

## **Regional Social Dialogue on ‘Formalisation of Informal Economy, Sustainable Development Goals (SDGs), and Future of Work’ in Kathmandu Nepal on 5-6 February 2020**

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### **Opening Session**

The regional social dialogue commenced with the formal opening sessions by five main speakers. The opening session was chaired by Mr Binod Shrestha, President of ITUC-NAC as well as General Federation of Nepalese Trade Unions (GEFONT).

Mr Laxman Basnet, General Secretary, SARTUC welcomed all the participants especially Dr Syed Mahammad Fahimmudin Pasa who has recently joined ITUC-AP. He briefly mentioned about the outline of the workshop and highlighted on the future work plan of SARTUC which was discussed during the workshop.

Mr Puskar Acharya, President of Nepal Trade Union Congress (NTUC) and JTUCC, on behalf of NTUC and JTUCC welcomed all the delegates from the South Asian Region. He said that the program conducted by SARTUC on the issues of informal economy and labour migration is highly relevant to Nepal. He emphasized on the importance of informal economy in South Asian Region and also mentioned that Nepal has adopted social protection of the workers which is the first step to establish the decent work and this will create an atmosphere for the formalization of informal workers as well. He greatly stressed organizing trade unions for the protection and promotion of migrant workers which is towards achieving the Sustainable Development Goals (SDGs).

Mr P. Haridasan, Senior Director, ITUC-AP gave his welcome remarks thanking everyone including SARTUC giving this opportunity to be a part of the workshop. He briefly talked about the organizational structure and functions of ITUC-AP. Further, he expressed his concerns about the trade union's struggle to ensure their rights as well as the diminishing activities of trade unions. Even in the countries where there is a reasonably good situation in terms of trade union's rights, it is deteriorating due to changing laws. In South Asian countries there have been reforms in labour laws, but in the negative side; the reforms are more towards controlling trade unions and more restrictions towards trade union rights and declining or reducing the space for labourers in the development process. Despite the trade union movements, organisations and missions the situation has not improved. For example, India which used to have reasonable good trade union rights, all 44 labour laws have been codified into four just to restrict the trade union rights. The basic principle of the right to freedom of association and the right for collective bargaining have eroded. However, the international trade union movement continues to struggle through ITUC and all the trade union affiliates in South Asia. There are no other alternatives than organizing trade unions to solve the problems of workers because vast majority 93% of workers globally are not organized which should be trade union's priorities to be organized and achieve SDGs.

Welcome session was wrapped up by Mr Binod Shrestha acknowledging the fact that all the trade unions are struggling for common problems through common platforms although situated in different countries.

## **Presentation and Discussion**

*ILO Centenary Declaration for the Future of Work: A Roadmap for a Human-centred Future*

Saurabh Shah – National Project Officer, ILO Nepal

The presentation highlighted the issues of informal economy and its linkages to the Sustainable Development Goals (SDGs 1, 5 and 8). ILO Centenary Declaration on Future of Work that emphasizes the people-centric approach focusing on the rights and protection of workers. ILO centenary declaration basically outlines where ILO sees itself working with ILO member states as well as social partners and also puts ILO in a multilateral system. The transformational changes in the world of work are happening right now. The speed of these changes has accelerated over the years. First is the automation has been around since the industrial revolution but the thing that is quite novel about how technology is changing the world of work now is the way that it is transforming jobs. Second is the climate change which again brings both the potential for job losses as well as increased jobs. Finally, it is globalisation. Now, the globalisation is mixed in with technology and that creates unregulated borderless work in the digital economy – microwork. According to ILO, there are 911,000 people in Nepal are unemployed and 38 per cent of them are youth. And then, 2 billion workers making their living in the informal economy worldwide – in Nepal 5.9 million workers in the informal sector. According to Labour Force Survey of 2019, total informal employment at 84.6 per cent of the entire labour force – 60.7 per cent of employment is in the informal sector: 1.6 per cent of informal employment is in households, 22.3 per cent is informal work within the formal sector. Interestingly, 90.5 per cent of total women in the workforce in Nepal are informal employment. Similarly, 9 out of 10 youths and senior workers (65 years and above) are in informal employment in Nepal.

*Background and Frontier Formalising the Informal Economy in South Asia*

Biswa Poudel – Economist, National Project Officer, ILO Nepal

Even within Asia, there is variation in terms of union activities and India is ahead all of the others regarding organizing informal sector and SEWA is the pioneer. Some of the countries in South Asia and South-east Asia have automatized their industries. Another important issue for the informal sector across the region is the benefits – will the workers be getting universal health care, and access to finance especially the small entrepreneurs. The major challenges are that there is a lack of well-defined workplaces, therefore, lots of workers end up working long hours. Due to these issues, the workers are not able to spare time to organize, pay their levy, and to carry out elections and these are the common problems around the globe. In the case of Nepal, the future of work transformation especially the digital transformation probably increased the informal sectors. Like the digital transformation is occurring and lots of people are using social media such as Facebook and Twitter to share their ideas and issues, the unions can use the digital platforms to unionize. For example, the Uber drivers in Indonesia are unionized and demanding that they should be treated as public sectors as they are providing public transportation. However, regarding the tradition issues, one of the major

challenges in the informal economy is the agriculture sector followed by the domestic sector in Nepal. As a part of a union, one should look at the successful experimentation that others have done in a new environment like unions can organize digitally which will reduce its cost and be physically present only when the action is needed.

### *ITUC-AP Action plan for 2019-2020*

P. Haridasan, Senior Director, ITUC-AP

The 4<sup>th</sup> regional conference held on 7-9 October 2019 in Tokyo, Japan identified 19 areas of action during the next four years under four titles:

- Peace, Democracy and Rights
- Regulating Economic Power
- Global Shift
- Equality

All the identified areas of actions are related to achieving Sustainable Development Goals (SDGs). The issues and challenges identified are:

- Lack of Labour Governance
- Far from Realising Rights
- Expanding Non-standard Forms of Employment and Lagging of Industrial Relations
- Deregulating Economic Power
- Multilateralism in Crisis

For Sustainable Development Goals:

- Campaign for the inclusion of trade unions in the implementation of SDGs as it lacks representation of very huge groups like trade unions.
- Campaign for the involvement of trade unions in the preparation on national voluntary reviews in the preparation of national voluntary reviews
- Encourage trade union monitoring of SDGs implementation
- Campaign for a national minimum wage
- Activities on monitoring and follow-up of Goal 8, Decent Work and Economic growth and employment.

One of the major issues is the violation of trade union rights. Trade union rights are violated in each and every country, even in those countries where there is a decent trade union right situation; more and more restrictions on trade unions. There is increasing intolerance of trade union activities. ITUC Annual survey of Violation of Trade Union Rights categorised countries into six. The category 5+ means that there is no guarantee of rights due to the breakdown of law. In some country for example, in Palestine, there is no state laws and proper governance system. The category 5 is 'no guarantee of rights' (Bahrain, Cambodia, China, Bangladesh, India, Indonesia, North Korea, Kuwait, Laos, Pakistan, Philippines, Qatar, Saudi Arabia, Turkey, UAE), category 4

is 'systematic violation of rights' (Fiji, Malaysia, Myanmar, Oman, Thailand, Vietnam), category 3 is 'regular violation of rights' (Australia, Jordan, Nepal and Sri Lanka), category 2 is 'repeated violation of rights' (Israel, Japan, New Zealand, Singapore and Taiwan) and category 1 is 'sporadic violation of rights'. There are some campaigns organised by ITUC in Pakistan particularly during the time of World Cup Football. During that time lots of child labourers were engaged. In the end, there was an agreement between the manufacturers of football and other sports materials in Pakistan. The top priority of ITUC is organising, however, although millions of people are organising the majority of them are not paying their membership. In South Asia, not many people are being organised, trade unions are facing problems of fragmentation. However, one of the agenda set by the conference is to increase by 20 per cent of its membership until the next conference.

### *SARTUC Action Plan 2020*

Laxman Basnet, General Secretary, SARTUC

In South Asia, huge numbers of migrant workers from India, Bangladesh and Sri Lanka are going abroad for work. So, migration is the area where everyone should work and organise migrant workers. According to ITUC-AP, only 7 % of workers are organised, but the remaining 93% are informal workers, migrant workers, self-employed workers or agricultural workers. There are only 3% of organised workers therefore, they do not listen to the voice of workers; it does not make any difference to them. In very few areas like tea plantation areas in Sri Lanka, the workers have control over it. The trade unions are not able to do justice with the current trade union's position. It is necessary to acquire strength in order to go to the government and ask what the workers want. If a worker's organisation is not strong enough then the tripartite relationship is difficult. In ILO, the employers are trying to remove the 'right to strike' or they are saying that there should not be right to strike. The reason behind this is the changing attitude of the government as well as the employers; they perceive trade unions as the obstacle for economic growth. Therefore, the most important thing is to organise. He reiterated how to organise, who do the trade union should organise, how to promote trade unions are the major issues. For that, SARTUC has taken some areas where the trade unions have to work.

- ILO Centenary and Future of Work
- Migration
- Informal Economy
- Youths and Women
- Violence against women and workplace harassment
- Sustainable Development Goals (SDGs)
- Care Economy

## Country-wise action plans made by SARTUC affiliates

### INDIA

1. Youth and Women
2. Informal Economy
3. Migrant Worker
4. Violence against Women at Workplace
5. Skill Development
6. Social Dialogue

### PAKISTAN

1. Youth
  - ✓ Political Pressure
  - ✓ Technology
  - ✓ No Child Labour
2. Labour
  - ✓ Awareness-raising on low wages
  - ✓ Periodic monitoring
  - ✓ Job security
  - ✓ Government involvement on the labour issues: Implementation of Labour Laws
  - ✓ Provide security to Immigrant
3. Women
  - ✓ Aware of their rights

**SRI LANKA** identified the future of work as a big challenge to them, therefore, going to work to minimize threats of:

1. Unavoidable technological improvements, automation, robotics
2. Increase of unemployment in the country
3. Civil rights, economic crisis, public violence, violation of the country's constitution with regard to equal rights.

### BANGLADESH

1. Future of Work
  - ✓ Research and Study the Impact of Digitalisation and Automation
2. Create pressure to establish national policy and strategy
3. Capacity Building on the future of work
4. Organize trade unions to pressurize the government to take action for short and long-term policies on labour migration
  - ✓ Bilateral Agreement
  - ✓ Local Trade Union Involvement/Use international instruments
  - ✓ Set help desk in the airport
  - ✓ Data collection of both migrant workers and returnees
  - ✓ Vocational training and language training

- ✓ Set the support centre for domestic workers
  - ✓ Pressurize government for the amendment of labour laws in both formal and informal sector of jobs
  - ✓ Provide skill-oriented training for youth population for future jobs.
5. Campaign on ILO Convention 190
  6. Promote Social Dialogue for SDG implementation
  7. Capacity building training for trade unions

## NEPAL

1. Social dialogue program
2. Skill development training for women and migrant workers
3. Lobby to amend rules and regulations on the clear representation of informal income-based workers
4. Campaign programs for organizing the workers.

*A Global Mandate to End Violence and Harassment in the World of Work: ILO Convention (No.190) and Recommendation (No. 206)*

Neha Choudhary, National Project Officer, ILO Nepal

The discussion on ILO Convention 190 started in 2015. After multiple rounds of the presentation by ILO in ILC, on 21 June 2019 adopted the convention concerning the elimination of violence and harassment in the world of work which is ILO Convention 190 and recommendation 206. For this convention, 439 member states voted and 7 against with a couple of absentees. With the recommendation, 397 member states voted for. International labour standard is the legal component of ILO strategy to promote decent work. The violence and harassment in the world of work violate human rights and abuse which impacts health, dignity and social environment. Secondly, violence and harassment in the world of work also is a threat to equal opportunities; it prevents certain group of people especially female or women from accessing and being part of the world of work and most importantly, it is incompatible with achieving decent work which also entails that it an impediment to promoting the sustainable enterprises and it is an impediment to positive workplace relations and it also has a damage on enterprise relations. This is the first international treaty that addresses violence and harassment in the world of work. It is forward-looking – it does capture the evolving nature of work. It also takes the underpinning elements of violence and harassment. So, this instrument is crucial as it defines ILO's current and future work. The core principles of the convention:

- Respect, promote and realise the right of everyone to a world of work free from violence and harassment
- Respect, promote and realise the fundamental principles and rights at work and promote decent work
- Recognize different and complementary roles and functions of governments, employers and workers, with the varying nature and extent of their responsibilities

- Ensure the right to equality and non-discrimination, including for women workers, as well as for vulnerable groups or groups in situations of vulnerability disproportionately affected by violence and harassment in the world of work
- Adopt an inclusive, integrated and gender-responsive approach

*Conceptual Issues on Decent of Work and Informal Work/Economy and Priority Targets, Indicators in the Sustainable Development Goals (SDGs)*

Som Niraula, Program Officer, Alliance for Social Dialogue (ASD)

South Asia is the region which has a large number of people working in the informal sectors. According to ILO, 1.3 billion people work in informal sectors which comprised of 56 per cent of the world's informally employed people. Similarly, according to ILO 2018, the share of informal employment ranges from the highest level of over 90 per cent (94.3 per cent in Nepal, 93.6 per cent in Lao 93.1 per cent in Cambodia) to the lowest with proportions below 20 per cent in Japan. As the SDGs have all the cross-cutting issues, decent of work involves:

- Opportunities for work that is productive and delivers a fair income
- Security in the workplace and social protection for families
- Better prospects for personal development and social integration
- Freedom for people to express their concerns
- Organise and participate in the decisions that affect their lives
- Equality of opportunity and treatment for all women and men

However, it still needs to accommodate the people with disability, sexual minorities and provide opportunities to them as well.

The work of formal and informal sectors has been divided – In South Asia, the work in the formal sector is more protected. The work in the 'informal sector' is not protected and also not organised. 'Employment in the informal sector' informal employment outside the informal sector- that is, unprotected wage employment for formal firms, households, and no fixed employer – as well as employment in the formal sector (Martha Chen and Donna Doane, 2008). The challenges of the informality of work:

- The informality of work poses challenges of decent work condition, protection of worker rights, social protection, accessing justice services in the overall realisation of the fundamental rights of the workers.
- The increasing trend of the informality of the work also destabilise the work in the formal sectors (contract-based labour and low wages)
- Lacking access to financial services (not recognition of the profession)
- Discrimination, fraud and low wages.
- In Nepal, only 15 per cent of the workers receive social protection.

Challenges of implementation of SDGs:

- Social Security/non-discriminatory labour laws, prioritising technical education and skill training, legal provision of a minimum wage, making an accessible loan to the entrepreneur/returnee migrants, implementation of child labour prevention master plan, creating job opportunities at the local level;
- Setting and creating benchmarks (baseline);
- The localisation of SDGs (Local and Provincial government);
  - ✓ Lacking legal arrangement – federal, provincial and local government level SDG reporting system;
- Effective monitoring mechanism of government and governments willing to engage with all the stakeholders;
- Civil Society Organisation (Trade unions and non-governmental organisation) to demand accountability and monitor the implementation of SDGs at all level.

All sustainable development goals are interrelated to one another. It builds synergy of civil society organisations. However, demands accountability of governments and corporate sectors in the realisation of the rights of the workers.

*World of Work and Workers from SAARC Region: The Roles of Trade Unions*

Dr Jeevan Baniya, Assistant Director, Centre for the Study of Labour and Mobility (CESLAM)

In terms of migrant workers in South Asia, it is India, Bangladesh, Pakistan and Nepal from where the majority of the migrant workers are going to different destination countries for employment. Among them, 29 Per cent are female migrant workers and various study show that they are involved in precarious working conditions in destination countries as well as at home as most of the time they are engaged in unpaid work at home, informal sectors such as agricultural work. So, the situation of female both at home as well as in the context of migration is quite precarious as compare to that male. The migration is very much related to the condition at home because if the rights of workers have been protected in their country of destination, then, they might not have left to the rate at the moment they are leaving to other destination countries. Therefore, it is necessary to discuss not only economic growth but also enhancing the enhancing decent work in order to address the vulnerabilities of the migrant workers. Migrant workers face problems at home and even if they migrate, they tend to face various kinds of challenges and problems in the destination countries. They are facing problems such as unpaid work, low wages, physical, emotional and sexual violence etc.

All of the countries from South Asia have been the part of Global Compact for Migration (GCM), and also the part of SDG. These two instruments are focused on enhancing safer, regular and responsible migration in order to protect the rights of migrant workers irrespective to the destination countries as well as in the home countries. There is a large percentage of migrant workers from the South Asian Region and the various study shows that everyone including trade unions is not very much concerned about their issues. Trade unions need to be concerned about the migrant workers although 3 per cent of total global workforce migrant among them 90 per cent [remaining 10 per cent are refugees] of them are economic migrants. This reflects upon why people migrate, in what situation do they migrate and their vulnerabilities. Most of the migrant workers from South Asia go to GCC

countries and Malaysia. Respective countries in South Asia have benefitted a lot from the remittance or contributed to GDP. Countries like Tonga, Haiti, Nepal and Tajikistan remittance contributing to GDP ranges from 18 to 30 per cent. It can be denied the fact that migration has contributed to the macro-economic as well as the household economy of the people. Most of the migrant workers in South Asia except India is facilitated by the recruitment agencies/private recruitment workers. But, the cost of migration is incredibly high, therefore, it is necessary to think about improving the recruitment system – less cost or zero cost. So, the respective government and the partners like trade unions should be serious about fair and ethical recruitment. ILO has developed the guidelines on fair and ethical recruitment under which the workers are not supposed to pay their fees and related costs. However, the implementation of such guidelines engaging with the recruiters, workers and the government should be focused on by the trade unions.

### **Closing Session**

During the closing session, a short speech was given by the representative of Afghanistan (Mr Maroof Qadari), Pakistan (Mr Waseem Ahmed), India (Ms Babita Chauhan), Bangladesh (Ms Nargis Jahan), Sri Lanka (Ms Anusha), and Nepal (Ms Asha Singh Rathour).

The speakers expressed their gratitude to all the organisers especially Mr Laxman Basnet and Mr P. Haridasan. They shared about how they gathered, learnt and shared the situation about the country and how to get ahead in the future. They also said that they will try to implement all the learnings from the workshop in their home country as all the sharing and presentations of different resource persons in different topics were fruitful. Ms Anusha from Sri Lanka reiterated that hopefully, SAARC will put into action as during the initial phase they have faced lots of problems, however, progressed very well. She added, sometimes there has been a long gap but happy to find that is now reviving again and hope that everyone will do their homework. Furthermore, it is the trade union's struggle, but unity is a trade union's strength and with the strength of unity, the government can be pushed or replace to move further. Mr Haridasan with requested to applaud for Mr Qadari by sharing that despite all their properties are seized and frozen their bank accounts by the Afghani government they are fighting to work for the people and still their organisation is functioning. Ms Asha Singh Rathaur from Nepal shared that all the learnings from this workshop will be shared for all the benefits of the members. She emphasised that sometimes women's representation lacks active participation even in the trade union, however, if there is no discrimination against male and female children and given equal opportunities the next generation will not have such issues of gender discrimination.

On closing remarks, Mr Puskar Acharya from NTUC committed to reflect upon the current situation and improve by working with Nepal's affiliates through the discussions that were held during this workshop. Having said that, he further highlighted that trade unions are working together for common issues through common platforms for the protection and promotion of labour rights. Therefore, through their joint effort, they are actively working for the implementation of new labour laws and social protection. Mr Bidur Karki from GEFONT expressed his heartfelt gratitude to everyone and agreed on the fact that in the South Asian region there are common problems of migration, women, informal economy etc. Therefore, a joint effort is necessary for addressing these issues. Mr Som Bahadur Thapa from ANTUF reflected upon the activities conducted and committed to discuss with

other members and act upon the action plan made during the workshop. Mr Syed Mahammad Fahimmudin Pasa from ITUC-AP talked about the themes and areas that were discussed during the workshop and put stressed on doing homework by the affiliates after returning from the workshop in order to make such meetings successful. He highlighted on the difficulties that he has to face once Mr Haridasan will retire from the ITUC-AP. In the midst of the closing session, all the participants honoured Mr Haridasan who is going to retire soon through short speech and bestowed him their love and respect for his contributions in the trade union movement. Mr Haridasan thanked everyone and SARTUC affiliates who gave him opportunities to work and whatever progress he made. During his speech, he shared his experiences how he got engaged in trade union movement since his teenage/college days in Kerala, South India and how he grew together with SARTUC as a trade union leader. Additionally, he reiterated that this kind of meetings gives trade union and opportunity to meet each other, discuss, share their problems and try to find the solutions. Mr Laxman Basnet wrapped up the two days' workshop thanking and briefly highlighting the future plans of SARTUC such as an upcoming election. In the end, he greatly emphasized on the threats posed by the current trade union situation in India that can be replicated by others, therefore, it is vital to come together, act together and grow together in the issues of migration and other labour issues through instruments like SDGs and GCM. Lastly, he again thanked Mr Haridasan for his services to South Asia and the workers at large.