

# SEZs / EPZs and implications for labour rights



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TRIANGLE in ASEAN

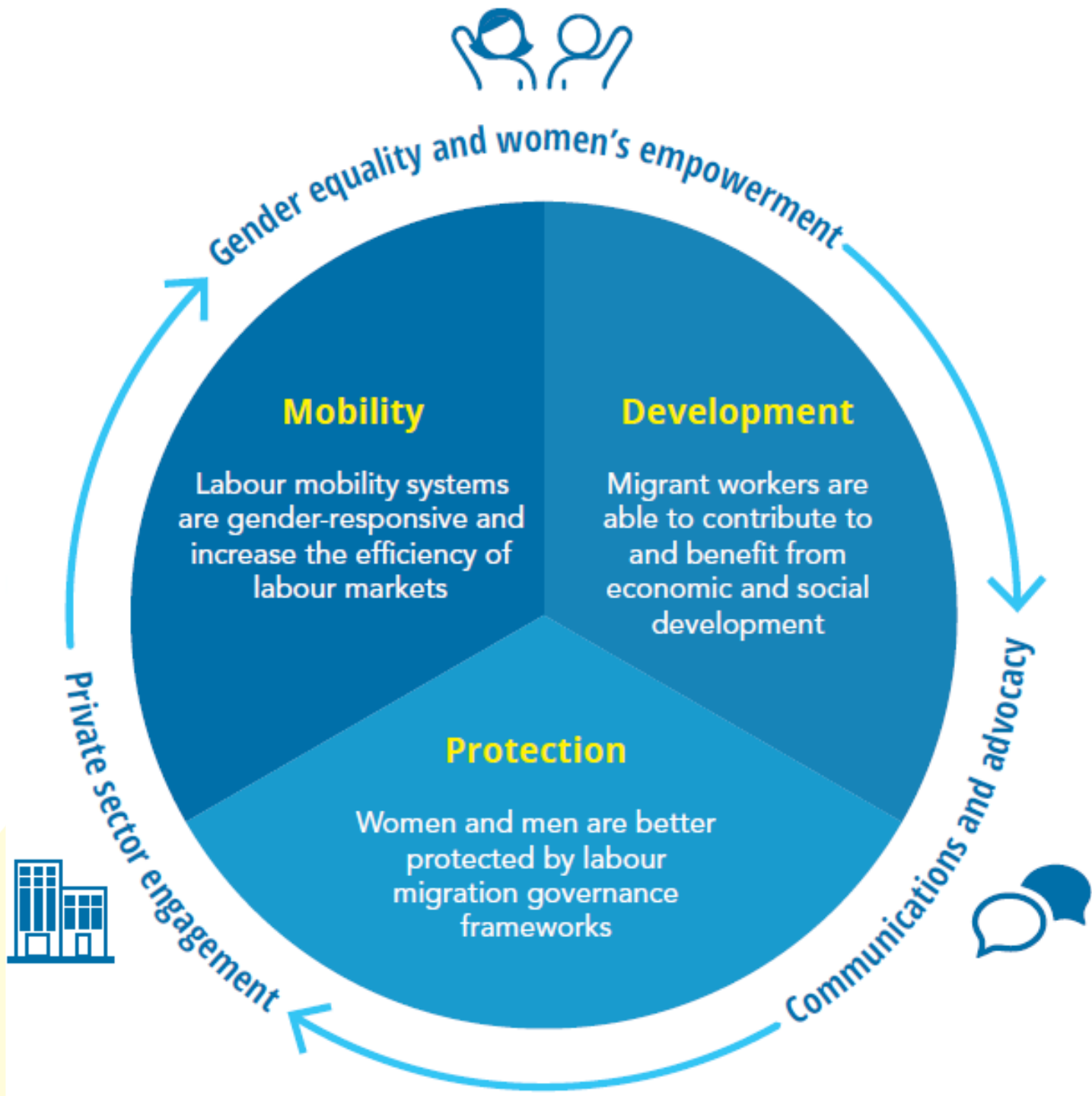
ILO Regional Office for Asia and the Pacific

## Overview

1. ILO's **TRIANGLE in ASEAN** programme
2. Special Economic Zones (SEZ) / Export Processing Zones (EPZs)
3. Statistics on workers in EPZs
4. **Labour rights in EPZs** – Conclusions from the ILO Tripartite Meeting of Experts (Geneva, Nov 2017)
  - **Knowledge gaps**
  - **Key challenges**
  - **Recommendations**

# TRIANGLE in ASEAN (2015-2025)

- **Six focus countries:**  
Cambodia, Lao PDR, Malaysia, Myanmar, Thailand, Viet Nam
- **ASEAN:** ACMW, ACE, ATUC, CSOs



# TRIANGLE in ASEAN

## Migrant Worker Resource Centers (MRCs)

- **35 MRCs** in 27 locations.
- MRCs partners: governments, trade unions and CSOs.

### Cambodia

1. Battambang
2. Kampong Cham
3. Kampong Thom
4. Kampot
5. Phnom Penh
6. Prey Veng

### Lao People's Democratic Republic

7. Champasack
8. Savannakhet
9. Xaiyaboury

### Malaysia

10. Johor
11. Kuala Lumpur /Selangor
12. Penang

### Myanmar

13. Dawei (Tanintharyi)
14. Kyaing Tong (Shan State)
15. Kyaukse
16. Mandalay
17. Meiktila
18. Myingyan

### Thailand

19. Bangkok
20. Chiang Mai
21. Mae Sot
22. Samut Prakan

### Viet Nam

23. Bac Ninh
24. Ha Tinh
25. Phu Tho
26. Quang Ngai
27. Thanh Hoa



## Special Economic Zones (SEZ) / Export Processing Zones (EPZs)

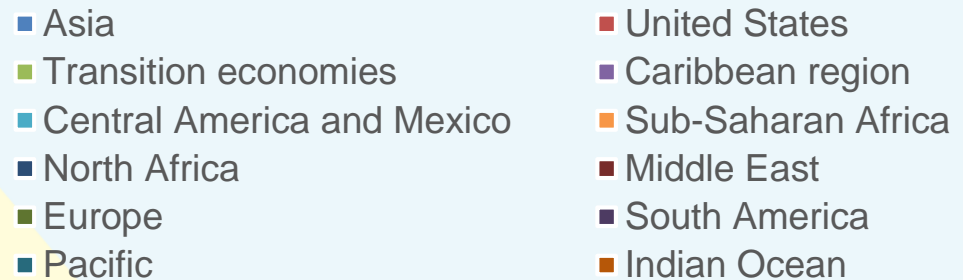
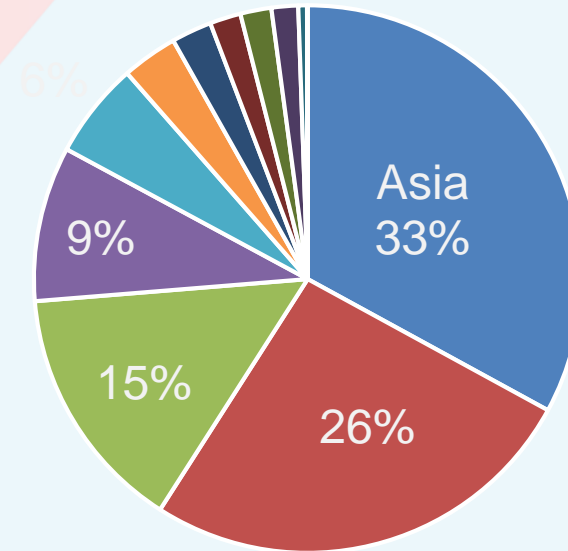
- Special Economic Zones (SEZ), **Export Processing Zones (EPZs)**, Free Trade Zones, etc. are closely related terms.
- ILO definition: **EPZs** are industrial zones with **special incentives** set up to attract foreign investors, in which imported materials undergo some degree of processing before being exported again
- The key constitutive elements of an EPZ:
  - Industrial zones with **special incentives**.
    - Tax incentives, infrastructure, streamlined administrative service, etc.
    - May also include **weaker protections for workers rights**.
  - Relatively small, geographically separated areas within a country, usually near an international port or airport: “**Enclave nature**”, “**Islands**”
  - Purpose is to attract export-oriented industries offering free trade conditions and a **liberal regulatory environment**.

## EPZs – Global statistics

Globally,  
there are **3,500**  
EPZs.

**900** of these are in  
Asia.

(ILO, 2014. Trade union manual  
on export processing zones.)

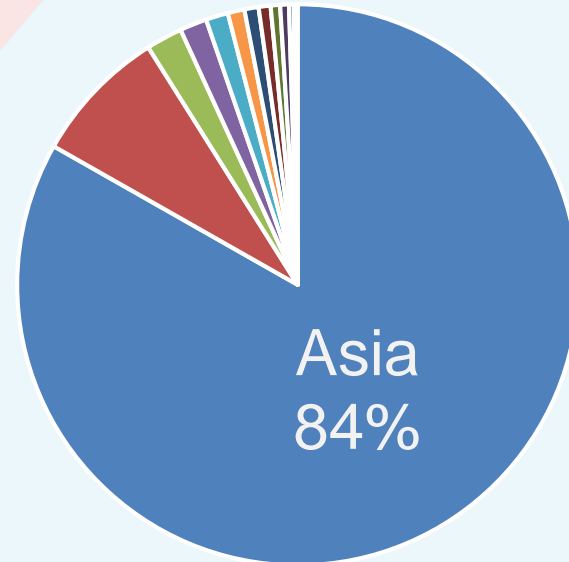


## Workers in EPZs – Global statistics

**66 Million** workers work in EPZs around the world.

**56 Million** of these are in Asia (**84%**).

(ILO, 2014. Trade union manual on export processing zones.)



- Asia
- Transition economies
- Sub-Saharan Africa
- Caribbean region
- Europe
- Indian Ocean
- Central America and Mexico
- Middle East
- North Africa
- South America
- United States
- Pacific

## Labour rights in EPZs: Knowledge gaps

- **ILO Tripartite Meeting of Experts** to promote Decent Work and Protection of Fundamental Principles and Rights at Work for Workers in Export Processing Zones (EPZs), Geneva, November 2017. Conclusions:
  - **Limited recent empirical studies on EPZs** in general and on their impact on decent work promotion in particular.
  - **Ten-year gap in knowledge** on how EPZs affect decent work. Most research is from mid-2000s or mid-1990s.
  - **Heterogeneity of EPZs!** Underscores the need for up-to-date information; no one-size-fits-all approach.



## Labour rights in EPZs: Key challenges

- Challenges and deficits in realizing decent work (ILO TME, 2017):
  - **Barriers to right to organize; anti-union discrimination;**
  - Lack of collective bargaining;
  - Non-standard forms of employment;
  - Harassment and discrimination against women;
  - Wage violations; wage delays/non-payment upon dismissal;
  - Lacking social protection;
  - Long working hours; sometimes forced overtime;
  - High production quotas and intensive pace of work; risk of accidents;
  - **Migrant workers are particularly vulnerable.**
- ✓ **Heterogeneity of EPZs!** Huge diversity in the **administration of EPZs.**
- ✓ These challenges are not unique to EPZs, but reflect the broader labour market.

## Labour rights in EPZs: Recommendations

- **Governments** should (ILO TME, 2017), among others,
  1. promote collective bargaining and **sustainable industrial relations**;
  2. improve **working conditions** and **social protections**, including maternity protection;
  3. ensure that non-standard forms of work are not used to undermine workers' rights;
  4. develop **occupational safety and health systems** which also apply in EPZs;
  5. strengthen **labour inspection** in EPZs;
  6. provide speedy **access to effective remedy** when violations are found;
  7. support dialogue at national, regional and local levels to identify challenges posed by EPZs;
  - 8. support enterprises to undertake due diligence**; and
  9. adopt industrial policies to diversify into higher-added value economic activities and strengthen skills development.

## Labour rights in EPZs: Recommendations

- **Employers' organizations** should (ILO TME, 2017), among others, **encourage and support enterprises to:**
  1. respect fundamental principles and rights at work, promote decent work;
  2. abide by national law;
  3. not engage in anti-union practices;
  4. **support public labour inspection in EPZs;** and
  5. carry out **due diligence.**
- **Workers' organizations** should (ILO TME, 2017), :
  1. **provide targeted support to workers in EPZs,** in particular women, youth, **migrant workers** and refugees; and
  2. engage in social dialogue at all levels.

## Labour rights in EPZs: Recommendations

- The strategies companies employ for **sourcing** may also impact the rights of workers in EPZs in significant ways.
- **Companies** should (ILO TME, 2017),
  1. **Respect workers' rights** and
  2. **Use their leverage** to take steps to ensure that:
    - the **rights of workers in their supply chains** are also respected and
    - workers have **access to remedy** when their rights are violated,as advocated for in the **UN Guiding Principles on Business and Human Rights** and the **ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)**.



International  
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# THANK YOU!

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