

## LABOUR RIGHTS IN THE ASIA PACIFIC REGION

Address by Senator Gareth Evans, Minister for Foreign Affairs, to the International Centre for Trade Union Rights Dinner, Melbourne, 2 February 1996.

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Last August, in Jakarta, a group of Indonesian NGOs and trade unionists gathered to voice their concerns about draconian anti-union legislation that had recently come into force in an Asia Pacific economy. They were neither concerned about a developing country, nor about some Gulag where labour rights were entirely out of the question. They were concerned about new laws introduced here in Australia - in Western Australia to be precise. They were concerned - and they had good reason to be concerned - that the legislation introduced by the Court Liberal Government in Western Australia was a disastrous step back from established standards, and would have a direct and negative impact on the development of progressive industrial relations practice in Indonesia.

It is no bad thing for Australian labour practices to be subjected to this kind of international scrutiny, and I shall have a little more to say later about that legislation, and its implications for Australian workers. But the incident also served as a symbol of the increasing interdependence that is rapidly developing in our region, and the way in which some difficult issues can no longer be easily compartmentalised. In this high growth, high export region, made up of societies that are economically, politically and culturally diverse - but which are developing information bases, practices, institutions, tastes and outlooks that are ever more similar - the labour rights issue is a particularly complex one, including for Australia.

It was with the aim of unravelling the various lines of argument that have been put about labour rights that my colleague the Minister for Trade, Bob McMullan convened in December 1994 a Working Party on Labour Standards. The Working Party has been ably chaired by Michael Duffy and ably supported by its government, trade union and business members. I know that ICTUR, as part of its commitment to developing labour standards globally and regionally, has made a submission to the Working Party and I thank you for that. The report itself is unfortunately still a little way away from conclusion, so I am not able tonight to address its particular recommendations or to outline the Government's response. What I can do is to outline the general framework of our thinking on labour rights, to suggest some of the broad directions in which we want to move in response to the labour rights situation as we presently find it in the Asia Pacific, and to relate this back to the industrial relations climate here in Australia.

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First let me state that, as a matter of general principle, the overall issue of worker's wages and conditions in East Asia and the Asia Pacific must not be regarded as some peripheral or marginal question, but as one of central relevance to the economic revolution taking place in the region. For Australians, there are two quite separate issues involved.

On the one hand is the cost of labour itself. Low labour costs in various economies in the region are part of the springboard for a process of economic growth that ultimately delivers real benefits to millions of individuals - and that gradually forces up the cost of labour, that is, workers wages. Indeed, these improved life opportunities can rightly be seen as the *purpose* of the region's economic growth. I believe it is not the role of developed economies to seek to intervene to determine wages or relative labour costs within particular economies; that would be to impose artificial external standards and to deprive developing countries of a major source of their comparative advantage.

On the other hand, we can speak of core labour standards: fundamental workers' rights such as the right to freedom of association and collective bargaining, and freedom from forced labour, exploitative child labour and discrimination in the workplace. These are threshold, basic standards, related to larger questions of distributive justice and human rights in the region. It is clear that, in some regional economies, these standards are not being met and that workers are being exploited. This I believe is an area of legitimate concern by progressive organisations and governments, including here in Australia.

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How is a country like Australia to respond? We are a developed economy, deeply enmeshed in regional economic growth, proud of our traditions of robust unionism, and a long standing supporter, as a founding member of the ILO in 1919, of workers' rights internationally. How can we both promote labour standards throughout the region, and avoid undermining the legitimate comparative advantage in labour costs that many Asia Pacific countries have?

First we need to understand, and to trumpet, the fact that fundamental workers rights are also universal human rights - and as such must not be swept under the carpet as some inconvenient impediment to the more important goal of economic growth. There is a broad degree of consensus, including among developing countries, on what fundamental workers rights are and on the in-principle need for them to be observed. They are set out in the International Covenants on Human Rights, other United Nations human rights instruments and specific ILO conventions. Their universality has recently been reaffirmed at both the 1993 World Conference on Human Rights and by Heads of State and Government at the World Summit for Social Development in March 1995. And Asia Pacific countries have acknowledged their universality by participating in those meetings. So the foundation for improvement is there.

Second, we can make and have made a strong commitment to address these issues through a significant aid program. In budget year 1994/95, our expenditure on programs devoted to the development of core labour standards, including in particular on programs to eliminate exploitative child labour, exceeded \$4 million and in the current budget year we have commitments of more than \$8 million. These funds are working at the issue from a number of different angles. For example, in the Philippines, we are helping to train industrial workplace organisers, principally women process workers, to negotiate employment conditions and undertake research and advocacy in order to strengthen the application of health and safety legislation. In Malaysia, we are assisting a private sector initiative to conduct occupational health and safety skills training programs for site personnel on a Malaysian Government infrastructure project. In Nepal, we are working with the ILO to provide rehabilitation services to bonded children and income generating activities for their families; and in Thailand and the Philippines we are deeply involved in efforts to eliminate child prostitution.

Third, together with the ILO and the ACTU, we are encouraging developing countries, especially our key trading partners enjoying sustained high rates of economic growth, to improve labour standards and to observe fundamental workers rights. We recognise that ratification of key ILO and UN Conventions related to core labour standards by many of our neighbours in the Asia-Pacific is patchy. There is a strong preference in the region for cooperative, consensual approaches to the broader issue of poverty as the best means of promoting the observance of fundamental workers' rights. For the most part, countries in the region reject vehemently the imposition of core labour standards through trade or other coercive measures, such as conditionality in development cooperation or technical assistance.

But this is not an excuse for failing in our responsibility to make representations about reported violations of workers' rights, and we have done this persistently. Some positive results, whether we can take credit for them or not, were the decision of the Indonesian Supreme Court which led in 1995 to the release of Muchtar Pakpahan, and the re-opened investigation into the death of the labour activist Marsinah. I raised these cases personally with Indonesian ministers, including Vice President Try Sutrisno in the case of Pakpahan. Very recently I instructed our Embassy in Seoul to express our concerns about the arrest of key figures in the trade union movement including Kwon Young-Kil, the President of the Korean Federation of Trade Unions. We have made inquiries in the Philippines about the deaths of Rodolfo Bello and Rufo Giray, and the arrests of other trade unionists. In South Asia, where exploitative child labour is a particular problem, we have made representations in both Islamabad and New Delhi. I was pleased that Eshan Ullah Khan, founder of the Bonded Labour Liberation Front, was able to speak at the Child Labour Conference at Monash University last December. We can't expect to get a positive result in every case, but there have been some successes and we will continue to work at it.

A fourth area of possible action that has been urged on us, but which is much more problematical, is to link labour standards with trade and investment. Trade liberalisation, globally and in the region, has helped bring core labour standards to prominence as an issue to be tackled more vigourously. Some have been tempted to call for a stronger approach to the development of core labour standards in multilateral trade forums such as the WTO and APEC; others argue that remedies such as company codes of conduct, enhanced international assistance programs, consumer boycotts and even trade sanctions are appropriate.

We need to appreciate, however, that efforts by developed economies to improve labour standards in developing economies can sometimes be seen as - and frankly can sometimes *be* - simply protectionism in disguise. It brings us little credit, and delivers little benefit to exploited workers, if our professed concern for them is exposed as a deeper concern for our own well-being, our own jobs, and our own high-cost industries.

These are of course the issues that we have asked the Duffy group to explore. We will be examining the Working Party's recommendations carefully to develop an effective response, which will no doubt pick up many of the suggestions made.

But I have to say there is no support that I can see in any member economy for any sort of social clause in APEC - and in any event there is no written APEC treaty or agreement within which such a clause could be inserted. As for a social clause in the WTO, this issue has been debated for some time, and no doubt the debate will continue as the WTO's agenda develops in the lead up to the first ministerial meeting in Singapore later this year. There are legitimate concerns about the scope for such a clause to be abused by protectionists. But at this stage no international consensus has been reached, and none appears imminent.

I should also point out that there are serious questions that need to be asked about the effectiveness of trade bans on the products of exploited labour, particularly child labour. Most children who are the victims of exploitative work practices are not employed in producing goods for export, so a trade ban would have no effect on their employers. And where they are employed in the export sector, the very real practical dilemma is that a trade ban might leave them entirely without income and push them into even more marginal activities. In other words, trade bans do not necessarily address the root causes of the exploitation. Western consumers might get a warm inner glow; but the children themselves would not necessarily be helped. But if the Duffy group recommends it, this issue can certainly be revisited, and we would welcome consideration of a voluntary code of conduct for Australian businesses in the Asia Pacific.

I am pleased to say there are some signs of a convergence of views about these issues and, in the Asia Pacific, an increasing political recognition of the need to address them

positively. Evidence is also beginning to emerge that at least some governments and companies in the developing world are increasing the level of attention they give to these issues. But it is clear that we have a long way to go before we will see in place the sorts of labour standards that are the universal right of all workers. It takes time to build common norms and progress is likely to be incremental. But constructing an international approach to labour standards is a deeply important effort that we must all be engaged in and one which in the end, I believe, will be worth the fight.

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None of what I have said tonight, and none of the commitment displayed across the board by the Australian Government, emerges from mere sentimentality. It derives from a real appreciation of, and a real commitment to, the principles of an effective, strong, constructive and independent trade union movement - which in turn derive from my, and our, direct experience of the trade union movement here in Australia. The Australian trade union movement has played a critically important, positive role in rebuilding the Australian economy and repositioning the Australian nation over the life of the Labor Government since 1983. Under the Accord partnership between the Australian Labor Party in government and the Australian trade union movement, we have together produced - to use the Prime Minister's recent words - not just a slight variation to the industrial weather, but a major change in the climate of industrial relations in this country.

The Accord has delivered real wage increases. It has delivered more than 2 million jobs since 1983 - including 740,000 new jobs since the last election. It has cut the number of strikes in this country to the lowest level since 1940. It has been critically important in delivering low inflation. It has helped make Australian workplaces more competitive. It has delivered more than twice the labour productivity of New Zealand - a country which has engaged in the unhappy experiment of individual contracts. And it is delivering more flexibility, career options and skill training for Australian workers.

It is this system, this partnership, these results, that are under threat and direct challenge in this election campaign.

John Howard has always made it clear that he opposes the Accord, that he finds repugnant the very idea of a Government working in partnership with trade unions, and that he will seek to remove from the industrial relations environment not merely trade unions but the awards they protect and the Australian Industrial Relations Commission itself, the umpire of the whole system. He will kick unions in the teeth. He will throw award-based union conditions out the window. And he will "stab the Commission in the stomach" (House of Reps, 24 June 1992). Those are his very words.

I began by referring to the Jakarta protests against the new West Australian industrial

relations legislation. Under that legislation, we have now seen cuts to workers' wages and the denial of shift allowances, penalty rates and overtime. There, and even more so in Victoria under Jeff Kennett, there has been a direct assault on the livelihood and job conditions of workers. What John Howard has said - these are his words again (Speech to Liberal Party, Perth, 28 July 1995) - is that he "would like to see throughout Australia an industrial relations system that is largely similar to what the Coalition Government has implemented in Western Australia". It's as simple as that.

I have outlined tonight the commitments of this Labor Government - globally to the ILO, regionally to a range of assistance and training initiatives and bilateral representations, and domestically to the Accord partnership with the Australian trade union movement. These three levels of commitment are bound together. A strong trade union movement in Australia will lend assistance to emerging unions abroad. Those emerging trade unions will continue to look for assistance from, and representations on their behalf by, the Australian Government. And an Australian Government in tune with the trade union movement here will be better able to offer that assistance and make those representations, as well as continuing under the Accord to improve the performance of the Australian economy and to protect the entitlements of Australian workers.

The cause is vital - internationally, regionally and here in Australia. And the commitment of this Australian Government - this Labor Government - to further progress on all three fronts is very clear.

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