

**3rd ITUC Asia Pacific Conference
Resolution No.9**

**SOCIAL SAFETY NETS BASED ON FAIR TAXATION AND FISCAL POLICY
FOR JUST DEVELOPMENT**

The Conference reaffirms that Social Safety Nets are non-negotiable human rights as stipulated in the International Bill of Human Rights and the ILO Declaration of Philadelphia. A state should provide adequate social protection as its constitutional obligation.

Moreover, the Conference, as underlined during the early stage of the global economic crisis, recognises Social Safety Nets as an economic and social necessity for inclusive development and just progress by reducing poverty and inequality, increasing inclusiveness and sustainability in growth and enhancing economic resilience to economic shocks with a certain level of domestic demands sustained.

However, the Conference expresses dismay at the fact that 73% of the global population has no access to social protection at all or to only partial; 58% of people of working age today cannot expect to receive social security pensions in the future; and 39% of the population is lacking healthcare coverage. Furthermore it is noted with serious concern that vulnerable people who need the social protection the most, especially workers in precarious forms of employment and in informal economy, are excluded from the protection while the primary tool of functional as well as personal income distributions has not been working properly. Also they are hit the hardest by more frequently occurring economic crises under the neoliberal dominance.

Especially, the Conference expressed serious concerns over social safety nets deficits in the Asian and Pacific region where atypical employment, child labour and informal economy are rampant with the high level of poverty. Social protection is recognised as a pivotal factor to transform informal economy to formal economy and an essential means to prevent child labour. However, the Conference is appalled that child and family benefits in the region is just 0.2% of GDP and only 17% of workers are entitled to receive any forms of the unemployment benefits.

The Conference reaffirms the relevance of the ITUC-AP defined 'Social Safety Nets' and commits to continue regional campaign for it. Considering the current social and economic situation, the Conference recognises that, in strengthening the ITUC-AP defined 'Social Safety Nets', social protection floors, sets of basic social security guarantees with secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion, should be promoted.

In order to implement adequate Social Safety Nets, the Conference recognises the importance of institutional reforms to ensure a fiscal space for governments based on fair taxation and well-designed fiscal policies. The Conference notes with serious concerns that regressive indirect taxation and tax burden on labour income have been increasing while corporate tax rates have been reduced and large corporates, especially MNCs, do not pay taxes on their profits by tax evasion and avoidance in the absence of efficient tax systems in the region. Also the Conference pointed out no tangible progress to implement the Financial Transaction Tax and no transparent and accountable systems to include workers' representatives for the management and investment of workers' capital contributed to Social Safety Nets.

Therefore, the Conference commits the ITUC-AP, working with affiliates and GUFs to:

- Continue regional and national campaigns for establishing, promoting and improving social safety nets;
- Establish national social protection floors;
- Promote by revision of relevant laws, ratification of ILO Convention No. 101, extension of social insurance coverages, etc.;
- Demand an open, transparent and accountable governance arrangements by active participation of trade unions to monitor and supervise the management and investment of workers' capital wherever workers contributions, wholly or partly, fund social safety nets;
- Organise campaigns for a tax and fiscal policy reform leading to fair taxation and adequate fiscal space which can realise equitable income re-distribution and effective social safety nets for sustainable and inclusive growth with social cohesion;
- Build up trade union capacity in social policies including taxation, social insurance schemes, etc., in order to respond to government's policies and institutional changes; and
- Organise campaigns to demand adequate regulation of the financial sector including FTT so that financial institutions fulfill its legitimate function to serve the real economy and to reduce risks.