

Asian Roundtable on Social Protection Network Newsletter

December 2017

Organizing and fighting for social protection for all in Asia

Social Protection Need for Construction Worker Bangladesh Context

by Repon Chowdhury (OSHE)

The construction sector plays an important role in the economic growth and development of Bangladesh. Despite this, the country is lagging behind in creating safe workplaces for construction workers. The Annual Workplace Safety Report 2017 prepared by Bangladesh Occupational Safety, Health and Environment Foundation (OSHE Foundation) disclosed that 179 construction workers lost their lives in 2017, which is the second largest figure of workplace accident. The highest number of lives lost, with a total of 488 persons, was in the transport sector.

The trend of unsafe workplace is similar as it was in the recent years. In 2016, a total of 147 construction workers lost lives in construction sector, while 42 workers in the sector were seriously injured.

According to OSHE report, there were a total of 1509 deaths in the construction industry from 2008 and 2017, or 150 deaths per year. The two most common reasons behind the deaths are falling from a height and electrocution. Construction workers suffer from various construction-related health hazards including breathing problems, hearing loss and skin diseases.

Although construction workers comprise 4.4 % of the total labour force in Bangladesh, the number of deaths in the construction industry constitutes 14.5%

of total occupational deaths. In many construction sites, basic safety gears such as gloves, helmets, glasses, safety belts and first aid kits are not provided.

Lack of safety equipment and the trend of work in hazardous situation is major concern in construction sector. In fact, there is no monitoring mechanism in place. Due to several limitations, legal measures are hardly taken against safety violations. Many deaths in construction sector remain unreported.

According to OSHE survey, 103

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Social Protection Need for Construction Worker Bangladesh Context

day labourers also lost lives due to workplace accident, most of them were involved at construction sites on day-to-day basis.

Occupational Safety and Health Expert observes that high casualty rate and low safety situation at the construction is seen for long time with minimum action by concerned government department. Lack of legal enforcement is responsible for repeated suffering in this sector.

OSHE foundation also observed that International Financial Institution-funded construction projects in Bangladesh are required to demonstrate proper respect of labour standards and

Causes of accidents at construction sector in Bangladesh 2017

SERIAL	CAUSES	PERCENTAGE	TOTAL CASUALTIES (DEATH + INJURY)
1	Electrocution	33.03%	73
2	Falling from height	28.95%	64
3	Hit by construction materials	13.57%	30
4	Suffocation of gas / smoke	9.04%	20
5	Workplace fire	1.35%	3
6	Others	14.02%	31

practices at worksites as example for other local operating companies and contractors.

Workers at this sector are mostly unorganised and collective efforts are required to promote safety culture in this area. Another important point to underscore is that out of the 179 deaths in 2017, 175 of the cases were workers from the informal sector. This will mean victims' families will never get any compensation from the employers, as the existing labour act is only applicable for formal sector.

There are two important pieces of legislation in Bangladesh regarding construction safety. The first one is the Bangladesh Labour Act 2006, which consolidates all the labour laws in Bangladesh, and gives guidelines about safe work environments, along with the right to compensation to workers in case of injury or death.

The Department of Inspection for

Factories and Establishments (DIFE) is entrusted with the responsibility of implementation of the BLA 2006, which was amended in 2013. The second one is the Bangladesh National Building Code (BNBC) 2006, which establishes the minimum standards for design and construction for all buildings in Bangladesh, and has provisions on safe construction practices and labour welfare. Despite such laws existing in Bangladesh, monitoring and enforcing safety in construction is still a big challenge due to various limitations such as confusion regarding enforcement authority, shortage of manpower at enforcing agencies, and lack of a national safety certification and licensing programme for engineers, contractors and workers.

The constant cycling of workers on construction sites adds another layer of difficulty in implementing construction safety. In the absence of a national

ERRATA

AROSP Newsletter June 2017 Edition, on page 6, the article "Bangladesh government mulling..." prints the author as Ecumenical Institute for Labor Education and Research instead of Occupational Safety, Health and Environment of Bangladesh. On the same page, the flag icon for Bangladesh incorrectly replaced by the flag of the Philippines. Our apologies.



Launching of Bangladesh Social Protection Advocacy Network (BSPAN) in Dhaka on October 3, 2017. (See related story on page 8.)

monitoring system, the responsibility of providing safety generally falls on the building owners, private developers or contractors, who often do not take adequate action due to the cost and organisational hassles of implementing their own safety system.

Workplace safety and Social Protection are supportive to sustainable development. Goal 8 of Sustainable Development Goals also emphasise on decent work, which is not possible without having safe workplace.

For developing a culture of safe work in construction sector, concerned authorities may consider following recommendations from OSHE;

- Formalize all the workers at the sector according to skill/occupation wise (i.e general construction helper, skilled mason, painter etc.) though a registration process and introduce a legal probation for ob-

tain work licence by all workers for work at the sector from appropriate government authority.

- Immediate appropriate revision of accident compensation clauses under Bangladesh Labour Act (2006 amended)
- Ensure strong legal enforcement on mandatory and visible use of Personal Protective Equipment (PPEs) by all workers at construction sites i.e. helmets, safety boots, safety belt, safety jacket, steel structure scaffold, guards, safety signs and training of workers by principal contractor / company initiatives.
- Establishment of special joint inspection wing by government together with Department of Inspection of Factories and Establishment (DIFE) inspectors and inspector under local government authorities for construction sector towards

ensuring proper safety monitoring and inspection at the sector.

- DIFE, Employers, trade union bodies at the sector to jointly launch special safety awareness campaign together for construction workers, developer company officials and site engineers around the country.
- Provide Government of Bangladesh guidance to construction companies to set up core safety principles, safety committee and programme at company to site level.
- More capacity building of the trade unions at sector to effective and united work on health and safety rights issue for their members and non-members.
- Expansion of WISCON Training Programme at the sector.
- Introduce mandatory work insurance for every single worker at the sector by government •

PHILIPPINES



APMDD-Prakarsa study raises red flags over ASEAN bilateral tax treaties

with developed countries in the lead-up to 2017 ASEAN Summit

by MAE BUENAVENTURA (TAFJA)

Last Nov. 9, 2017 the Asian Peoples' Movement on Debt and Development (APMDD) together with the Freedom from Debt Coalition (FDC), shared a study with close to 50 Philippine and Southeast Asian civil society organizations as well as Philippine tax authority officials to raise the fiscal justice impacts of bilateral tax treaties (BTTs) on domestic resource mobilization in the region. Perkumpulan Prakarsa, a Jakarta-based research NGO and a Coordinating Committee member of the alliance Tax and Fiscal Justice Asia, collaborated with APMDD in conducting the research.

Dubbed "ASEAN Tax Treaties: Plugging the Loopholes to End Corporate Tax Abuse", the event saw opportunity in the 31st Summit of the Association of Southeast Asian Nations (ASEAN) held in Manila from Nov. 11-13, 2017 to highlight the utter lack of public scrutiny into ASEAN countries' treaty-making processes and its refusal to open the ASEAN Tax Forum meetings to civil society, even as mere observers. To date, ASEAN states have concluded more than 400 BTTs with Cambodia signing its first BTT with Singapore, a well-established tax haven.

APMDD through Mae Buenaventura, highlighted the major messages of the research by giving examples from Indonesia, the Philippines and other Southeast Asian countries. She showed the significant gaps in social service provision on one hand, and on the other, massive revenue loss resulting from developed and developing country BTTs. Findings of other studies were cited to underscore the million-euro revenue losses arising from treaties of the Netherlands with the Philippines, Indonesia, Thailand and ActionAid research as "most restrictive" in terms of ceding taxing rights to developed countries and known tax havens.

ASEAN's target of completing tax treaties in the region as one of the requisites for attracting more foreign direct invest-

ments is highly debatable, she added. The study cites several researches showing no conclusive evidence of this outcome. Tax-related privileges offered to investors were found to be less significant than other variables that include efficient (and not corrupt) tax administration, political stability, labour costs, infrastructure, market accessibility and the like. The questionable nature of investments drawn in vis-à-vis negative impacts on people, communities and the environment, renders this common assumption among developing states even more tragic.

She further shared Prakarsa's findings linking heavy revenue losses with transfer pricing, which indicates violation by treaty partners of tax treaty terms while still availing of preferential treaty rates. In the face of these risks, she said, the target of completing the treaty network without benefit of public consultation, should be a worrisome concern that forebodes greater loss of badly needed resources for vital social services, climate resilience and other urgent development needs.

From the academe, Dr. Marivic Raquiza and Dr. Ed Tadem (also currently FDC President) congratulated APMDD for leading the research effort. Dr. Tadem stressed the consequences of revenue erosion, particularly the imposition by governments of more expansive consumption taxes to offset the financial loss from disadvantageous tax treaties, tax incentives, reducing corporate income tax rates and other types of tax leakage. Inherently regressive, consumption taxes unfairly burden low income groups. This is the direction that the Philippine Tax Reform for Acceleration and Inclusion (TRAIN) is going, rendering it anti-poor.

Dr. Raquiza said that in preparing her input, she consulted with one of her students who also happens to work with the Bureau of Internal Revenue and she learned how BTTs enable

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Financing Social Protection for Informal Workers in Indonesia

by RIZKI ESTRADA (INISIATIF)

INDONESIA



The enforcement of the National Social Security System (SJSN) in Indonesia began in 2014 and the implementation of this policy was aimed at providing certainty of protection and social welfare for all Indonesian people. In principle, the Indonesian state will guarantee that every citizen will be capable of meeting the basic needs of a decent life, while minimizing the risks of life that can lead to the inability of society to meet their basic and proper basic needs.

According to INISIATIF, “however, the fulfilment of basic needs and efforts to minimize the risks of life is not obtained free of charge from the State, but needs to be redeemed with a number of obligations that must be paid by the people, especially for the labour force”. INISIATIF is a non-governmental organization (NGO) based in Bandung, West Java, Indonesia, conducting budget advocacy on social protection.

Social protection programme in Indonesia is two-pronged: 1) Social Assurance Schemes; and 2) Social Security Schemes. Social assurance schemes are non-contributory and targets mostly the poor and persons-at-risk, while social security schemes are contributory and targeting the civil and private workers. In mid-2017, Badan Penyelenggara Jaminan Sosial (BPJS) Employment began to target non-wage workers (referred as Bukan Penerima Upah (BPU) or informal workers such as motorbike drivers, small-vendors, fishermen, farmers and other professions who work independently, to become participants of the BPJS Employment program, a scheme under social security. According to the National Labor Force Survey (Sakernas, 2016), there are approximately 40.16 million informal workers who do not yet have social security employment.

The program offered by BPJS for informal workers are

Old Age Guarantee (referred as Jaminan Hari Tua), with a monthly contribution of IDR 20,000 (USD1.48), Work Accident Insurance (referred as Jaminan Kecelakaan Kerja) and Death Insurance (Jaminan Kematian), with a total monthly contribution of IDR16,800 (USD.1.25). The total contribution by an informal worker per month reaches at least IDR 36,800 (USD 2.73). By assuming all the 40.16 million informal workers contribute their monthly premium, the total amount collected can reach IDR 1.48 trillion per month (USD 109.8M). This amount does not include the contributions of the health insurance scheme.

Seeing this figures, INISIATIF suggests that “if we take into consideration the economic conditions, the amount of contributions that collected from informal workers are not based on the financial capability of informal workers. Since most of them work as motorbike drivers, fishermen, small-vendors and farmers, they belong to the precariat, with income levels generally uncertain and low”.

INISIATIF continued to say that the policy will only burden the informal workers, who should be assisted by the State. “In fact, it cannot be denied that for participants who cannot afford to pay on time, they are often penalized and need to pay extra money as penalty. This is precisely the policy that squeezes the informal workers dry in the future”.

The system in recent years

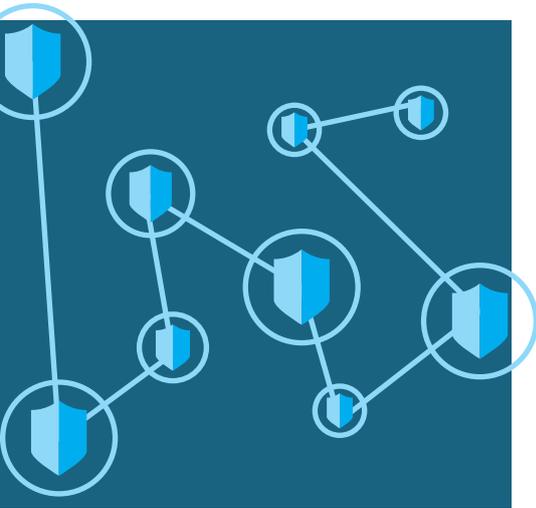
By the end of 2016, from the 40.7 million formal workers, a total of IDR 67.4 trillion rupiah (USD 5B) was collected by the Social Security Administrative Bodies (BPJS Law), standing as the legal entity responsible for managing Dana Jaminan Sosial (Social Security Fund). In 2017, BPJS

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INDONESIA

Various Sectors of Working People in Indonesia Establish National Network on **Transformative Social Protection**

by ASIA MONITOR RESOURCE CENTRE



Meeting last October 23, 2017 in Jakarta, various sectors of working people in Indonesia agreed to establish a national network to advocate for transformative social protection. The network was established as a response to the deepening of precariousness under neoliberalism policy. Workers are facing declining on real wage, while rural communities are constantly being displaced for the sake of infrastructure development.



Participants were having group discussion to formulate a priority to be advocated under network.

The building of the network is seen as one way forward to strengthen social movement. Working-people groups from workers, peasants, fisher folks, indigenous people, and urban poor, are separated in doing advocacy due to their different immediate interest. Workers tend to focus on working benefit such wage and paid leave, peasant more stressing on land protection.

Having right-based and universal principles, transformative social protection provides a common ground for the various sectors of working people to unify. The assembly was facilitated by Inkrispena, social research institute based in Indonesia, in cooperation with Asia Monitor Resource Centre (AMRC), a regional labour non-governmental organization based in Hong Kong. During the gathering, six groups representing workers, fisher folks, urban poor and peasant discussed to find a common living experience as a marginalized group.

As the discussion went on deeper, the participants learned that the current social protection programs in Indonesia are discriminatory. One of the participant suggested that the workers are entitled to social benefits from the government, which narrowly target the government-defined 'poor people'. ►



Transformative Social Protection National Network Building happened in Jakarta, Indonesia, 23-24 October 2017.

“Workers are excluded from the conditional cash transfer and rice allowance because we are salaried. But the fact is we still need social benefit, as our wages are too low,” said Lia, one of the women workers participated in the network building representing Federation of ‘Kerakyatan’ Trade Union (FSPK).

The urban poor is also being discriminated under current health insurance scheme. “Many of entitled poor people are rejected by the hospital to receive treatment, as the hospital does not want to lose money,” complained Dika, a leader of urban poor union SPRI in Jakarta, during the discussion. Many health care facilities are privately owned, and private hospital tend to reserve the hospital beds for the contributory patient by rejecting subsidized, non-contributory patient under the *Penerima Bantuan Iuran*, which are

mostly poor people. For a profit-oriented hospital, accepting paying patients will serve better their financial accounts.

As for the starting point to collectively advocate transformative social protection, the participants then prioritized *housing* and *water* issues as common advocacy ground. All of the sectors represented were facing these two issues.

“For only small house with two rooms, it costs us IDR 300,000.00 (USD 22) per month rent. Meanwhile, minimum wage in Tangerang City is only IDR 3,500,000.00 (USD 255),” said Martani, a participant who representing workers group Federation of ‘Karya Utama’ Trade Union (FSBKU).

Having little chance to own a decent house is a common experience by the urban poor. “Many of our members sharing a house with their family, while

others are renting their own,” said Dika sharing his thought.

All of the participants also shared their need for free and clean water. In Indramayu, West Java Province for example, fisher folk community is often facing clean water scarcity as they live in the coastal area. Most of the working people have to buy clean water for daily use. Workers who are living near textile factory Kahatex Ltd., in Sumedang, West Java Province no longer able to consume ground water as it has been heavily polluted by the factory.

The national network will start the cooperative work to advocate these two priority in 2018. As an effort to enhance capacity of the organizer to understand transformative social protection, the nearest plan is to conduct a participatory research involving organizer to prepare data as a basis for the advocacy •

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Financing Social Protection for Informal Workers in Indonesia

experience the deficit reaching IDR 9T (USD 667.6M). Based on INISIATIF research findings in 2017, the BPJS-Healthcare deficit in 2017 can be readily covered by getting state revenue from the Tobacco Excise, which amounts to a total of IDR 152.79 Trillion (USD 11.3B) in the same year.

“The large amount collected from Tobacco Excise can take care of the contributions from all the informal workers who do not have social security of employment. The expected total contribution from the informal workers is only around 1% of the total tobacco excise amount”, asserted INISIATIF.

In November 2017, the Coordinating Minister for Development and Culture of Indonesia have signalled that they will utilize the tobacco tax revenue and cigarette taxes to cover the deficit of the BPJS-Health. For INISIATIF, “the utilization of tobacco excise taxes and local cigarette taxes has the potential to fulfil the right of informal workers to social security. Although the possibility of implementing the policy will cause controversy with Indonesia’s anti-tobacco policy, it is necessary to rethink other sources of revenue that can be mobilized by the State to fulfil social security rights for informal workers in Indonesia” ●

BANGLADESH

Looking forward to 2020, Groups in Bangladesh weigh in on Social Protection Floors



The Occupational Safety, Health and Environment Foundation of Bangladesh (OSHE) together with Asia Monitor Resource Centre (AMRC), conducted a national workshop on social protection floors (SPF) in Bangladesh last October 3, 2017. The workshop was attended by participants from labour organisations from the formal and informal sector, including Occupational Safety and Health (OSH) victim organisation, other non-governmental organizations (NGOs) and government representatives.

In 2015, the Bangladesh government, with the General Economics Division as lead, formulated the National Social Security Strategy (NSSS) that will cover the years 2015 until 2021. Under the new framework, the social security was expanded beyond safety nets and now includes employment policies, alongside social insurance.

The speakers came from various perspectives and their presentations revolved around the social protection policy in Bangladesh, the limitations and scope of further amendments, while noticing the problem and challenges in the implementation level.

After the sharing of information, the workshop delved into framing the campaign goal for 2020, in which they identified 5 key issue for national campaign and advocacy on SPF. After the group discussion, the participants agreed to build a national network functioning as coordinating centre of effort, advocacy and campaign from some organisations for struggling on better social protection in Bangladesh. OSHE was selected as first secretariat of the Bangladesh Social Protection Advocacy Network (BSPAN) for 2018, and will push forward the network to be have a solid and coherent coordination ●



AROSP South East Asia gathers to discuss financing social protection

by ASIA MONITOR RESOURCE CENTRE

The Asian Roundtable on Social Protection (AROSP) South East Asia (SEA) sub-regional network gathered last November 11-12, 2017 in the Philippines. The researchers meeting was attended by various civil society and grassroots organizations, including non-governmental organizations and trade unions working on social protection from Cambodia, Indonesia, Laos, Myanmar, Philippines, Thailand and Vietnam.

According to Abu Mufakhir, program coordinator of Asia Monitor Resource Centre (AMRC), the researchers from AROSP-SEA met to discuss and deepen the understanding of how social protection in ASEAN countries are being financed. “The topic is recent and complex. We are very happy the participants came with their ideas and presentations, resulting in a very productive and informative assem-

bly.” AMRC is the current secretariat of the AROSP.

The participants joined the ASEAN Civil Society Conference / ASEAN Peoples Forum 2017 launch on November 11, 2017 and discussed with other groups from the ASEAN region. Resource persons from various universities and regional networks were also invited to provide their inputs on the state of financing social protection in the sub-region. The group decided to conduct a joint research on the topic to help them navigate the work on social protection in the coming years.

Aside from the discussions on financing, the meeting also discussed national network-building for transformative social protection. “Decisions on social protection are mostly

decided in the national context by policy makers. The trend today is that most of the design of social protection is from the top, without the voice of the grassroots, especially the workers,” said Mufakhir. “By building national networks of grassroots organizations on social protection, we can be part of the discourse and become a stronger force to include our interventions on how social protection should be.”

Mufakhir also mentioned that among the many decision of the meeting was the need to improve the sub-regional network and continue the exchange of information among the members. “The participants wanted to continue the strengthening of the sub-regional network and explore the possibilities of ASEAN as a platform for engagement.” ●

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APMDD-Prakarsa study raises red flags over ASEAN bilateral tax treaties

abuse of transfer pricing, the supposedly neutral mechanism multinational corporations use to determine allocation of profits. Tax treaties typically include a provision that payments on interest and royalties between related parties that exceed payments on similar transactions among unrelated parties shall be levied regular tax rates. Transfer mis-pricing in intra-trade transactions of multinationals thus attempts to avoid this situation and still avail of tax treaty benefits.

Atty. Aaron Pedrosa, Secretary-General of the nationwide multi-sectoral organization SANLAKAS, gave important suggestions from a legal perspective. He said that treaties are governed by principles of good faith and reciprocity, and if negotiations turn out more disadvantageous for one of the contracting parties, then it is well within its sovereign rights to withdraw and/or cancel such agreements. But he also pointed out that treaty negotiations are an exercise of power. Political will is crucial considering that a contracting party can assert that agreements must be kept, in good faith, and in so doing, maintain unequal treaties.

In response, the representatives from the International Affairs Division of the Philippine Bureau of Internal Revenue, affirmed that developing countries such as the Philippines entering into BTTs with developed countries indeed involves giving up more of its sovereign taxing rights since it is seeking potential investment and capital inflows. They expressed openness to possible collaboration in the future

and enjoined civil society to pursue its efforts in protecting the tax resource base and guarding it against leakages.

The study put forward the following recommendations:

To national governments

1. Conduct a participatory and transparent cost-benefit review and analysis of all BTTs to determine the extent to which the sovereign right of taxing global corporations is restricted, estimate the revenue losses incurred over the years and arrive at a decision to renegotiate, amend and/or cancel the most disadvantageous to ASEAN developing countries' revenue base.
2. Pending the results of this comprehensive review, exercise considerable caution in signing new tax treaties especially with known tax havens and OECD member-states, and at the maximum, institute a moratorium on the same.
3. Initiate a participatory process with civil society actors in crafting a tax treaty model appropriate to developing country contexts, particularly their urgent need for mobilizing revenues to fund sustainable socioeconomic development programs.
4. Undertake an open and diligent examination of the OECD MC-BEPS provisions, their implications and impacts. Of particular risk is the opt-in clause on mandatory arbitration. As well, progressive provisions of MC-BEPs can be integrated into tax

treaties without having to sign on to the Convention in its entirety.

5. Publish progress on the Addis Ababa Action Agenda deliverables, specifically the commitment related to the public domestic resources, to substantially reduce illicit financial flows by 2030. This includes putting in place "anti-abuse clauses in tax treaties, a commitment to strengthen accounting, better disclosure and information sharing, and more efforts to ensure tax is paid where economic activity occurs".

To civil society

1. Conduct an independent review of the social justice impacts of ASEAN BTTs with developed countries.
2. De-mystify BTTs through advocacy and popular education.
3. Develop a tax treaty model, guided by tax and fiscal justice principles.
4. Develop capacity on understanding and monitoring the mechanisms and strategies used in international corporate taxation that disadvantage and impinge on the sovereign right of developing countries to build their resource base for their peoples' needs.
5. Engage governments on pursuing the abovementioned recommendations.
6. Support and advance the call for an intergovernmental global tax body under the auspices of the UN.

The forum was held at the University of the Philippines in Quezon City, close to the venue of the ASEAN Civil Society Conference/ASEAN Peoples' Forum which has served as the counterpoint to the annual summits of the ASEAN for more than a decade. Moderated by Claudette Arboleda of APMDD, the forum was also joined by several international guests from CSOs in Myanmar, Cambodia, Vietnam and Indonesia ●

Garment workers in Cambodia tackle National Social Security Fund; propose improvements

The Coalition of Cambodian Apparel Workers Democratic Union (C.CAWDU) held a consultation workshop on social protection last December 3, 2017 at Phnom Penh, Cambodia, attended by almost 200 workers and union leaders, with a significant number of women participants, who came from across country.

According to C.CAWDU, the workshop was conducted to increase the knowledge of the garment workers on the National Social Security Fund (NSSF), the current social protection programs of Cambodia, as well as updates in the ASEAN region regarding social protection.

Among the invited speakers were from International Labour Organization in Cambodia, Ouk Malika, the ILO social protection Coordination officer, who spoke about the ILO Social Protection Floors (SPF) and the SPF programmes of the Cambodian government. Abu Mufakhir from Asia Monitor Resource Centre (AMRC), a regional, non-government labour organization

based in Hong Kong, discussed the trends of social protection in Asia, with emphasis on the ASEAN sub-region.

Ath Thorn, President of C.CAWDU, who also has a seat in the NSSF, shared about the policies and the challenges faced by the NSSF. He explained the coverage of hospitals by the NSSF and clarified the implementation of the NSSF Pension System will happen in 2019.

Below are the recommendation to the NSSF:

1. The NSSF has to strengthen the capacity of human resources and services with high quality, timely and complementary to all member.
2. The NSSF to expand insurance coverage to cover all workers, including informal economy workers and expand to other social protection support.
3. We propose that the NSSF, the social security system be fully re-

by ASIA MONITOR RESOURCE CENTRE

formed, and provide additional benefits to meet the minimum standards in accordance with the International Labour Organization convention.

4. Request that the NSSF regulate membership dues made by the workers and employers as: For work-related accidents, should be by employer, but increase the rate from 0.8% to 2% for each person each month; and for the pension system and plans for the elderly support, the total rate to be increased to 5% (employers 3%, government 1% and workers 1%).

The workshop also had specific reforms for the NSSF, which includes improvement in services, accountability and greater transparency. The garment workers also proposed to the NSSF to ensure equal representation inside the Board of Directors, with workers representatives appointed by royal decree •

PHILIPPINES

The case for UNEMPLOYMENT INSURANCE in the Philippines

by CJ CASTILLO & MICAH HANNAH ORLINO
(Labor Research Institute (LRI)-LEARN)

In an attempt to address the loss of income due to unemployment of many Filipinos, a bill that seeks to amend the Social Security law was filed at the Philippine Senate in which a separate section about unemployment insurance was included. Unlike in the case of government workers, there is no unemployment insurance benefit for private sector workers, thus, the bill is a step in the opposite direction as it mandates the Social Security System---the pension fund for private sector workers---to create and manage an unemployment insurance program for the private sector workers who were involuntarily separated from work.

In the past, there have been discussions on the possibility of creating unemployment insurance for the private sector workers. However, in these discussions employers tend to push for relaxation of the regulation on hiring and firing. Trade unions expressed their disagreement over this proposal and although the idea of having unemployment insurance for private sector workers is acceptable to the labour movement, this proposal had to be shelved temporarily as workers focus on the campaign for security of tenure.

Last October 12-13, 2017, the Labor Education and Research Network (LEARN) in partnership with Friedrich Ebert Stiftung (FES), facilitated a roundtable discussion on contemporary issues on social protection including unemployment insurance, social pension and universal



healthcare. The discussion proved that an unemployment insurance scheme and security of tenure of workers are not incompatible, as claimed by employers. In fact, these policies complement each other and support strong consumption spending of households and thus promote stability in the economy.

Based on the workshop outputs, an effective unemployment insurance scheme must take into account the peculiarities of the Philippine labour market especially its large informal economy. Funding for the unemployment insurance scheme is also an important aspect of the program. In general, workers support the coverage of informal sector workers. To address sustainability issues, workers propose a tripartite contribution scheme where government, employers and workers all contribute to the fund.

An unemployment insurance scheme may be used by employers to hire more temporary and contractual workers. Workers propose safeguards under the current law to ensure that security of tenure of workers is not compromised. Passage of security of tenure law thus remains the most important policy goal of workers.

In conclusion, there is still a need for continuous discussion and study about unemployment insurance in order to come up with a pro-worker UI policy and scheme that does not compromise workers' interest, especially, on security of tenure. Once the bill is signed into law, the next stage is to determine the appropriate design of the unemployment insurance program. And because the technical aspect of unemployment insurance program is not present in the bill, unions need to be prepared with their proposal to be able to effectively participate in future policy discussions •

The AROSP Newsletter

The AROSP Newsletter is a bulletin that provides updates about the struggles, campaigns, and other activities of the members of the AROSP network. The articles are collated by the Asia Monitor Resource Center (AMRC), a non-profit labour rights NGO based in Hong Kong.

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