



The Role of Trade Unions In ASEAN with reference to Social Protection

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Key challenges in ASEAN and social security

1. fast economic growth with inflows of FDI and rapidly growing corporate bonds – opportunity and challenges in employment and social security
2. Demographic changes towards ageing societies, increasing young job seekers and an increase of vulnerable employment
3. Much higher youth unemployment rate, compared to the average unemployment rate of adults
4. Migration flows within ASEAN increase but they are most vulnerable to discrimination and harassment.

5. The minimum wage is a tool to reduce poverty and ensure minimum income security to meet the basic needs for workers and their families. The minimum wage adjustment is a key concern of industrial relations in ASEAN.

6. The public budget expenditure for public society security is relatively low and vulnerable employment is often excluded from social security coverage.

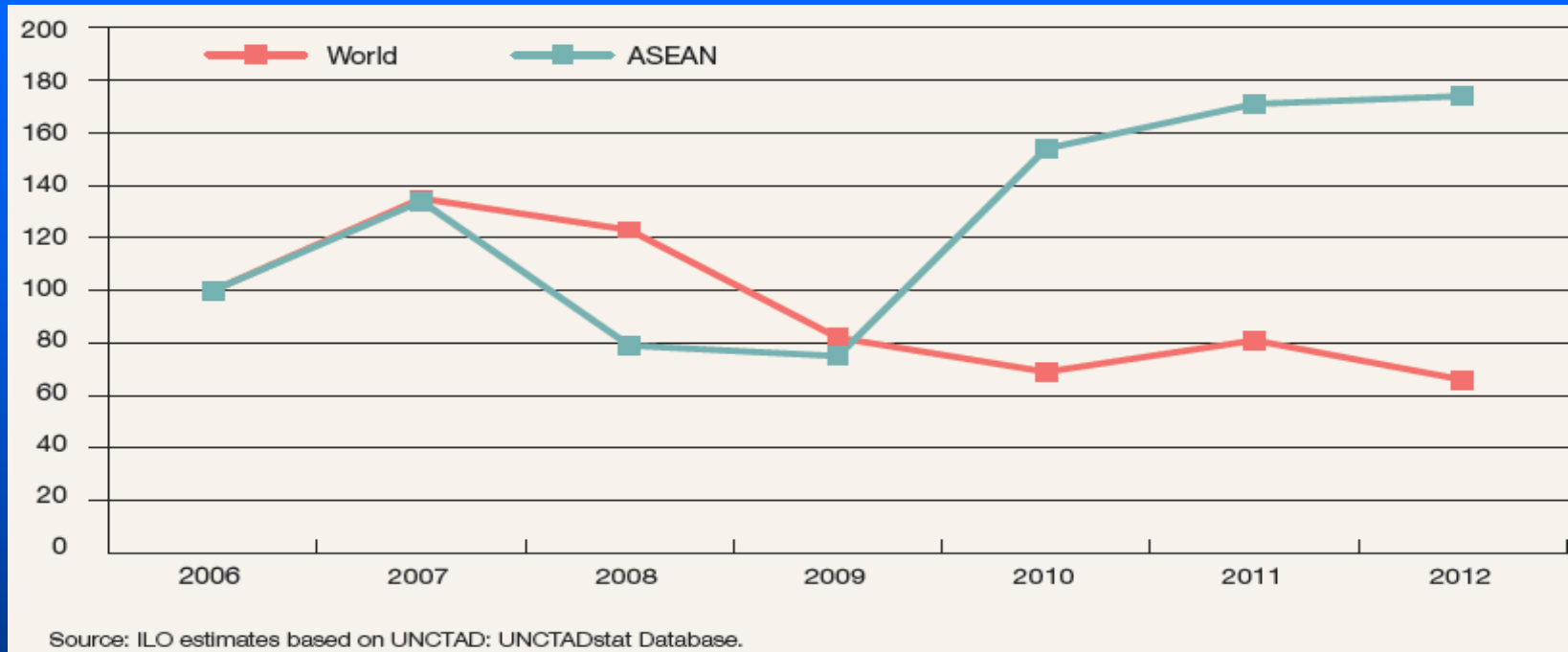
7. The universal coverage of social security is fundamental human rights, but workers' voice is not heard as unionization rate and CBA coverage is relatively low.

What does the ASEAN integration mean for labour?

Labor is central to the ASEAN development process

- Improved education and skills by workers are key for enhancing corporate and international competitiveness
- Creation of decent and quality jobs is a great challenge.
- Protection of workers with contract-based, self-employed, precarious and informal employment is another challenge
 - The population of ASEAN who are living under PPP \$ 1.25 a day is around 15% in 2010.
- Establishment of a common regulatory framework and protective measures for migrant workers is a common interest among ASEAN member states but it is not easy.
- Compliance with international labour standards, especially on ILO 8 core conventions and its monitoring mechanism should be established.

1. FDI inflows to ASEAN and the World, 2006-12



ASEAN becomes the main destination of FDI, which is higher than the FDI investment in the world.

It can bring an opportunity for employment generation.

It is questioned as to whether MNCs abide by domestic labour and comply with international labour standards, and whether they are willing to improve corporate welfare schemes.

ASEAN Trends in FDI Flows, US\$ million

Trade Partner	2005	2011
Intra ASEAN	4,211	26,271
Japan	6,582	15,015
USA	3,263	5,783
PRC	616	6,034
Total	42,556	114,111

FDI within ASEAN has dramatically increased for last six years

Chinese FDI in ASEAN has risen almost 10 times for last six year

Foreign Direct Investment (FDI) inflows to ASEAN at US\$108.2 billion in 2012

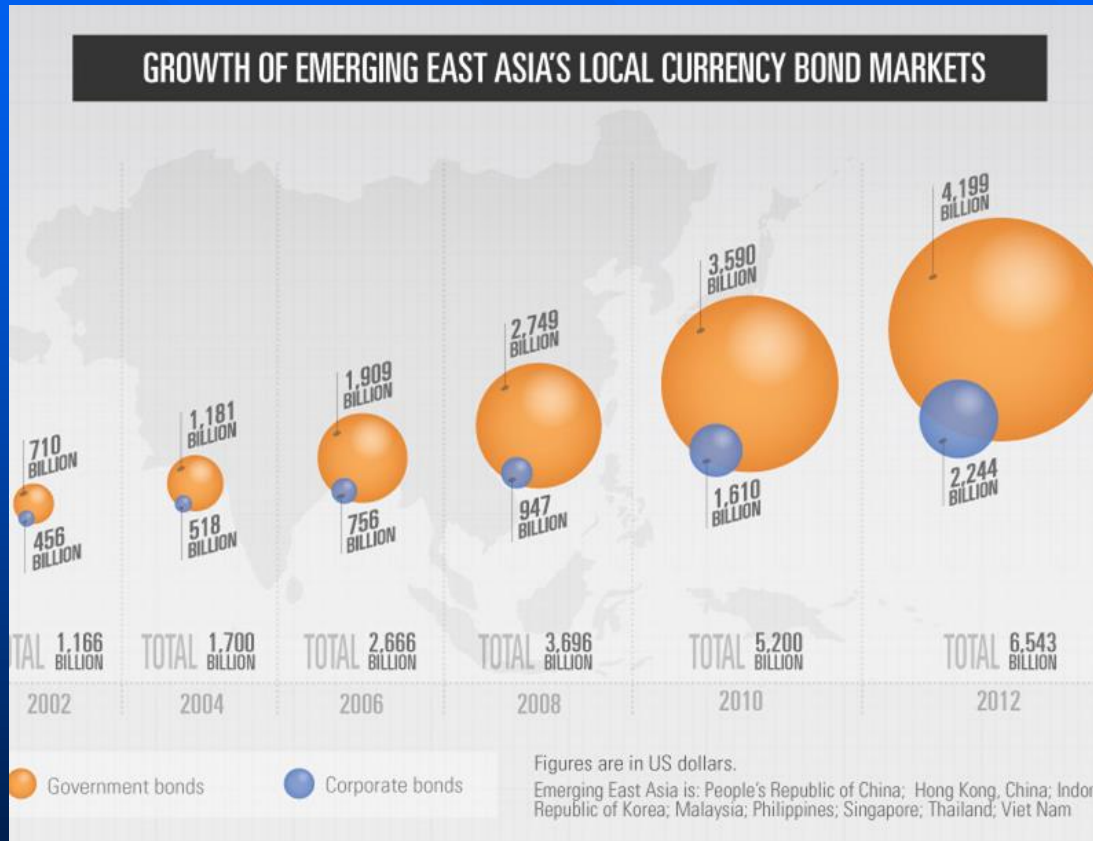
ASEAN Exports to Selected Trade Partners, %

Trade Partner	1993	2003	2011
Intra ASEAN	21	26	26
Japan	15	16	12
USA	20	15	9
PRC	2	6	10

The ASEAN integration will give a better opportunity to increase trade within ASEAN and other countries.

At the same time, it will face challenges for an inclusive economic growth with a fairer income distribution and better social protection

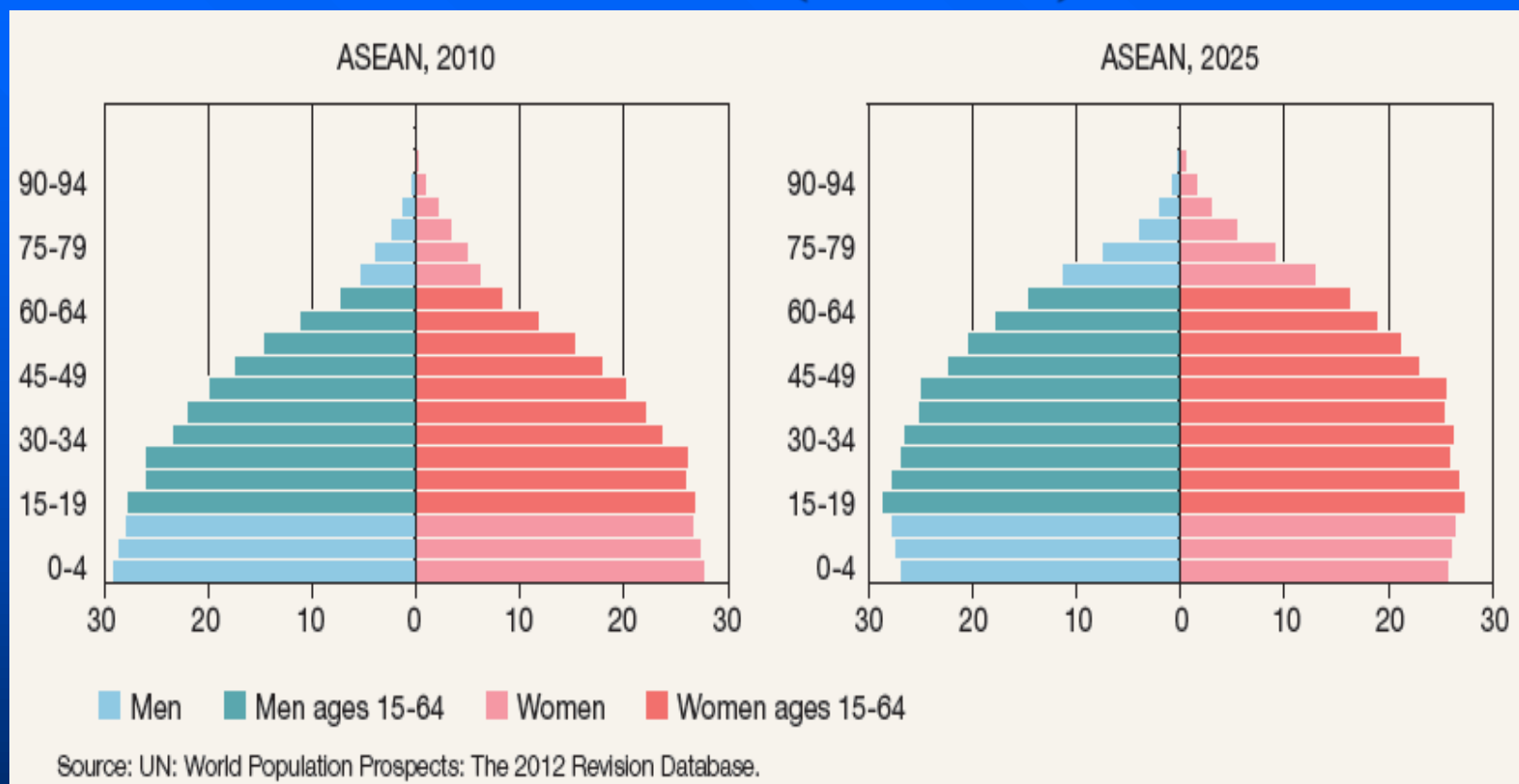
Growth of bond markets in ASEAN plus China, HK and Korea after the crisis



The ASEAN region is also most rapidly growing corporate bond markets.

Corporate bond markets in Indonesia, China, Thailand, and Malaysia are enormously and fast growing, threatening bubble economy.

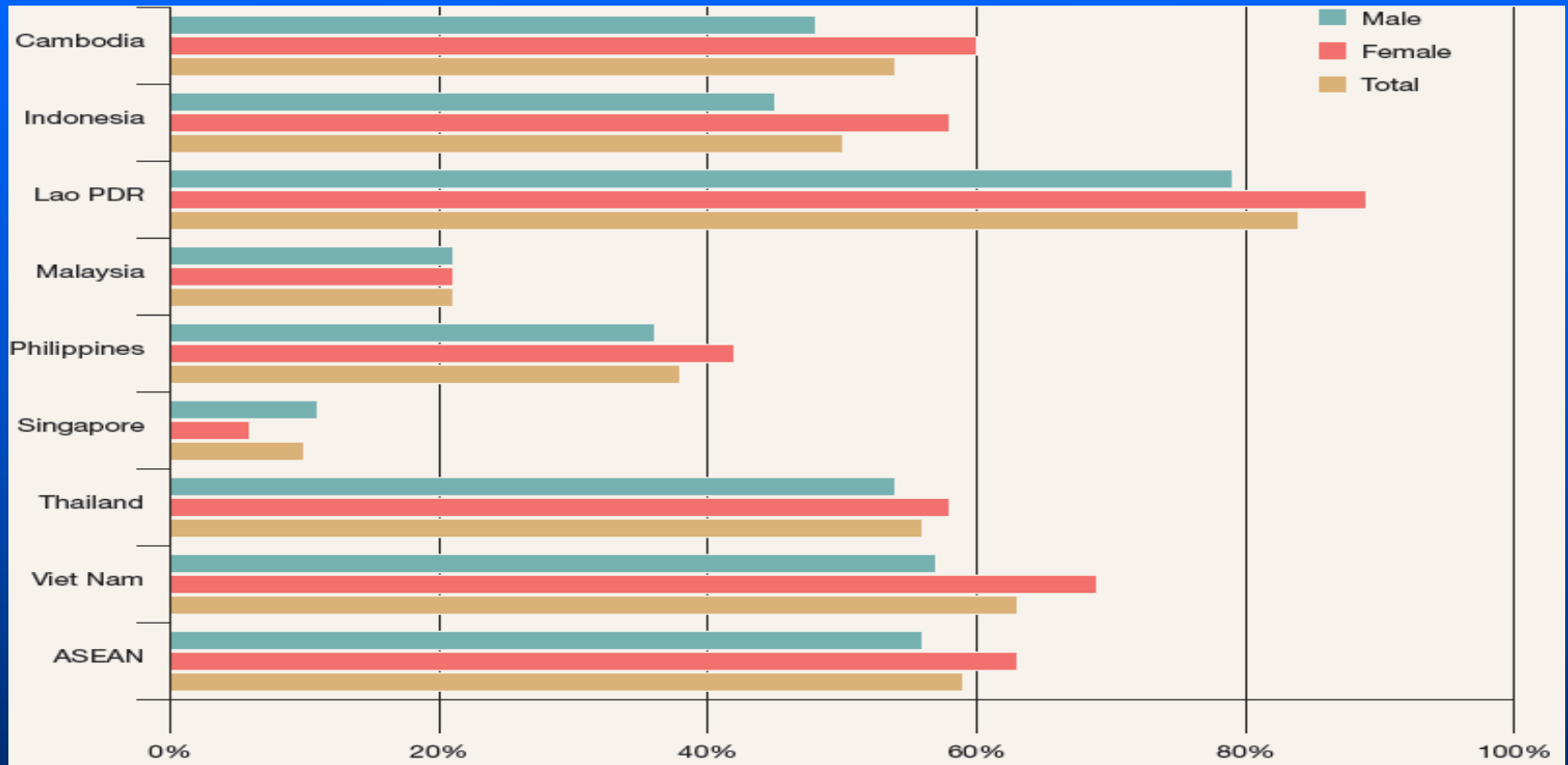
2. Population by sex and age in ASEAN, 2010-15 (million)



Demographic changes take place, with an increase in young workforce and moving towards an ageing society.

An active labour market policy needs to be adopted to generate more decent jobs and minimum income security for those who are seeking jobs.

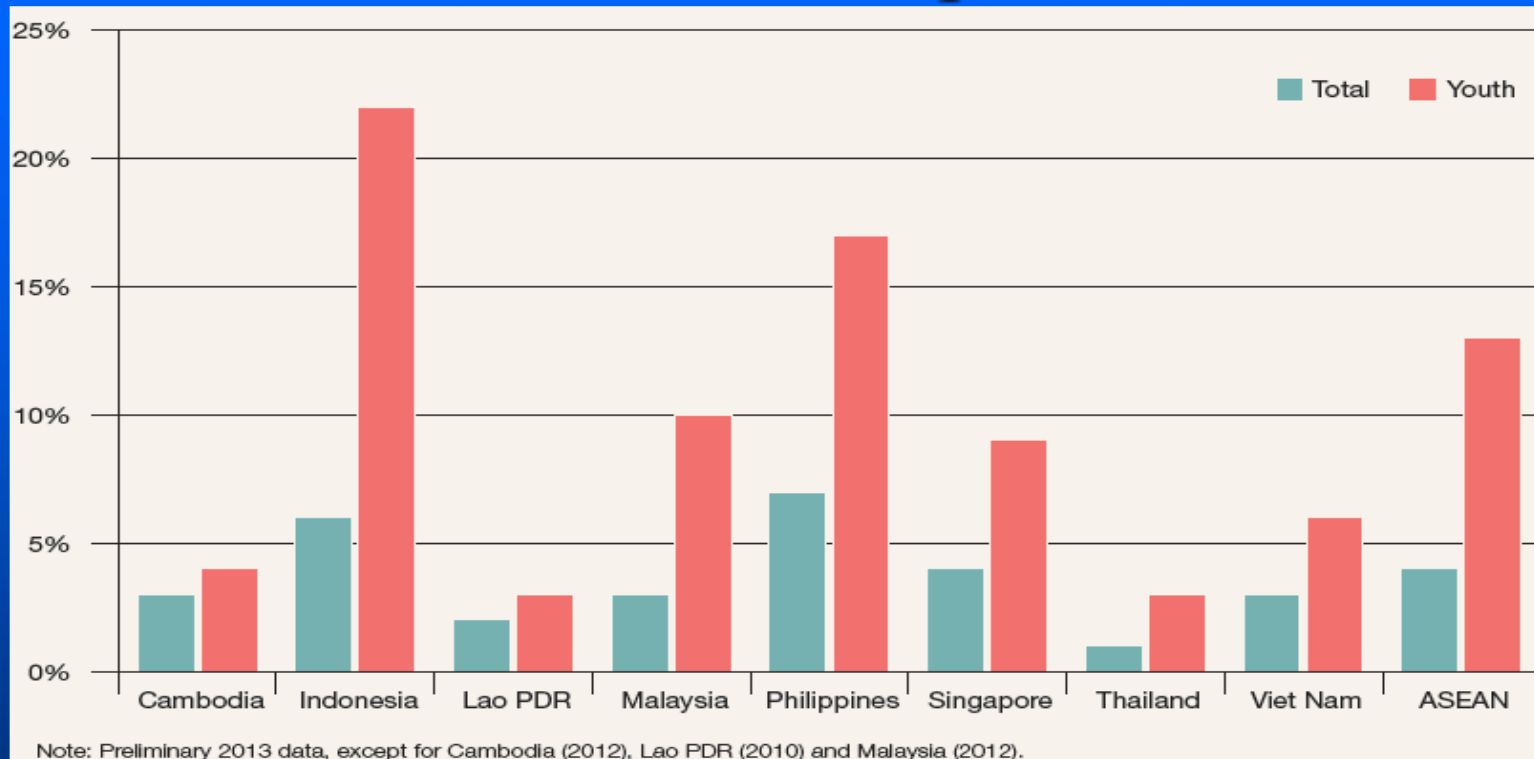
Vulnerable employment as a share of total employment by sex, 2013



The vulnerable employment is expanding in ASEAN.

- There is the need to bring in a legislation regulating their working conditions and employment relations and a mandatory social security system like NREGS in India.

3. Unemployment rate, total and youth in the 2010-2013 period



The youth unemployment rate in ASEAN countries is much higher than that of adult unemployment rates.

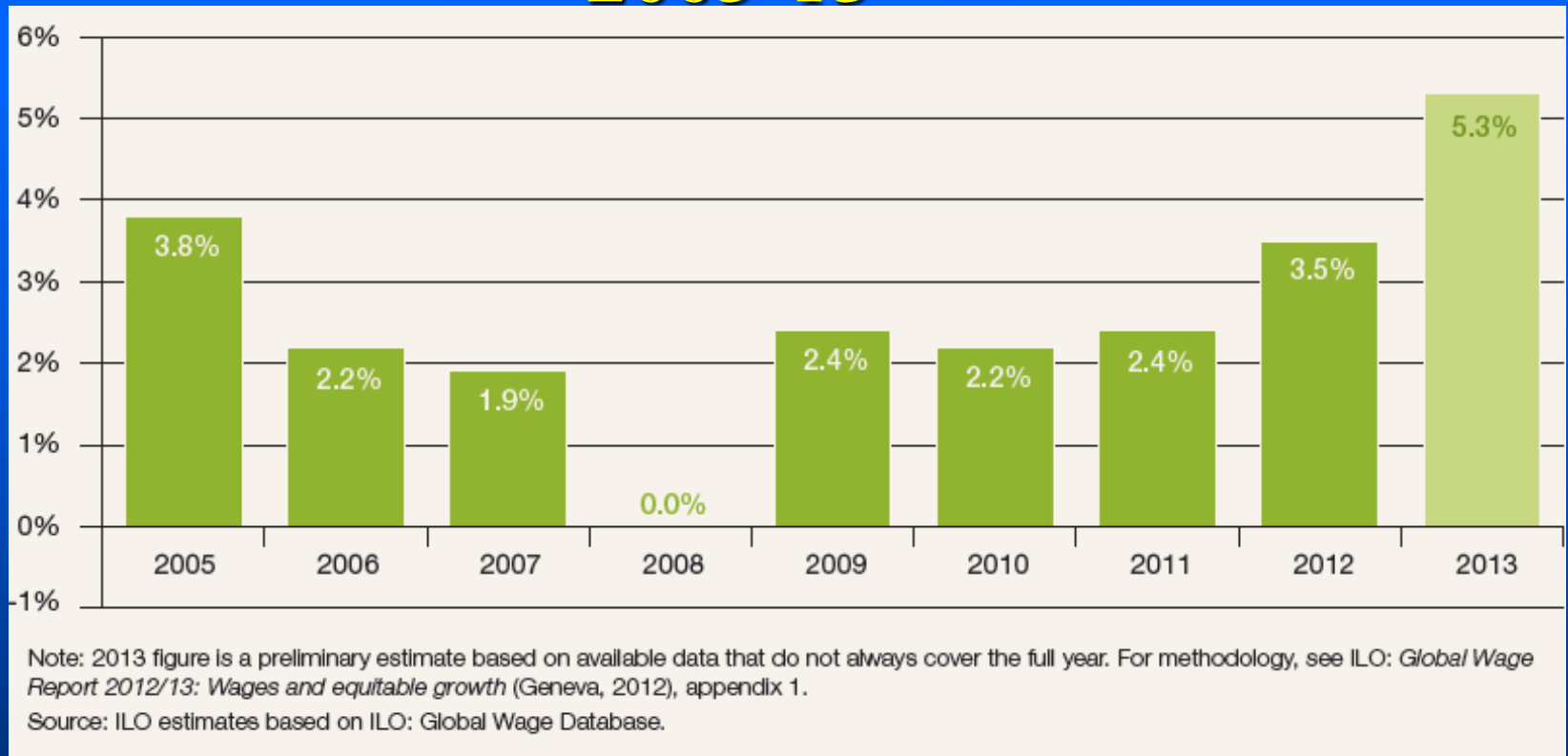
- Providing young job seekers with training and retraining together with employment services is a priority to improve their vocational qualification for better employability

4. Coverage of migrant workers under social security by country, 2014

Country	Branch of social security provided overall									Do these cover migrants?
	Medical care	Sickness	Unemployment	Old age	Work injury	Family	Maternity	Invalidity	Survivors	
Main destination countries										
Singapore	•	•		•	•		•	•	•	No
Brunei Darussalam	•	•		•	•		•	•	•	No
Malaysia	•			•	•			•	•	Yes ^(b)
Thailand	•	•	•	•	•	•	•	•	•	Yes
Main source countries										
Cambodia ^(a)	•	•		•	•		•	•	•	Yes
Indonesia	•	•		•	•			•	•	Yes
Lao PDR ^(a)	•	•	•	•	•	•	•	•	•	Yes
Myanmar ^(a)	•	•	•	•	•	•	•	•	•	Yes
Philippines	•	•		•	•		•	•	•	Yes ^(b)
Viet Nam ^(a)	•	•	•	•	•		•		•	Yes
Note: Information is based on social security laws and acts but does not consider any sub-level decrees or regulations that might hold relevant provisions; (a) Social security laws have been adopted though the implementing legal texts are still in draft form. (b) Excludes medical care. "Yes" means migrant workers are covered equally with non-migrants. "No" means only nationals and/or permanent residents are eligible. "•" indicates a branch of social security is provided within a given country.										
Source: ILO compilation from official national sources.										

Social security schemes are available for migrant worker in theory but their actual coverage is on question. Universal healthcare for migrant workers is a key agenda in ASEAN.

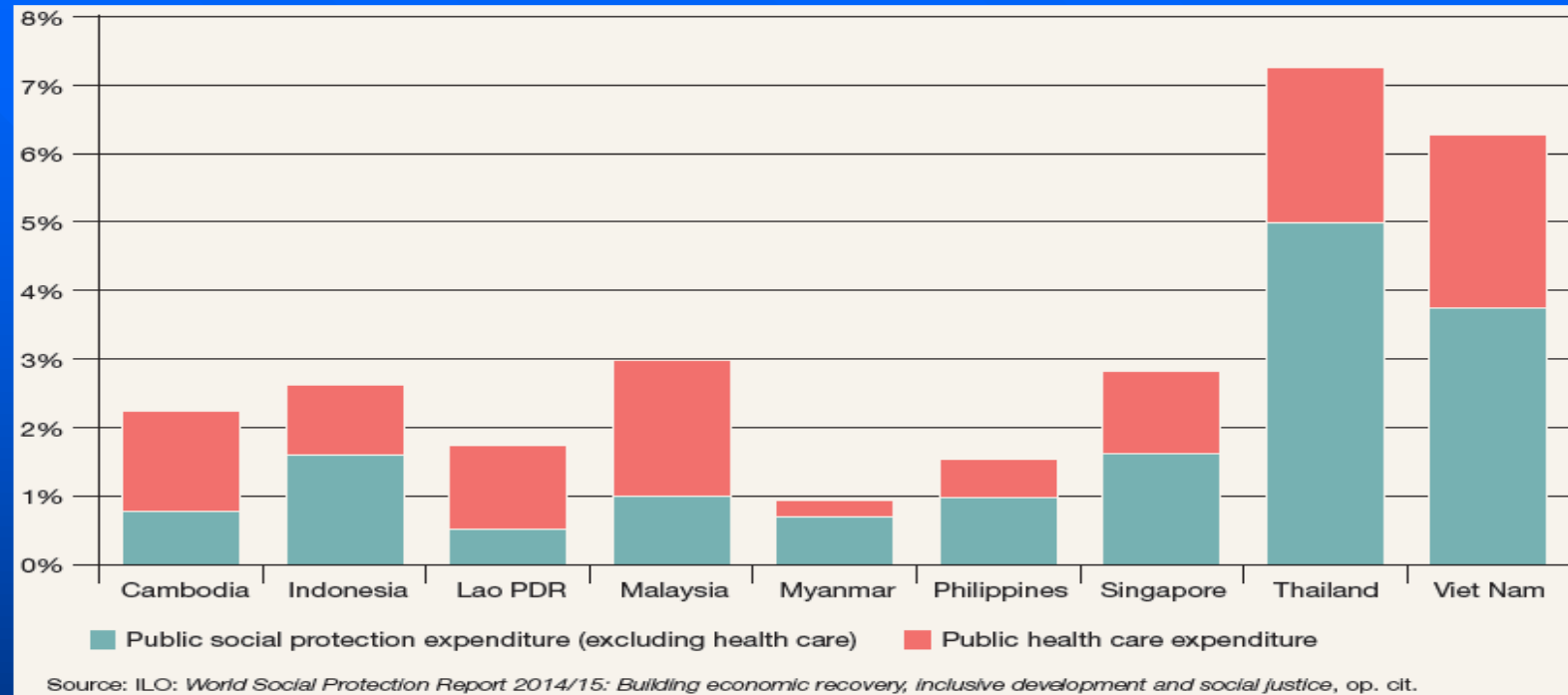
5. Annual real wage growth in ASEAN, 2005-13



ILO/ADB report (2014) shows the real wage in ASEAN has grown more than 2 % over the 2005-13 period.

The increase of the minimum wage is a key topic of industrial relations in ASEAN as it can have impacts on business, employment and workers' livelihoods.

6. Public social security expenditure in the most year (% of GDP)



ASEAN states except Thailand and Viet Nam spend less than 3 % of its GDP.

ASEAN has achieved high GDP growth rates and increased national wealth. The increase of public budget for extension of social security is timely to redistribute the national wealth and reduce income inequality

7. ASEAN countries' ratification status of ILO 8 core conventions

<i>Country/convention</i>	29	87	98	100	111	105	138	182
Brunei							2011	2008
Cambodia	1969	1999	1999	1999	1999	1999	1999	2006
Indonesia	1950	1998	1957	1958	1999	1999	1999	2000
Lao PDR	1964			2008	2008		2005	2005
Malaysia	1957		1961	1997		x	1997	2000
Myanmar	1955	1955						2013
Philippines	2005	1953	1953	1960	1953	1960	1998	2000
Singapore	1965		1965	2002		x	2005	2001
Thailand	1969			1999		1969	2004	2001
Viet Nam	2007			1997	1997		2003	2000

There is need to improve the level of compliance with international labour standards within ASEAN

What does the ASEAN integration mean for labour: Role of TUs?

- constructive engagement in the ASEAN integration to provide inputs of workers and trade unions in the policy formulation of ASEAN

- What is the proposed, optimal mechanism that trade unions can get engage in it?

- how to involve in the national consultation mechanism in the implementation and extension of social protection at the national level?

- how to address the concerns of most vulnerable groups like youths and migrant workers in social protection?

- what are strategies to increase the public budget expenditure for extension of social security for vulnerable employment?



THANK YOU