

DOCUMENTATION

The Labor Factor in ASEAN's Recovery Statement by H.E. Rodolfo C. Severino, Secretary-General of the Association of Southeast Asian Nations, at the Thirteenth ASEAN Labour Ministers Meeting

Yangon, 14 May 1999

I take great pleasure in adding my congratulations to those already extended to you, Mr Chairman, on your assumption of the leadership of the Thirteenth ASEAN Labour Ministers Meeting. My congratulations also go to His Excellency Pehin Orang Kaya Laila Setia Baktu di-Raja Dato Laila Utama Haji Awang Isa bin Pehin Dato Perdana Menteri Haji Awang Ibrahim, Minister of Home Affairs of Brunei Darussalam, on his election as vice-chairman of the meeting.

I am deeply gratified to join the Ministers in welcoming His Excellency Mr Ith Samheng, Minister of Social Affairs and of Labour of Cambodia, and his delegation, as Cambodia participates for the first time in the ASEAN Labour Ministers Meeting as a full member of our association.

I thank the government and people of Myanmar for the usual warm and generous hospitality that they have extended to us in the delegation of the ASEAN Secretariat.

Mr Chairman, as we meet today, our people are seeing the beginnings of the recovery of ASEAN's economies. Projections of economic growth are constantly being revised upward. Inflation is slowing down. Interest rates are dropping. Exchange rates are stabilizing. Exports are expanding. Investor and consumer confidence is rising. Hope is returning to our people.

However, our people's hopes can be justified only if we can assure them, especially the poor, that economic recovery will mean not only better-looking balance sheets for banks and corporations but also the restoration of their livelihoods and incomes. They can really take heart only if they are convinced that future economic difficulties will not again so severely ravage their lives.

In our countries, the number of jobless continues to rise, and wages continue to fall in real, if not absolute, terms. Women have been disproportionately hit by the wave of retrenchments. Our governments have found themselves with less money to protect the environment and look after the health of our families. We

are less able to invest in developing the skills of our people. As a result, we are in danger of losing a whole generation of skilled workers who are so essential for the development of our economies and societies. In some cases, the loss of jobs, the drop in incomes and the erosion of hope have led to social tensions and political strains, which could have serious consequences for the region as a whole.

We can credibly reassure our people only if we deal, and are seen to deal, with these problems now. We must convince the workers and the poor that never again shall they be the first to be hit by economic turmoil and the last to gain from economic recovery.

For a while, we in ASEAN and the international community tended to respond to the economic crisis with a preoccupation with macroeconomic indicators, the so-called economic fundamentals, corporate debt, financial re-structuring, bankruptcies, the welfare of creditors, and other purely economic considerations.

Fortunately, it eventually became clear that it was neither politically nor socially nor morally acceptable for economic measures to be undertaken without regard for, and even at the expense of, the poor. More fundamentally, governments and international institutions came to realize that the onrush of economic liberalization, deregulation and globalization, while unleashing salutary productive forces, could wreak havoc on societies and on people's lives. A consensus thus emerged that any recovery effort must include, at its core, measures to cushion communities and families from the harsh impact of economic shocks and financial volatility. The realization has dawned upon policy makers that economies cannot recover without revived consumer demand, which depends to a large extent on the income levels of workers. Decision makers have opened their eyes to the fact that we cannot speak of competitiveness for the future, and thus of enduring and stable growth, if our workers do not have their skills upgraded.

A Caring Society

Accordingly, social safety nets, social protection systems, job-creation, and skills-training have risen in priority on the agendas of national governments, international institutions and ASEAN itself for the economic recovery of our region. The social dimension has gained increasing prominence, albeit slowly and late, in the policies of states, in the programmes of the international financial institutions, and in discussions of the Group of 22, the Group of 7, and similar groups. Non-governmental organizations have helped push social considerations to the forefront. ASEAN itself came early to the advocacy of this more comprehensive and more compassionate approach.

As early as their summit of December 1997, ASEAN's leaders envisioned — and here I quote from the ASEAN Vision 2020 — “a socially cohesive and caring ASEAN where hunger, malnutrition, deprivation and poverty are no longer basic problems; where strong families as the basic units of society tend to their members, particularly the children, youth, women and elderly; and where the civil society is empowered and gives special attention to the disadvantaged, disabled and marginalized and where social justice and the rule of law reign.”

The Hanoi Plan of Action of December 1998, which would implement the ASEAN Vision 2020, calls for action on rural development and poverty eradication and on social safety nets and for measures to advance the protection and wellbeing of women and children. It urges the enhancement of the capacity of the family and the community to care for the elderly and the disabled.

In terms of ASEAN co-operation specifically in labour and employment, the Hanoi Plan of Action highlights ways to promote self-employment and entrepreneurship, employment of the youth, occupational safety and health, and the training of women.

Protecting the Poor

In drawing up the outlines of the ASEAN position on the reform of the international financial

architecture, ASEAN's finance ministers have insisted that any such reform must include measures to protect the poor. As part of the peer review process under the ASEAN economic surveillance system, the finance ministers have had to inform one another of what their governments were doing to protect the poor.

At your meeting last year, the ASEAN Labour Ministers agreed to develop a work programme to deal with the issues of labour and employment arising from the crisis. In response, the ASEAN Secretariat has prepared, with the co-operation of the United Nations Development Programme, the draft of a "sub-programme" encompassing the following:

- The sharing and exchange of experiences and best practices in designing social protection and social security systems;
- The promotion of tripartite co-operation in economic re-structuring, including the strengthening of tripartite institutions and of mediation and conciliation machinery; and
- The enhancement of capacity for designing programmes and policies on employment generation.

The Secretariat submitted this sub-programme for possible funding at the ASEAN Development Co-operation Forum which the Secretariat organized last week. The forum brought together ASEAN's dialogue partners, international financial and development institutions, foundations and other interested parties to consider areas of co-operation with ASEAN. The concepts in the sub-programme elicited considerable interest at the forum.

I am pleased to report that the two projects carried out under the UNDP ASP-5 Sub-Programme on Human Development are now approaching completion.

The project to establish an ASEAN Occupational Safety and Health Network has resulted in a four-year plan of action on occupational health and safety, which has been endorsed by the ASEAN Sub-committee on Labour. The signing of a memorandum of understanding, now being prepared, will formally establish the network. The Secretariat proposed a pilot training activity for funding at the ASEAN Development Co-operation Forum.

The other project, the ASEAN Regional Project on Informal Sector Development, has produced a plan of action, which is now being refined and finalized.

Looking farther into the future, perhaps it is time for ASEAN to begin looking into the building of more formal social protection systems to supplement the more traditional safety nets provided by families and communities. We have to prepare early for future demand for such social protection systems so as to ensure that, when the need arises, and it will surely arise, we can quickly put them in place. This is the only way, if our societies are to have better chances of absorbing the impact of future economic troubles, if the recovery of our economies is to be sustained, and if social peace in our nations is to be preserved.

With all this in mind, I am sure that the work of ASEAN's labour ministers will continue to contribute significantly to ASEAN's economic recovery, to a better life for our people, and to the creation of the ASEAN community of caring societies envisioned in ASEAN Vision 2020.

SOURCE: ASEAN Secretariat World Wide Web site <<http://www.aseansec.org>>.