exercising pressure in tandem with other civil society organizations and political parties, in getting a rural employment guarantee bill passed”.⁷
- Trade unions in several countries “have been endeavouring successfully to secure periodic increases in minimum wages” with provisions for indexation to the cost of living.
- In several cases, “trade unions have signed non-discrimination causes in wage agreements whereby contract and casual workers get the same wage as regular workers”.
- Six trade unions in Andhra Pradesh, India joined together to work towards the elimination of child labour. “They have vigorously campaigned for the elimination of child labour in hazardous jobs/occupations, freed child labour in bonded labour situations, negotiated and signed agreements, based on the type of occupation, which provide for non-engagement of child labour.”
- Trade unions in several countries “undertake educational and skill development programmes which provide livelihood opportunities for workers and their families”. In quite a few cases, they have also been running centres engaged both in production and in on-the-job training.
- In some countries, unions “run a host of cooperative societies, including for thrift, credit, provision of consumer goods at concessional prices and a variety of other activities”. These cre-

ate “opportunities for increasing the family income” and provide jobs for workers’ dependants and others in the community.

- “There are also several instances where trade unions have organized the unorganized labour in the informal sector and tried to improve minimum wages, secure better working conditions, and a semblance of social protection.”

Notes

¹ *Asian Development Outlook 2000*, Asian Development Bank, Manila.

² *Poverty Reduction Strategy – Role of trade unions*, by C.S. Venkata Ratnam, Director, International Management Institute, New Delhi. Draft for discussion presented to the International Workers’ Symposium on “The role of trade unions in the global economy and the fight against poverty” organized by the ILO Bureau for Workers’ Activities (ACTRAV) in Geneva from 17 to 21 October 2005.

³ *Key Indicators 2005*, Asian Development Bank, Manila, www.adb.org/Documents/Books/Key_Indicators/2005/default.asp

⁴ *idem*.

⁵ These doubts are shared by many African trade unions – see our article on page 1. The realities of worldwide trade union involvement in poverty reduction strategies were analysed in detail in *Labour Education*, 2004/1-2, No. 134/135.

⁶ *SEWA’s approach to poverty removal*, Ela R. Bhatt, <http://sewa.org/sewa-approach.htm>

⁷ Passed by the Indian Parliament in August 2005, the National Rural Employment Bill aims to provide 100 days’ assured employment per year to every rural household in 200 districts. Prime Minister Manmohan Singh said the legislation will give bargaining power to the poorest of the poor. “We are offering a modest, gainful employment that will fetch 500 rupees per month for a family,” he said. “This will bring landless families in the social safety net.” He hoped that within four to five years, it would cover all rural districts. [Information from E.C. Thomas, *Job guarantee for the rural poor*, Government of India Press Information Bureau, 6 September 2005. <http://pib.nic.in/release/release.asp?relid=11820>]