

Towards a Regional Social Protection for South Asia -A framework for discussion

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Introduction

ILO's Social Protection initiative articulates the need for a social protection as follows:

“The rapidly growing interconnectedness of global financial, product and labour markets poses new challenges for the maintenance or enhancement of social justice. In a world in which financial and economic crises in any region are highly contagious and their effects on labour markets and social welfare spread rapidly, the capacity of individuals to cope alone with economic risks is less effective than before. The global social risks associated with pandemics and the expected effects of climate change have a similar impact on the levels of individual social protection. National social protection systems need to be stronger than ever to neutralize additional systemic global risks. The risks and opportunities inherent in globalization require effective social protection.”¹

However, the ILO social protection does not propose any measures to reduce these risks; rather it focuses only on contingencies and proposes to offers a minimum kind of safety covers to help people survive. This clearly indicates that ILO tries to convince us that there is no alternative to this anti-people politico-economic regime and the socio-economic and environmental disasters that it brings, the only thing that can be done is to extend some help to the people during contingencies so that they survive and remain in the labour market. This is also in the line with broader perspective on informal sector workers, where in the focus is not on helping them to make their livelihoods sustainable, but only on extending them some safety cover to help them survive as the reserve army of labour. This is fully in line with new strategies of profit maximization in the new international division of labour shaped in the global value chains.

The real concerns of the social protection initiatives of UN and the ILO are more visible in the following statements:

“National Social Protection Floors are a social and political necessity, a minimum of income protection is the material basis for the functioning of families and households which, in turn, provide the basis for social cohesion that is pivotal for the functioning of societies and states. Without a minimum of social protection and material protection, the commitment of a major part of

¹ Social protection for social justice and a fair globalization, Report VI , , International Labour Office Geneva, ILO 2011; http://www.ilo.org/ilc/ILCSessions/100thSession/reports/reports-submitted/WCMS_152819/lang--en/index.htm

society to a democratic state will be at risk and with it the protection of all. This was also acknowledged by, among others, the World Bank which, in its 2005 World Development Report, made the case that poverty is a risk to protection and lack of protection can sully the investment climate.”²

The above statement makes it clear that the real concern behind the social protection initiatives are not the wellbeing of the people, but the wellbeing of the capital and the state. The globalization and liberalization are worsening the conditions to the extent that it is crossing all the limits, and if something is not done, it may very soon force the emergence of anti-capital volcanic movements and revolts. This is the real danger for the transnational capitalist class and it is the real concern behind the social protection initiatives. This is why, social protection initiatives are more focused to show and convince the people that the state and the capital are concerned for them. Therefore, as in case of CSR, the emphasis of social protection initiatives is also more on ‘appear to be doing’ rather than ‘actually doing’. Because ‘actually doing’ is very costly; and effectively ‘appear to be doing’ reduces the costs and at the same time effectively manipulates the consent of the people and minimizes the discontent. This may be seen in ILO and UN praising the efforts of some developing countries like India towards achieving universal coverage of social protection. Take the example of well praised achievements in case of old age pensions in India. Firstly, the old age pension is only for the below poverty line old age people and not for all. It is also very well established that the determination and listing of poverty line people is done in such a way that large number of poor actually living below poverty line are not taken in to account. And what is actually offered under old age pension is not even sufficient for one meal every day. Is it not shameful that ILO and UN praise such pension scheme? Another example is the Unorganized Workers Social Protection Act. Apparently it looks promising, but actually it is also the strategy of ‘appear to be doing’ rather than ‘actually doing’. There are serious problems in the act itself, and on the other hand, practically this act is only on the paper, without any budget and without any implementation machinery.

It is clear that the concerns of the people for a social protection system are completely different from that of the above perspectives. The people’s concerns and the people’s need for a social protection system have two dimensions:

1. The meaning of civilized society is a society wherein corresponding to the level of development of the society, minimum living standards and a space for overall development of the personalities are insured to all the citizens and an institutional mechanism is inbuilt in the development policies to insure the redistributive justice. In a democratic society, the development means an overall development of the people, development in their living standards, cultural standards and knowledge, and development of more democratic forms of institutions and the collective concerns of the people for sustainability of the globe and the human race. This is the social protection for the people. The level of social protection is

² Michael Cichon, Christina Behrendt, And Veronika Wodsak 2011, ‘The UN Social Protection Floor Initiative: Moving forward with the Extension of Social Protection’, http://library.fes.de/pdf-files/ipg/2011-2/05_a_cichon.pdf

continuously upgraded by way of collective bargaining that insures the redistributive justice. In absence of such a social protection system, the democracy and the collective bargaining lose its meaning, and it leads to barbaric and slave labour like conditions. Therefore, the social protection is the democratic right of the people and the struggle for social protection is struggle for building a civilized democratic society.

2. The corporate led globalization and liberalization have brought serious changes in the political economy that has deteriorated the democracy and collective bargaining and instituted a new development model that decisively establishes the dominance of profit over the wellbeing of the people. This has brought exceptionally higher level of vulnerabilities and uncertainties in the life of the people and almost completely removed the dynamics of redistributive justice. Therefore, in order to survive and be able to reclaim their rights, the people need additional cover of social protection.

In the name of achieving fastest rate of economic growth, it is advocated that the state must not interfere in the economic spheres and the wellbeing of the people must be left to the supply and demand magic of the market god, and the CSR of its corporate priests. The issue of distributive justice and people's wellbeing loses its space when we accept the logic of fast economic growth. The people are thrown in the conditions of chronic poverty and hunger in the name of their own welfare that is to be brought up by the faster economic growth; and then they themselves are blamed for their conditions and offered some welfare as if showing mercy on them. By propagating and establishing this logic in the society, the capital psychologically weakens the people and makes it appear as if social protection is not a right of the people but a charity provided by state and the capital. Therefore it is necessary to understand that social protection is a right and oppose all such efforts that make it appear a charity. If we look historically, it was the rise in productivity (by hundreds times) of the workers in 19th century that made it possible to realize the eight hours working day. Obviously it was not granted automatically, large number of workers laid their lives in eight hours working day struggle all over the world and then only the capital was compelled to accept it. Now if we look at the developments from the 20th century to 21st century, the labour productivity has gone up by more than 1000 times. In 1920 steel production needed more than 3 worker-hours per tonne and in 2000 it needed only 0.003 worker hours per tonne. Productivity raised by computers only is about 500percent.³ This extreme high jump in productivity naturally builds a strong argument in favour of reducing the working hours further and providing more space to workers for recreation and their overall social, economic, cultural, educational and political development.

Social Protection System in South Asia

Social protection is the only effective measure to reduce the poverty and other vulnerabilities of the workers and people at large, but in South Asian countries there is no integrated system of universal social protection. Access to better social protection generally depends on a formally recognized

³ [Smil, Vaclav](#) (2005). *Creating the Twentieth Century: Technical Innovations of 1867-1914 and Their Lasting Impact*. Oxford, New York: Oxford University Press.

employment relationship. Moreover, important social protection legislations apply to factories with a certain minimum number of workers, and only to those workers earning wages below a certain limit. For example in India, the Employees Provident and Miscellaneous Provisions Act, Maternity Benefit Act and Payment of Gratuity Act apply to only those establishments with 10 or more workers, and the Employees State Insurance Act applies to only those establishments with 20 or more workers. Moreover, the labour relations system is practically degraded to the extent that even if workers are eligible for these benefits, they are not able to claim it. Only the workers organized in trade unions are able to compel the employers to effectively implement these policies. Moreover, as we know, currently in almost all South Asian countries trade union rights are under serious attack, and exercising the right to association and collective bargaining has become a difficult task.

On the other hand, in South Asia a large majority of workers are self employed and wage workers represent a minority of the workforce. As against developed countries where nearly 85 percent of all workers are wage/salaried employees, this figure for South Asia is only about 20.8 percent, even less than the sub-Saharan Africa (22.9 percent).⁴ Moreover, a large majority of wage workers in South Asia are informal/casual/contractual/irregular workers, and therefore they are either not covered (engaged in informal sector) or not able to claim these benefits because of lack of any formal employment contract. It is also worth mentioning that the women and other socially excluded sections (like tribal, Dalits, Muslims and the people from other backward castes) form a significant majority of informal workers and therefore they face a double exclusion.

Table 1: Workforce structure and key economic indicators in South Asian countries

Country	% of workforce in agriculture	Self-employed as % of Workforce	Self-employed as % of non agri. employment	Informal employment as % of non agri. employment	GDP per capita (current US\$)	GDP growth rate (2012)	Population living on less than US\$2/day	Gini coefficient	Trade union density: A) % of labour force; B) % wage workers		Min wages annual PPP US\$ (2010)
									A	B	
Nepal	93.1	66.5	59		690	4.9	77.6	47.2	8	35	151
Bangladesh	62.1	63.6	75		752	6.2	81.3	33.2	2.9	22	58
Pakistan	44.7	35.3	43		1257	4.0	60.3	31.2	3	8.6	229
India	59.8	81.9	37	83	1489	3.2	75.6	32.5	6	14	121
Sri Lanka	32.6	38.7	19		2 923	6.4	39.7	40.2		17.9	93

⁴ South-East Asia and the Pacific 38.8 percent and East Asia 42.6 percent

Table2: Employees (wage and salary workers) in the Labour Market Worldwide, 2008(%)

	Total		Men		Women	
	Employed = 100	Total working-age population = 100	Employed = 100	Total working-age population = 100	Employed = 100	Total working-age population = 100
South Asia	20.8	9.7	23.4	15.6	14.6	3.5
Sub-Saharan Africa	22.9	13.8	29.2	20.5	14.4	7.4
South-East Asia & the Pacific	38.8	21.9	41.5	28.6	35.0	15.1
East Asia	42.6	23.3	46.0	28.9	38.3	17.6
North Africa	58.3	24.4	58.8	38.5	56.7	10.5
Middle East	61.5	29.0	64.4	41.6	53.5	15.0
Latin America & the Caribbean	62.7	38.6	60.6	46.1	65.8	31.8
Central & South-Eastern Europe (non-EU) & CIS	76.6	41.5	75.4	48.0	78.0	35.7
Developed economies	84.3	46.6	81.7	51.8	87.5	41.6
WORLD	46.9	26.5	47.4	33.0	46.0	20.1

Note: Labour force surveys distinguish between those who are employees (employed in wage or salary employment) and those who are not and thus are either self-employed (employers and own-account workers) or unpaid helping family workers. The table shows percentages of those who are employees among (1) all employed; (2) all population of working age, i.e. between 15 and 64.

Source: World Social Protection Report 2010/11, ILO, Geneva

The cumulative impact of all these factors is reflected in very low coverage of social protection in South Asian countries. It is also precisely because of the above dynamics that we get great discrepancies when we look at the data on interrelation between percentage of GDP spent on social protection, coverage of social protection and its impact on poverty. For example, the percentage of poor receiving any social protection is highlighted to be as high as 100 percent in India but its impact on poverty is far less than China where only 69 percent of the poor receive any kind of social protection. Likewise, Indonesia spends almost the same percentage of GDP on social protection but its impact on poverty is much higher than that of Pakistan. In overall terms, social protection coverage in Asia is very low. According to ILO reports, only 20% of the global working population is covered by comprehensive social protection and the figures for Asia are much lower. If we look at the population weighted figured of percentage of GDP spent on social protection, then it is lowest in Asia and Pacific (5.3 percent of GDP), equal to the Sub Saharan Africa. Moreover, it is well established that effective coverage is far below the legal coverage in Asia. It is also interesting to note that none of the Asian countries, except Japan, has ratified ILO convention No. 102 on social protection.

Table3: Social Protection Expenditure by Region and Globally 2010 (%GDP)

	Social security expenditure (excluding health) as a percentage of GDP			Public health expenditure as a percentage of GDP			Total social security expenditure as a percentage of GDP		
	GDP weighted	Simple average	Population weighted	GDP weighted	Simple average	Population weighted	GDP weighted	Simple average	Population weighted
Western Europe	17.9	16.7	18.0	7.1	6.4	7.1	25.0	23.2	25.1
Central and Eastern Europe	14.5	13.9	14.1	5.0	5.0	4.8	19.5	18.9	18.9
North America	9.0	9.3	9.0	7.0	6.9	7.0	15.9	16.2	16.0
North Africa	10.5	9.5	11.0	2.5	2.4	2.5	13.0	11.9	13.6
CIS	9.0	8.2	9.9	3.9	2.7	3.6	12.9	10.9	13.5
Asia and the Pacific	7.9	3.6	3.6	4.2	3.3	1.7	12.0	6.9	5.3
Middle East	8.8	6.6	7.6	2.8	2.8	2.2	11.6	9.4	9.8
Latin America and the Caribbean	6.6	4.0	7.1	3.1	3.4	3.1	9.7	7.4	10.2
Sub-Saharan Africa	5.6	2.3	2.8	3.1	2.4	2.5	8.7	4.8	5.3
Total (138)	11.3	7.1	5.7	5.9	3.8	2.7	17.2	10.9	8.4

Source: World Social Protection Report 2010/11, ILO, Geneva

It is no exaggeration to say that the flawed social protection systems in Asian countries are not the result of any flawed understanding by governments but are a conscious effort to hide their negative attitudes towards social protection. Flawed social protection systems provide them with an opportunity to actually very little (not allocating sufficient budgets) but appear to be doing much. It is worth mentioning here that in Asia and the Pacific, total social protection expenditure as a percentage of GDP (population weighted) is only 5.3 percent, which is equal to that in Sub Saharan Africa. It is the lowest in all regions. For Western Europe, this figure is 25.1 percent, for Central and Eastern Europe 18.9 percent, for North America 16 percent, for North Africa 13.6 percent, for CIS 13.5 percent, for Middle East 9.8 percent and for Latin America it is 10.2 percent.⁸

Now let us look at the coverage in various branches of social protection in Asia.

This is part of the evidence that social protection expenditure by States is not directly proportional to the size of GDP, GDP per capita, and the rate of economic growth. Rather, it depends more on the commitment of the states and the power of the people's movements to compel the states to ensure more equitable growth.

If we look at the head wise social protection expenses, the picture is more alarming. Almost all south Asian countries have some social protection provision for health protection in the form of free or subsidized public health-care services or some form of health insurance. However, the problems are serious in terms of coverage and quality of these services, and by any measure, the effective coverage is minimal. Generally, a small section representing those formal sector workers with better job protection receive relatively better health insurance and facilities. In India there is a wide network of primary health centers meant to provide free/subsidized health care, but they are in a state of paralysis owing to very low budgets. This is clearly reflected in public expenditure on health services. The public health expenditure as a percentage of GDP in Asia and Pacific is only 1.68 percent, even less than Sub Saharan Africa (2.51 percent). It is only 0.59 percent in India. It is interesting to note that in south Asia, smaller economies have higher public health expenditure as a percentage of

GDP. The figures for Maldives, Bhutan, Sri Lanka and Nepal are 5.49, 2.84, 1.89 and 1.63 percent respectively. Pakistan is on the lowest rung of the ladder (0.40 percent) in Asia in this regard. Most countries in South Asia have also some kind of old age pension scheme, but there are serious problems in terms of the coverage and quality of these schemes. In India, for example, the National Old Age Pension Scheme effectively covers only half of the poor and provides the benefits that are not even sufficient to insure one meal per day. Public social protection expenditure on the old age programs as a percentage of GDP is only about 1.9 percent in India. The coverage of and eligibility for unemployment payments is one of the most problematic areas in Asian social protection systems. The majority of countries have no unemployment insurance. The labour laws oblige employers to pay a lump sum as severance pay (generally equal to about one month's salary for every year of the employment with the given employer), but that only applies to formal workers in formal sectors, the rest of the formal and informal sector workers are generally not provided with any unemployment benefits. However, mainly after the financial crisis of 1997, some initiatives were taken in some Asian countries in terms of social assistance programs for the unemployed. If we look at the regional picture in terms of unemployment insurance, in Asia and the Pacific, legal unemployment insurance coverage as a percentage of the working age population (contributory and non contributory coverage) stands at only 12.9 percent, as against 64.5 percent in western Europe. However, this data seems outdated, and the situations currently are worse. Total social protection expenditure on unemployment as a percentage of GDP in China is only about 0.1 percent and in India it is almost zero. Even in developed countries this is most neglected area, with only 0.3 percent in Japan, and 0.1 to 3.3 percent in European countries. The similar is the situation on the issue of employment injuries. Mandatory work-related injury coverage as a percentage of the total economically active population stands only at 25.9 percent in Asia. There are some kinds of legal provisions or schemes for maternity protection in almost all South Asian countries, but problems are serious in terms of coverage and quality of schemes available for the majority of the population other than formal workers. For example in India, the Maternity Benefits Act applies only to those establishments with ten or more workers. There are different other schemes for mainly below poverty line, but provide only nominal benefits.⁵

Towards a Regional Social Protection System

Asia, with its population of 4 billion people is home to almost 60% of the global population; and it is also the home of largest number of working poor (71% of the global working poor) and largest number of workers in vulnerable sector. In 2009 Asia accounted for about 57% of the global employment and in contrast accounted for nearly 71% of the total workers in the vulnerable sector (as high as 78.5% in South Asia, 62% in South east and 51% in East Asia). There is rampant informalization of workforce all over Asia and only a tiny minority is protected by labour laws and gets social protection benefits. The conditions are becoming so worse that every year about 1.1 million workers die in Asia due to work related reasons.⁶

On the other hand, the new global politico-economic regime based on new international division of labour shaped in global value chains and export led development models based on FDI, is

⁵ World Social Protection Report 2010/2011

⁶ Global Labour Trends 2011, International Labour Organisation; and United Nations UN Department of Economic and Social Affairs, The Millennium Development Goals Report 2010

aggravating the problems further and creating disastrous conditions. The combined system of international division of labour, international mobility of capital and the export led growth models based on FDI force a cut throat competition among various nations to win more share of FDI and export orders in terms of offering comparatively cheaper costs of labour and natural resources and actually it takes the form of a war against its own people, its own labour. It also forces a competition among various subcontracting firms that work for brands and 1st and second tier companies to win more share of work orders in terms of offering cheaper costs, and finally it takes the form of competing with each other in more barbaric exploitation of labour. It also forces a competition among workers to get jobs. In all this dynamics, the winners are always the national and international corporate owning the brands and the losers are always the workers. The regional integration of economies are going beyond the WTO and converting the whole regions in virtually a single economy for the transnational capital for all practical purposes, and thereby aggravating the above problems to alarming levels. For mobility of capital and goods the borders are removed for all practical purposes but the mobility of labour is strictly controlled. Therefore for capital the region emerges as single labour market and it may fly away from one country to other without any costs involved. This drastically reduces the collective bargaining power of labour vis a vis capital and increases the vulnerabilities of the labour to alarming levels. To reduce the vulnerabilities of labour in these situations demand initiatives for regional system of labour relations and regional structure of social protection that may to some extent control the disastrous movements of the capital.

Therefore, with speeding of the process of regional integration of South Asian economies in SAFTA and SAARC, a common structure of labour relations and a common structure of the social protection system in South Asian countries emerge as an important and urgent agenda of the South Asian labour movement. This is also well justified on the ground that all the South Asian countries represent more or less similar socio-economic formations, facing more or less similar impacts of globalization and liberalization, went through similar kind of industrial restructuring and are following same development strategies, and therefore there is also commonality in problems of the working classes. But when we start discussing about the practical aspects, i.e. how to move towards achieving this goal, we need to clearly understand its various dimensions.

Talking about South Asia floor wage and social protection may be a completely misleading conception and rather than bringing any great achievements, it may actually derail the labour movement, because: a) to practically achieve any policy changes, we have to collectively bargain with an authority capable of enacting and implementing these policies, and there is no such authority at South Asia level, b) Equalisation of wages and social protection benefits in a region cannot be done by mathematical calculations, it can be achieved only when the labour market is regional and the labour is able to collectively bargain at regional level, c) the level of socio-economic development and the collective bargaining power of labour varies from country to country and therefore the wages and social protection benefits may not be equal in all countries. Advocating for Regional Common structure of Social Protection does not mean advocating for common wages and common basket of social protection with same amount of items or same in monetary terms. It can never be achieved and it is illogical given different levels of social economic development and different socio-cultural needs of the people in different countries. Therefore we advocate for Regional Common structure of Social Protection and not regional common social protection. Moreover, without a

regional common structure of labour relations, it is difficult to have a regional common structure of the social protection. Therefore the initiative for a regional common social protection structure must be accompanied and linked with initiatives for a regional common structure of labour relations.

Regional Common structure of labour relations and social protection

- a) It is well known that the labour law systems in South Asian countries have serious problems of multiplicity and inconsistencies along with an insignificant coverage. Therefore, a new system of labour laws need to be instituted with five labour laws-Labour Relations law, Working Conditions Law, Wage (determination, increment and payment) Law, Social Protection Law and Welfare Cess Law. These laws must be simple and with universal applicability of their provisions in all occupations and to all workers without any exception. There may be differences in how and in what form various provisions can be implemented in various industries, for example, if there is only one female worker in a factory, on this ground it cannot be argued that the provision of crech cannot be applicable to such factory, there may not be in-house crech facility, but the employer must be liable to pay to the women in need the real expenses of putting the child in a day care. Another example may be of canteen and subsidized food, if there is only one workers with an employer, it cannot be argued that this provision may not apply, there may not be in-house canteen facility, but the employer must provide subsidized food and drinking water to the worker and a safe and clean space for dining. No exemptions and no self certifications under labour laws may be allowed in any case. For formal wage workers, the implementation machinery and its financing may be the same as in the existing system for formal workers, for other sections of workers (including wage workers and self employed) it may be implemented by tripartite boards financed by tripartite contributions. The welfare and cess law must be made applicable in all industries and occupations and may form the major source for financing the boards
- b) Formal employer-employee relationship must be ensured to all wage workers except casual workers engaged for up to 5 days a month. If any worker is engaged by any employer for more than 5 days in a month, there must be a formal employment relationship and engaging workers without a formal contract must be considered a crime inviting severe punishments. The labour relations law needs an explicit direction that the proportion of regular workers can never be less than 90 percent of workers. Engaging workers through contractors or agencies may be completely prohibited. Temporary workers (who may never form more than 15 percent of the workforce may be engaged with short term contracts of 3 months to a year, or project based contracts, and as casual workers engaged not more than 8 hours in a week and 5 days in a month. Apprentices must be considered as workers with short term contracts for all practical purposes and must be extended all social protection and labour rights including right to association and collective bargaining. There must be compulsory provision for a severance payment equal to one month's wages to all workers engaged with short term contracts including apprentices, if they are not absorbed as regular workers and thrown out after expiry of their contracts.

- c) The labour relations law must also include a section on outsourcing and responsibility of insuring labour standards across the value chains, with clear provisions for: a) Brands or other Ist and IInd tier customer companies must make yearly contracts with supplier companies (rather than only order based contracts), and the cost of total orders in a year must include (apart from the cost of other factors and profit margins of suppliers) total cost of wages, social protection contributions, cost of occupational health and safety, layoff wages and severance payment to workers if the orders are discontinued after a year (in case the supplier company is working for multiple brands and other customer companies then the above total cost may be distributed among them accordingly). The law must clearly state that the brands and other customer companies, whether national or foreign, are equally responsible for ensuring compliance of labour standards across their value chain and share its costs, and in case of any violations reported in their value chains the brands may be made equally responsible and punished. These initiatives may make it feasible to engage 90 percent of workforce as regular workers in those industries as well where the work orders keep on drastically fluctuating.
- d) The labour relations law must contain a provision for compulsory collective bargaining at industry and/or unit/company level, and for an automatic registration of a trade union after filing an online application. There may be a provision that registrar of trade unions may challenge and file a case for cancellation of registration if he/she finds some problems in the application. The problem of multiplicity of trade unions may be resolved by a compulsory provision and clear procedures for election of a collective bargaining union and collective bargaining councils. The problem of weakness of unions in small and medium sized industries may be resolved by a compulsory industry wide collective bargaining. There must be no limit of size of industries for applicability of industry wide bargaining. Home based workers working for companies may be treated as wage labour for all practical purposes and must be part of industry wide collective bargaining in particular industries.
- e) The wage law must contain clear criteria for determination of minimum wages, annual increments and mode of payment and this must be same and apply to all wage workers and home based workers, without any exception. This must be made mandatory to provide a proper wage slip to all workers showing all payments made in a month including the overtime wages (except casual workers engaged for not more than 8 hours in a week and 5 days in a month). The criteria on minimum wage determinations must include: i) 4 consumption units for one earner, ii) Food requirements for family, iii) Clothing requirements for family, iv) House rent at existing rate for at least two room flat or constituting 30 percent of minimum wages, v) Fuel, lighting and other miscellaneous items of expenditure to constitute 20% of the total Minimum Wages, vi) Children education, medical requirement, minimum recreation including festivals/ ceremonies and provision for old age, marriage etc. constituting 25% of the total minimum wage, vii) Local conditions and other factors influencing the wage rate, and viii) travel and communication. The law of wages must clearly declare that the minimum wages apply to only on workers without any work experience. After an experience of six months their wages must cross the minimum wages and they must get an increment and further years of experience must be reflected in their wage increments. Dearness allowance must be added in their wages in every six months. The

procedure of determination of wages must be transparent and wages so fixed must be declared with their detailed break up to enable the workers to see whether allocations to all factors are properly considered. The law must clearly define various categories of workers and their wages:

- a) Unskilled: Fresh workers without any formal training and without any experience;
- b) Semiskilled: without any formal training but with one year experience in any factory in same industry or related industry;
- c) Skilled: Workers with formal training (e.g. ITI) but with no experience or workers without any formal training but with two years experience;
- d) Highly skilled: Workers with formal training and one year experience or workers without any formal training but with three years experience. Minimum wages of all these categories must be 30% more than the preceding skill category.

- f) Regional common structure of the social protection may provide that population weighted percent of GDP spent on social protection must not be less than 10 percent in any country.
- g) All countries must ratify the ILO conventions on social protection and right to association and collective bargaining
- h) **The regional common structure of social protection must have two aspects:**

1. Basic social protection

The basic social protection must include the following aspects:

- a) **Right to sustainable livelihood** and incomes at least equal to minimum wages as legally enforceable right to all
- b) **Unemployment compensation** as legally enforceable right to all unemployed youth, and workers facing long term/seasonal unemployment
- c) **Subsidized education, health & sanitation**, drinking water and housing facilities to all
- d) **Food Protection to all** (subsidized food items through Public Distribution system)
- e) **Ecological Protection to all**, by way of maintaining the ecosystems and prohibiting any activity disturbing it, to protect the people from eco-disasters
- f) **Subsidized inputs** to small and marginal farmers; and also to other self employed producers
- g) **Old age pension** to all who do not retire with a pension benefit (minimum wages + free travel and free health care)
- h) **Disability pension** to all disabled persons who are unable to work (equal to the minimum wages + free travel with one assistant, and free health care)
- i) **Maternity benefits** to all women

2. Contingent Social Protection

The contingent social protection must include following aspects:

- a) **Compensation for unemployment created by dismissal/retrenchment/layoff or closure of industries:** Compensation equal to six months' salary to be paid by the employers and after six months the unemployment compensations may be paid under basic social protection

- b) **Employment injury compensation:** Total wages for whole period when workers is unable to work, and treatment cost + compensation for any minor or major disabilities created by the injury
- c) **Death or major disability of workers:** Disability pension or job/ livelihood to survivor + compensation and free education and health cover to the family
- d) **Livelihood destruction and displacement:** Decent alternative livelihood ensuring comparable income + rehabilitation along with compensation
- e) **Loss of income or increase in expenses (environmental crisis/accidents/crop failure/inflation etc):** Enough support to compensate for the losses and to regenerate their livelihood protection

Lastly, to raise such an important issue like regional common structure of labour relations and social protection requires a regional coalition of the working class movements. If the capital is integrating itself at regional level, then working class and people's movement must also integrate themselves at regional level. In such situations if the working class movements are not integrating at regional level their collective bargaining power at national level may also be reduced. Therefore, to build a social protection movement in South Asia we have to rearticulate the issues of social protection at regional levels and actively engage in debates of regional integrations and focus our collective efforts to force the agenda of social protection to be included in the process of regional integration of SAARC and SAFTA.