



Towards workers' emancipation in the age of neoliberalisation

Statement on the International Labour Day 2019

The Asian Peoples' Movement on Debt and Development joins millions of workers around the world in the celebration of the International Labour Day. On this day, we commemorate the victories won by the labour movement through their relentless struggles to guarantee and protect the rights and dignity of workers.

However, we also recognise that we are faced with the reality that the gains from past struggles are continuously being attacked under the neoliberal capitalist regime. While multinational corporations accumulate massive profits by plundering resources and exploiting cheap and flexible labour, workers toil in precarity and live in poverty. This is particularly true in Asian developing countries, where the production of most commodities that supply the rest of the world happens, and where the value of the global economy is created.

Asia accounts for the largest share of workers in the working-age population and reportedly has the lowest unemployment rate in the world. However, being employed in Asia does not guarantee workers adequate resources to live a life of dignity. Despite Asia's higher employment rate relative to other regions, a quarter of its total working population (440 million) are either extremely or moderately poor and are therefore barely able to sustain basic daily needs. Labour continues to be squeezed bone dry by corporations, as indicated by stagnant wages for several decades now, even as labour productivity rises.

Meanwhile, 930 million workers in the region are in vulnerable or informal employment,¹ characterised by low and irregular income, lack of social protection, insecure and unsafe conditions, and undefined work days. In addition to millions of informal workers, it is important to note that the number of workers in the formal economy under flexible and informalised working arrangements is also increasing. They lack contracts or formal terms of employment and security of tenure, often due to conditions which allow companies to operate outside labour regulations, and much less standards of decent work. Workers in vulnerable employment and flexible working arrangements also have limited 'voice' and representation in trade unions and are often denied their fundamental labour rights such as freedom of association, the right to collective bargaining, and the right to strike.

¹ Figures are based on the ILO Report, *Asia-Pacific Employment and Social Outlook 2018*, (https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms_649885.pdf). Such figures can be a conservative estimate, as most workers in vulnerable employment are usually invisible and unaccounted for.

Of the workers living in poverty and working in the informal economy, women are overrepresented. In Asia, they often take up work as street vendors, domestic workers, agricultural workers, construction workers, waste pickers, and brick kiln workers, among others. Women's concentration in informal work can be attributed to the rampant discrimination, social exclusion, and economic marginalisation that women face. Compared to men, women are more likely to be unemployed. In South Asia where women's work outside the home is commonly perceived unacceptable, the female labour force participation remains low and has been declining in the recent years. Meanwhile, those who are fortunate to be employed often receive less wages than men, despite the equal value of work that they do. On top of all these, women are also more vulnerable to gender-based violence at home and in the world of work.

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Women workers' contribution to the society and the economy is also invisible and undervalued. Majority of care work, domestic work, and other kinds of work that support income-generating activities are performed by women; however, such kinds of work are unpaid and unrecognised, even though they are critical to the economy and to humanity. Most Asian states disregard their contribution to the society and fail to reduce the burden that they carry. For instance, the existing wage-setting mechanisms are ineffective in pulling women workers out of poverty, as they do not truly take into account the high cost of living and are basically incognizant of the workers' right to live a life of dignity. Besides, rather than increasing wages and regulating the prices of basic commodities to alleviate workers' suffering, governments add burden on workers by heavily taxing them directly through personal income taxes (which, in some countries, are discriminatory against women) and indirectly through regressive taxes, such as value-added taxes (VAT) and goods and services taxes (GST).

After contributing their productive labour at cheap cost, their unpaid care work, and a significant share of their income to taxes, women workers are not rightfully granted by the government the protection and benefits that they deserve, including basic services and gender-responsive infrastructures and social services such as child care and reproductive health care. When such services are available, they are privatised, rather than publicly delivered by the state. Private companies reap profits by providing basic social services at high cost, making them inaccessible to the working class.

When workers in Asia struggle for better working and living conditions, they are often faced with repression. For instance, in January of this year, Bangladeshi garment workers who were striking and demanding for increase in wages in Dhaka were dispersed by the police with water cannon and tear gas. One protesting worker was killed, many were injured and hospitalised, and 40 were arrested. It is worth noting that Bangladesh is known for being a hub for garment factories that supply to global brands such as H&M, Gap, Walmart, and Tesco. The same narrative also happens in other Asian countries where the states tend to protect business interests by restricting – at times, violently – the democratic space for workers to exercise their rights to freedom of association and collective bargaining as well as the right to strike.

At the same time, multinational corporations are lured by investment-seeking governments to with tax incentives and subsidies, thus forgoing funds that could go into adequate and affordable social service provision. In special economic zones, flexible labour laws (i.e., payment of lower wages, restricted space for organising and collective bargaining, non-compliance to occupational safety and health standards, etc.) are added to the attractive package of tax giveaways for the investors to come in. These privileges further enable illicit financial flows, which include public monies spirited away through corporate tax avoidance. The revenue losses from these could have been used to finance social services that improve the wellbeing of workers, especially women.

We also take to task the influencing roles of international financial institutions in bringing greater difficulties to ordinary working people. The International Monetary Fund, for one, consistently advises freezing wage hikes for public sector workers in line with austerity measures that cut back on public social spending, as well as implementing forms of labour contracting as part of loan conditionalities. It also strongly promotes VAT despite awareness of its anti-poor and gender discriminatory effects.

In the current economic system, women workers' emancipation from poverty will require more than the improvement of conditions at the workplace. As workers organise to demand for better working conditions and respect for labour rights, we also demand for just and progressive tax policies that do not discriminate against women and ensure that the weight of revenue mobilization falls fairly on the rich and multinational corporations – those with the highest incomes and earning the largest profits – and not the poor. We demand that minimum wages be raised to living wages to ensure that workers live with dignity. This should be complemented with tax and fiscal policies that do not add to their economic burden as well as with financial transparency that ensures that taxes are utilised in ways that would benefit the poor and not only the wealthy. We call for tax and fiscal policies that recognise women's contribution to the economy, including unpaid care work. This can partly be done by recognising, reducing, and redistributing unpaid care work through tax credits and provision of gender-responsive social services.

Furthermore, multinational corporations should be held accountable not only for violations of workers' rights but also for the tax abusive behaviour that has enabled them to avoid their share of taxes, avoid profits and take financial resources away from people who need them most.

We need to reclaim the democratic control of resources to ensure the accountability of the state to prioritise pro-people and pro-women policies. It gives us hope that despite the shrinking democratic space in Asia and the eroding workers' rights in the age of neoliberalism, workers continue to organise and build their collective power to continue fighting for a just economy and society. We are in solidarity with the labour movement in challenging corporate power, resisting tax and labour abuses, and defending workers' and women's rights.