



# 8th ASEAN Regional Tripartite Social Dialogue

“Raising the Bar of Social Partnership in an Integrating ASEAN”

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ASEAN SERVICES EMPLOYEES  
TRADE UNION COUNCIL

# ASEAN Regional Dialogue Social Dialogue

ASEAN and its partners in dialogue for a more peaceful and prosperous ASEAN

ASEAN  
Regional Dialogue  
Social Dialogue



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## **ASETUC 2025: Advancing the Vision for a People-Centered ASEAN**

The Association of Southeast Asian Nations (ASEAN) has arrived on the world stage. It has been hailed as a major regional economic bloc. The Asian Development Bank considers the ASEAN as the world's 7<sup>th</sup> largest economy. If present growth trends continue, the ASEAN shall be the fourth largest by 2050, the ADB added.

With the institutionalization of various measures under the blueprint for ASEAN Community 2015 (AC 2015) and the adoption by the ASEAN of a new road map (***ASEAN 2025: Forging Ahead Together***), the above ADB forecast is likely to be met. As various business reports put it, ASEAN is surging economically. It has also been accepted as a major global player, as amply reflected in the numerous summits ASEAN has been conducting with its "dialogue" country partners composed of the original +3 (China, Japan and South Korea) and the additional + 3 (Australia, New Zealand and India) and the others (United States, Europe, Russia and so on).

But do the people, the working people, across Southeast Asia feel that their lives are also surging or improving under ASEAN community-hood? Do they see ASEAN as a critical factor in securing quality jobs, better welfare and a stable future for themselves and their families?

To the ordinary people in the ten countries that make up the ASEAN, the answer to both questions is easily a perplexing "we don't know", or "it's not clear". For the reality is that while ASEAN and government spokespersons have talked endlessly about the benefits of ASEAN community-hood, the concrete impact of regional community building on employment, poverty eradication, regional cohesion, economic and environmental sustainability and development gaps among countries and classes has not been fleshed out to the greater public or understood by the greater majority.

The average ASEAN working family sees a lot of media reportage on ASEAN and yet members of the family have difficulty connecting varied ASEAN events to their family. The weak appreciation by the population across the region of the significance of the ASEAN processes on their individual and collective lives is further exacerbated by the limited public discourse on political freedom and economic democracy in some of the ASEAN Member States (AMSs).

The truth is that the discourse on ASEAN affairs has largely been an inter-governmental business, meaning discussed and debated by top officials and technocrats of AMS, supplemented by policy inputs coming from the business community and the external dialogue country partners cited above.

People's participation in ASEAN policy debates and conversations has been extremely limited. Even the ASEAN civil society movement that tries to convene annually has difficulty bringing their social and development agenda to the ASEAN dialogue table.

And yet, official ASEAN has never been tired of stating that ASEAN is "a community of sharing and caring societies" dedicated to the elimination of poverty in all AMSs, bridging the development gaps between and among them, and the transformation of the region into a prosperous, inclusive and sustainable community.

In ASEAN Community 2025 Vision, ASEAN reiterates the mantra that it seeks –  
*"a rules-based, people-oriented, people-centered ASEAN Community, where our peoples enjoy human rights and fundamental freedoms, higher quality of life and the benefits of community building, reinforcing our sense of togetherness and common identity, guided by the purposes and principles of the ASEAN Charter."*

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## **ASETUC reaffirms its vision of A people-centered ASEAN for 2025 and beyond**

The **ASEAN Service Employees Trade Union Council (ASETUC)**, formed in 2007, shares fully the same goal espoused in the ASEAN 2025 – “a rules-based, people-oriented, people-centered ASEAN Community, where our peoples enjoy human rights and fundamental freedoms, higher quality of life and the benefits of community building”.

ASETUC vision is to put people at the center of ASEAN community building.

ASETUC’s mission is to help realize this vision by strengthening the social and labour dimensions of regional integration processes.

ASETUC is essentially a consolidated trade union response to ASEAN integration processes and to the fast-moving economic and social developments occurring in the region under globalization and regionalization.

In pushing for its development agenda, ASETUC tries to hold social dialogue with the ASEAN, AMSS and all key stakeholders in formulating the rules that will shape a Social ASEAN. ASETUC believes that a trade policy regime is one that helps ensure rising living standards and better decent work opportunities for all in the region. Hence, ASEAN economic, socio-cultural and security-political measures should be calibrated in a manner that is consistent or coherent with this overarching goal.

ASETUC also believes that constructive social dialogue can ripen into social partnership in the work place and in the varied ASEAN community building efforts. Partnership in industry means the recognition and acceptance of the rights and welfare concerns of all industrial relations actors – workers, employers and governments.

ASETUC asserts that a partnership based on this framework can lead to decent work for all, higher productivity and higher competitiveness at the enterprise, industry, national and regional levels to ensure inclusive and sustainable economic growth and reduce inequality within and between countries. ASETUC calls this a Race to the Top.

### **Facing the challenges of 2016-2025**

How then should ASETUC face the development challenges of ASEAN 2025?

The quick answer: ASETUC remains deeply committed to the vision and mission it embraced in its founding in 2007. Its work for 2016-2025, therefore, shall be guided by this vision-mission development framework. In particular, ASETUC shall focus its policy formulation, advocacy/campaign, dialogue/engagement and cooperation/partnership building through the prism of ***enhancing the social and labour dimensions of the ASEAN 2025 program***.

In this light, ASETUC welcomes the increased emphasis given by the ASEAN on the social and labour dimensions of regional integration in its ASEAN 2025 blueprint. As pointed out, ASETUC is pleased that ASEAN is officially committed to building a people-centered ASEAN. ASETUC, therefore, cannot disagree with the ASEAN declaration on the importance of human rights, fundamental freedoms, inclusive and sustained growth for employment, higher skills, participative governance, social protection, narrowing development gaps, and recognition of women’s rights, empowerment of the people and environmental care and sustainability. These are all crucial in making ASEAN people-centered.

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However, ASETUC seeks a further strengthening of these social and labour aspirations through clearer and more concrete ASEAN implementing programs/measures, on one hand, and a re-calibration of other stated ASEAN programs/measures to make them coherent or aligned with these aspirations, on the other hand.

### ***On recalibrating the AEC Blueprint 2025***

On the AEC Blueprint 2025, ASETUC observes that the focus is overwhelmingly on the deepening of the economic liberalization program launched in the 1990s and consolidated in the AEC 2015 Blueprint. ASETUC further observes that such a program of liberalization is presented by the ASEAN economic planners as completely positive.

The position of the ASETUC is that there should be a balanced score-carding on the pluses and minuses of liberalization based on the actual experiences of the region and the individual AMSs. For example, are there no lessons to be learned from the 1997-98 Asian financial crisis and the 2007-2010 global financial crisis, both of which were rooted in economic and financial liberalization? Those lessons ought to be translated into precautionary or preventive ASEAN measures to avoid a recurrence of a similar crisis in the future such as having stricter rules against speculative non-productive investment.

The whole point is that the different integration programs and processes should be examined more rigorously and subjected to the test of whether they are aligned or contributing indeed to the stated ASEAN goal of a people-centered ASEAN.

In this context, ASETUC would like to raise other development challenges that ASEAN should confront to help shape a people-centered community in 2016-2025. These include, among others, the following:

#### ***Economic policy issues***

Broadening and balancing the concept of “public-private partnership” (PPP), favored by the AEC Blueprint 2025 as the motor for infrastructure development. Why not PPP in support of public-people and public-poor partnership (not only government-big corporation partnership) to tackle varied economic and social concerns in each AMS. Governments should be warned on the pitfalls of having too much dependence on big corporations for infrastructure development, e.g., expensive tolls and project costing, monopolies in the operation of some services such as power and water, higher government indebtedness and so on.

Also, there is the danger of opening up basic public services such as health and education services to the private sector via the PPP modality. This can make these public services unaffordable to the people. Government procurement of infrastructure and other services should not be pushed towards only one modality: PPP via a generalized privatization program.

Strategizing and balancing participation in global and regional value chains (GVCs/RVCs). The AEC 2015 blueprint suggests the enhancement of the participations by AMSs on GVCs (such as those organized by big auto and electronic multinationals) and on the value chains formed at the regional level by big ASEAN corporations (for examples, by Charoen Phokphand on livestock/poultry). The development challenge here is not how to enhance but on how to strategize and balance participation in these chains.

For example, AMSs with limited GVC investments should be given the space to craft policies that do not rely heavily on the presence of GVC investments, which are usually found in the trade

union-free export processing zones (EPZs). And in AMSs with big GVC/RVC investments, there is still a need to balance this with the requirements of inclusive growth for all because not all jobs can be created through the GVCs/RVCs. Majority of the micro-small-medium enterprises (MSMEs) have limited or no linkages with the GVCs/RVCs. Also, there are “non-tradeable” segments of the economy such as the tribal/ethnic communities and the subsistence farming and fishing communities. Hence, a one-size-fits-all liberalization program to promote enhanced participation in GVCs/RVCs cannot address the multi-faceted concerns of various segments of the economy.

Contesting the Trans-Pacific Partnership (TPP) and other non-ASEAN economic projects that involve some AMSs. The emergence of these non-ASEAN regional economic programs violates the principle of “centrality of ASEAN” in shaping a regional unified economy. TPP can lead to trade diversion by TPP-participating AMSs and consequently job losses in non-TPP AMSs.

Also, the TPP requires participating countries to commit or bind themselves to very restrictive intellectual property (IP) and dispute settlement rules demanded by multinational corporations. This reduces the capacity of AMSs to pursue independent economic programming and avail of mature technology to produce cheaper products for the masses, for example, production of cheaper medicines.

In this connection, it is not clear why the AEC Blueprint is giving special importance to IP rules instead of emphasizing the need for greater ASEAN collaboration on acquisition of technology to fast-track development, especially for AMSs that are playing catch-up with the advanced AMSs.

Similarly, the centrality of ASEAN in the economic integration process can be affected in the formation of a larger Regional Comprehensive Economic Partnership (RCEP) involving the ASEAN and its six country dialogue partners: China, Japan, South Korea, India, Australia and New Zealand.

Narrowing the development gaps. This has been duly acknowledged by everyone as urgent, for one cannot talk of one unified community consisting of countries with extreme or contrasting levels of development. The problem is that ASEAN has no funds to close the gaps. However, it can do much more – by allowing laggards to have more space and flexibility to craft economic programs that are not subject to restrictive liberalization yardsticks and measures.

Middle-level and low-level AMSs should be encouraged not only to acquire modern technology but also to diversify their economies in accordance with their respective national priorities. Eventually, such modernization and diversification can help ASEAN fulfill an old aspiration – complementarity of AMSs’ economies.

Why not develop a road map on how complementarity can be achieved while all the AMSs are growing together and creating jobs for all?

### ***Labour and Industrial Relations (IR) issues***

Arresting the Race to the Bottom attitude among corporations investing in a liberalized ASEAN. Along this line, ASETUC is suggesting the fuller adoption by the ASEAN of the 2011 decision of the UN Human Rights Council on Business and Human Rights, which states that it is the duty of states to protect human rights and it is the duty of corporations to respect these rights. ASEAN, together with the CSOs and trade unions, can develop a Code of Conduct or Code of Ethical Behavior for all Companies in the ASEAN.

Better still, ASEAN must adopt a common agreement, like that of the TPP's Labour Chapter to ensure universal respect for the ILO Core Labour Standards to secure protection for all ASEAN workers.

Adopting an integrated approach to human resources development based on national priorities of AMSs. Not all countries are created equal. The proposed rules on the movement of skilled labor and the numerous discussions on the proposed mutual recognition agreements (MRAs) for various professions and the Australian-funded ASEAN Qualifications Referencing Framework (AQRF) tend to ignore the total make-up of the labour force and the labour market in each AMS.

In particular, the needs of the unskilled and semi-skilled, who are often the ones “contractualized” or “casualized” at the lower level of the labor market, are not fully addressed. And so are the needs of the unemployed, underemployed, informals, uneducated and other vulnerable workers. Human resources development programs should address the requirements of society and its various industries as well as the needs of the different segments of the labor force and the labor market.

Recognizing the rights of migrant workers, both skilled and semi-skilled. ASETUC would like to reiterate the need for ASEAN to reaffirm the rights of all migrant workers and hasten the adoption of the Instrument for Migrant Workers based on the 2007 ASEAN Declaration on the Rights of Migrant Workers. In a previous consultation, ASETUC already suggested that an AICHR-style system can be adopted so that the Instrument can finally be adopted.

As to the skilled migrants and mobile professionals, the challenge is how to extend protection to them in terms of secure job contracts, portability of benefits, clearer terms and conditions of work and so on. The same policy issues and more also apply to the semi-skilled migrant workers. It should be pointed out that the logic of regional integration means that eventually, ASEAN shall develop one ASEAN labour market. If this is so, then there should be uniformity of labour standards and uniform enforcement of these standards all throughout the region.

Sustaining labour and IR reforms. Compared to the early decades, ASEAN has made dramatic advances in promoting labor reforms and instituting democratic tripartite consultations in recent years. This is reflected in the successful ASETUC-initiated RTSDCs, in the adoption by the ASEAN Labour Ministers (ALM) of the path-breaking “ASEAN Guidelines on Good Industrial Relations Practices” and in the adoption in 2010 by ALM of a forward-looking Work Programme.

The adoption of the Vientiane Declaration on Transition from Informal Employment to Formal Employment towards Decent Work Promotion in ASEAN by the 24<sup>th</sup> ASEAN Labour Minister Meeting on the 6 May 2016 reflects the commitments of individual ASEAN Member States to promote inclusive growth, employment and decent work for all.

The ASEAN Guidelines for CSR on Labour adopted at the same meeting is another encouraging indication of ASEAN's commitment to promote and protect human rights including fundamental trade union rights for all ASEAN workers.

Towards this end, ASETUC welcome the ASEAN Labour Ministers' Work Program 2016 -2020 aimed at promoting equitable access to opportunity for ASEAN people, as well as promote and protect human rights. ASETUC is delighted that the annual ASETUC Regional Tripartite Social Dialogue aimed at fostering partnership industrial relations is included in the SLOM Work Program.

All the foregoing recognize the basic rights of workers (freedom of association, right to bargain collectively, non-discrimination, etc.) and the importance of bipartite/tripartite social dialogue among the IR actors. ASETUC has also cooperated with the labour ministry of Vietnam in compiling major social and labor legislations of the ten AMSs so that advanced legislations and best IR practices (for example, on fair treatment of workers under short-term hiring arrangements) can be emulated and further enhanced.

All these initiatives and gains should be consolidated and strengthened. For example, there is a proposal for the adoption of a model ASEAN Labour Standard, like the TPP's Labour Chapter that is aligned with ILO and other UN Conventions.

In short, the program for 2016-2025 on labour reforms should be more advocacy, more training, more dialogue, more learning from one another, and more affirmative measures in terms of social and labour rules. Some weak areas in the IR systems of some AMSs are: weak labour inspectorate, missing rules on duty to bargain of employers if the trade union has satisfied all the legal requirements, weak enforcement of labour decisions, poor processing of grievances and widespread casualization of work without reason or rhyme.

Instituting an ASEAN Social Protection Floor. In 2013, the ASEAN came up with a dramatic ASEAN Declaration on Social Protection, which reiterates the various UN and ILO Conventions on human rights and basic freedoms, including the right of all workers to social protection. The challenge is how each AMS can adopt the Declaration and translate it into a real development compass. Why not develop an ASEAN Social Protection Floor to serve as a guide for all AMSs? A good starting point here is Thailand, which pioneered the universalization of health insurance and promoted preventive care programs at the same time.

Another good model is Vietnam, which is trying to develop a holistic social insurance program to be able to cover all workers – the capables who can contribute to a contributory insurance system, the partly capables who need partial subsidy and the least capables who need outright full government assistance. Per the ILO study, full coverage means society should allocate at least 6 per cent equivalent of the GDP (as higher as 25 per cent in many welfare states). And yet, in many AMSs, social spending is less than 3 per cent.

Adopting more affirmative measures for gender equality. ASEAN officially supports gender equality. And yet, the discrimination in terms of gender remains problematic in a number of AMSs. The challenge here is to have more affirmative measures supporting gender equality through IEC programs, industry leadership and government active intervention to promote supporting programs.

Adopting an ASEAN program for “transitioning” of the informals to the formal labour market. The buzz term in the ILO these days is “Transitioning from Informal to Formal Employment”. The assumption is that unprotected and disadvantaged informal sector workers can enjoy social and labor protection only if they are formally covered by formal labor rules. This is easier said than done because the informal sector is the catch basin for those who cannot find jobs in the narrow formal sector of some AMSs.

Informalization is, in fact, part of the coping mechanism for those who cannot find jobs in the liberalized formal sector. Informalization is a reflection of the failure of policy makers to develop a more robust and inclusive economy able to absorb, formally, most of the workers.

ASETUC welcome the Vientiane Declaration on Transitioning from Informal Employment to formal Employment towards decent work promotion in ASEAN. However, for the transitioning

declaration to gain added traction and relevance, the ASEAN should look at the problem of informalization in a more holistic manner, meaning it should not recommend not only remedial training/skills and livelihood development for the informals but also raise fundamental reforms such as asset reforms (e.g., land, aquatic, housing and so on). The ASEAN should take a closer look at the impact of an economic program based primarily on the one-size-fits-all economic liberalization program.

As history worldwide has shown, trickle-down economics often works for only a few. On the other hand, the more progressive economies of ASEAN and East Asia have shown that broad-based and inclusive growth requires the strong facilitating role of a visionary government armed with a forward-looking development agenda for the entire country.

### ***Sustainability***

ASEAN 2025 has a long discourse on environmental sustainability. Weather disturbances such as El Nino and La Nina have taught everyone that climate change poses risks that no country can afford to ignore. And environmental degradation or problem in one country can affect others, as demonstrated by the cross-country haze from the fires originating in the forest lands of Indonesia. An ASEAN-wide program on environmental care and multi-country cooperation, both long proposed by environmentalists, should merit A-1 attention of the ASEAN Leaders. There should be decisive action measures in taming cross-border environmental issues, in coordinating ASEAN response to disasters and calamities, and in raising overall capacity of governments and peoples on managing climate change risks and the dire consequences of environmental degradation.

However, there is also a need to review the ASEAN 2025 blueprint and examine if it is consistent with the requirements of environmental sustainability. For example, how responsible is “responsible mining” as listed in the economic blueprint? And in cases of imminent threats to the environment, which should govern: AMS’ commitment to liberalization programs under the ASEAN or unilateral AMS response to the threats even if the response contravenes the ASEAN liberalization agenda and schedule? Can the ASEAN chart an economic road map that is less carbon dependent? Can the ASEAN come up with regional solutions to cross-border environmental problems such as the haze, forced migration of people (e.g., refugee boat people) and utilization and maintenance of the Mekong River that affects land and people in half of the ASEAN?

Moreover, the social and economic aspects of sustainability are not fully tackled in the ASEAN 2025 Blueprint. A prime example of this is the issue of deforestation and illegal timber trade, which are critical problems in AMSs with large forest lands. They have far-reaching socio-economic-environmental effects such as flooding, food insecurity, desertification, loss of biodiversity and impoverishment of local communities and indigenous peoples whose existence depends on the stable maintenance of the forests.

A solution to deforestation and illegal timber trade is the promotion of sustainable forest management (SFM) and the Pan-ASEAN Timber Certification Initiative (PATCI). Both SFM and PATCI can be strengthened with the help of the trade unions, who can be mobilized to help check the legality of timber trade and compliance of companies with SFM standards and practices. The SFM and PATCI are examples of good programs that can help reverse the Race to the Bottom, which is bred by mindless liberalization and poses a direct threat to sustainability, environmentally and economically.

Clearly, there is a need for all stakeholders, trade unions and CSOs in particular, to scrutinize more fully the ASEAN 2025 Blueprint, subjecting it to the test of economic and environmental

sustainability. Additionally, there is the need to examine the three inter-related Blueprint for the three pillars – economic, socio-cultural and security-political – and see if they are really inter-related, coherent and truly complementary to one another.

Finally, there is a need to re-examine the ASEAN 2025 Blueprint in the context of the 17 Sustainable Development Goals (SDGs) that the United Nations Sustainable Development Summit adopted in 2015. The SDGs, which replace the 8-point Millenium Development Goals (MDGs), seek to end poverty, fight inequality and injustice and tackle climate change by 2030 in all countries. Can the ASEAN also declare an end to poverty and a sharp reduction in inequality and climate change risks by 2025?

### **Building a culture of dialogue, cooperation and partnership among the IR actors**

ASETUC affiliates are citizens of ASEAN and are committed to the realization of a Social ASEAN. ASETUC believes that this goal can be achieved only if all the AMSs and their people work together in unity, or as the ASEAN 2025 Blueprint put it, forge ahead together.

But how can the stakeholders of a Social ASEAN work together if they are not talking to one another and are not united on a common road map even if they all talk of the same goal of having a people-centered ASEAN? Southeast Asia is vast, diverse and complex – economically, socially, politically and historically. Hence, to ASETUC, a major program in community building is the promotion of social dialogue between and among all stakeholders in a unified ASEAN.

#### ***Central importance of social dialogue***

Yes, there are some advances on the social dialogue front. The ASEAN Charter, the formation of the AICHR and the issuance of the various ASEAN declarations on socio-economic development (e.g., social protection, women’s rights, migrant rights, etc.) are all products of social dialogue. And so are the palpable advances on the industrial relations front and the acceptance by the ALM on the necessity of recognizing basic labour rights and promoting good IR practices and CSR Principles. ASETUC also appreciates the fact that it is able to organize the series of RTSDCs with the help and cooperation of the ASEAN Secretariat no less.

However, the social dialogue deficits are still huge. ASEAN dialogue with trade unions, the CSOs and other grassroots stakeholders is still limited compared to the dialogue with the business community and the country dialogue partners. For 2016-2025, the challenge to ASEAN is how to deepen and broaden the social dialogue process if it wants a people-centered ASEAN to truly develop.

#### ***Managing integration adjustments***

A major area where social dialogue is a must is at the industry level. As the integration processes get underway, particularly economic liberalization processes, the environment for the conduct of business and work is naturally affected. Industry has to adjust and so is the overall economy. The problem is that there are good and bad adjustments. What angers many trade unions and workers is that some adjustments are made at the expense of labour such as the resort to increased outsourcing of business, casualization of regular work, downsizing and so on – with limited or no consultation with the affected workers. The changing economic environment ushered in by globalization and regional integration becomes an excuse for companies to embrace a Race to the Bottom strategy. Is this what the ASEAN envisions to happen?

And yet, the reality is that industry and labour adjustments can be made smoother and even win-win for all, if the parties are able to sit down and put their heads together to discuss all options for survival, adjustment and growth.

This is what ASETUC has been stressing in its RTSDCs. This is what is demonstrated in a number of industries and firms where ASETUC affiliates have partnership agreements.

The best companies invest not only in the skills and welfare of their people but also invest time to sit down with their trade unions to develop strategic response to grow business and created decent jobs in a mutually-reinforcing manner. This is what ASETUC means by a Race to the Top.

### ***Towards social partnership and development for all***

Eventually, sustained and productive social dialogue should evolve into social partnership between and among the dialogue partners – the employers and trade unions. Dialogue to address immediate adjustment concerns and conflicts should lead to a dialogue on long-term directions of business, jobs and the economy as a whole. This is the key to realizing a Social ASEAN and having a shared prosperity for all in the region.

In this connection, ASETUC commends the Swedish Prime Minister, Stefan Lofven for his vision of a Global Deal between Capital and Labour that would ensure shared prosperity to be achieved by the sharing of responsibility by the social partners in the quest for greater equality and inclusive economic development. As outlined in the Global Deal concept paper: “the core of the Global Deal vision is for labour market parties to understand and respect each other’s circumstances, interests and limitations, so as to improve conditions for collaborations between employers, workers and governments, for their mutual benefit, also called social dialogue.”

ASETUC endorses the Global Deal and urges all social partners in ASEAN to support the implementation of the joint global partnership to be launched soon.

### **ASETUC Aspirations**

The ASEAN work force – those in the forefront of building ASEAN’s industries, cultivating ASEAN’s countryside and running ASEAN’s services -- constitute the region’s overwhelming majority. The quest for respect for workers’ rights and fair share for their contributions be it to the Company profits or the nations developments are not unreasonable demands.

It is in this spirit that ASETUC call on the ASEAN Leaders to address more decisively the labour and social challenges of regional integration.

ASETUC urges the ASEAN Labour Ministers to recognize trade unions as full social partners in national and regional development. We propose that an ASEAN Trade Union Advisory Council be established to institutionalize social dialogue and facilitate consultation between the trade unions with the region’s basic sectors and the ASEAN Confederation of Employers (ACE) and ASEAN Business Advisory Council (ABAC).

ASETUC have and will continue to contribute and support all effort to evolve ASEAN into a stable, progressive and sustainable Community composed of caring and sharing societies.

## ANNEX A

### **ASETUC: its formation, advocacy and achievements**

The **ASEAN Service Employees Trade Union Council (ASETUC)** was formed in 2007. It shares the ASEAN goal of “a rules-based, people-oriented, people-centered ASEAN Community, where our peoples enjoy human rights and fundamental freedoms, higher quality of life and the benefits of community building”.

The challenge, however, is how to make the foregoing goal happen in an ASEAN composed of ten countries at varying levels of development. To ASETUC, a movement of workers in the rapidly-expanding service industries of the region, the task is how to define and strengthen the social and labor dimensions of regional integration. The ASETUC sees that those responsible for shaping the rules of integration, focused as they are on the all-out liberalization of the region-wide economy, have not given sufficient attention to measures to safeguard, promote and strengthen the rights and welfare of the working people, as amply reflected in the common observations that trade liberalization outcomes for some countries in the region are “jobless growth”, “unequal growth” and even “unsustainable growth”.

To ASETUC, therefore, there are no ifs and buts. ASEAN should and shall be “People-Centered”, if the ASEAN Work Programs are expressly developed and formulated around the goal of putting people at the center.

**Major undertakings.** In line with the foregoing, ASETUC, in summary, undertook the following in the last ten years –

- Formulating a development vision for a Social ASEAN, where
  - ✓ Core labour rights and people’s freedoms are held sacrosanct everywhere,
  - ✓ Trade policy regime is inclusive, equitable and sustainable for all,
  - ✓ Corporations are warned not to engage in a Race to the Bottom by lowering labor standards and rolling off labor rights anywhere in ASEAN,
  - ✓ Rights of migrant workers are fully recognized throughout the region, and
  - ✓ Rights of women and vulnerable/disadvantaged workers are not only respected but also strengthened through measures such as the universalization of social protection.
- Propagating the ASETUC’s development vision for a Social ASEAN through national and regional campaigns, alone or in partnership with other ASEAN stakeholders, including civil society organizations (CSOs) and academe.
- Holding and conducting social dialogue based on the above vision with the ASEAN Secretariat, government officials and select industry representatives.
- Concluding partnership agreements with industry and government in select ASEAN countries on decent work, productivity and competitiveness.
- Promote and facilitate partnership between employers and trade unions to confront common challenges, grow the company to secure better returns for the investors and create productive employment and decent jobs for all.

**Major achievements.** The last ten years are activity-filled years for ASETUC. Some of the more important undertakings of ASETUC are as follows:

- ✓ ASETUC participation in the national and regional consultations on the ASEAN Charter conducted by the ASEAN-designated Eminent Persons Group tasked to draft the Charter. Adopted end of 2007, the Charter seeks to transform the ASEAN into a “rules-based” organization. The Charter’s Preamble states that the ASEAN shall adhere “to the principles of democracy, the rule of law and good governance, respect for and protection of human rights and fundamental freedoms.” One major institution established under the ASEAN Charter is a human rights body now known as the ASEAN Intergovernmental Commission on Human Rights (AICHR).
- ✓ Support for the formation and continuation of the ASEAN Civil Society Conference (ACSC), which is convened annually in time or in sync with the ASEAN Leaders’ Summit. The ACSC participants keep updating the proposed social development agenda for ASEAN, which is dutifully submitted to the ASEAN Secretariat and the ASEAN Leaders’ Summit.
- ✓ Building relations with the ASEAN Secretariat based in Jakarta. ASETUC has forged cordial, cooperative and productive relations with a succession of ASEAN Secretary Generals – Ong King Yong (2003-2007), Surin Pitsuwan (2008-2012) and Le Luong Minh (2013-present).
- ✓ Although not yet accredited by the ASEAN, ASETUC has been working closely with the ASEAN Secretariat on the organization and holding of ASETUC-led regional tripartite social dialogue conferences (RTSDC) that tackle a vast array of labor-related topics such as occupational safety and health (OSH), women workers, social protection, ASEAN labor standards, industrial relations and labor market adjustments in an integrating ASEAN. Some recommendations raised in the RTSDCs have found their way in the labor reform processes in various countries as well as in the Work Program (2010-2015) drafted by the Senior Labor Officials Meeting (SLOM) for the ASEAN Labor Ministers (ALM).
- ✓ ASETUC – represented by Prof Rene Ofreneo and Dr. Kun Wardana Abyoto contributed a paper entitled: “Managing Industrial Adjustment and Labour Market Churning: Can there be a facilitative Industrial Relations Environment?” to the ERIA research project: Framing the ASCC Post 2015.
- ✓ ASETUC is delighted that the annual RTSDC continued to be a part of the annual program of the ASEAN SLOM Works Plan for the years 2016 – 2020.
- ✓ The ASETUC Guidelines on OSH in the retail sector have been translated into various languages including Bahasa Indonesia, Khmer, Laos, Thai, Vietnamese and Japanese. The Guidelines have been adopted by a number of retailers and retail employees’ trade unions as part of their OSH policies and strategy including training program.
- ✓ Networking with other CSOs and stakeholders with regards to response and cooperation related to various ASEAN community building measures under the three pillars – ASEAN Economic Community (AEC), ASEAN Socio-Cultural Community (ASCC) and ASEAN Security-Political Community (ASPC). ASETUC has also been attending the CSO dialogue with the Asian Development Bank (ADB) and the World Bank (WB) with regards to the observance of labor standards in ADB/WB-supported infrastructure projects.
- ✓ ASETUC has also joined forces with other CSOs in the campaign for the full observance of migrant workers’ rights in the region such as the demand for the adoption by the ASEAN of an implementing Instrument for the ASEAN Declaration on the Rights of Migrant Workers (2007). ASETUC has joined the Global Forum on Migration and Development and has been

participating in the continuing dialogue/debate on the nexus between migration and development of both labor-receiving and labor-sending countries.

- ✓ Cascading ASETUC's Vision and Development Agenda among its grassroots union members and partners. The unity among the three Asia-Pacific affiliates of the Global Union Federations (GUFs) in the ASEAN – UNI Global Union (UNI), Public Services International (PSI) and Building and Wood Workers International (BWI) – has become stronger each passing year. ASETUC itself enjoys good relations with other GUFs, some of which have expressed interest in joining ASETUC.

**Partnership with industry and government.** The productive cooperation program ASETUC has with the ASEAN Secretariat has borne fruits not only in terms of the above-cited RTSDCs but also in the development of partnership with industry, employers and government on key human resource management issues.

In 2015, ASETUC and UNI Apro facilitated the signing of the MOU between the Ministry of Manpower of Indonesia and Aspek Indonesia, an affiliate of UNI Apro, on the promotion of OSH standards and good practices in the retail sector, with the following companies expressing their commitment to the MOU: Hero, United Tractor and Tiptop. More companies have expressed interest in participating in the MOU.

Similarly, the ASETUC Cambodia National Working Group has forged an agreement with the Cambodia's Ministry of Labor and Vocational Training (MLVT) on OSH capacity building. The ASETUC's Guidelines on OSH in the retail sector has been translated into Khmer and has been used in the joint training program since 2014. The MLVT subsequently issued several "Parkas" (MLVT directive) on personnel protective employment (PPE) and public workplace inspection. The MLVT also issued an instruction on how to implement the ASETUC guidebook on OSH.

Of course, the RTSDCs themselves have been attracting government and industry participants, including representatives of the ASEAN Secretariat. In the case of industry, representatives of the ASEAN Confederation of Employers (ACE) have also been attending.

In recent RTSDCs, a major focus was on how industry and unions can jointly and cooperatively "manage" industry and labor adjustments issues in the light of the deepening economic integration/liberalization processes in the ASEAN -- all in a win-win or mutually-acceptable manner. Good examples of adjustment and industry-labor cooperation program have been cited, such as the case of AEON, which has a Global Framework Agreement (GFA) with UNI that facilitated the development of partnership industrial relations in various AEON Supermarkets in various countries in Southeast Asia. The other noteworthy example of constructive partnership is the tripartite agreement in the Philippine banking sector on ethical outsourcing rules, including prior consultation and dispute settlement, as propounded by the National Union of Bank Employees, Philippines.

## **AGENDA FOR A SOCIAL ASEAN**

### **Introduction**

By the end of 2015, ten countries in Southeast Asia plan to launch a single market for goods, services, capital and skilled labour to take advantage of the combined gross domestic product (GDP) of 2.4 trillion US dollars, as of 2013, by integrating diverse economies. Although the idea sounds striking on paper, the ground reality is that the ASEAN Economic Community's (AEC) framework is tilted towards serving corporate interests and the traditional elite. It will further impoverish the poor by facilitating an aggressive takeover of the region's resources by influential foreign corporates.

While the liberalisation of trade would have a huge negative impact on workers' rights, the AEC's neoliberal model of development will worsen the current inequitable economic growth that is exacerbated by poverty. As of 2012, 76 million people of 13% of ASEAN's total population live below the World Bank's international poverty line of 1.25 US dollars per day. The profit-centred framework also does not make provisions for collective rights, food sovereignty, climate change, human rights and other issues that are crucial to the people.

The AEC is being negotiated against the backdrop of the recently concluded Transpacific Partnership Agreement (TPPA), led by the United States, and Regional Comprehensive Economic Partnership (RCEP). Mostly these two economic giants are vying for the markets in ASEAN. The participation of ASEAN governments in both these Free Trade Agreements (FTAs) are regarded as crucial for the US and China to deepen its roots and influence in the region's trade architecture and exploit its vast resources.

The *Agenda for a Social ASEAN* is therefore collectively formulated by the people of ASEAN and their organisations, against deepening inequality, and reflects their aspirations and demands in the current process of regional integration.

### **Defining Social ASEAN**

A Social ASEAN is one where people's rights and needs stand above markets and profits, and where the benefits of regional integration are distributed equitably among the people.

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The *Agenda for a Social ASEAN* is dedicated to all people of ASEAN, irrespective of their sex, gender and sexual orientation, age, religion, ethnicity, race, age, physical and mental abilities. It provides a sound basis for constructive engagements among diverse state and non-state actors to build an ASEAN that is truly committed to the interests and welfare of the people.

Among the core demands of the *Agenda for a Social ASEAN* are a region-wide implementation of all ILO core labour standards, access to social protection for all across all ASEAN member countries, and the institutionalisation of democratic and participatory processes at both national and regional levels.

**The *Agenda for a Social ASEAN* is guided by a set of fundamental principles:**

*Solidarity* – People collectively identify and recognise their common struggles and interests and take active responsibility in ways that foster diversity, autonomy, cooperation, communication, and democracy.

*Social justice* – People have equal access to economic, political and social rights and opportunities, and take care of the least advantaged members of society. All forms of discrimination, marginalisation and exclusion are eliminated.

*Rights-based approach* – The primacy of fundamental rights of human beings and nature are above market rights. These basic rights are enshrined in the UN Declaration of Human Rights (1948), the core ILO Conventions, and the various ASEAN Declarations.

*Universality* – All people as human beings are entitled to all the rights espoused in the various international instruments and declarations.

*Comprehensiveness* – State policies and actions are multi-dimensional and coordinated to create the conditions for all people to fully experience what a Social ASEAN means.

*State duty to society* – State policies and actions are driven by the needs of the people and guided by roadmaps for the immediate realisation of fundamental rights.

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*Participation* – People are meaningfully involved and consulted in the design, implementation, enforcement and monitoring of laws, policies and programs.

*Transparency and accountability* – Public involvement and control mechanisms are put in place to allow peoples' voice and participation in the design, implementation and monitoring of state policies and programs.

### **Gaps in the current ASEAN integration**

#### **Inequitable growth and dominance of corporate power**

The current ASEAN integration process has been marked by a system of neoliberal regionalism predicated by free trade agreements within and to a greater extent outside ASEAN that has further deepened the liberalisation and deregulation of trade, investment, macroeconomic policies, services and skilled labour, with big transnational corporations as its main drivers and beneficiaries.

This has led to the loss of traditional means of livelihood and diminished public access to essential services such as electricity, water, health care and education. Labour is prone to further exploitation given the rise of lopsided labour mobility and the degeneration of all forms of employment protection. Thus, while most countries of Southeast Asia have enjoyed economic booms, their people continue to experience rising joblessness and social insecurity, increasing poverty and vulnerability, rampant inequalities, and environmental degradation.

#### **Missing social dimensions in ASEAN developments and processes**

As part of the ASEAN Socio-Cultural Community pillar, the ASEAN governments have adopted various significant declarations such as the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers (2007), the ASEAN Guidelines on Good Industrial Relations Practices (2010), the ASEAN Human Rights Declaration (2012), the ASEAN Declaration on Strengthening Social Protection (2013), and the ASEAN Declaration on the Elimination of Violence Against Women and Elimination of Violence Against Children (2013).

The non-binding and non-enforcement nature of these instruments reflects the lack of political will of ASEAN governments to put in place the social framework of integration. There is also a lack of bottom-up consultations,

participation and inclusion of civil society and trade unions in policy-making processes, and binding mechanisms.

### **Building a Social ASEAN**

Building a Social ASEAN, therefore, requires governments of the ASEAN member states to pursue, both at the national and regional level, the primacy of people's interests and rights, social justice and sustainable development, a life of dignity, and decent work.

#### *1. Primacy of people's interests and rights*

##### **1.1. Democratic, participatory and people-centered processes**

ASEAN governments should create the conditions for people's voice and participation in matters that affect their political, economic and social well-being by allowing trade unions, civil society organizations and the academe to engage in established ASEAN processes, particularly in the ASEAN Labour Ministers Meeting (ALMM), the ASEAN Commission on Human Rights (AICHR), the ASEAN Commission on Promotion and Protection of the Rights of Women and Children (ACWC), and other ASEAN-level Committees created to implement the various social Declarations.

The establishment of a supervisory mechanism in the AICHR, with equal representation from ASEAN governments, social partners and civil society organisations, including trade unions, can effectively ensure that the ASEAN Member States improve their practices to fulfil the global standards of human rights, including a stronger assertion of workers' rights.

Setting up a complaint mechanism in AICHR enables aggrieved workers and their organisations the opportunity to seek legal redress.

##### **1.2. Creation of an ASEAN Social Scorecard**

An ASEAN 'social scorecard', jointly designed by ASEAN governments and organizations of ASEAN people, could be used to monitor and track progress on the implementation of the various ASEAN Declarations in terms of the adoption of legally-binding ASEAN instruments as well as the measures to fully realize the different rights of ASEAN people as outlined in this Agenda.

The scorecard mechanism will require ASEAN member states to report their progress annually. The ASEAN Secretariat shall be empowered to call on

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governments to make the necessary adjustments and corrections. National contact points can be set up to implement this reportorial system.

## *2. Social justice and sustainable development*

### **2.1. Gender equality**

Gender equality significantly contributes to advancing economies and sustainable development. Despite recent progress in the region, gender inequalities still exist in the form of unequal opportunity and treatment between men and women in employment, the gender pay gap, inadequacy in maternity protection and discrimination of women workers because of their family responsibilities.

In line with international commitments such as the Beijing Platform for Action, the Convention on the Elimination of All Forms of Discrimination against Women and a series of ILO conventions, concrete measures should include opportunities for skills development and vocational training, as well as the support towards women entrepreneurship and women in leadership roles, to enable social and economic empowerment of women.

### **2.2. Protection of vulnerable and disadvantaged groups of people**

Children and youth should be ensured of the care, assistance, education and training that they need. They should be protected against negligence, violence and exploitation. States should provide free public education to children and young people. The full implementation of the ASEAN Declaration on the Elimination of Violence against Women and Elimination of Violence against Children (2013) will require ASEAN-wide legally-binding domestic laws and appropriate policies, institutions and enforcement mechanisms.

Governments should take necessary measures to provide persons with disabilities with education, vocational training and guidance to enable them to access employment and livelihood opportunities. This can be done by adopting measures that encourage employers to hire and keep them in employment under working conditions that meet the needs of the disabled.

To promote their full integration and participation in the life of the community, measures that aim at overcoming barriers to communication

and mobility and enabling access to transport, housing, cultural activities and leisure should be put in place.

Migrant workers and their families have the right to protection and assistance. This calls for the full ratification and implementation - regarding appropriate national and regional policies, institutions and enforcement mechanisms - of the International Convention for the Protection of the Rights of All Migrant Workers and Members of their Families. Furthermore, this also requires the ASEAN Member States to finalise the Draft Declaration on the Protection and Promotion of the Rights of Migrant Workers.

### *3. Life of dignity*

#### **3.1. State duty to essential social services**

Universal, affordable and quality health care, education, humane and affordable housing, living requirements for water and energy are public goods and part of the social commons. The provision of these essential social services has to be guaranteed and financed by the state as they are connected to the survival, dignity and development of individuals and the society.

This calls for a reversal of privatisation of these public goods and the forging of Public-public partnerships i.e. state partnerships with non-profit groups like peoples' cooperatives on housing, water, energy, health and other essential services, to achieve more people-centered, transparent and accountable modalities of social services administration and delivery.

#### **3.2. Social protection for all**

Social security is a human right as well as an economic necessity. At the same time, it is an instrument aiming at managing the risks of life, fair distribution of income, social cohesion, political stability and driving growth by boosting productivity and domestic demand.

The state needs to create a comprehensive social protection system that includes social security such as living pensions for the elderly and the disabled, child allowances, maternity protection, and income guarantees during unemployment, sickness and natural disasters. Rights-based and universal, not targeted or means-tested, social security coverage means all people are entitled.

Governments should endeavour as well to raise the system of social protection progressively to a higher level without putting the financial burden to the people.

At the national level, funding for the provision of essential services and social protection for all may come from the revenues derived from progressive taxation, taxes on all monetary and financial transactions (Tobin tax), taxes on sales of transnational corporations, and taxes on idle lands based on a given threshold of land size.

These policies at the same time redistribute income from the rich to the poor. The promotion of public banking is also a way to generate funds for social priorities. As a matter of public policy, government spending on social protection for all, especially on health and education, should be raised to a minimum of 10 percent of the gross domestic product. A decisive push on social security means a critical budgetary targeting for social security.

Thus, enhancing programs on universal education and skills development requires not only a policy declaring universal access but also concrete budgetary allocations. At the ASEAN level, setting up a Regional Social Protection Fund, funded through the financial transaction tax, and a Global Fund for Social Protection can help poorer countries in the region to meet the basic costs of putting effective social protection systems in place in all the ASEAN Member States.

### **3.3. Right to safe and affordable food and productive resources**

People have the right to safe and affordable food, produced from ecological and sustainable agriculture of small farmers and food workers. Small-scale farmers, food workers and their organisations should have a compelling voice about how food is produced, how fisheries are maintained and how land and natural resources are controlled and managed.

Social protection systems, industrial policies and development measures should aim at improving the incomes of the rural population, protecting the legal rights of peasants, and recognising women's role in food production. Land, forests and water are shared resources that should be made accessible to all. This calls for an end to multiple forms of dispossession.

#### 4. Decent work

##### 4.1. Ratification and implementation of ILO core labour standards

The ratification and implementation (i.e., national legislation, institutional support and enforcement mechanisms) at the national level of all the ILO core labour standards are essential to creating the conditions for the achievement of decent work. Decent work means just conditions of work (i.e. working hours, rest periods, holidays, formal employment contract, parental leave), safe and healthy working environment and fair remuneration for all workers, irrespective of firm size, employment status, nationality, religion, ethnicity or gender. It also implies the full exercise of the right to organise and bargain collectively by all workers should be guaranteed.

Trade unions should be able to assume the role and responsibility to organise and unionise all workers, including migrant workers and workers in the informal economy, including those engaged in micro and small enterprises, to prevent abuse and exploitation. Further measures include policies that disallow job contractualization; work guarantee programs; and living wages that cover the decent subsistence of a whole family.

Funding for the two latter measures may come from the same sources of funding for essential services and social protection. These revenues can be used to subsidise the grant of a national living wage for workers engaged in micro and small enterprises and the informal economy.

ASEAN governments should create the conditions for the achievement and maintenance of the highest possible level of stable employment, to (or “intending to”) the attainment of full and decent employment for all by pursuing macroeconomic and sectoral policies that promote formal employment, focusing mainly on the development of sustainable micro and small and medium enterprises.

The aspirations and demands of this Agenda have been articulated in various regional meetings of trade unions, civil society organisations and the academia over the past years.

With these proposals, the *Agenda for a Social ASEAN* is turning to all people of ASEAN and their representative organisations. It wishes to seek

endorsement and support from the wider public to make the project of a Social ASEAN a reality.

**As at March 2017, 60 social movement organizations, 4 parliamentarians, 1 AICHR member support the Social ASEAN Agenda**

**UNI Apro and ASETUC are members of the Working Group on Social ASEAN supported by the FES Germany.**

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