

ASIA PACIFIC LABOUR NETWORK (APLN)

**TOWARDS AN APEC COMMUNITY FOR
SUSTAINABLE DEVELOPMENT AND RIGHTS:**

**STATEMENT OF THE ASIA PACIFIC LABOUR NETWORK
(APLN) TO THE 2006 APEC ECONOMIC LEADERS' MEETING
Hanoi, Vietnam, 18-19 November 2006**

INTRODUCTION

*Towards social
justice via decent
work and workers'
rights*

1. The leaders of the Asia Pacific Economic Cooperation (APEC) forum will meet in their 14th APEC Summit in Hanoi, Vietnam from 18-19 November 2006 under the theme of *Towards a Dynamic Community for Sustainable Development and Prosperity*. Achieving sustainable development, economic growth and higher living standards requires respect for workers' rights accompanied by high levels of investment in training, retraining and education policies. APEC Leaders must recognise that APEC needs to change its imbalanced, business-oriented approach to globalisation and give the highest policy priority to achieving social justice through the creation of decent work for all, based on the full respect of fundamental workers' rights.

MAJOR RECOMMENDATIONS

*The APLN
recommends:*

2. The APLN urges APEC Leaders to use the APEC forum to promote decent work, establish effective rules for the global economy and strengthen labour market security, with full involvement of trade unions in APEC economies. As immediate points for action, the APLN calls on APEC Leaders to:
- 1) Adopt concrete measures to promote labour participation in APEC and endorse the establishment of an APEC Labour Forum;
 - 2) Further develop the analysis and ideas presented in the 2006 study on socio-economic disparities in the APEC region, initiated by Korea, to increase the relevance and value of APEC to the population of the region;
 - 3) Strengthen the Human Resource Development (HRD) agenda within the APEC process and hold the next HRD Ministerial Meeting with full consultation of the social partners, and a strong emphasis on the creation of decent and productive employment through comprehensive APEC Employment Guidelines;
 - 4) Promote fundamental workers' rights in multilateral, bilateral and regional trading systems as well as in APEC;
 - 5) Develop APEC guidelines to ensure the proper

- implementation of non-discriminatory policies with regard to gender and other forms of discrimination;
- 6) Develop an APEC framework for a rights-based approach to migrant workers;
 - 7) Launch an APEC initiative to promote a conducive legal and policy framework to mainstream informal economic activities;
 - 8) Develop an APEC framework to encourage social dialogue in multinational enterprises, and revise the APEC Non-binding Investment Principles; and
 - 9) Start an APEC initiative for effective policies to promote decent work and sustainable investment and trade rather than, frequently, allowing sweatshop manufacturing production and exploitation in EPZs, where the majority of workers are women.

Recommendation 1: Adopt concrete measures to promote labour participation in APEC and endorse the establishment of an APEC Labour Forum

Promoting workers’ participation throughout the APEC process

3. Since its creation in 1995, the APLN has been striving to make workers’ views heard by APEC, through representations to governments at the national level, by consultations with the hosts of APEC Summits¹ and in contributions to the work of APEC on Human Resource Development². The APLN welcomes the proposal of the government of New Zealand on labour participation in APEC in response to the 2003 Bangkok Leaders’ Declaration calling APEC members to make APEC more efficient and responsible to all stakeholders, including labour representatives. It is significant that APEC Ministers endorsed the New Zealand proposal for regular interaction with the host economy and the Executive Director of the APEC Secretariat. APEC Leaders must, however, agree to take concrete measures to further promote workers’ participation throughout the APEC process.

An APEC Labour Forum

4. The APLN has been calling on Leaders to endorse the establishment of an APEC Labour Forum, in the form of an APEC formal consultative mechanism with trade unions comparable with the arrangements for access by the APEC Business Advisory Council (ABAC), and based on the criteria agreed by APEC’s trade union movement (see Annex to this statement), including the involvement

¹ The APLN has discussed its recommendations, in the form of annual trade union statements, with the heads of States or Governments hosting annual APEC Leaders’ Meetings in every year since 1995, except in 2001 when the APLN met the Chinese Vice Premier and in 2003 when the Thai Prime Minister designated his Labour Minister to meet the APLN.

² Trade union inputs to HRDWG have included an informal presentation by the AFL-CIO President at the 3rd HRD Ministerial Meeting (Washington, 1999), an informal consultation with representatives of RENGO at the 21st HRDWG (Sapporo, 2000), an informal consultation with the RENGO President at the 4th HRD Ministerial Meeting (Kumamoto, 2001), and a presentation of the AFL-CIO International Committee’s Chair at an APEC symposium preceding the 23rd HRDWG (Washington D.C., 2001).

of representative trade union centres of APEC economies. Leaders must agree to instruct their Senior Officials to work in consultation with the APLN to ensure the successful operation of the APEC Labour Forum.

Trade union participation in the HRD Working Group

5. APEC Leaders should further instruct their Senior Officials to promote the representation of trade unions on selected APEC committees, working groups and Ministerial meetings, and allocate resources to support such representation. In particular, as recognised by APEC Human Resource Development (HRD) Ministers,³ trade union representatives need to be involved in the APEC HRD Working Group to develop adequate HRD strategies.

Recommendation 2: Further develop the analysis and ideas presented in the 2006 study on socio-economic disparities in the APEC region

Time to address the disparities of globalisation

6. APEC has recently recognised the increasing social and economic disparity in the region, by initiating a study on this and a process of looking at how such deficiencies of policies can be overcome. The APLN welcomes this initiative and encourages APEC to expand it as well as use it to redress some of deficiencies of current APEC objectives and policies. Pursuing trade and investment liberalisation for mere economic gain, as APEC so far has done, risks creating as many losers as winners of the increased Asia-Pacific co-operation and economic integration. Policies must be focused on improving opportunities for all and on strengthening the social security systems for the regions most vulnerable groups. Only by enhancing the work on ensuring that all parts of society take part in the development in the region, will APEC achieve the objective of creating a *Dynamic Community for Sustainable Development and Prosperity*.

Recommendation 3: Strengthen the HRD agenda within the APEC process and hold the next HRD Ministerial Meeting with full consultation of the social partners

Hold a further APEC HRD Ministers' Meeting with full, significant consultation of trade unions

7. APEC has recognised the importance of human resource development (HRD) since its creation and has worked on the development of HRD in the region through the activities of its HRD Working Group and the discussions of the APEC HRD Ministers' Meetings. However, while Trade Ministers meet on an annual basis to facilitate the process towards the Bogor goals⁴, the last meeting of

³ APEC Human Resource Development (HRD) Ministers recognised at their meetings in Manila (1996), Seoul (1997), Washington DC (1999) and Kumamoto (2001) that social and labour policies would be achieved most effectively through the partnership of governments, labour and management, and repeatedly instructed the APEC HRD Working Group to develop concrete measures to promote such partnership.

⁴ APEC Leaders adopted the goal of free and open trade and investment in the APEC region by 2010 for developed member economies and 2020 for developing ones in 1994 in Bogor, Indonesia.

HRD Ministers was in 2001. HRD policies must be central in public policies to ensure sustainable and equitable pro-poor growth. APEC Leaders must recognise the importance of holding APEC HRD Ministerial Meetings on an annual basis and, therefore, recommend that the next be organised with full, significant consultation with trade unions, building on the precedents set in Washington D.C. (1999) and Kumamoto (2001).

***APEC members
need a socially
acceptable
dimension in
economic
integration***

8. There is a persistent business-driven effort to enlarge trade and investment in APEC, focusing on market-opening measures and giving lower priority to goals such as full and productive employment as well as social protection. This imbalance must be redressed. APEC has been evolving from an organisation solely concerned with commerce into an organisation which seeks to create regional consensus on issues varied from political and security domains to education, social security and public health. APEC members must incorporate a socially acceptable dimension into their economic integration. APEC Leaders must agree to address the question of growth, investment, and decent employment creation, with the involvement of the International Labour Organisation (ILO) and social partners in the region.

***Decent work at the
centre of APEC***

9. Decent work must be at the centre of APEC. The 2005 UN World Summit (New York, 14-16 September 2005), where many APEC heads of state were represented, pledged to make decent work for all a central objective of national and international policies and national development strategies. And the UN Economic and Social Committee (ECOSOC) dedicated its High Level Segment and Substantive Session in July 2006 to employment and decent work, emphasising its ministerial declaration that the Ministers and Heads of Delegations present “strongly support fair globalization and resolve to make the goals of full and productive employment and decent work for all, including women and young people, a central objective of our relevant national and international policies and our national development policies.”⁵

***APEC Employment
Guidelines***

10. Workers need adequate assistance to obtain decent work. The primary responsibility lies with public policies and should not be left to the individual alone. APEC should develop and implement comprehensive APEC Employment Guidelines comprising active measures to integrate unemployed people into employment, with special attention given to preventing unemployment from becoming long-term. A particularly important effort is required to enable women and young people to overcome the particular obstacles they face on the labour market. Measures should include:

- 1) Early identification of needs of the unemployed and provision of services such as guidance, job search assistance and personalised action plans;
- 2) Accessible training and retraining programmes for all people to enhance their employability and chances of integration;

⁵ UN Economic and Social Council, Substantive session of 2006, Agenda item 2, Ministerial Declaration of the High Level Segment

- 3) Improved labour market institutions, particularly employment services;
- 4) Specific action programmes to enable women to participate on the labour market on a greater scale and to achieve equal treatment and wages;
- 5) Targeted youth training and skills enhancement programmes to overcome unemployment and low-wage employment among young people;
- 6) Regular evaluation and review of the effectiveness and efficiency of labour market programmes.

Effective social safety nets

11. Much has been done as part of the work programme at the APEC level in the area of social safety nets, but little has been put into practice in individual economies. There are still hundreds of millions of people, indeed a majority in developing member economies, who have fallen out of safety nets in the region. Leaders must instruct the Social Safety Net Capacity Building Network (SSN CBN), the HRD Working Group's Labour and Social Protection Network (LSPN) and other relevant fora within the APEC process to work jointly, with full participation of trade unions, on guidelines for achieving effective social safety nets responding to real needs for workers, such as adequate unemployment insurance schemes, old age and retirement benefits, provision of worker-friendly employment services/guidance and vocational training and retraining, and the implementation of employment creation measures, with an effective review process to ensure the implementation of these guidelines in individual economies.

Recommendation 4: Promote fundamental workers' rights⁶ in multilateral, bilateral and regional trading systems and in APEC

Fundamental workers' rights - the basis of creating a rule-based framework for globalisation

12. The power of global trade needs to be balanced by an effective rule-based international framework. Core labour standards, enshrined in the *ILO Declaration concerning the Fundamental Principles and Rights at Work (1998)*, are the basis of creating a rule-based market. But they are frequently violated in the race to increase trade and investment. All APEC governments, as well as employers and trade unions, must reaffirm their pledge made through the adoption of the ILO Declaration to respect, realise and promote fundamental workers' rights.

⁶ Fundamental workers' rights, also known as core labour standards, are internationally-agreed fundamental human rights for all workers, irrespective of countries' level of development, that are defined by the ILO conventions that cover freedom of association and the right to collective bargaining (ILO Conventions 87 and 98); the elimination of discrimination in respect of employment and occupation (ILO Conventions 100 and 111); the elimination of all forms of forced or compulsory labour (ILO Conventions 29 and 105); and the effective abolition of child labour, including its worst forms (ILO Conventions 138 and 182).

***Including
fundamental
workers' rights in
the APEC agenda***

13. APEC is in the middle of a process designed to lead towards the Bogor goals of free and open trade and investment. The report of the World Commission on the Social Dimension of Globalisation (WCSDG) suggests that a strong social dimension embracing the issue of decent work and respect of fundamental workers' rights is essential to make regional economic integration a stepping stone towards a fairer globalisation. However, many fundamental Conventions of the ILO still remain to be ratified and, even if ratified, to be fully applied in APEC economies. APEC leaders must agree to include the promotion of the ratification and application of fundamental workers' rights in the APEC agenda as part of an expanded agenda on labour and social issues.

***An enhanced role of
the WTO with regard
to analysing the
employment impact
of trade***

14. A significant contribution which the Hanoi Leaders' Meeting could make to reinforce the long-term sustainability and strength of the World Trade Organisation (WTO) would be to support taking employment issues into account in trade negotiations, and thus strengthen the analysis of the impact of trade on employment within the WTO. The Doha Round of WTO negotiations has been breaking down because the benefits of trade liberalisation increasingly appear vague and multilateral trade negotiations are at risk of being abandoned because they seem to cause more job destruction than job creation. And moreover, if the analysis of the influence of trade liberalisation on employment is not enhanced, the negative experience of the loss of millions of jobs in poor developing countries, due to the end of the Agreement on Textiles and Clothing (ATC), risks being repeated in other countries worldwide as a result of concluding the Doha trade round. APEC Leaders should recognise the need for the WTO to begin a dialogue in this area and should recommend that the WTO set up a committee on trade and employment that could seek to analyse and anticipate the impact of trade liberalisation on the level and quality of employment, and make recommendations back to the WTO General Council accordingly.

Including provisions on the protection of labour rights in all RTAs/FTAs

15. Regional Trade Arrangements and Free Trade Agreements (RTAs/FTAs) must contribute to improving living standards and working conditions of workers in all participating countries. However, it is regrettable that the *APEC Best Practice for RTAs/FTAs*⁷ does not have any reference to social and labour standards. APEC Leaders must take an APEC-level initiative to encourage the inclusion, in all RTAs/FTAs between APEC economies, of provisions on the protection of labour rights. Such agreements should not only contain obligations with regard to national labour laws but also to internationally recognised core labour standards, as well as contain a mechanism to institutionalise the participation of the social partners in the process of surveillance and promotion of these standards. In the region there already exist some FTAs that contain such clauses. APEC Leaders should ensure the inclusion of labour clauses and reference to core labour standards in future trade agreements so that these agreements serve to advance sustainable development and decent work.

Recommendation 5: Develop APEC guidelines to ensure the proper implementation of non-discriminatory policies in member economies

Gender inequality is evident throughout the APEC region

16. Gender inequality is evident throughout the APEC region in access to resources, educational opportunities, political power, and leadership positions. In particular, structural reform programmes, most often including measure of privatisation and austerity in public spending, have a negative impact on the status of women at work and in society since they adversely affect levels and conditions of employment in sectors in which women are highly represented, as well as reducing the provision of public services on which women are disproportionately dependent, particularly because of their unequal assumption of family responsibilities.

APEC guidelines to ensure the proper implementation of non-discriminatory policies

17. We acknowledge initiatives taken by APEC to address gender equality through discussions of APEC Woman Ministerial Meetings and the establishment of the Gender Focal Point Network (GFPN). However, these initiatives have confined their actions to ensuring gender integration across various APEC fora. APEC Leaders must agree to further advance the initiatives so as to develop APEC guidelines for adequate measures and monitoring mechanisms to ensure the proper implementation of non-discriminatory policies in member economies. Such mechanisms should also be extended to other vulnerable groups facing discrimination on other grounds, such as discrimination based on ethnicity or disability.

Recommendation 6: Develop an APEC framework for a rights-based approach to migrant workers

⁷ Endorsed at the 16th APEC Ministerial Meeting (Santiago, 17-18 November 2004).

*An APEC
framework for a
rights-based
approach to labour
migration*

18. APEC Leaders must agree to develop a framework which takes account of national labour market needs, with reference to the Conclusions on a Fair Deal for Migrant Workers that were adopted at the 92nd International Labour Conference in 2004. Such a framework should be drawn from available information on policy and best practices in economies in international migration, existing proposals to enhance the economic benefits of migration and relevant international standards, including the UN International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families⁸ and ILO Conventions Nos. 97⁹ and 143¹⁰. The APLN considers that APEC Leaders should pay attention to the poor ratification rate of these international standards in APEC economies. APEC member economies should work out a timetable for their ratification.

Recommendation 7: Launch an APEC initiative to promote a conducive legal and policy framework to mainstream informal economic activities

*Informal jobs are
poor-quality,
unproductive and
unprotected*

19. Informal employment is on the rise throughout the APEC region. Far from being decent work, such informal and unprotected jobs are generally poor-quality and unproductive, and many are hazardous. They are not recognised or protected by law and are characterised by an absence of workers' rights, inadequate social protection and a lack of representation, especially at the bottom end among women and young workers. Many informal economic activities employ child labour. In order to move from a cycle of poverty to one of prosperity, the issue of dealing with informal and unprotected work needs to be mainstreamed within the overall policy framework of all APEC economies.

*Fair work rules for
workers in atypical
employment*

20. The increasing numbers of workers in atypical employment, including part-time, fixed-term and temporary workers as well as those employed by special agencies that work as third parties in employment relationships, are of growing concern to society. They are often used as a means for enterprise to adjust labour supply, not as the choice of an individual worker and are in many cases not guaranteed equal opportunity and treatment. APEC Leaders must agree to devise recommendations for member economies to take the necessary measures to establish fair work rules for those in atypical employment, in relation to: freedom of association and the right to collective bargaining; wages, working time, paid leave and other working conditions; social security and portability of benefits; access to training; compensation in case of occupational accidents and diseases; protection of workers' claim in case of insolvency; and maternity and parental benefits.

⁸ Ratified by 25 countries, including Chile, Mexico and Philippines in the APEC region.

⁹ Migration for Employment Convention (Revised), 1949 (No. 97), ratified by 42 countries, including New Zealand in the APEC region.

¹⁰ Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), ratified by 18 countries, but none in the APEC region.

Moving from informal to formal and decent work

21. APEC HRD Ministers already decided in 2001 to address the needs of workers in the informal economy and facilitate their participation in the formal economy,¹¹ which however has not been put into practice. APEC Leaders must agree to launch an APEC initiative to promote the legal and policy framework to upgrade jobs and enhance the capacity of workers to move from informal to formal and decent work. The central pillar of such policies must be an effort to extend legal protections to the hundreds of millions of workers currently left lacking the basic rights to which all citizens are entitled.

Recommendation 8: Develop an APEC framework to encourage social dialogue in multinational enterprises, and revise the APEC Non-binding Investment Principles

Social dialogue is the most effective means to ensure that MNEs contribute to economic and social development

22. Multinational enterprises (MNEs) are key actors of the global economy that can bring about more and better jobs in host countries, but some MNE activities can lead to increased exploitation and worsen social conditions. This happens when they only look at short-term profits and when they neglect their social responsibilities. In addition to legislative frameworks, social dialogue which is part of the social responsibilities of business is the most effective means to ensure that MNEs contribute to economic and social development and are accountable to all stakeholders. This is, however, often ignored in a ‘race to the bottom’ with regards to social standards and working conditions.

APEC framework to promote sound industrial relations and collective bargaining

23. APEC Leaders must agree to develop an APEC-level framework to promote sound industrial relations and respect of the right to collective bargaining in MNEs. This would complement and reinforce the increasingly common practice of negotiating Global Framework Agreements (GFA)¹² between Global Union Federations and multinational enterprises, many from APEC economies. APEC’s Industry Dialogues, currently established in automotive, chemical and non-ferrous metal industries, could organise joint meetings between business and trade union representatives to facilitate social dialogue on this issue.

¹¹ Joint Ministerial Statement, adopted at the 4th APEC Human Resources Development Ministerial Meeting, Kumamoto, 2001.

¹² As of 2006, 47 Framework Agreements have been concluded between Global Union Federations and individual enterprises.

APEC Non-Binding Investment Principles must be revised

24. APEC Leaders must agree to revise the *APEC Non-Binding Investment Principles* so as to incorporate the importance of respect for fundamental workers' rights and employment objectives, with reference to the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* and the *OECD Guidelines for Multinational Enterprises*. A formal APEC mechanism must be established to promote and monitor the observance of social responsibilities by multinational enterprises, through the effective use of the National Contact Points under the OECD Guidelines.

Recommendation 9: Start an APEC initiative for effective policies to promote decent work rather than allowing frequent exploitation in economic processing zones (EPZs)

Over 45 million are working in EPZs in the APEC region

25. More than 50 million workers are now employed in Export Processing Zones (EPZs) around the world and at least 90 percent of them or 45 million are working in the APEC region.¹³ There are real and excessive efforts in many APEC economies to lower regulations, taxes, environmental protection and labour standards to attract investment. Trade union organisation is either prohibited or made practically impossible and the great majority of workers in EPZs are denied by law or in practice the exercise of ordinary workers' rights. As a result, many EPZs essentially attract footloose investment and have a different class of enterprises that builds their success on the exploitation of a cheap and compliant workforce. Women are the most frequent victims of exploitative, dangerous and sometimes brutal practices, as they constitute about 80% of the total workforce in EPZs.

Effective policies to promote decent work, investment and trade in EPZs

26. APEC must start an initiative for effective policies to promote decent work, investment, and trade instead of exploitation in EPZs. Such an initiative should address issues of labour standards with a specific focus on rights and working conditions of female workers, improved competition policy, backward linkages to the domestic economy, a development framework of foreign direct investment (FDI) and the ways that enterprises can contribute to economic and social progress through investment and technological upgrading. Involvement of social partners is essential to the success of such an initiative.

CONCLUSIONS

Strengthening the social dimension of APEC and achieving a genuine

27. APEC Leaders stated in Santiago in 2004 that meeting the Bogor goals of free and open trade and investment was not an ultimate objective of APEC, but merely one of the means to pursue its commitment to "achieve sustainable and equitable growth and

¹³ ILO database on export processing zones, ILO, 2003 <http://www.icftu.org/www/PDF/EPZreportE.pdf>

***partnership with
workers and their
trade unions***

reduce economic disparities for the well-being of our people”¹⁴. But in practice business promotion is predominant in the APEC process. APEC Leaders must correct the distortion and redirect APEC so as to achieve the overarching and interrelated objectives of equitable and sustainable growth and narrow the gap between and within member economies. This can be done only through strengthening the social dimension of APEC and achieving a genuine partnership with workers and their trade unions in the region. The APLN is ready to make a commitment to reach that end.

¹⁴ Santiago Declaration of the 12th APEC Economic Leaders’ Meeting, 2004

Establishment of APEC Labour Forum

Background

1. Trade unions, representing the workers of the APEC region, are able to bring a uniquely valuable perspective to the wide-ranging examination of policies needed to support workers in a period of rapid change. APEC trade unions therefore seek to establish a formal relationship with APEC. Such involvement should be initiated at the APEC Leaders' level, comparable with the arrangements for access by the APEC Business Advisory Council (ABAC)*, as well as throughout the APEC process.

Composition

2. The APEC Labour Forum would consist of the representative national trade union centres of the APEC economies.
3. All the representing national centres could meet in a general assembly at least once a year, possibly prior to the APEC Leaders' Meeting to discuss APEC issues of common interest.

Mandate

4. The Forum's mandate would be as follows:
 - To work together with governments and employers on the promotion of APEC outcomes which can achieve stronger economic growth and higher living standards;
 - To contribute to the development of appropriate policies from APEC on matters such as human resource development, industry development, education and social welfare;
 - To convey the views and needs of workers in APEC economies in their dialogue with governments on APEC issues;
 - To encourage tripartite dialogue at national and APEC levels on issues of concern to the region.
5. Activities of the Forum would include:
 - To advise APEC Leaders and other officials on issues of interest to workers;
 - To present workers' positions in APEC Leaders Meetings, Ministerial Meetings, Senior Official Meetings and committees/working groups relevant to workers' interests;
 - To keep the Forum members informed of progress in APEC; and
 - To maintain a continuing exchange of information and views on the various themes and subjects covered by APEC, with the Secretariats of APEC and ABAC.

* ABAC members are appointed by their respective Leaders (Prime Minister or President). The APEC Labour Forum would not use the same model for its composition.