

# Joint ACFTU/ILO ACTRAV/ITC ACTRAV Asia and the Pacific Seminar on Financial Crisis: ILO Jobs Pact and Response by Trade Unions

Bangkok, Thailand: 14-16 December 2009

## Background Note (Draft)

It is nearly a year since the beginning of the global financial crisis that originated in the USA. It began in the banking sector but it soon became a global problem. Many countries have responded with adopting different measures to limit the damage of the crisis and stimulate growth. This has included many governments adopting stimulus packages. It seems the stimulus package initiated by the Government of China has helped the Chinese economy. It has seen a steady growth of the Chinese economy though the rate of growth has been lower than in the previous years. While there seem to be a revival of the economic growth worldwide, unemployment and underemployment continues to be a severe problem. Millions of rural Chinese workers who were employed in factories and worked in the construction industries in the urban areas had to go back after losing their jobs. A country like Cambodia that depends mainly on garment export lost about 650000 workers from a high of 353000 in mid 2008

Likewise there are several challenges faced by the unions as a result of the crisis. These include the closure of factories, redundancies, rising number of disputes, workers being laid off and the victimisation of union activists. Organising and recruitment of union members have become ever more difficult. While the crisis was not a fault of the workers, they and their families are the first to suffer from it.

The ILO at its 98th Session of the International Labour Conference (ILC) in June 2009 adopted a Jobs Pact as a response to the Crisis. In a true tripartite fashion the Pact was negotiated amongst the Governments, Workers and Employers and adopted by the Conference. Global Jobs Pact is designed to guide national and international policies aimed at stimulating economic recovery, generating jobs and providing protection to working people and their families.

"We are sending a message of vision, change and realism to governments and to the women and man in the street", said Leroy Trotman, Worker Vice-Chairperson of the Committee of the Whole on Crisis Response. "Today the Jobs Pact is only a piece of paper. We governments, workers and employers have to make it a reality. This includes a commitment of governments to social dialogue and strong labour market institutions. Recovery requires a wage-led increase in aggregate demand, social protection and social dialogue, and collective bargaining. But it also means no interference by employers, when workers organise themselves and represent their interests collectively. If we fail societies will lose. If we succeed, I am convinced future historians will say: the ILO lived up to its mandate."

### Main Issues:

During the seminar some of the main issues that would be deliberated upon include:

- What has been the reaction of the unions to the crisis? How are they dealing with the challenges facing them?
- Are the stimulus packages benefiting ordinary workers? What are some of the actions that Governments can take to protect and promote growth of decent jobs? How has the Chinese government stimulus package helped revive the economy? What measures could be taken in terms of minimum wage, introduction of some basic platform for social security?
- How can the unions promote the Jobs Pact?

**Seminar Objectives:**

The objectives of the seminar are that at the end of the programme participants will be able to:

- recall the experiences of the countries in the region in terms of Government actions to revive the economy
- relate good examples of the actions and responses by the trade unions to protect and promote the interests of their members in face of the crisis
- promote measures to get the Jobs Pact implemented
- have an understanding of the Chinese experience in terms of economic recovery and the actions taken by the Chinese unions.

**Seminar participating countries:**

One participant each from the following countries: Australia, Cambodia, India, Bangladesh, Vietnam, Fiji, Malaysia, Nepal, Thailand, Singapore, Korea, Philippines, China, Japan, Pakistan and Indonesia

Total participants plus resource persons: 25

**Venue and dates:**

Bangkok, Thailand 14-16 December 2009

**Joint Event:**

The seminar will be jointly funded by the ACFTU, ILO-ACTRAV