Understanding the APEC-led Regionalism and the Trade Union Agenda in the APEC Processes

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Abstract

The vast Pacific Ocean has not prevented countries in the Asian and American continents from forging deeper trade and economic relations. This process has been intensifying under a seemingly confusing tangle of bilateral and regional free trade agreements between and among Asia-Pacific countries that augment the trade liberalization commitments made by these countries under the World Trade Organization and the US-led Asia Pacific Economic Cooperation forum. The author points out that the deepening trade relations in the Asia-Pacific have no labor constituency. He argues that this is due to the exclusivist character of global and regional integration processes under the various trade agreements. Trade unions everywhere have been denouncing the ensuing Race to the Bottom, which tends to sacrifice labor rights in the name of global competitiveness and economic integration. The author proposes a new TOR or architecture for global and regional integration, a TOR that gives the trade unions a seat at the regional and global trade tables, and allows them to articulate an inclusive, sustainable and labor-friendly pattern of global and regional integration.

Keywords: APEC, regional economic integration, free trade agreements, race to the bottom, green new deal

APEC: Historical Snapshot

The Asia-Pacific Economic Cooperation (APEC) forum was founded in 1989 on the initiative of Australia and the United States. To date, it has 21 member countries—Australia, Brunei, Canada, Chile, China, South Korea, United States, the Philippines, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Russia, Singapore, Thailand, Chinese Taipei, and Vietnam. These are countries linked together by the vast Pacific Ocean. Together, they account for 50 percent of the global GDP.

APEC was launched as a regionalism project aimed at fostering closer economic relations between and among the APEC countries, with the unabashed official view that the bulk of global trade and production was seen shifting from the Atlantic to the Pacific, and that regionalism would benefit both sides of the Pacific. The rise of China, India and the Association of Southeast Asian Nations (ASEAN) in global commerce, together with the continuing global economic pre-eminence of Japan and the Asian NICs (South Korea, Taiwan, Hong Kong and Singapore), has proven this prognosis to be correct. Later, Latin America also witnessed some economic resurgence, and the Latin countries in the Pacific have formed what is called the Latin American Pacific Arc (ARCO).

This paper seeks to outline the overall trajectory of economic integration in the Asia-Pacific through the evolving regionalism programs of APEC and the emerging bilateral and regional "free trade" and economic agreements being concluded in the region. The paper then fleshes out the response of the trade union movement towards this regionalism phenomenon, and the difficult challenges facing the movement in shaping the architecture of a labor-friendly regional economic integration project.

Recent Developments

Analysing the forces and processes shaping regional economic integration is neither easy nor simple.

For example, APEC, which is dedicated to the formation of a free trade area in the Pacific, has no formal trade and economic treaty binding the group. APEC Leaders (Presidents or Prime Ministers of member countries) meet annually based on individual country commitments to trade liberalization. Thus, in Bogor, Indonesia, in 1994, developed APEC countries pledged to full trade liberalization by 2010, and for developing APEC countries, by 2020.

In 1996, in Manila, the APEC member countries listed down and submitted their individual national target economic liberalization programs as their commitments to the APEC economic program. The Philippines produced a "Manila Action Plan for APEC" or MAPA when it hosted the APEC Forum in 1996. However, there was nothing new in the MAPA because it was simply a consolidated listing of the Philippine trade liberalization commitments to the World Trade Organization (WTO), which was established in 1995 or the year earlier, and to the structural adjustment program (SAP) policy conditions under the World Bank's structural adjustment loans (SAL). The Philippines received a series of SAL loans from the IMF-World Bank group in the 1980s to 1990s.

As it is, tariffs have been going down everywhere in the APEC region due to the following: first, compliance of member countries with the tariff-busting WTO programs under the Non-Agricultural Market Access (NAMA) and the Agreement on Agriculture (AoA); second, unilateral trade liberalization programs undertaken by countries subscribing to the World Bank's SAP doctrine, which has been baptized globally as the "Washington Consensus" ideology; and third, the proliferation of bilateral and regional "free trade agreements" (FTAs) between or among Asia-Pacific countries. Consequently, the APEC's annual agenda focusing on trade liberalization within the region has been broadened to include other "development concerns" such as "inclusive growth," "green economy," "SMEs" and the usual "human resources development," all of which are reflected in the projected 2015 Manila Summit of APEC.

Tangle of Bilateral and Regional FTAs

As pointed out above, some APEC member countries undertake an economic liberalization program either as part of a unilateral program or as a commitment to the WTO liberalization programs or both. But a great source of confusion these days is the APEC member countries' trade liberalization commitments under the mushrooming bilateral and regional liberalization programs or FTAs being pursued by APEC member countries.

For example, ASEAN as a bloc has three regional FTAs with its East Asian "dialogue partners"—China, Japan, South Korea. Hence the term ASEAN+3. It is also involved in FTAs with three other "dialogue partners"—Australia/New Zealand, the European Union (EU), and India. Hence the term ASEAN+3+3. Further, the United States has bilateral FTAs and Trade and Investment Framework Agreements (TIFAs) with some ASEAN countries such as Malaysia, Singapore and Thailand. Moreover, the ASEAN countries taken together are involved in a total of 128 FTAs in varying stages of development (Baldwin, 2008). To complete the ASEAN picture, it is committed to full economic liberalization by 2015, with the ten (10) ASEAN countries agreeing to the free flow of goods, capital, services and skilled labor within the bloc's free trade area.

On the other hand, the ARCO countries are involved in Economic Cooperation Agreements (ECA) linking the Latin American and Caribbean (LAC) countries. The ECAs are focused on the granting of tariff preferences, signed by most countries of Latin America within the framework of the Latin American Association for Integration (ALADI), which was formed in 1980 on the basis of the former Latin American Free Trade Association (LAFTA) of 1960. There are also BFTAs between LAC countries, and those being pursued or signed with their Asian counterparts.

This tangle of bilateral and regional FTAs lies on top of the APEC member countries' involvement in the WTO, which has more than two dozen agreements under its umbrella, the most significant of which are the AoA, NAMA, General Agreement on Trade in Services (GATS), and Trade-Related Intellectual Property Rights (TRIPS). After ten years since its establishment in 1995, the WTO was supposed to have a "new round" of trade liberalization commitments in key areas of the economy. Talks for this round, dubbed the "Doha Development Round" (DDR), have been unsuccessful and have been derailed several times, first in Cancun in 2003, then in Hong Kong in 2005, and later in various WTO meetings in Geneva and elsewhere. The failure of the

DDR talks is one explanation for the proliferation of FTAs in different parts of the world, particularly in the APEC region. The UNDP wrote that as of 2005, the WTO had received notifications of about 220 FTAs in different regions (Gibbs & Wagle, 2005).

The UN Conference on Trade and Development (UNCTAD) has also been reporting on the spectacular rise in the number of IPPAs or Investment Promotion and Protection Agreements—over 2,000 in mid-2012—signed globally, with countries in the APEC region, including China, in the lead (UNCTAD, 2012). The IPPAs or Bilateral Investment Treaties (BITs), like the US-initiated TIFAs, seek to establish "free investment rules" through provisions strengthening the rights of foreign investors in the signatory countries. The IPPAs rule out any performance requirements, allow multinationals to file proceedings before international courts against a State making any change in the regulatory framework, and provide for dispute resolution that often takes place in secret.

The above tangle of BFTAs and RFTAs, including TIFAs and IPPAs, is described in Europe as the "spaghetti bowl;" in Asia, it is called the "Asian noodle bowl" of trade liberalization agreements. These bilateral and regional FTAs are separate and distinct not only from the multilateral trade agreements under the WTO but also from the "unilateral" trade liberalization programs pursued by the individual WTO and APEC countries. In the 1980s and 1990s, many Asian and Latin American countries, on the advice and pressure of the international financial institutions (IFIs), adopted unilateral "structural adjustment programs" calling for the liberalization of their trading and investment regimes, as well as the deregulation and privatization of key sectors of their economy.

However, confusing though they may be, all these unilateral, bilateral and regional trade and economic programs have one common unifying thread: they are all crafted in support of economic openness and trade liberalization. They are all inspired by the idea that such openness and liberalization are inherently good for everyone, for they are a key to the creation of jobs and wealth in society.

Rise of China and Changing Global Trade Patterns

A third major development is the radical economic realignment in the world. China, the fastest-growing economy, has eclipsed Japan as the world's second biggest. It has also withstood the ravages of the 2008-2009 global financial crisis (GFC), while the world's number one, the United States, is still plodding along and seeking a way out of its financial and jobs crisis.

Another major indicator of realignment is the rise of the BRIC countries—Brazil, Russia, India and China—on the global stage. It is observed that progress in the WTO talks and even in the Conference of Parties (COP) on climate change (CC) have not progressed, partly because of the stubborn stand taken by some of the BRIC countries on key issues, such as AoA market access in the case of the WTO, and carbon emission cuts in the case of CC under the Kyoto Protocol.

However, other APEC countries have also performed relatively well, notably South Korea in Asia and Chile in Latin America. They have also looked increasingly towards their adjoining neighbours for more productive trade and investment relations, which is a clear indication that the world is no longer the old unipolar (US-led) or bipolar (Western/Soviet) one, or what can be described as a North-South divide. It is much more complex and fluid, with the OECD countries actively interacting with the BRIC, ASEAN and ARCO countries as well as with the Asian NICs and Japan.

The complexity and fluidity can be seen in the flow of goods and investments, both productive and speculative, in and out of countries. Also, ASEAN countries, which are targeting full regional economic integration by 2015, ironically trade more with non-ASEAN trade partners such as China, Japan and the United States than within the bloc among themselves.

US-China Rivalry

Lately, business reporters have been unabashedly writing about the US-China rivalry and the transformation of APEC as a battle ground for these two giant economies (Pakpahan, 2012). There is some basis for this, as the US is now feverishly pushing for a Trans-Pacific Partnership (TPP) for the Asia-Pacific region with a dozen select countries of the region excluding China. The TPP is a counterpart of the US trade offensive on the other side of the globe, the Transatlantic Trade and Investment Partnership (T-TIP) between North America and the European Union. The TPP promotes free trade, investment and other economic ties between or among select countries of Asia and the Americas that are facing one another across the vast Pacific Ocean. To date, the TPP comprises the United States, Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The proposed TPP is very extensive and consists of 30 chapters covering different trade and trade-related issues.

China, on the other hand, has been pressing the ASEAN to push for the consolidation of the economic partnership agreements (EPAs) with the ASEAN's six dialogue partners (Australia, China, India, Japan, New Zealand and South Korea) into the Regional Comprehensive Economic Partnership (RCEP). The RCEP covers trade in goods and services, investment, economic and technical cooperation, intellectual property, competition, legal and institutional matters and other issues.

In addition, China launched in 2014 the Asian Infrastructure Investment Bank (AIIB). The AIIB is not exactly a trade agreement. It is a multilateral bank whose rationale is to help developing economies get funds for the building of needed infrastructure, mainly transport-related ones such as roads, railways and so on. This is similar to what the World Bank and ADB have been doing. And like the World Bank and ADB, the AIIB is likely to promote increased trading arrangements, with China obviously at the center. Around 50 Asian and European countries have either joined or expressed interest in participating in the AIIB. The exceptions are the United States, Japan and Canada.

At the moment, China is regaling business observers about its grand plan to build a 21st-century "Silk Road" connecting East Asia with Central Asia, Middle East and Europe through a net of new roads, bridges and railways (Tiezzi, 2014). China's seriousness in building the Silk Road can be gleaned from what it is already doing—huge investments in building connecting roads, bridges and railways to Laos, Cambodia, Thailand and Myanmar in Southeast Asia, and to Kazakhstan in Central Asia. But all are linked to China.

Trade Union Attitude on Regionalism

Despite the gung-ho view of their government and corporate proponents, regional trade liberalization projects such as APEC do not have a labor constituency. First of all, APEC and the tangle of FTAs described earlier are hardly understood by the ordinary workers.

For trade union leaders, APEC and the FTAs are seen as additional symbols of what is negative about globalization. These are agreements that facilitate the entry of or investment by transnational corporations (TNCs), which take advantage of fiscal incentives and cheap labor offered by host countries through various fiscal incentives and special facilities, such as the export processing zones (EPZs). In many EPZs, unionism and collective bargaining are usually discouraged, covertly or overtly. As a result, there is zero unionism in a large number of EPZs despite the huge concentration of workers in EPZ parks.

Globalization itself is seen as anti-labor. Global competition has ushered in global labor practices which tend to cheapen labor through various "flexibility" measures in the name of firm "rationalization" or "reengineering". These measures range from outsourcing of work at the global, regional, national and industry levels, to the hiring of workers under short-term arrangements as "irregulars" (like in South Korea), "non-standards" (like in Japan), or casual/agency/seasonal workers (like in most countries). The sources of flexible labor are migrants from the rural areas, overseas workers, displaced workers (called *xia-gang* in China) from privatized state-owned enterprises (SOEs), "redundated" workers and the large army of unemployed/underemployed workers. In fact, globalization has boosted the growth of the short-term staffing or dispatching industry, which has also encouraged the expansion in the APEC region by the short-term but big TNC staffing companies such as Manpower, Vedior, Addeco, Monster, Inc., and Kelly Services.

Further, some home or domestic companies with stable jobs tend to become unstable or even collapse, resulting in the job-displacing restructuring or closure of these companies. Overall, globalization leads to job insecurities and erosion of unionism and collective bargaining. In the context of the larger global market, increased competition associated with economic liberalization is translated by the TNCs to a race in search of cheaper and malleable labor. This Race to the Bottom phenomenon is the explanation for the endless HR reengineering, outsourcing, reconfiguring of work, and shift to short-term hiring. In the end, jobs become less stable, and union and labor rights are openly trampled upon in the name of competitiveness.

Efforts of Trade Union Movement to Influence Directions of Regionalism and Globalization

It is in this context that trade unions have been trying to influence the directions of globalization and economic integration. The global trade union formations have been calling for the universal application and recognition of core labor rights, particularly in EPZs.

In APEC, the global trade unions were shocked to discover that employer associations are fully recognized by the body through the formal accreditation of the APEC Business Advisory Council (ABAC), which is regularly consulted in major APEC meetings. Parallel ABAC meetings during the annual APEC Leaders Meetings are attended by hundreds of business representatives by different TNCs. And yet, the ABAC has no trade union counterpart.

Further, APEC has formed various working groups or committees in furtherance of its program. One such committee is the Human Resources Working Group, which, like in many other regional and bilateral FTA bodies, has studiously avoided any discussion of workers' rights and trade unionism. The overwhelming focus of the HR group is on skills development, deployment of workers, employment strategies, HIV at the work place, mutual recognition agreements (MRAs) and the like.

It is against this general backdrop that the global trade unions decided to form in 1995 the Asia-Pacific Labor Network or APLN as a counterweight to the ABAC, and to push an HR agenda in APEC that gives primacy to workers' rights and unionism. The APLN has been seeking a seat in the APEC table, and has been pressing APEC and individual member countries to give trade unions a seat and/or give APLN's agenda a hearing. The APLN has also been articulating the challenge of broad-based development paradigm where the people's well-being is treated as the end-all and be-all of a people-oriented regionalism. With the help of the International Confederation of Free Trade Unions (ICFTU), now known as the International Trade Union Council (ITUC), the APLN has been organizing annual forums on globalization and regionalism and their impact on trade unions, and arranging dialogues with select sympathetic governments or APEC officers on the APLN agenda, summarized in APLN manifestos or position papers. However, these awareness-raising and dialogue efforts of the APLN, which are usually based on the initiative of the trade unions in a host APEC country, have not been sustained due to limited funding, the absence of a permanent secretariat, and the lack of formal recognition given by APEC (unlike in the case of the ABAC for the employers).

In general, the unions' voice in APEC and other regionalism processes or projects remains unheard.

Development Gaps Remain Wide

Overall, there are wide development outcomes under regionalism, which tend to exclude the working people in terms of benefits despite the claim of proponents that more gains have been accruing to society. Likewise, there are wide and persistent development gaps between and among APEC countries. Even the ADB acknowledged the "two faces of trade in Asia and the Pacific"—the rapid rise of China and a small group of countries (mainly India and the newly-industrialized countries), and the marginal growth and share in regional development by the majority of the region's developing economies (ADB, 2007).

The gaps are easily seen in the case of the ASEAN member countries, which are ten countries at ten different levels of development. (See Table 1). If the non-ASEAN East Asian countries are included, the contrast among countries becomes even sharper.

Roughly, Myanmar and Cambodia had a per capita GDP of less than US$1,000 in 2012. In comparison, the tiny states of Brunei and Singapore had a per capita of over US$40,000 in the same year. All other ASEAN countries are scattered in between these extremes. It will take the least developed ASEAN countries at least half a century to catch up with the most developed ASEAN countries under a scenario of high growth for the former and low growth for the latter, which, of course, is unlikely. In 2001, through the Hanoi Declaration, ASEAN formally recognized this gap problem. However, the ASEAN solutions are relatively weak—sharing of resources and know-how in ICT, human resources development and regional information. These programs are largely unfunded, and have no clear gap-busting goals.

Table 1. Population, GDP, Per Capita GDP and Share in World Exports of ASEAN and East Asian Countries (2012)

Country	Population (million)	GDP (US$ billion)	Per capita GDP (US$)	Share in world exports (per cent)
Brunei	0.4	17.0	42,380	.07
Cambodia	15.3	14.1	926	.04
Indonesia	244.5	878.5	3,594	1.06
Lao PDR	6.6	9.2	1,380	.02
Malaysia	29.5	304.7	10,345	1.27
Myanmar	63.7	55.3	868	.05
Philippines	95.8	250.2	2,612	.29
Singapore	5.3	276.5	52,056	2.29
Thailand	67.9	366.0	5,390	1.28
Vietnam	88.8	155.6	1,753	.62
China	1354	8,221.0	6,071	11.48
Hong Kong	7.2	263.3	36,676	2.48
Japan	127.6	5,960.3	46,707	4.47
South Korea	50.0	1,129.5	22,589	3.07
Taipei	23.3	474.1	20,336	1.69

Source: ADB, 2013 Key Indicators.

Moreover, there is a need to recognize different capacities and endowments of countries. A one-size-one-fits-all formula of trade liberalization will only reinforce gaps and inequalities. This is the reason the principle of "special and differential treatment" (SDT) is enshrined in the Preamble of the WTO and repeated almost a hundred times in the text of its two dozen plus agreements. And yet, SDT is hardly given life in the WTO and in the various FTAs. Worse, in the case of bilateral FTAs, weak trade partners have limited room to maneuver in a regime of "equal" liberalization rules. The case of Mexico's failure to equalize or catch up with its northern neighbors under the North American Free Trade Agreement (NAFTA) is most illustrative of this situation.

GFC: An Opportunity for Reforms Being Missed

Not surprisingly, the discussion in APEC about the GFC has been relatively low key. One reason is that apart from the United States and Japan, most of the APEC countries have not been affected as severely by the GFC.

And yet, the GFC, despite its debilitating impact on trade and jobs, represents an opportunity—an opportunity for reforms in order to prevent future crises and stabilize economy and society. This opportunity is slowly fading away, as OECD countries and many governments are going back to the old free-trade liberalization paradigm with limited or weak rules. Governments have forgotten that the GFC is rooted in unregulated global finance. Moreover, many have failed to appreciate the fact that the race to the bottom is also at the root of the GFC.

As mentioned earlier, the race to the bottom means the efforts of big firms—the TNCs in particular—to ignore global labor, and social and environmental standards in their blind pursuit of global profit-making activities. Such a race to the bottom explains the terrible weakening of the labor movement almost everywhere, as global capital flies in and out of deregulated national markets in search of the cheapest production platforms, which include union-free EPZs. This has even pitted host countries against one another in their frenzied drive to attract global capital by sacrificing global and national labor, social and environmental standards. In Asia, this race to the bottom is illustrated by the rise of Factory Asia (Baldwin, 2007), or the chain of production activities organized or outsourced by the TNCs in different sites in Asia, primarily in EPZs or enclave areas where unionism is held at bay. Among the leading products of Factory Asia are electronics, auto parts, garments, textiles, furniture, toys, watches, household appliances, and other labor-intensive products that are retailed by Wal-Mart and other big transnational retailers.

This race to the bottom took definite shape in the 1980s when the Reaganite/Thatcherite "privatization" program swept the OECD countries. At about the same time, the World Bank and the IMF imposed on heavily-indebted countries the SAP, which pushed for privatization, economic deregulation, and trade and investment liberalization as the uniform solutions to underdevelopment (SAPRIN, 2004). Both the Reaganite/Thatcherite privatization program and the World Bank's SAP were inspired by the ideas of the so-called "Chicago school" of economics, led by Milton Friedman, who believed in liberalized or "unfettered markets" as the panacea to almost every economic problem.

The labor economists in the World Bank and other think tanks seized the neo-liberal Friedmanesque thinking by declaring unionism, collective bargaining, social security, and other protective labor institutions as "rigidities" in the labor market, or as unwelcome interference in the free interplay of supply and demand in the labor market. (See, for instance, the neo-liberal arguments in Harrison and Revenga, 1998; World Bank, 1995.) Thus, under the neo-liberal interpretation of how the labor market should behave, a strong interventionist labor movement is blamed as the cause of unemployment in a given society. Accordingly, job-creating capital does not come in when wages do not go down due to institutions of unionism and collective bargaining.

The race to the bottom has caused a disequilibrium in the global market, or an imbalance in the global supply and global demand. There has been a global "overproduction" of goods, especially those produced by the TNCs under their Factory Asia in China and other countries. At the same time, there is growing global "underconsumption" of the same goods because the workers and farmers producing these goods have declining wages and incomes under an unequal and unjust race to the bottom. This global overproduction-underconsumption pattern engendered by the race to the bottom is easily validated by the widening gap in many countries between rising labor productivity and labor compensation in the l980s up to the 2000s, as shown for example in the case of the United States itself. Major global reports by the UNDP (1999, 2006) and World Commission on the Social Dimension of Globalization (2004) show rising global productivity and GDP, and yet this growth in productivity and GDP is accompanied by deepening inequality and even joblessness in many countries, including declining share of global wages versus global productivity.

In 2012, the ADB devoted its annual *Asian Development Outlook* report to the theme of "Rising Inequality in Asia." It noted that wage share has been lagging behind Asia's rising productivity, specifically from the mid-1990s to the mid-2000s. The International Institute for Labor Studies (2011) had a similar observation. It pointed out that the decline in the wage share in Asia for the same period was roughly around 20 percent.

Reversing the Race to the Bottom: Putting People at the Center of APEC Processes

Clearly, the present economic-environmental crisis requires deeper and bolder changes in the global economic architecture and the way it is governed. Reforms in the APEC and other regional integration programs are clearly in order.

A guiding reform principle should be how to put people at the center of development. This means abandoning the neo-liberal Friedmanesque framework of economic programming that practically worships at the abstract altar of free trade—of the so-called free interplay of global market forces, unmindful of the impact of such interplay on people's lives and jobs and environment. The narrow, neo-liberal economic framework is at the root of the devastating global race to the bottom. Hence, overhauling or setting aside this framework is necessary if one has to reverse this race.

Thus far, the boldest measures undertaken by the major economies are huge fiscal stimulus packages amounting to several trillion dollars. Today, governments like that in the United States are debating on whether they should continue with the stimulus package or not. In the meantime, there is no progress on the imposition of tighter financial regulations except for a recommendation by the Basel Committee on Banking Supervision to increase the reserve requirements banks must maintain without making any stand on the toxic financial instruments that were traded widely—and continue to be traded—by the speculators.

Worse, the solution being advanced in some countries comes in the form of the so-called "labor reforms," meaning further liberalization of the labor market and downgrading of protective labor rights such as social security coverage. This is race to the bottom once again! This is the reason European trade unions are up in arms against the so-called pension reforms in France and other countries.

These "labor reforms" are non-reforms and run counter to the Keynesian and institutional prescription of more rights for workers to counter the cyclical downturns in the economy and stabilize society. Note that, in response to the Great Depression of 1929-33, Franklin Roosevelt of the United States and other countries instituted a whole set of reforms giving labor more rights in line with the Keynesian and institutional economic thinking at that time (Kaufman, 2004). This paved the way for the "New Deal" American economic recovery of the 1930s, and the establishment in the 1940s and 1950s of a stable system of tripartism, welfarism and economic growth in Europe and America after the end of World War II.

Now, instead of imbibing the Keynesian and institutional lessons and applying them to the GFC, some politicians want the stimulus spending to be directed to the bailouts of the big banks, while neglecting the "social safety nets" for millions of unemployed Americans (Stiglitz, 2009). A similar tendency is detectable in Europe, with the rise of right-wing governments frowning on social safety net spending and extension of rights to migrant workers.

Hence, the urgency of developing a broader global consensus on sustainable reforms for sustainable global economy and environment.

Towards a Stronger TOR on Globalization

One package of proposals comes from the ILO's "Global Jobs Pact," which was adopted by the International Labor Conference in June 2009. The pact calls for:

1) "building a stronger, more globally consistent supervisory and regulatory framework for the financial sector, so that it serves the real economy, promotes sustainable enterprises and decent work, and better protects savings and pensions of people;

2) "promoting efficient and well-regulated trade and markets that benefit all, and avoiding protectionism by countries. Varying

development levels of countries must be taken into account in lifting barriers to domestic and foreign markets; and

3) "shifting to a low-carbon, environment-friendly economy that helps accelerate the jobs recovery, reduce social gaps and support development goals and realize decent work in the process."

The above ILO declaration is a good prescription for both the GFC and the global warming threat. The problem is that these general proposals are still being ignored by the G20, while there is no progress in the COP meetings on carbon cut emissions. Sadly, there has been very little discussion in the international forums on the ILO's Global Jobs Pact. The Jobs Pact itself has been weakened by diplomatic and vague generalities on decent work, social protection and labor standards. There is a need to transform this pact into a stronger TOR for the global economy and the environment. It should contain the following minima:

One, a formal renunciation of neo-liberalism towards policy coherence. The neo-liberal economic thinking should be formally debunked and renounced so that it can give way to the adoption of new economic approaches in global and national economic planning, project design and evaluation, environmental accounting and monitoring, and so on. What is happening in many places is that there is widespread implicit recognition of the failure of neo-liberalism, and yet economic bureaucrats and technicians still continue the methodologies they have imbibed from the neo-liberals, for example, measuring or assessing viability of economic projects by focusing on their ability to attract private foreign and domestic investment, while ignoring the social dimension of the projects and the possibility of people's informed participation in such projects. In short, there should really be political, economic and environmental policy coherence.

Two, upgrading and enforcement of social and labor standards for all. Putting people at the center means extending lifelines to all, in particular social safety nets to the unemployed, the displaced, and the vulnerables and informals—all of whom are the leading victims of the GFC. The primary contents of any economic stimulus package should not only be economic revival measures (which can be jobless), but also the formal recognition and extension of minimum social protection for all. A system of universal social protection means a system that recognizes that no citizen should be allowed to fall in society because of deficiency in income, food, shelter, education and health, especially in times of adversity like accidents and job dislocations (ILO, 2001). As pointed out, the European and global experience in the mid-20th century shows that comprehensive social protection schemes serve as stabilizing as well as sustaining factors in the growth process, for they serve as natural counter-cyclical economic programs in crisis times by arresting the fall in the aggregate demand.

But can developing economies afford universal social protection? Can Asia afford it? An ILO study (Social Security Department, 2008) shows that six percent of a country's GDP is needed to meet the basic nets—essential health care, basic child benefits, universal old-age and disability pensions, and at least 100-day employment a year—for all citizens of a society. The whole point is that no country is too poor not to be able to provide social security for all. In fact, history shows that Europe embraced the concept of universal social security right after World War II, when most of them were in shambles. Of course, a social security floor, monetary-wise, has to be determined nationally. But the general principles have to be universal.

The comprehensive social security proposal of AROSS (2013)—universal social assistance for the poor, a universal flat rate pension at 20 percent replacement value, and workmen's compensation, minimum wage and unemployment insurance for all—is timely, and should enjoy the support of all in Asia. This is the right step in reversing the Asian and global race to the bottom.

Three, a Race to the Top. It should be made clear to all sectors of society, including domestic and foreign investors, that there should be a new system of doing business and work—away and distinctly different from the disastrous race to the bottom. There should instead be a Race to the Top based on the virtuous circle of stronger labor-management cooperation and partnership, leading to higher productivity and competitiveness which, in turn, provides greater spaces for higher growth, employment and development for society.

A key element in this Race to the Top is the promotion of the ILO's Decent Work Agenda (DWA). By definition, decent work is "productive work" obtained "in conditions of freedom, equity, security and human dignity." In concrete terms, decent work happens when

- basic labor rights are respected;
- fair and life-sustaining wages are given;
- humane conditions of work are provided; and
- job-holders are assured of social and economic stability today and tomorrow.

The DWA seeks to promote core labor standards, social dialogue, employment creation, and social protection for all in both the formal and informal labor markets. The latter entails programs seeking to upgrade the business operations of informal enterprises side-by-side with the upgrading of the working conditions of employees.

At the same time, there is a need to raise the bar of decency. As Guy Standing (2010) argued correctly, all forms of work, including labor mobility and migration, should be the subject of universal rules of decency. This is so because the race to the bottom is deeply rooted in the ability of corporations under globalization to do away with national labor rules in favor of global, regional, national and industry flexibility, which often leads to downgrading of labor standards.

Four, fair and balanced trade. The narrow, free-trade, one-size-fits-all liberalization formula is no development formula and should be abandoned. The world should cast aside the neo-liberal ideology of unregulated markets in favor of a more flexible, balanced and calibrated program of liberalization and protection in the economy on a sector-by-sector basis as needed, as propounded earlier by Khor (2000) and Rodrik (1997). This, in essence, is the meaning of the "special and differential treatment" (SDT), a proviso in the WTO repeated nearly a hundred times in the founding document. SDT means not all countries are created equally, and each has the right to pursue and plan development based on one's level of development. This means trading arrangements should be concluded based on the principle of mutually beneficial exchanges, not an abstract free-trade system or an inflexible zero-for-zero tariff system that benefits mainly the big and powerful. This also means investment programming and campaign for FDI should be based on a country's real development needs for technology, market, value addition, etc.

Five, a global green new deal. The UNEP (2009) is correct: The world should re-think economic recovery and sustainable growth in the context of a global green new deal. Doing business as usual without caring for the environment is simply unsustainable. Mark Lynas' Six Degrees clearly point out the dark scenario under global warming, as follows:

- One additional degree of heating – more floods and droughts, heat waves, coral bleaching, etc.;
- Two degrees – species disappearing, ocean acidity, marine organisms dying, glaciers rising, sea levels rising, etc.;
- Three degrees – inundation of coastal areas, storm surges, tsunamis, countries disappearing, dwindling food supplies;
- Four degrees – massive climate change refugees, conflicts for resources, rapid decomposition, etc.;
- Five degrees – ice-free poles, earth unrecognizable, giant tsunamis reaching inland populations, etc.;
- Six degrees – runaway warming, massive toxic hydrogen sulfide, equator tormented by ferocious storms, etc.;

And the prospects of no carbon cut agreement, no environmental reforms and no global unity on renewing Mother Earth are too catastrophic to imagine. And yet, adopting the UNEP's green new deal proposal also makes sense in terms of job creation, the creation of good quality jobs at that. First, the greening of an economy, particularly the renewal of communities, the reforestation of the land, the restoration of ecosystems, and the transformation of the different economic sectors (industry, agriculture and services) virtually mean the creation of millions of jobs in each country. Green or greener jobs should not be equated with jobs generated only by the renewable energy sector.

Second, going green requires upgrading or blending of existing skills with the requirements and values of environmentalism. Companies or businesses going green invest in skills, HRD, positive labor relations, and social partnership. This is a win-win formula for all.

Going green also means countries have to abandon the export-or-perish framework in favor of a more balanced program of domestic and export promotion based on the upward movement of skills, know-how and technology of a country. There need not be a race to the bottom.

Conclusion: Winning a Seat at the APEC Table

The above is an alternative development blueprint for a people-oriented regionalism, which trade unions can espouse and advocate. However, to make the blueprint a reality, trade unions should and must win a seat in the APEC table. This can happen if the trade unions and CSOs are united and are able to develop a strong and solid voice in society, which can be heard in all the meeting rooms of APEC and by the APEC Leaders and their respective Ministers. Developing that voice requires continuous conscientization, networking, and solidarity action among the trade unions working toward a people-centered-APEC and globalization with a human face.

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