

KEYNOTE ADDRESS BY
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On Inaugural Session of
South Asia Labour Conference
24th April 2014, Lahore, Pakistan

- Honourable Muhammad Shahbaz Sharif, Chief Minister Punjab
- Honourable Raja Ashfaq Sarwar, Minister for Labor and Human Resource Punjab,
- His Excellency Gamini Lokuge, Minister for Labour and Labour Relations, Democratic Socialist Republic of Sri Lanka
- His Excellency Mr. Md. Mujibul Haque, State Minister, Ministry of Labour and Employment, People's Republic of Bangladesh
- His Excellency Ambassador Lars-Gunnar Wigemark, Head of the European Union Delegation to Pakistan
- Raja Hassan Abbas, Secretary, Ministry of Overseas Pakistanis & HRD, Government of Pakistan
- Mr. Muhammad Yousaf, Secretary, Labour & Human Resource Department, Government of the Punjab,
- Representative from the SAARC Secretariat
- Distinguished delegates from South Asian Countries including trade unions and employers' organisations.
- Ladies and gentlemen

Assalam-o-Alaikum, Ayu Bowan, Namaste, Good Morning!

I feel very privileged and greatly honoured to be with you all this morning here in historic Lahore at this 'South Asia Labour Conference' on 'Fostering Regional Cooperation for Decent Work'. In fact and on a personal note, I started my career with the ILO in Pakistan in 1996.

At the outset allow me to warmly congratulate the Government of Punjab for organizing this important conference.

I am also pleased to see that so many tripartite constituents from across the sub-region are here; Governments, Employers and Workers, which demonstrates a commitment towards promotion of Decent Work and also that you are now moving beyond borders and trying to forge partnerships.

This meeting is indeed timely as 'Decent Work' is central to efforts to reduce poverty and is a means for achieving equitable, inclusive and sustainable development. When fully implemented, it will provide opportunities for work that are productive and delivers a fair income, provides security in the workplace and social protection, which are in line with the countries' development objectives.

Your excellencies, ladies and gentlemen,

As you know, South Asia is a complex region, but one that has great potential. After all, this region has the largest youth population in the world. There are over 330 million young people in South Asia aged 15 to 24, representing about 25 per cent of the total global youth population. Therefore, what happens here will determine the global geo-political and economic contours over the 21st century.

The region was growing strongly with the regional GDP growth rate reaching 9.1 per cent in 2010, reflecting some resilience to the global financial crisis. However, the economic situation has since deteriorated; at the same time, other domestic issues continue to constrain countries from reaching their potential.

When it comes to the labour market, it is even more difficult to make sweeping generalizations about the situation in South Asia; as you know, countries are so varied in terms of economic size and structure, and institutions. However, it is possible to make a few points that are common to all countries. Clearly, the prevalence of informality is a defining feature of the South Asian labour markets. In some countries, over 90 per cent of workers are informally employed. This poses a fundamental challenge to implementing international labour standards through laws and policies. In most countries, more than 50 per cent of workers are still engaged in agriculture.

In all our countries in the sub-region, there has been a focus on inclusive growth in recent years, in recognition of the fact that growth alone has not yielded the expected outcomes for the poorest part of the populations, instead some countries in the sub-region have experienced a widening of the gap between the rich and the poor. Over the last five years, researchers all over the world have been struggling to analyse data in the search for causalities, models and explanations for why income inequalities are widening and importantly which consequences this will have for the future. Mainstream economists, as you are aware, have not been so concerned about the issue of income distribution....they have operated with rather simplistic convictions such as the well-known trickle- down effect, which is a very convenient belief, because income inequality then remains a non-problem as the economy is expected to

take care on its own and we need not worry, as it is believed that employment and income generation always will result from growth.....ut researchers like Professor Robert Wade from London School of Economics points out in his recent research that this is out-rightly wrong. And both IMF and the WB are also beginning to look more closely at these issues. The ILO has of course always been promoting a policy-mix of public interventions and regulations in its attempt to promote equality in the labour market, acknowledging of course the importance of growth, but that growth alone is not sufficient. Wade states that not only is an increasing percentage of the wealth concentrated with the richest few and goes on to say that economic inequality weakens or even destroys democracy as a principle of governance that considers the wishes and aspirations of people and that there is a replacement taking place of the well-known ‘democratic democracy’ by a ‘plutocratic democracy’....where the political power although elected democratically is under influence from the one percent that constitutes the absolute elite. This is critical for the decision of political priorities including a focus on job creation including the quality of jobs and resource allocations and the question is whether this is not also valid for our countries in South Asia to a certain degree.

In relation to the demographic profile of South Asia with the world's largest youth population, as mentioned just before, and here the issue of skills development and employability is not surprisingly a major issue. It is critical to strengthen policies and systems to improve the link between the demand and supply of skills both in domestic and international labour markets. Whilst much work needs to be done to improve the quality and relevance of training available to both new entrants and existing workers, there is evidence that skills is increasingly recognised as a major constraint to growth and that a program of

reform, including improved coordination amongst key stakeholders, needs to take place with some urgency.

Another important challenge, based on the fundamental principles and rights at work, is strengthening labour market governance, social dialogue, organization and voice. Overall, a critical issue is weak enforcement, implementation and monitoring. At the same time, it is vital to recognize that governments together with social partners have made great strides in responding to the decent work challenges in the region through laws, policies and projects. Tripartism and social dialogue have begun to strengthen in some of the countries of South Asia in recent years. For this reason, this conference will provide not only the chance to take stock of the challenges that exist but also share experiences in tackling these problems, and identifying the way forward.

In a global market, where nations call for a level playing field in doing business, international standards have assumed unprecedented importance. It is vital therefore that nations, particularly export-oriented emerging economies, are fully aware of the implications of such standards on their export potential from a negative as well as positive perspective. In the field of labour, we are all aware of the pressures on export markets to ensure compliance with International Labour Standards, ILO's core standards in particular, and overall working conditions that are not substandard in terms of international norms. While many will argue that compliance with such standards should not be an exception but a rule based on human dignity and the principles of Decent Work, it cannot be ignored that good working conditions makes practical business sense beginning from the point of view of workplace productivity to global market access for nations products and services. In this respect, Occupational safety and health in workplaces in South Asia has received more attention and

rightfully so, after a number of tragic incidents notably in Bangladesh one year ago exactly today and Pakistan. Here again, social dialogue and tripartism coupled with a focus on workers' rights and better working conditions are necessary to address the serious challenges and avoid such incidents in the future, claiming innocent lives.

Asia and South Asia in particular is home to most of the world's child labour, forced and bonded labour and to a large proportion of the world's working poor. Although countries in South Asia over the last two decades have moved from advocacy and awareness on the issues to direct action that includes policy advice through research and pilot interventions, there are still far too many vulnerable people needing attention and empowerment. Eliminating child labour, bonded and forced labour practices through legislation review, effective enforcement, rehabilitation, strengthening institutional mechanisms and fostering a convergence based approach focussing on prevention of vulnerabilities and promoting social dialogue for improving working and living conditions has been some of the sustainable interventions in South Asia. Minimum wages and social protection measures are being tested in huge flagship programmes and many countries are now actively supporting the promotion of a social protection floor. Akin to these categories of workers, focus on enabling rights of domestic workers and home based workers has received increasing public attention in recent years, but much more needs to be done and the similarities in the sociocultural contexts in South Asia and the challenges would provide a good basis for sharing of technical approaches between countries.

Women in South Asian informal economies are at a double disadvantage given the cultural contexts, their being denied equal access to land rights and the

general preference for them to be absent from the public sphere. This makes it all the more urgent that gender strategies are sensitive and respond to existing cultural contexts. Our experts will provide information based on recent ILO research on some of the reasons behind falling or low female labour force participation rates in some of our countries.

Movement across borders, whether legally as labour migration or illegally as smuggling or trafficking takes place in a large scale in South Asia, both between countries and to other continents. Many of you have mentioned to the ILO that you would like to see common approaches to the challenges you face in this respect, in particular in relation to the protection, rights and skills development of migrant workers.

Not only humans cross borders, your region has the potential for expanding trade and establishing value-chains across borders instead of competing with each-other, could you make one South Asian Production Workshop. Although we all know that this may be easier said than done, the private sector including the SMEs have a great role to play in order to generate growth and create decent jobs along these value-chains. In an increasingly interconnected Region, strong partnerships and strategic alliances become critical. We feel that there is scope for expanding South-South Cooperation in promotion of decent work and to work in support of SAARC initiatives related to labour market issues.

The ILO can facilitate and provide technical assistance to such collaboration as you move forward and we see this Conference as a first concrete initiative by the countries in South Asia to address all dimensions of the decent work agenda.

Let me also mention that trade unions from South Asia have formed a sub-regional platform called SAARCTUC for collaboration and the employers have also met to discuss the establishment of an employers' sub-regional forum.

A lot has been done. A lot still needs to be done. If this Conference can come up with two to three areas that you wish to work together on in relation to the world of work and the promotion of decent work the next five years, then we can develop a technical framework to support you.

From the ILO, we greatly appreciate the cooperation and support by our Governments, Workers and Employers for realizing of Decent Work objectives in South Asia and let me once again thank the government of Punjab under its dynamic leadership of the Chief Minister and the Labour Minister for this extremely important initiative. Let me also thank the European Union, who has come forward and provided funding and technical assistance to this Conference. Thanks goes to my colleague Fransesco D'Ovidio, the Country Director and his team in ILO Islamabad for the dedicated work in support to the organisation of this Conference and to my colleagues from the Decent Work Specialists Team in New Delhi who are participating as technical resource persons and who have prepared technical presentations for each of the topics you will discuss to kick off your discussions. On behalf of the entire ILO technical team in New Delhi we look forward to working closely with all of you and rest assured that you can count on our commitment towards strengthening our collaboration with you and for making decent work a reality for all in South Asia.

Thank you.