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# *Global trends in EPZs/ SEZs*

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# Key constitutive elements of an EPZ

- With special incentives
- Relatively small, geographically separated areas
- To attract export-oriented industries with free trade conditions and a liberal regulatory framework
- Limitation on trade union rights

# ILO estimates on employment in EPZs

Geographical area	Estimated number of workers	Number of zones
Asia	55,741,147	900+
Central America and Mexico	5,252,216	155
Middle East	1,043,597	50
North Africa	643,152	65
Sub-Saharan Africa	860,474	90+
United States	340,000	713
South America	459,825	43
Transition economies	1,400,379	400
Caribbean region	546,513	250
Indian Ocean	182,712	1
Europe	364,818	50
Pacific	145,930	14
<b>TOTAL (estimations)</b>	<b>65,980,763</b>	<b>3500+</b>

ILO: Trade union policy guide on EPZs (Geneva, 2015), p.10.

# ILO estimates of employment trends in EPZs (2008)

	1975	1986	1995	1997	2002	2006
Number of countries with EPZs	29	47	73	93	116	130
Number of EPZs	79	176	500	845	3000	3500
Employment (millions)	n/a	n/a	n/a	22.5	43	66
-China	n/a	n/a	n/a	18	30	40
-Other countries	0.8	1.9	N.A	4.5	13	26

ILO: Trade union policy guide on EPZs (Geneva, 2015), p.10.

# Info on investing countries, sectors and export markets:

Country	Main investing countries	Main sectors	Main markets
<b>Singapore</b>	Japan, US, Mexico, Canada, Chile, Australia, New Zealand, etc	Food processing, textiles, chemicals, electronics components, etc	US, ASEAN countries, Gulf States, European Union, etc
<b>Malaysia</b>	Japan, UK, Germany, Italy, Finland, Taiwan, Switzerland, etc	High-tech, food processing, pharmaceuticals, etc	Japan, US, Germany, Republic of Korea, etc
<b>Thailand</b>	EU, US, Taiwan, Singapore, etc	Agricultural products, minerals and ceramics, plastic, electronics, etc	Republic of Korea, The Netherlands, Austria, Malaysia, Japan, India, US, etc

# Why do governments create EPZs?

- Job creation and improved living standards
- Transfer of skills and expertise to local human resources
- Introduce new technology
- Boost the export sectors
- Foreign exchange earning
- Creation of backward and forward economic linkages

# Why do enterprises invest in EPZs?

- Various incentives
- Availability of affluent human resources
- Strategic location close to markets
- Quality of the infrastructure, including supply of raw materials
- Benefits from trade agreements
- Labour relations environment, including low labour costs

# Sample of range of tax incentives for EPZs

Country	Date of first zone	Exemption of Income Tax for Company between 1-5 years	No dividend tax for non resident for tax period	100% foreign investment allowed	Free transfer of shares	No import duty on machinery and materials	Lower water, rental and electricity
Malaysia	1972	Yes. Tax to be paid on only 30% of statutory income		Yes but prefers joint projects, especially with at least 30% bumiputra	Not known	Yes	Not known
Sri Lanka	1978	Yes. Depends on employment in project. Further 15 year holiday available	Yes	Yes	Yes	Yes	Yes
Bangladesh	1983	Yes. Available for 10 years	Yes	Yes	Not known *	Yes	Yes

Donella Caspersz: Organizing Export Processing Zone Workers (Univ. of Western Australia)



# Key challenges

- Total bars on unionization
- To replace unions with other types of workers' organisations
- Restrict union leaders to have access to EPZs
- Limitations on collective bargaining
- Limitations on strikes
- Inadequate protections against anti-union discrimination
- Gender-based discrimination

# Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (2017) - Industrial relations/ FOA

No.48: enjoy adequate protection against acts of anti-union discrimination in respect of their employment

No.49: enjoy adequate protection against any acts of interference by each other in their establishment, functioning and administration

No.51: affiliate with int'l organisations of workers of their own choosing

No.52: special incentives not include any limitation of workers' FOA

No.53: workers' representatives not be hindered from meeting for consultation and exchange of views among themselves

No.54: Governments should not restrict the entry of workers' representatives who come from other countries

# Collective bargaining

No.55: the right to have representative organizations of their own choosing recognized for the purpose of CB

No.56: promote the full development and utilization of machinery for voluntary negotiation

No.57: provide workers' representatives with such facilities to assist CB

No.59: should not threaten the transfer of the whole or part of an operating unit from the country

No.60: CB should include provisions for the settlement of disputes

No.61: provide workers' representatives with information required for meaningful negotiation

No.62: governments should provide workers' representatives, on request, with information

# ILO instruments related to freedom of association and gender equality

- ❑ Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
- ❑ Right to Organize and Collective Bargaining Convention, 1949 (No. 98)
- ❑ Equal Remuneration Convention, 1951 (No. 100)
- ❑ Recommendation concerning Equal Remuneration for Men and Women Workers for Work of Equal Value, 1951 (R. No. 90)
- ❑ Discrimination (Employment and Occupation) Convention, 1958 (No.111)
- ❑ Discrimination (Employment and Occupation) Recommendation, 1958, (R. No. 111)
- ❑ Workers with Family Responsibilities Convention, 1981 (No. 156)
- ❑ Workers with Family Responsibilities Recommendation, 1981 (R. No. 165)
- ❑ Maternity Protection Convention, 2000 (No. 183)

# Union strategies

- Social dialogue, involving
  - the state
  - the employers
  - society
- FOA, Collective Bargaining and Organising

- **Advocacy**

- legal advocacy
- media advocacy

- **Campaigns**

- petitions
- distributing fliers and information sheets
- public meetings
- demonstrations
- street theatre
- online media mobilisation

**Thank You**