

Report of the Director-General

Decent Work in Asia

ILO Activities in the region

**THIRTEENTH ASIAN
REGIONAL MEETING**

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Introduction

*This Report, **Decent work in Asia**, is presented to the Thirteenth Asian Regional Meeting as a basis for a focused debate, leading to conclusions that will guide the Office in its future programming and action in the region. Thematically, it is organized around the four strategic objectives defined in the ILO's Programme and Budget proposals for 2000-01, highlighting illustrative actions aimed at addressing some of the major issues within these sectors from a regional perspective.*

A full list of ILO activities in the region since the Twelfth Asian Regional Meeting in 1997 is contained in a separate annex, which will be distributed at the Meeting.

The Asian financial crisis which overshadowed the last ILO Asian Regional Meeting exposed – more dramatically than at any other juncture in recent times – the political, social and economic risks which accompany globalization. The process of recovery which is continuing with varying speeds and intensities has led to a number of changes in policies, institutions and attitudes. There is much to understand and learn from how the countries affected have absorbed and adjusted to the effects of the crisis and how they envisage managing the transitions under way and still to come.

Since the last Asian Regional Meeting, held in 1997, there have been many changes both in the region and in the ILO. Two years ago, the ILO developed a new programme built around the goal of decent work. It is the unifying theme which brings together fundamental principles and rights at work, employment, social protection and social dialogue in an integrated and cohesive manner. Decent work expresses the aspirations of people all over the world and provides a universal development goal for social inclusion and poverty reduction. The conceptual foundations for decent work have been laid, and reiterated in the Director-General's Report to the 89th Session of the International Labour Conference (2001). The task at hand is now to determine the status of decent work in the region, to identify where decent work deficits exist and why, and move towards reducing them.

This Report documents wide differences in Asia in respect of fundamental principles and rights at work, employment, social protection and social dialogue. As a consequence, the decent work goals and the programmes to achieve them will vary in content and thrust depending on the situation prevailing in each country. While integrating in a cohesive manner all four strategic objectives of the ILO, they need to reflect the specific development priorities and possibilities in each case.

The Asian financial crisis which, in the second half of the 1990s, severely damaged the economic and social fabric in a number of countries also sparked a renewed and region-wide discussion on the protection of workers, especially in times of economic downturns. It brought to the fore the need for policies integrating social and economic concerns, for rights-based development, for employment, social dialogue and social protection.

Furthermore, Asia still houses the vast number of the world's poor, who toil, to a very large extent, in the unrecorded, informal economy. This poses a special challenge to the decent work agenda. Most policies, practices and rules of the formal economy are ineffective, totally or partially, in the informal economy. However, it is there where abject poverty reigns. Many countries in the region have made poverty alleviation a major policy goal. But the common reality persists where poverty frequently translates into social exclusion, and where often working children and women bear the brunt of the hazards of the labour market with little public support.

In 1998, the ILO adopted the Declaration on Fundamental Principles and Rights at Work which obliges all member States to promote and to realize its core values concerning freedom of association, the elimination of forced and compulsory labour, the effective abolition of child labour and the elimination of discrimination in employment. It is aimed at ensuring that nobody falls below the floor constituted by the fundamental rights and principles at work.

It is encouraging that there has been a significant increase in the ratifications of the fundamental Conventions under the Declaration. There are now three countries in the region (Cambodia, Indonesia and Papua New Guinea) which have ratified all eight fundamental Conventions. In many, six or seven of these Conventions have been ratified. Nevertheless, in several Asian countries serious problems still persist in the application and implementation of fundamental Conventions. In certain countries the very principles of freedom of association are not yet recognized; in others their application is uneven.

Child labour is still a major problem in Asia, in particular in South Asia. An unacceptably high number of children still toil under extremely dangerous conditions for meagre wages while they should be at school. They need to be rehabilitated on a priority basis, in accordance with the Worst Forms of Child Labour Convention, 1999 (No. 182). This Convention has been ratified by a considerable number of Asian countries which provides the platform for expanding technical assistance in this field. A recent development, globally, has been for countries (e.g. Nepal) to adopt time-bound programmes to eradicate, within a determined time frame, child labour in certain sectors, regions or nationwide.

While there are instances of forced labour practice in parts of the region, the most severe case is that of Myanmar. In May this year, an understanding was reached with the Government of Myanmar for an objective assessment of the implementation and impact of measures reported by Myanmar to eliminate forced labour, to be carried out by a high-level ILO mission. The results of this assessment will be presented to the Governing Body in November.

There has certainly been progress in the fight against various forms of discrimination in employment in a number of Asian countries, but much still remains to be done to eliminate all forms of discrimination, especially on the basis of gender. This is evident in the Arab region as well as in Asia and the Pacific, where discrimination widely results in exclusion or poverty. Equal treatment in the labour market is an important dimension of policies to reduce poverty.

Basic rights are an essential part of the decent work agenda, but they cannot be effectively realized if there is no work. To achieve the primary goal of ensuring that all women and men have opportunities for decent work, in conditions of freedom, equity, security and human dignity, means pursuing full employment. It is a goal enshrined in the Copenhagen Declaration adopted at the World Summit for Social Development in 1995.

Economic growth is important for employment creation, but does not automatically produce decent jobs. That requires political commitment to implement appropriately designed policies, based on sound labour market information. It calls for training and skills development and fostering the growth of enterprises. It also means taking into account factors such as migration for employment – a notable characteristic of the region. It means macroeconomic policies to guard against economic shocks such as the recent Asian financial crisis, and their catastrophic impact on employment and poverty. At the same time, globalization and rapid technological change are trans-

forming the world of work. Achieving decent work for all means coming to grips with both, preparing to seize and share the opportunities they present, while minimizing the risks.

A decent job provides income, security and dignity – most importantly for the millions trapped in poverty. The ILO is collaborating with the World Bank and the International Monetary Fund (IMF) in their country-owned poverty reduction strategies, putting the fight against poverty at the heart of the assistance to low-income countries. Three of the seven countries that will be part of the programme are in Asia (Cambodia, Nepal and Pakistan) – and the ILO’s decent work agenda brings an important perspective to this effort. In particular, the ILO’s constituents have an important role to play in mapping out priorities, and the decent work agenda provides a framework for addressing the economic and social goals together.

In Asia, those receiving the poorest returns for their work are very often in rural areas and in the informal economy, which constitute the large majority of the workforce in many countries. Despite the absence of adequate employment opportunities, many simply cannot afford not to work. Instead, they toil long hours for any return they can obtain. Other workers suffer from time-related underemployment, in the sense that they cannot work enough hours to earn the income they need, a problem which is widespread in Sri Lanka and Pakistan, for example. Young people are particularly vulnerable to underemployment. In Viet Nam, 48 per cent of those aged 15-24 were underemployed in 1999. In Thailand, during the Asian financial crisis, open unemployment rates rose more in urban areas than in rural. Poor workers suffered the most. Wages fell further in rural areas than urban, and young workers were hit harder than adults. In this midst of the crisis, underemployment rates in Thailand rose to 60 per cent, as employers resorted to labour hoarding – keeping workers on, but reducing hours and rates of pay – often in a bid to avoid making the severance payments required by law.

Gaps in labour market information compound the difficulty of producing clear assessments of the situation – and tailoring policies to fit people’s needs. These shortcomings were thrown into sharp relief by the Asian financial crisis. Efforts to analyse the causes of the crisis and to reach target groups for assistance were often handicapped by the lack of data. Across Asia, interviewers and respondents in surveys often incorrectly define “work” as activities that produce an income in cash or in kind, making much of the work carried out by women virtually invisible.

On the supply side, for people to fill available jobs, government policies need to deal with training and retraining, guidance and counselling, job placement and labour mobility. On the demand side, these policies range through national job creation and public works schemes, subsidizing wage employment, promoting self-employment, supporting small enterprises in particular, promoting the private sector and encouraging community development through local initiatives.

To acquire decent work requires possessing the right skills. In today's globalizing world, human resource development plays a critical part in determining economic success. Rapid technological change means the training and knowledge required can change from month to month. Unskilled youth lead to high levels of youth unemployment and underemployment. Eighty per cent of the near 70 million youth seeking jobs worldwide are from developing and transition economies, many of them in Asia. Women often face discrimination in terms of their access to education, training and employment. The poor, together with other vulnerable groups, are also likely to be excluded from training – even though their needs are the greatest.

Government-funded, designed and implemented training programmes alone cannot cope with the problem. Instead, governments are helping employers' and workers' organizations forge cooperative approaches, along with the information and the systems to match training with the labour market's needs. The way training is delivered is also changing. It is now becoming more obvious that on-the-job training, backed up with face-to-face teaching, is the most efficient method of imparting skills. Firmly established in Japan, the Republic of Korea and Singapore, this enterprise-based approach is also increasingly used in Malaysia. The ILO's community-based training approach helps promote training and self-employment opportunities among poor communities, especially in rural areas and in the informal sector. Other innovative pathways to acquire the skills for available jobs include special mentoring programmes, electronic labour exchanges and on-line job markets, and creative opportunities using information communication technology (ICT) – besides the more traditional schemes.

Links with the informal economy will help meet the challenge of the growing numbers moving there in the wake of restructuring and transition. The informal economy can mean mere survival – but there are also modern and dynamic segments, generating growth, jobs and higher incomes. An ILO pilot programme working with a cluster of micro- and small enterprises making brassware in Maradabad, India,

is one example. The businesses, based on traditional artisan skills, are becoming exporters.

In Asia, the massive movements of people within and beyond the region must be taken into account at every level of policy planning. Irregular migration is a major issue, together with the trafficking of women and children, managing migration flows and protecting migrant workers' basic rights. Despite the important role they play, receiving countries rarely acknowledge the positive contributions made by migrant workers. Instead, with few exceptions, in Asia, migrant workers are regarded as strictly temporary workers with no rights of residence, even if they have worked for many years in the host countries. The Asian financial crisis clearly highlighted this issue. Major labour-receiving countries announced plans for massive deportation of irregular workers, and for non-renewal of contracts for regular workers. And yet, actual repatriations were lower than expected, with local unemployed workers reluctant to take on the low-wage jobs their foreign counterparts had left.

Getting macroeconomic policy right is essential for sustainable employment creation. The macroeconomic environment should provide opportunities for enterprise development, including the complementary public policies for skill development and infrastructure, and offer a stable medium-term framework for investment, in particular providing protection from volatile speculative capital flows. It should take into account social as well as financial targets, so that employment becomes not merely a by-product of economic and financial policies, but one of the criteria by which those policies are judged. It should therefore aim to provide incentives which stimulate employment creation by enterprises. This in turn means supporting the development of comparative advantage in the global economy, taking advantage of technological and market opportunities, and designing policies for public expenditure and investment accordingly.

As part of creating decent jobs with respect for rights at work, there is the need to provide adequate social protection for all working people. Countries in the region have turned much of their attention towards this need, that has become even more pronounced in the wake of the Asian financial crisis. There has emerged a general recognition amongst policy-makers in Asian countries that economic progress alone does not result in balanced development. As the 1990s witnessed rapid economic growth in most of the region, governments and industry often stressed the necessity for greater productivity and competitiveness as well as for reduced public expenditure. But economic growth was not matched with equitable

improvements in conditions of work, occupational health and safety and social security. What people want from development is not just rising average income but greater security and protection. Enterprises too, increasingly find that a secure and protected workforce is more productive. Coherent social and economic policies can improve workers' health, safety, conditions of work and incomes, while achieving increases in productivity and competitiveness. Social protection is the appropriate means to achieve these ends, both to strengthen the social fabric of societies over the long term and to provide adequate support in situations such as accidents, illness, deprivation and natural disasters.

The ILO encourages the adoption of appropriate legislation and national standards, accompanied by effective inspection and implementation of occupational safety and health (OSH) management systems. This is particularly relevant as technological development has a direct impact on working conditions and the safety and health of people at work. Agriculture is a particularly hazardous sector of activity and, given the importance of the sector in most countries of the region, it needs greater attention. Rural occupational safety and health needs to be systematically integrated into the strategy for rural development. And, because most employment is found in small enterprises, they should be a particular target for: the promotion of safety; the reduction of health hazards at work; and the improvement of working conditions.

Since the last Asian Regional Meeting, seven countries have issued legislation or national standards on the implementation of OSH management systems at the enterprise level, while many others carried out policy reviews and started to develop legislation on the basis of ILO Conventions. An increasing number of countries have ratified ILO Conventions on occupational safety and health and the OSH information service in the Asia-Pacific region has benefited from the Finnish-funded regional project on OSH. Capacity building has been undertaken through intensive training and raising levels of awareness.

Governments are also faced with the growing need for more social security, social assistance and health support as the needs of the majority still remain unmet. Most countries of the region allocate less than 10 per cent of their GDP to social expenditures, including health and other social security and social assistance benefits. By international standards this is relatively low. As many countries of the region are still at the stage of introducing social insurance and relying on very limited portfolios of social welfare programmes, it is important

to ensure that the approaches which are adopted as adequate extend social protection to those in need. The general discussion at the 89th Session of the International Labour Conference emphasized the necessity for a stronger role of public-financed social assistance to reduce poverty amongst the most vulnerable groups of society. Appropriate solutions must be found which respect traditional patterns and develop community-level solidarity.

Since 1997, there has been a growing understanding of the inter-relationships between well-designed and self-financed social security and social assistance schemes, and enhancing productivity, contributing to harmonious labour relations, meeting enterprise delivery commitments, improving the investment climate and stimulating political stability and employment. A number of countries, such as the Republic of Korea and Thailand, recognize the importance of balanced social and economic development through comprehensive policies on social security aimed at universal coverage. Transition economies, such as the People's Republic of China, the Lao People's Democratic Republic and Viet Nam are facing the daunting task of restructuring their public enterprises, seriously straining the existing statutory social security systems or establishing new forms of insurance. At the same time, pressure from the populations in the rural and informal sectors is growing as the extended family concept is challenged and societies are rapidly ageing. The challenges are immense in terms of policy-making; of the capacities of local and national administration to manage and coordinate their efforts; and of the mobilization of national resources.

Serious concern has emerged amongst countries of the region over the rapidly spreading risk of HIV/AIDS, especially its effects on the working population. The ILO is responding through targeted activities focusing on interventions at the workplace in many countries of the region.

The Asian financial crisis underscored the fact that, with globalization, enhanced social dialogue is undoubtedly essential for reducing the decent work deficit. Policies and decisions that affect people's lives must be made through a broad-based participatory process. Decent work, with recognition of rights at work and adequate social protection, also means full participatory democracy.

However, social dialogue is far from being fully realized in the region. In a number of countries, freedom of association is still not fully guaranteed and, in several others, trade union density has decreased, while industrial relations institutions have weakened. In some enterprises, outmoded, hierarchical practices tend to breed a

confrontational culture that in the long run is unproductive for both enterprises and workers. In addition to these, social dialogue has been undermined by a number of recent developments that have tended to favour individual over collective action. More flexible types of employment, for example, have widened disparities between the skilled and the unskilled, between the formal and informal economies. At the same time, many enterprises have dismantled structures that underpinned traditional industrial relations systems, moving away from collective bargaining.

But there are also positive developments in the region. Social partners have renewed their efforts to build sound institutions with a growing recognition of the importance of social dialogue in the formulation of social and economic policies. In efforts to cope with the Asian financial crisis, social dialogue involving the tripartite constituents gained new or renewed acceptance. Democratization, in particular, has helped the resurgence of social dialogue in a number of countries. Intensifying competition has led social partners in the region to put more emphasis on building sound labour management relations at the workplace. Economic reforms in transition economies have led, though often with a significant time lag, to reforms of labour market institutions and strengthening democracy at the workplace. These developments have indicated that social dialogue is a necessary element to meet the complex challenges of building economic competitiveness and social equity. While the Asian financial crisis brought economic and social havoc on millions of working people and their families, it also brought awareness of the need for a more participatory approach in addressing social and economic concerns as, for instance, in the Republic of Korea and Indonesia.

Social dialogue should be available not only to workers in the formal sector, but also to the more vulnerable in the informal workforce, in order to reduce social and economic exclusion. Globalization has spawned new forms of work organization, altered established employment relations and, in some cases, weakened the traditional structure and role of the trade unions. Workers in the informal economy, the self-employed, part-time workers and home-based workers, usually fall outside the traditional channels of representation. There is a need for social dialogue to play a role in these forms of work arrangements, too. There are already signs, particularly in South Asia, that new forms of organization of informal workers, and particularly women, can successfully give them voice and promote their interests.

The plethora of trade unions in some countries has especially weakened the representative capacity of trade unions in the social di-

alogue process. Employers' organizations in the region mainly tend to represent the large and medium-sized enterprises but – as elsewhere – less so the interests of employers in the small and micro-enterprises. Ministries of labour generally do not have the financial and human resources needed to carry out their multiple responsibilities. As a result, even where formal tripartite structures have been established, their impact may be weak. As most important decisions on economic and social policy are taken by the ministries of finance and planning, or the office of the president or prime minister, tripartite bodies under the ministry of labour can only play a limited role. Not only is it critically important to augment the capacity of the ministries of labour, it is equally important for them to have the right status to engage in purposeful dialogue with the core policy-making sections of government, as well as to draw the social partners into the decision-making process.

Strengthening the capacities of the social partners to engage in social dialogue at all levels – workplace, enterprise or industry and national levels – is a challenge in many countries of Asia. Bipartite social dialogue, both at industry and national levels, a phenomenon which is now being more frequently resorted to in some countries, is another challenge for the social partners.

In Asia, the fight against poverty occasions hope and despair. Home to most of the world's poor, a daunting 700 million people, the region was the only part of the world to register a decline in poverty over the past decade – of 140 million in the East Asia and Pacific subregion. And yet, over the same period, the number of people in poverty in South Asia increased by 50 million.

Decent work can make the difference. High growth in East Asia has generated substantial growth in employment, with rising real incomes, improving conditions of work and progress in a number of countries towards stronger institutions for voice and representation. Here lies an essential ingredient of success in reducing poverty. Before the crisis, some countries, such as the Republic of Korea, Malaysia and Thailand had achieved near full employment, while larger countries, such as Indonesia, had reduced unemployment and underemployment significantly. As the financial crisis showed, there were weaknesses with respect to social protection and social dialogue, and in the recovery from the crisis it will be important to build the institutions which can tackle these dimensions of the decent work agenda, too, and indeed there are steps under way to do so in several countries of the region.

In South Asia, a different picture emerges. Countries have not in general been able to lower unemployment or underemployment rates and the majority of workers continue to eke out a living in low value-added, low-income activities in the urban or rural informal economy. Labour force participation rates and education enrolment levels for women are also low, in both South Asia and in the Arab States, representing a similar loss of potential.

Action is needed in all parts of the region to tackle decent work deficits – which exist to varying degrees in most countries and are even growing. These deficits are often associated with non-standard forms of employment: daily and casual work, self-employment, own-account and contributing family work. These diverse forms of work are significantly entrenched and even on the increase in the high-growth economies of East Asia; they are predominant in the low-income economies of South Asia; they are beginning to emerge in the transition economies, and are apparent in the Arab States as well. Promoting decent work needs to take this diversity into account through legal frameworks and institutions which can handle the needs of workers in these diverse situations and which ensure respect for rights at work.

The Asian crisis has also brought calls from some quarters for a completely flexible, unregulated labour market. The decent work agenda offers a much more attractive alternative – one whose progress is shared and spread on the basis of participation, security and integration.

While there is an initial cost associated with building the framework required for decent work – providing security of tenure, social protection systems, skills training and safe working conditions, combined with respect for rights and having a voice in the process – this also contributes to gains in productivity that bring medium- and long-term rewards. Decent work has an economic dividend. The ILO has long advocated and developed programmes that have a significant impact on productivity – including training for workers and management; better matches of skills and demand; better labour market information systems; providing access to capital and helping boost self-employment and cooperation in small and medium-sized enterprises. The decent work agenda reinforces the case.

It is an important aspect of the decent work agenda that the different objectives which make up this agenda need to be considered together – employment, rights, protection and dialogue. Progress in one dimension supports progress in others, so that employment creation is essential for effective social protection, while basic rights and

social dialogue provide a sound social base for employment creation and so contribute to just and sustainable development. It is a package which responds to the integrated vision that people have of their own lives. An integrated approach is already an important feature of the work of the ILO, reflected for instance in the Country Employment Policy Reviews (CEPRs) carried out by the ILO and national tripartite constituents, in Nepal, Pakistan and Thailand. The Thailand CEPR, for example, takes a broad approach and offers an example of how the ILO's decent work agenda might be put into practice in the region. This is now being taken forward with a pilot programme on decent work in the Philippines which tackles all aspects of the decent work deficit together. Another such programme is planned in Bangladesh. On the basis of these and other pilot exercises elsewhere, a more systematic framework is being developed, which will help governments, employers and workers in each of the countries in the region to map out practical programmes to promote progress towards decent work on the basis of the priorities, possibilities and development goals of each country concerned.

Three agents of change can reinforce the decent work agenda and reduce the decent work deficit. The first is the State which needs to strengthen its capacity to discharge its responsibility, while working closely with the social partners. The second is public opinion and public awareness of the importance of social change. The third is the international development community which must recognize and promote employment goals and rights at work in global development policies and programmes.

* * *

This Report presents an account of some of the major issues and challenges faced in the Asian region, in particular those which have emerged in the context of globalization as well as those arising from structural problems of growth and adjustment.

The Asian region is noted for its diversity. Poverty continues to plague countries of South Asia and the poorest countries among the Arab States. The Asian financial crisis set back the gains made in several countries in combating poverty, especially in South and South-East Asia. Even the transition economies, the small islands of the Pacific, the Gulf countries and the industrialized economies have suffered as a result of the overall slowdown in growth. A major impact across much of the region has been growing unemployment and underemployment and changing labour market patterns. Limited, reduced or non-existent social protection continues to seriously affect

the social and economic security of workers and their families. While there is a greater awareness than hitherto of basic workers' rights, their recognition and application have been uneven.

This Report indicates some of the ways the ILO's work has attempted to address these and other issues, in each of the four dimensions of the decent work agenda – fundamental principles and rights at work, employment, social protection and social dialogue. But, to adequately address the decent work deficits in the region, it is not enough to tackle each of these dimensions separately – an integrated approach is needed. This was the message of the Director-General's Report to the International Labour Conference in June this year: *Reducing the decent work deficit: A global challenge*. Employment and job creation are central but they must go hand in hand with a safe and healthy working environment, with social and economic security, with representation and a voice in decisions that affect one's work and life, and with rights at work respected.

This points to the need to work in partnership, among the tripartite constituents of the ILO and with others, to make this aspiration a reality, through an agenda to which all can subscribe. We must deepen our understanding of the ways in which progress can be made towards decent work, responding to the diverse needs, priorities and possibilities in each national setting. The ILO stands ready to support tripartite dialogue to develop practical approaches that can build decent work goals into the diverse development patterns of Asia.

1. Standards and fundamental principles and rights at work in Asia and the Pacific

Since the last Asian Regional Meeting, the ILO has adopted the Declaration on Fundamental Principles and Rights at Work and its Follow-up. The Director-General's campaign to secure universal ratification of the ILO's fundamental Conventions has marked up notable successes in the region. However, serious problems remain in relation to freedom of association, the elimination of forced and child labour and discrimination in employment. International financial institutions are manifesting much more interest in ILO standards than hitherto. While a number of countries in the region continue to encounter difficulties in complying with ILO constitutional obligations in relation to international labour standards, the impact of these in post-conflict reconstruction, accelerating democratization and state-building, has increased.

Since the last Asian Regional Meeting the ILO has adopted what may well be called its most significant document in a half-century for rights-based development, the *Declaration on Fundamental Principles and Rights at Work and its Follow-up*.¹ It reaffirms, in declaratory language, that acceptance of the ILO Constitution results in a sovereign, national commitment to observe and apply the fundamental principles of freedom of association, freedom from all forms of forced labour, the elimination of child labour and discrimination in every workplace within the national territory of every member State.

The fundamental character of the principles and rights mentioned above means that member States should already be taking all appropriate steps to promote, safeguard and apply them. The thrust of the Declaration is not to enforce, threaten or penalize but rather to iden-

¹ ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted by the International Labour Conference at its 88th Session, Geneva, 18 June 1998.

tify the obstacles and hindrances to universal implementation and observance and to seek to promote efforts by countries to overcome these. Using extra-budgetary resources put at the disposal of the Office by donor member States, a series of projects, many of them in the Asia-Pacific region, have begun to promote and further the aims of the Declaration. A plan of action for the promotion of freedom of association and the right to collective bargaining was adopted in November 2000 by the Governing Body, following the first Global Report on this topic. This report, entitled *Your voice at work*, was discussed at the 88th Session of the International Labour Conference (2000). It pointed to a significant representation gap that made it increasingly difficult for workers to have their voices heard. In the region, assistance and technical cooperation programmes have been introduced or planned in Indonesia, Cambodia and the member States of the Gulf Cooperation Council. The second Global Report, *Stopping forced labour*, was discussed at the June 2001 Conference. The highlight thrown on the links between respect for principles regarding forced labour and other fundamental principles and rights and standards, and the focus on developmental aspects will serve as the basis for a similar plan of action to be proposed to the Governing Body in November.

The eight fundamental Conventions which cover the principles and rights of the Declaration have been the object of a special ratification campaign launched by the Director-General in May 1995. Significant progress has been made in this regard in the Asia-Pacific region since the last Regional Meeting – as shown in table 1.1 In March 2000, Indonesia became the first member State in the region to ratify all eight Conventions. The latest of them, the Worst Forms of Child Labour Convention, 1999 (No. 182), has been ratified by ten countries of the Asia-Pacific region.

Long recognized as the cornerstone of tripartism – and thus of the ILO itself – freedom of association forms an indispensable component of the processes of democratization and increasing popular participation which have accompanied the development of many countries in the region over the last four years. The principle draws on Conventions Nos. 87 and 98, supplemented by Conventions Nos. 11, 135, 141 and 151, as well as Recommendations Nos. 143, 149, 154 and 159. All of these instruments have, in turn, been the subject of explanation and clarification by the Committee of Experts on the Application of Conventions and Recommendations, the Conference Committee on the Application of Standards and the Governing Body Committee on Freedom of Association.

Table 1.1. Ratifications of fundamental ILO Conventions:

*By countries in the Asia-Pacific region
as of 20 March 2001*

- No. 29 – Forced Labour Convention, 1930
 No. 105 – Abolition of Forced Labour Convention, 1957
 No. 87 – Freedom of Association and Protection of the Right to Organise Convention, 1948
 No. 98 – Right to Organise and Collective Bargaining Convention, 1949
 No. 100 – Equal Remuneration Convention, 1951
 No. 111 – Discrimination (Employment and Occupation) Convention, 1958
 No. 138 – Minimum Age Convention, 1973
 No. 182 – Worst Forms of Child Labour Convention, 1999

Convention No.	29	105	87	98	100	111	138	182
Afghanistan		■			■	■		
Australia	■	■	■	■	■	■		
Bangladesh	■	■	■	■	■	■		H
Cambodia	■	H	H	H	H	H	H	⇒
China					■	⇒	H	⇒
East Timor								
Fiji	■	■		■				
India	■	H			■	■		
Indonesia	■	H	H	■	■	H	H	H
Iran, Islamic Republic of	■	■			■	■		
Japan	■		■	■	■		H	H
Kiribati								
Korea, Republic of					H	H	H	
Lao People's Democratic Republic	■							
Malaysia	■	●		■	H		H	H
Mongolia			■	■	■	■		H
Myanmar	■		■					
Nepal	⇒	⇒	⇒	■	■	■	H	
New Zealand	■	■			■	■		
Pakistan	■	■	■	■		■		
Papua New Guinea	■	■	H	■	H	H	H	H
Philippines		■	■	■	■	■	H	H
Singapore	■	●		■				
Solomon Islands	■							
Sri Lanka	■		■	■	■	■	H	H

Convention No.	29	105	87	98	100	111	138	182
Thailand	■	■			H		⇒	H
Viet Nam				⇒	H	H	⇒	H
Total ratifications: 111	18	13	11	14	19	16	10	10

*By Arab States of West Asia
as of 20 March 2001*

Bahrain	■	H				H		⇒
Iraq	■	■		■	■	■	■	
Jordan	■	■		■	■	■	H	H
Kuwait	■	■	■			■	H	H
Lebanon	■	■		■	■	■	⇒	⇒
Oman	H							⇒
Qatar	H					■		H
Saudi Arabia	■	■			■	■		⇒
Syrian Arab Republic	■	■	■	■	■	■	⇒	⇒
United Arab Emirates	■	H			H		H	⇒
Yemen	■	■	■	■	■	■	H	H
Total ratifications: 53	11	9	3	5	7	9	5	4

■ = Member States having ratified this Convention.

H = Ratification after 1.1.1997. ● = Has denounced this Convention.

⇒ = Ratification envisaged.

The situation in the region in respect of freedom of association and the right to collective bargaining is, at best, very uneven. In those countries of the region where political and ideological pluralism does not exist, autonomous trade unions, free to design, publicize and pursue their own policies, are still viewed with much distrust. Those member States in the region which are organized on a single-party principle have indicated clearly their willingness to accept only trade unions that reflect the single-party structures. In those countries, as well as others, there may be different problems relating to the representativeness of unions, and their capacity – as well as that of employers – to negotiate and implement collective agreements. The demands of globalization and the need to adapt to relevant mechanisms create daunting problems in this area.

The International Labour Organization has the duty to be clear and unequivocal that membership of the ILO creates an internationally recognized commitment to respect the right of workers and employers freely to form and join organizations of their own choosing.

It follows that both the programme and the resources supporting it in order to give effect to the *Declaration* must give very high priority to translating this principle into reality. As noted by the ILO Declaration Expert-Advisers: “The principles and rights in the Declaration are interlinked. Without respect for the principle and right of freedom of association and effective recognition of the right to collective bargaining, there can be no progress in relation to the other categories of principles. The Expert-Advisers note that if freedom of association is not respected and promoted there can be no collective bargaining or meaningful social dialogue. Freedom of association gives a voice to workers and employers, a voice that needs to be heard much louder and more clearly in a globalized world.”²

The first Global Report under the Follow-up to the Declaration, *Your voice at work*, published in 2000, signalled concern over a widening representation gap in the world of work. It underlined the widespread exclusion of many groups and sectors from the safeguards of freedom of association, in particular, agricultural workers, domestic workers, migrant workers and workers in small enterprises and the informal sector. The Expert-Advisers in their 2000 report pointed out problems in this regard in Bahrain, Oman, Qatar, Saudi Arabia and the United Arab Emirates. These issues will be the subject of advice and technical assistance by the Office. In the Arab region, the latest democratic changes in Bahrain which endorsed explicitly the establishment of trade unions and the recently taken position of the Government of Saudi Arabia to set up workers’ organizations are encouraging signs of an increasing awareness of the need to involve workers and their organizations in the national economic and social debate.

There have been some encouraging cases of progress in other countries too. Indonesia ratified Convention No. 87 in 1998 and basic trade union rights have been introduced. The challenge now is to develop an industrial relations system which is adapted to the new conditions. Trade union pluralism has, in fact, led to a proliferation of workers’ organizations, most probably as a reaction to the former system.

The previous Government of Pakistan had imposed very tight restrictions on trade union activities, especially in the public sector. In

² ILO: *Review of annual reports under the Follow-up to the ILO Declaration on Fundamental Principles and Rights at Work*, Part I, Introduction by the ILO Declaration Expert-Advisers to the compilation of annual reports, Governing Body document GB.280/3/1 (Geneva, 2001), para. 71.

2000, an ILO mission to the country provided a context in which the trade unions were able to raise the pertinent issues directly with management. This resolved in a satisfactory manner a number of long-standing issues.

Important changes have taken place in the Republic of Korea in relation to freedom of association. In 1999 the ban on teachers' unions was lifted. Accordingly the KCTU-affiliated Korean Teachers' Union (*Chonkyojo*) and the Korean Union of Teachers and Educational Workers, affiliated to the Federation of Korean Trade Unions (FKTU), were legally recognized. This in turn paved the way for recognition and registration of the Korean Confederation of Trade Unions (KCTU) in November 1999. A Tripartite Commission has been established to review labour legislation, in part to respond to the recommendations of the Committee on Freedom of Association, and assisted by various ILO missions to the country. Unfortunately, not all trade union organizations participate in the Commission, and the decision to accept trade union pluralism at the enterprise level has been delayed. The scope of "essential services" (in which industrial action is prohibited) will be narrowed down in the course of 2001. There have been recently renewed violent confrontations between organized labour and the police in the wake of dramatic job losses in the country, and the legislative improvements in protection of trade union rights have been delayed as a result.

New legislation in New Zealand, the Employment Relations Act, which came into force on 2 October 2000, extends the coverage of multi-employer collective agreements to newly recruited workers. Significant reforms in labour legislation affecting freedom of association are also at an advanced stage of consideration in Lebanon, the West Bank and Gaza and Yemen.

Democratization of both the workplace and the State, with a view to mobilizing the skills, talents, creativity and commitment of workers and managers alike – all critical factors in maximizing productivity and therefore competitiveness – is inextricably bound up with the credibility of the processes for those involved in or affected by them. That credibility, in turn, depends largely on the conviction of workers and employers that their representatives and the officers of their organizations are able to function, speak and decide autonomously, on their behalf, having been freely chosen as their spokespersons. It is a striking and incontrovertible fact that productivity is highest in those national economies in which freedom of association is valued and protected as a fundamental right.

Table 1.2. The world competitiveness scoreboard
(ranking as of 19 April 2000)

1	United States	100.00
2	Singapore	75.22
3	Finland	74.01
4	Netherlands	72.13
5	Switzerland	68.49
6	Luxembourg	68.09
7	Ireland	64.83
8	Germany	64.49
9	Sweden	63.86
10	Iceland	63.52
11	Canada	63.42
12	Denmark	63.38
13	Australia	63.12
14	Hong Kong, China	60.47
15	United Kingdom	59.36

Source: International Institute for Management Development: World Competitiveness Report.

While there are instances of practices involving forced and compulsory labour in parts of the region, any discussion of this topic, especially in the Asian region, must inevitably centre on the case of Myanmar, which, in the words of the ILO Commission of Inquiry (1998), is a “saga of untold misery and suffering, oppression and exploitation of large sections of the population [...] by the Government, military and other public officers”.

Debt bondage and trafficking of human beings (especially women and children) remain important problems in some parts of the region. The ILO is helping constituents to address this challenge in the Greater Mekong subregion and in Nepal.

The main focus of the Greater Mekong project is to prevent trafficking through employment creation, education and vocational training, building on existing programmes and good practices. A similar ILO project in South Asia (Bangladesh, Nepal and Sri Lanka) concentrates on capacity building of governmental and non-governmental organizations, direct intervention programmes for prevention and rehabilitation of child victims of trafficking and subre-

Box 1.1. Combating child labour in the Arab States

In October 1999, the ILO organized a Regional Tripartite Seminar on Child Labour, in Amman, which aimed at providing a forum for exchanging information and experiences on the problems of child labour in the Arab region and promoting action in line with the international labour standards related to child labour, in particular its worst forms. Attended by Government, Employers' and Workers' representatives, the seminar examined the child labour situation and defined practical measures to be taken against hazardous work and other abuses such as forced labour, domestic service and sexual exploitation. The event was the first

initiative at the regional level to address the issue of elimination of child labour. Following the seminar and a series of technical advisory/needs assessment missions, the Governments of Lebanon, Jordan and Yemen each signed a Memorandum of Understanding with the ILO, providing a framework for cooperation in their respective national efforts for the elimination of child labour. The International Programme on the Elimination of Child Labour (IPEC) undertook a pioneering initiative in the region in collaboration with the Palestinian Bureau of Statistics for applying its methodology in collecting statistics on child labour.

gional level cooperation among South Asian Association for Regional Cooperation (SAARC) countries.

Over the last few years, a number of Asian economies have shown dramatic economic growth; and some of the world's most dynamic economies are located in the region. Yet, in the domain of child labour, the record in Asia is both sobering and encouraging. On the one hand, Asia has two-thirds of the world's working children, including many who are trapped in the worst forms of child labour. On the other hand, Asia also shows visible results in reducing the numbers of working children.

The Asian landscape obviously shows qualitative differences in poverty levels and stages of development between countries. Even so, within the region, there are discernible trends and patterns in the development process that impact on child labour. While the globalization of economies has led to increased economic efficiencies, competitiveness and growth, the process of modernization and market integration has been disruptive. Rapid urbanization, consumerism and diminished family support have all raised the vulnerability of children to premature labour. Inequalities in employment and incomes within, between and among countries have intensified rural-urban and cross-border migrations that also involve significant numbers of children and young persons. The 1997 economic crisis, that sent millions of children and young people out of school and into the

workplace, clearly showed the vulnerability of children to the vagaries of economic growth.

In Asia, as in other parts of the developing world, children have always worked alongside their parents, helping in family farms, fetching water and firewood and undertaking craft-related activities. Work by children is seen by some communities as an essential part of the socialization process and a means for transmitting acquired skills from parents to children. Work of this kind is not without its problems, especially as regards children's health, safety and education. Although the profile of the typical working child remains valid in many parts of Asia, there are clear signs that the patterns of employing children have undergone change and become more exploitative in the process. Disturbing are indications of a structural shift to wage employment of children in industry and services, and the corresponding change in working conditions – long hours and full-time work. Many of these children work under conditions that seriously damage their physical and emotional development.

The faces of child labour in Asia, as on other continents, are: children trapped in prostitution; children caught up in the trafficking of drugs; child soldiers; children scavenging in dumpsites; children in coal and gold mining; children in quarrying; children on fishing platforms; children working in tourist resorts; child domestic workers; children in urban home-based sweatshops.

Poverty and child labour are often spoken of in the same breath, as both are closely interlinked. Poverty drives children to work, while poor children who are forced to work are often unable to overcome their educational deficit and remain trapped in poverty.

Child labour can aggravate poverty by increasing unemployment and underemployment of adults, and putting downward pressure on wages. Poverty makes families and children vulnerable to deceitful offers by agents and recruiters in search of cheap and malleable labour.

The unanimous adoption of the Worst Forms of Child Labour Convention, 1999 (No. 182), demonstrated the strong global commitment to eliminating unacceptable forms of child labour. Included among the worst forms are:

- all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;

- the use, procurement, or offering of a child for prostitution, production of pornography and pornographic performances;
- the use, procurement or offering of a child for illicit activities, in particular, for the production and trafficking of drugs as defined in relevant international treaties;
- work which by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

On this last fourth category, each country must determine the types of work to be prohibited and eliminated in its national context. In the process of this determination, the government must consult employers' and workers' organizations and take into consideration relevant international standards.

The new ILO Convention has sharpened the focus of the ILO's and IPEC's technical cooperation efforts on child labour, building further on the United Nations Convention on the Rights of the Child and the ILO's Minimum Age Convention, 1973 (No. 138). Convention No. 182 adds a more focused approach with tangible and attainable targets, calling for urgent time-bound measures designed to:

- prevent the engagement of children in the worst forms of child labour;
- provide direct assistance for the removal of children from the worst forms of child labour and for their rehabilitation and social integration;
- ensure access to free basic education and appropriate vocational training to all children removed from the worst forms of child labour;
- identify and reach out to children at risk; and
- take account of the special situation of girls.

Starting in 1992 with six participating countries, including India, Indonesia and Thailand in Asia, IPEC is now a global ILO InFocus programme, which campaigns for universal ratification and implementation of the fundamental Conventions Nos. 138 and 182. This rights-based approach to the problem is part of the follow-up to the Declaration on Fundamental Principles and Rights at Work, as well as the supervisory mechanisms operating where the Conventions are ratified – i.e. in a rapidly increasing number of countries in the region. That approach goes hand-in-hand with the operational work of IPEC which now has country programmes in over 70 countries worldwide. IPEC in South Asia covers Bangladesh, India, Nepal and Pakistan; in East and South-East Asia, IPEC is operational in Cambo-

dia, the Lao People's Democratic Republic, Indonesia, Mongolia, the Philippines and Thailand. In Arab States of West Asia, three new national programmes have been initiated in Yemen, Lebanon and Jordan. Country activities are currently ongoing in China and Viet Nam. Programme support for IPEC country programmes and projects in Asia in 2000-01 have now reached US\$36.5 million.

At the heart of the IPEC strategy is the principle of country ownership. Strong political will and social commitment are essential to decisive forward-moving action on child labour. IPEC aims at facilitating policy reform and change in social attitudes that will lead to sustainable prevention and abolition of child labour. Through its country programmes, IPEC has supported pioneering and innovative interventions against child labour, enhancing the relative country's capabilities to address child labour in the process. National steering and coordinating committees have been installed to oversee and be increasingly responsible for national child labour programmes.

More recently, IPEC has gradually enlarged the scope of its projects, often on a sector- or industry-specific basis. In Asia, these industry-specific activities have, inter alia, focused on: deep-sea fishing; footwear production; small-scale gold mining; the urban informal sector; the garments industry; football production; salt production; and rubber agriculture. Integrated and comprehensive projects, which simultaneously address a number of key aspects of the problem through social protection measures (such as educational and training opportunities, reliable and decent incomes for adults in the family, and awareness and understanding of the problems and their solutions), have combined workplace monitoring and verification measures. These programmes have aimed at withdrawing children from specified workplaces and ensured that children removed from work – and their families – have been provided with feasible developmental opportunities.

In both South-East (the Greater Mekong subregion) and South Asia (Bangladesh, Nepal and Sri Lanka), IPEC has expanded the scope of its efforts against the trafficking in women and children for exploitative employment and commercial sexual exploitation. Programme areas have included research and institutional development, legislation and enforcement, awareness raising, advocacy networking and social mobilization, health and education, income and employment generation, rescue and rehabilitation.

The complexities of the child labour situation dictate that the problem should be tackled on the socio-economic, educational, de-

velopmental and cultural fronts simultaneously. Through time, IPEC has built up a network of key partners in member States – including government agencies and social partners. The media, religious institutions and schools, NGOs and community leaders now form a broad coalition against child labour.

Fundamental in the work against child labour are sound situation analysis and monitoring mechanisms for effective child labour intervention programmes. Rapid assessments on child labour's worst forms have been implemented – including pioneering efforts in children in drug trafficking (Philippines and Thailand), sexual exploitation of children (Viet Nam, Indonesia), salt and rubber plantations (Cambodia), children in gold mines (Indonesia) and children in tobacco plantations (Lebanon). Nationwide child labour surveys are ongoing in Cambodia, and are planned for the Philippines and Bangladesh. Country programme management reviews, evaluations and thematic assessment exercises are now a feature of IPEC country and regional programmes.

IPEC looks to its future in Asia optimistically. Its aims for the next three to five years are shaped by the following four strategic goals:

1. Universal ratification of the relevant ILO Conventions Nos. 182 and 138.
2. Strengthening significantly IPEC's qualitative and quantitative information base on child labour in the Asia-Pacific region, with respect to causes and distribution, and building strong intervention models to tackle child labour.
3. Developing IPEC country strategies for every country in the region where IPEC has operations (at least five time-bound programmes will operate over the next three to five years).
4. Building the capacity of ILO social partners and other programme partners in the campaign against the worst forms of child labour.

A clear indicator of IPEC success will be the mainstreaming of child labour programmes in the national development agenda – thereby resulting in greater coherence and integration and effective use of IPEC resources at country and regional levels.

Child labour programmes in Asia, among the oldest worldwide, are poised to enter a new phase opened up by Convention No. 182. Time-bound programmes (TBPs) aim at preventing and eliminating the worst forms of child labour in a country within a defined period of time. This period might extend from five to ten years, depending on the prevalence of child labour and its complexity in each country. Nepal is one of three countries (El Salvador and the United Republic

of Tanzania are the others) which have begun their commitment to TBPs. In Asia, Indonesia, the Philippines and Thailand have started the preparatory work for implementing such programmes.

A TBP will combine sectoral, thematic and geographically based approaches to child labour, linking these to the national development agenda. The design and implementation of the TBPs will contribute both directly and indirectly to the ILO's primary goal of promoting access for women and men to decent work. Productive work with social protection and rights at work cannot be attained without investment in future human capability. Child labour pre-empts this by keeping the children of the poor out of school and limiting their prospects for training, upward social mobility and, ultimately, access to decent work as adults. Furthermore, the objective of the elimination of child labour offers another criterion for adults' decent work: adults should enjoy such conditions of employment and social protection that they do not have to send their children to work prematurely. TBPs will also contribute to the attainment of a world free of poverty.

Equality of access to training and employment, equality of treatment in that employment – including (though not limited to) remuneration, advancement and social protection – are all vital elements and a prerequisite to the success of the decent work agenda. The ILO Declaration Expert-Advisers have been very clear on the issue:

“There can be no exclusions from the fundamental principles and rights enshrined in the Declaration. Their exercise cannot depend upon belonging to a particular status, category or sector. Moreover, the groups most vulnerable to being denied one set of rights – children, migrant workers, ethnic minorities, women – can be similarly at risk of denial of others. Socio-economic conditions can make the circumstances for promoting fundamental principles and rights at work differ, but the principles and rights themselves are immutable and universal.”³

The ILO cannot help but view with great concern the significant increase in violent ethnically and racially based conflicts which have plagued the South Pacific in recent years, especially in Fiji, the Solomon Islands and Papua New Guinea, as well as in neighbouring Indonesia and East Timor. While each of these situations springs from complex causes, some of which are quite particular to each national context, a pattern emerges of severe, and often desperate, competition for scarce resources, exacerbated by unemployment, inadequate

³ *ibid.*, para. 20.

social protection and non-existent or malfunctioning mechanisms for social dialogue and dispute settlement. Thus while the expression of the conflict is ethnic or racial, the root causes often have much more to do with a perceived absence of social justice. In both the national and international efforts to resolve these conflicts the ILO has been seen as an important partner and has striven, both on the basis of its standards and through its technical cooperation programme, to make a positive contribution. Not only are the “core” international labour standards highly relevant in this connection but also instruments such as the Indigenous and Tribal Peoples Convention, 1989 (No. 169), the Employment Policy Convention, 1964 (No. 122), and the social security Conventions.

Convention No. 122 exemplifies the integration which is sought between the ILO’s normative and operational work. The commitment to a policy of full, productive and freely chosen employment is now formally accepted by the vast majority of the region following ratification by China and India.

The ILO submits annually to the International Labour Conference a report on the situation of workers in the occupied Arab territories. At the time of writing this report, the corresponding Conference document for the 89th Session of the International Labour Conference was not yet available.

Gender inequality and discrimination on the basis of sex are unfortunately still very widespread in the region. Despite the overall intensification of female participation in the labour market in the South Asia subregion, and the entry of women into some formerly male-dominated occupations, gender remains a ubiquitous source of labour market inequalities and inadequately utilized human resources. The main issues concerning women are reflected in their employment situation. One major area of gender inequality – unequal pay for work of equal value and widening wage differentials – deserves particular attention. Male-female wage differentials are highest at the level of illiterate workers, but mitigated considerably in the part of the labour market occupied by university graduates.

The unequal bargaining power of women workers has been identified as an important cause of the persistent wage differentials observed even in manufacturing. An organizational strategy of concerted and combined action on the issue of civic amenities by trade unions, as well as women’s organizations, is proposed as a major step towards strengthening the bargaining capabilities of women workers in relation to wages.

Box 1.2. Legal provision for equal wages for women in India

In India there was no specific legal provision mandating payment of equal wages to women until 1975, when the Equal Remuneration Ordinance was issued, to be replaced later by the Equal Remuneration Act (ERA) in 1976. However the ERA has aspects distinct from ILO standards. While Convention No. 100 requires “equal remuneration for women and men for work of equal val-

ue”, the ERA places a duty on the employer to pay “equal remuneration to men and women workers for same work of a similar nature”. It will be necessary to carry out case studies and surveys in major sectors to assess the extent of the application of the principle in the economy as a whole, and to take the measures required to fully realize it.

In Sri Lanka, expansion in the garment sector has been the cornerstone of export-oriented industrialization, despite some efforts at diversification. With women making up 90 per cent of employees in the garment industry, the percentage of women workers in export processing zones has been around 80 per cent since their inception. It is apparent, therefore, that women have had access to new employment opportunities and have made a crucial contribution to industrialization. But several recent micro-studies conclude that gender subordination in the labour market has been reinforced by the concentration of women in semi-skilled assembly line operations and “dead-end” fragmented production jobs. Men, on the other hand, are concentrated in managerial and technical jobs. Since transfer of technology has been minimal, women workers, the majority of whom have at least ten years of education, are denied opportunities for upgrading skills and achieving upward occupational mobility. The deskilling syndrome is pervasive, with women moving horizontally, as semi-skilled labourers, from factory to factory in search of better employment.

There is very clear evidence from most parts of the region that women constitute the majority of the group known as “the working poor” – the group to which any decent work agenda must pay particular attention for they represent the very paradigm of what that agenda must be designed to overcome. In other words, it is neither appropriate nor functional to design “general” poverty reduction strategies into which “gender components” (including women’s issues) are incorporated. Programmes, projects and strategies must address female poverty as the central focus, while adding on, where possible and appropriate, elements to address other vulnerable categories. While carrying out the role of watchdog and conscience on

gender issues in the world of work, the ILO must be much more active to promote gender balance in its own technical work.

Another category of workers particularly vulnerable to discrimination is migrant labour. The Expert-Advisers have drawn attention to the seriousness of this problem in the States belonging to the Gulf Cooperation Council (GCC), but it is evident in other parts of the region in various forms. Female migrant workers are especially vulnerable. The ILO has launched studies on female domestic workers in Lebanon and Jordan to collect data and information to enable establishing appropriate measures for better protection of this group of workers.

There have been some encouraging developments in relation to employment opportunities for disabled workers; a notable case in point is a very forward-looking programme from the Ceylon Employers' Federation (Sri Lanka), which is being used as a model in the region. Nevertheless the general picture is still one of a tragic waste of human potential, resulting both from the occupational marginalization of this group and a failure to invest in the training that would enable them to make a significant contribution to national development. Although ILO offices and multidisciplinary teams (MDTs) in the region are constantly requested to provide support for programmes in favour of the disabled, it has proved extremely difficult to respond in a structured, coherent and sustainable manner, largely because donors have shown relatively little interest in this category of workers.

However, in West Asia, the programme supporting disabled persons accounts for the largest share in the extra-budgetary funded technical cooperation programme. Those projects, which are designed to promote socio-economic reintegration of disabled persons, have been implemented in Iraq, the Syrian Arab Republic, the West Bank and Gaza and GCC States. Convention No. 159 has been ratified by a dozen or more countries in the region.

The international and regional financial institutions have also shown significantly increased interest in ILO standards – both in their efforts to focus on sustainable poverty reduction and to attenuate potential socially negative consequences of their lending policies. In Bangladesh, Nepal, the Philippines and Thailand, the ILO is undertaking joint activities with the Asian Development Bank to measure the financial impact of applying – and conversely not applying – ILO standards in the fields of child labour, gender mainstreaming and occupational safety and health. Another aim is to draw up guidelines and checklists both for governments and the Bank itself to avoid sit-

uations in which loan and project arrangements affect women's, children's and workers' safety and health negatively as an unintended – and often unforeseen – consequence of the lending.

While, inevitably, an important focus remains on the Declaration, it goes without saying that the long-standing work of the ILO to assist countries in meeting their constitutional obligations in relation to all international labour standards and to give effect to the findings of the Committee of Experts on the Application of Conventions and Recommendations, the Committee on Freedom of Association and the Conference Committee on the Application of Standards, continues. ILO standards are also increasingly being used as important tools in peace settlements and civil conflict resolution. As part of its democratization process, Cambodia has ratified most of the ILO's fundamental Conventions. ILO standards are being incorporated into nation-building efforts in East Timor. With donor support for countries, e.g. Indonesia and East Timor, technical assistance projects are being carried out to strengthen the social dialogue process. The Indigenous and Tribal Peoples Convention, 1989 (No. 169), is an important element in resolving the civil conflict in Fiji and the Solomon Islands.

A number of donors are providing or offering significant extra-budgetary resources to supplement the ILO's regular programme efforts to promote and apply the Declaration in the region. It has always been an objective of the ILO to use its technical cooperation activities to promote and secure ratification and observance of international labour standards; however the Declaration follow-up process has opened up a wholly new dimension of operations. The report of the Expert-Advisers, referred to several times earlier in the text, provides a solid and objective basis on which to define a workplan for Asia. Tripartite commitment by constituents and the ILO alike will be indispensable if the programme is to remain focused and produce tangible and sustainable results. It would perhaps be useful to consider what regional mechanisms and structures would be most appropriate to ensure sustained and coherent implementation of the fundamental principles and rights at work.



2. Employment: The best poverty reduction strategy

*All countries in the region have committed themselves to promoting full employment, most recently through the **Copenhagen Declaration on Social Development and Programme of Action of the World Summit for Social Development** (1995). This means coming to grips not only with widespread urban unemployment but also the chronic underemployment in rural areas. Rapid technological change is producing impacts on employment which are not yet fully understood.*

While closely related, economic growth and higher employment do not always go in tandem. Active, targeted labour market policies are required, especially for youth and vulnerable groups, including the very poor. Economic fluctuations affect women's employment differently from that of males in many cases. More information and better analysis are indispensable to permit policy-makers to frame more adequate responses.

In the decent work agenda, both training and social protection, particularly unemployment insurance and welfare schemes, are integral parts of appropriate employment policies. Well-informed and well-managed employment services play a vital role. Small businesses and cooperatives are of great significance and labour migration accounts for a significant share of many national labour markets.

Better information, more sophisticated analysis, forward-looking and long-term policies, targeted strategies, cost-efficient and relevant training systems, tripartite cooperation: all of these are central to improving the quantity and quality of jobs. But above all there is a need to give employment a high priority on the national development agenda.

Jobs and incomes

Full employment and poverty alleviation

“The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.”¹

Building on decades of the ILO work in the areas of employment and adequate remuneration, the World Summit for Social Development unanimously adopted *Commitment 3* of the *Copenhagen Declaration* on promoting the goal of full employment as a basic priority of economic and social policy. In so doing, the international community reaffirmed the special mandate of the ILO, as defined in its Constitution, the Declaration of Philadelphia and the Employment Policy Convention, 1964 (No. 122), requiring member States to pursue the goal of full, productive and freely chosen employment.

The pursuit of this goal has to be an active one. Full employment is not an automatic and inevitable consequence of economic expansion as the phenomenon of so-called “jobless growth” has demonstrated in recent decades. While it requires constant adjustment – and thus flexibility – it must not be a purely reactive process. Forward thinking and forward planning are indispensable. It is becoming very clear that those countries in the region which learned and applied lessons from the 1997 economic crisis are now in a much better position to confront the current international economic downturn than those whose reaction was to wait for the return of better times.

Local and rural development: The role and potential of the countryside in contributing to national wealth

The rural sector continues to be a major source of employment and income for developing countries despite changes caused by globalization and liberalization. Its significance has been underscored by the recent economic crisis, when urban workers returned to family farms. Problems of rural development are reflected in low incomes and low productivity. While breakdowns for urban and rural sectors are not generally available, statistics show that there is a wide gap between the employment share and GDP share in agriculture. Available data show a relatively large agricultural workforce producing a relatively small value added. Low productivity is reflected in low income.

¹ ILO: *Decent work*, Report of the Director-General, International Labour Conference, 87th Session, Geneva, 1999, p. 3.

Thus, in national development plans rural employment promotion is closely related to poverty alleviation programmes.

Rural employment promotion involves different approaches including macroeconomic issues related to growth and development; specific sectoral policies for rural areas; and microeconomic planning for target groups. Experience shows that rapid macroeconomic growth does not automatically “trickle down” to rural areas. Within countries, the benefits of economic development are not always evenly distributed across rural populations in different regions. Sectoral policies are required in such areas as: economic diversification and non-farm activities; micro-enterprises and the informal sector; and local markets and export promotion.

Table 2.1. Percentage share of agriculture in GDP and employment*

<i>Countries and areas</i>	<i>GDP</i>	<i>Employment</i>
Bangladesh	25.2	63.2
Cambodia	41.4	98.3
China	17.3	47.5
Cook Islands	22.6	11.5
Hong Kong, China	0.1	0.3
India	27.9	66.7
Indonesia	19.4	43.2
Kazakhstan	9.9	11.7
Korea, Republic of	5.0	11.6
Kyrgyzstan	41.4	49.1
Malaysia	10.8	18.4
Marshall Islands	13.7	20.8
Mongolia	36.1	48.5
Myanmar	59.5	62.7
Nepal	41.6	76.1
Pakistan	27.2	44.1
Philippines	17.6	39.1
Singapore	0.2	0.2
Sri Lanka	20.7	36.2
Tajikistan	22.1	64.0
Thailand	10.4	48.5
Tonga	37.7	34.0
Uzbekistan	33.0	36.2
Viet Nam	25.4	68.6

* Where data are not available for 1999, statistics for the nearest year are presented.

Source: Asian Development Bank (ADB): Key indicators of developing Asian and Pacific countries.

Table 2.2. Percentage shares of agriculture in GDP and employment in selected countries in West Asia (including forestry and fishing)

Country	GDP	Employment
Bahrain		2.4 ¹
Jordan		6.2 ²
Oman		9.3 ³
Qatar		1.5 ⁴
Syrian Arab Republic	29.2 ⁵	28.2 ⁶
United Arab Emirates	3.4 ⁷	5.2 ⁸

Notes: ¹ 1991 census. ² Ministry of Labour, 1992. ³ 1993 census. ⁴ Estimated figure for 1998, FAO Production Yearbook. ⁵ Preliminary figure for 1998, Central Bank of Syrian Arab Republic. ⁶ 1991 sample survey, ILO Yearbook of Labour Statistics. ⁷ 1999 estimates, Middle East Economic Digest. ⁸ 1998 estimates, FAO Production Yearbook.

Special programmes for rural employment are also needed which include access to assets, wage employment schemes and self-employment creation schemes. It is important to ensure access and title to land through clearly defined systems of land tenure and property rights, land reform and resettlement schemes and land improvement. Other necessary assets include physical capital, financial assets and appropriate technology.

Wage employment schemes include both employment-intensive infrastructure programmes and compensatory programmes and social funds. The latter are designed to generate employment opportunities rapidly; transfer income to poor families affected by unemployment and underemployment; provide social infrastructure; and finance social assistance programmes including “food for work” programmes. Common problems of wage employment schemes are that they are small scale, have a limited impact and only generate employment for

Box 2.1. ILO labour-based rural infrastructure project in Cambodia

The ILO labour-based rural infrastructure project has created millions of workdays in direct wage employment since its start in 1992. The project has focused its operations on assembling key building blocks, which include strengthening the government capacity in community-based integrated rural accessibility planning, rural infrastruc-

ture planning and management and private sector capacity for construction and maintenance. In view of its relevance to local conditions the Cambodian authorities have officially taken the ILO labour-based technology (LABT) as the preferred technology in their rural development undertakings.

a short period. They seldom reach the poorest and the quality of the infrastructure built is often inferior. However, key benefits are short-term employment, physical infrastructure development and a social safety net.

The interplay between the market and the knowledge-based economy

Fundamental transformations in communications and technology are changing social, political and economic life at an accelerating pace. The *World Employment Report 2001*² points out that this change is rapid, irreversible and unpredictable. It brings with it opportunities for new jobs, accelerated development, greater transparency and higher productivity. At the same time, the ICT revolution has been accompanied by a widening gap – the *digital divide* – between the those who have access to it and those who do not. ICT will affect the content and quality of jobs. It requires a new development paradigm for rapid technological change.

Growth and employment are contingent upon education, learning and training. Human capital underpins economic growth, but the causation runs both ways. Countries with higher levels of income invest more in education, while development of human resources leads to higher growth rates. Literacy, knowledge and skills are essential. Increasingly, digital literacy has opened doors for both industrialized countries such as the Republic of Korea and Singapore as well as countries with lower levels of income such as China and Malaysia.

Is the communications revolution likely to be a threat or a boon to greater gender equality in work and society? According to the *World Employment Report 2001*, the new information and communication technologies offer the potential not just to collect, store, process and diffuse enormous quantities of information at minimal cost, but also, and more importantly, to network, interact and communicate across the world. This is where one of the main potentials for greater gender equality lies. Job growth that uses cognitive skills rather than physical strength in emerging sectors unburdened by traditional gender stereotyping opens opportunities for women. Employment growth in the service sector, in particular, provides enhanced job opportunities for women in the digital era. For example, the percentage of women employed by Citibank in Bombay increased from 5 per cent in the 1970s to 70 per cent today. The Inter-

² ILO: *World Employment Report 2001: Life at work in the information economy* (Geneva, 2001).

net enables women to work at home, allowing them to combine gainful employment with family responsibilities. Potential benefits include access to information sources and skills upgrading, political advocacy, global outreach, access to communications services, participation in international markets and an escape from cultural isolation and gender bias.

Reaching out to target groups

There is evidence that policies designed to address the employment challenges and social impact of the Asian crisis were not adequate in terms of reaching target groups. A number of initiatives have been undertaken to improve labour market information (LMI) to assess impact on these groups. A proper analysis of these data should facilitate the design and application of policies to women. It is, therefore, necessary to compile labour market information that can be disaggregated by sex and age. Other groups of special concern such as disabled persons and ethnic minorities should also be identified. Data should provide information about the poor. This includes trends in poverty and inequality as well as characteristics of households with low incomes and individuals with low earnings. These are specific aspects of a general issue relating to the improvement of LMI systems. Improved information and better analysis provides a foundation on which effective policies can be identified, implemented, monitored and evaluated.

Community-based rehabilitation (CBR) has proven to be successful in improving the decency of work for disabled persons in Iraq through ***establishing and strengthening*** CBR committees, widening geographical coverage and providing ***loans for income-generation activities***. Among the lessons learned from the project in Iraq are that: the CBR approach is more effective for the reintegration of disabled persons than a traditional approach dependent on ***conventional*** training institutions; microfinance projects function

Box 2.2. Gender statistics in Lebanon

As part of the Programme on the Development of National Gender Statistics in Lebanon, three workshops were organized during the period 1998-99 to support the national capacity in Lebanon in the field of generation, use and dissemination of gender statistics. The

workshops were held within the framework of the regional programme which was being undertaken in nine Arab countries. The long-term objective was to promote more gender-sensitive policy formulation at the national level.

Box 2.3. Programme for rehabilitation and reintegration of ex-detainees in Palestine

The ILO provided the necessary technical assistance to the Palestinian Authority for the establishment of a programme for the rehabilitation and socio-economic integration of ex-detainees freed following the Oslo agreements (1993). The programme was extended for a second phase in 1998. This multi-component programme offers a number of different services for

ex-detainees: health insurance, job search assistance, vocational training, support to continuous education, wage subsidies, rehabilitation services, and loans and business support services for income-generating activities. More than 18,000 ex-detainees have been served according to objective, transparent and non-discriminatory criteria.

more effectively in rural areas than in urban ones; and sustainability of impact is achieved when clear national policies and strategies are defined. In view of the effectiveness of the community-based approach in socio-economic reintegration of the specific target group, which was proved by this project, the UNDP and the ILO are planning to launch a new activity which would be geared to other target groups such as women, youth and elderly people.

Similar CBR projects were implemented in Yemen and the Syrian Arab Republic. Initiatives are being taken to establish other CBR projects in the West Bank and Gaza, Oman and Bahrain.

Box 2.4. Women and men disabled through war and landmines placed as income earners in the workforce of Cambodia

An ILO project on the strengthening of labour administration for employment promotion and human resources development has the objective of helping disabled people - particularly those disabled through war or landmines - to participate in the workforce as income earners. Most are amputees. The project has enabled labour administration to provide more effective services to workers with disabilities. The ILO is also cooperating with the World Rehabilitation Fund (WRF) - implementing

partner for a UNDP-funded project on the socio-economic reintegration of landmine victims - by providing technical backstopping for specific activities in Cambodia. In particular, the ILO is helping to establish an association of organizations representing disabled informal sector producers of handicrafts. It is also organizing a Business Advisory Council (BAC) to facilitate the vocational training and job placement of persons with disabilities in formal employment.

How do we measure work?

Efforts are being made in the region to integrate paid and unpaid work into national policies. The ILO participates in a Regional Resource Group of Experts (RRG) from countries in the Asia-Pacific region that deals with issues of labour force statistics, national accounts, and gender and development. The RRG considers a number of issues including the informal sector, child labour, time use and home-based workers; in particular, it seeks to incorporate into national statistics activities that were once considered to be housework rather than employment. This has already been done in Nepal.

The importance of statistics properly reflecting women's work is obvious: "As long as women remain statistically invisible, their work, their lives, and their disadvantages will remain invisible to policy-makers and leaders. Words need numbers to influence development intervention. Recognizing that unless steps are taken to put women squarely on the books, the productivity of half the workforce is destined to remain in the shadows. A strategic entry point for a more integrated approach to gender-responsive development planning is to improve statistics on gender issues."³

Underemployment: The hidden waste of human capacity

Labour statisticians measure underemployment in a number of ways, taking account, inter alia, of hours of work, skills and income. The International Conference of Labour Statisticians (ICLS) recently developed an international standard for time-related underemployment. This measures the number of persons working less than a certain number of hours who are willing and available to work additional hours. Underemployment has also been used to refer to "inadequate" employment situations such as those related to inappropriate skills, insufficient income and excessive hours. The problem of inadequate employment can be especially significant for economies in transition and during restructuring.

Data from the labour force survey in Nepal indicate that more than a quarter of those employed work fewer than 40 hours a week. Time related underemployment tends to be more serious among women workers, in urban areas and among the self-employed. Almost one-half of underemployment can be attributed to the off-

³ Rashida Yoosuf, Honourable Minister of Women's Affairs and Social Welfare, the Republic of Maldives, cited in M.F. Guererro (ed): *Integrating paid and unpaid work into national policies: Selected papers*, UNDP Regional Bureau for Asia and the Pacific (RBAP), New York, 1999.

Box 2.5. Nepal labour force survey 1998-99: Improved statistical measurement of women's activities

The economic activity of women and children is often under-reported in statistical surveys in Asia. Interviewers and respondents often incorrectly consider "work" to comprise only those activities producing an income (in cash or kind), and do not appreciate that "work" includes many unpaid activities which are part of normal household duties (such as working in the family farm, collecting firewood and water, household weaving, etc.).

In 1997, the ILO implemented a project to assist the Nepal Central Bureau of Statistics in designing and implementing a large-scale household-based labour force survey. Data collection for this survey covered the period June 1998 to May 1999 with over

14,000 households in both urban and rural areas of Nepal. Results were published in January 2000.

The survey measured employment, unemployment and underemployment in Nepal, paying special attention to accurate reporting of the activities of women and children, through a special questionnaire design reinforced by intensive interviewer training.

The 1998-99 Nepal labour force survey provides an example of an improved method of measuring the economic (and selected non-economic) activities of women and children. The approach has been recommended to other Asian countries and might serve as a "best practice" for collecting statistics on this topic.

season. In 1999, one-third of workers in Sri Lanka were employed for fewer than 40 hours per week. Figures for Pakistan for 1997-98 indicate that 13 per cent of the workforce worked for less than 35 hours per week. During the Asian crisis a number of employers in Thailand resorted to labour hoarding with fewer hours to avoid severance pay. In addition, there was a rise in new hires of part-time workers. The result was a significant increase in underemployed workers. Underemployed persons working fewer than 35 hours per week increased 60 per cent between the third quarters of 1997 and 1998. According to published reports of the labour force survey in Viet Nam, two-fifths of the labour force were underemployed in 1999; the corresponding figure for youth aged 15-24 years was 48 per cent.

Training for work

The challenge of change

Education and training are a way out of unemployment, underemployment and poverty. Policies and strategies for effective human resource development are crucial for coping with changing labour market needs. To this end, there is, in most countries of the region, a need for greater investment in education and training. Employabil-

ity in the context of a changing economy, generating demands for new skills and greater competence, is the vital focus for reviewing systems of education and training.

Current challenges include those arising from the increasing pace of globalization and international competitiveness, together with a widening impact of information and communication technology. In addition, education and training must respond to changes in work organization and the demands of an ageing population. As demonstrated by the alarmingly high number of unemployed university graduates in India, for example, education and training by themselves cannot be the sole vehicle for employment creation; they must go hand-in-hand with other policies including economic development and employment promotion. Education and training of high quality are, however, major instruments to improve socio-economic conditions and to prevent and combat exclusion and discrimination, particularly in employment.

Recognizing this, some national authorities have reoriented their education and training systems so as to develop relevant capacities for exploiting the potential of a global information economy. Renewed efforts are now being made in the region to improve efficiency and effectiveness of national education and training systems to help promote employment and social cohesion. Such an approach encompasses opportunities for education and training in all kinds of settings – in schools, in institutions, at home, at work and in the community.

From education to employment: Not always a clearly marked highway

Active labour market policies (ALMPs) that involve, inter alia, training programmes, wage subsidies, apprenticeship schemes and placement services, have not always been successful in placing young people in decent work. New approaches should be developed that build on lessons learned through community-based approaches, special mentoring programmes, electronic labour exchanges and on-line job markets as well as more traditional policies. Greater attention should be given to the private sector. Creative opportunities using information and communication technology should be explored to place the region's youth in productive employment.

At the start of the new century, youth employment continues to be a serious problem. According to ILO estimates, 70 million young people are searching for work but cannot find any – with about 80

per cent of them in developing countries and transition economies. Youth are nearly twice as likely as adults to be unemployed. In many countries the ratio is higher. Young people are often the last hired and the first fired. They are less likely to be protected by legislation. Disproportionately large numbers of young workers are exposed to long-term unemployment, engaged in precarious employment or limited to short-term work. As a result, many young women and men are economically inactive, as they either do not enter or drop out of the labour force. Socially disadvantaged youth are particularly affected. Youth inactivity, unemployment and underemployment perpetuate a vicious cycle of poverty and exclusion. Youth joblessness is linked to social problems such as crime, vandalism and drug abuse. "Joblessness among the young can be devastating, and governments have tried in a number of ways to deal with it. But policies targeted at young people, including preferential hiring, have proved largely unsuccessful for the simple reason that they are economically unsustainable."⁴

In developing countries conventional unemployment rates do not capture the seriousness of youth employment problems, as many young people cannot afford to be without a source of income. Instead, the inadequacy of work opportunities results in casual employment, intermittent work, insecure arrangements and low earnings. Underemployment is high among young people who work in household production units and in the large informal sector. Temporary jobs of low quality may even harm the future prospects of young workers.

Studies of youth employment point to the greater burdens borne by teenagers and women. In some countries teenage youth (aged 15-19 years) suffer higher rates of open unemployment than young adults (aged 20-24 years). In many countries more young women than young men are unemployed or inactive. Women often face discrimination with regard to education, training and employment. Youth employment promotion also has a significant role to play in peace-building and conflict prevention efforts as seen in the ILO interventions in the Solomon Islands and East Timor.

For these reasons, promoting productive employment for young people must be high on the ILO's decent work agenda. Effective policies for the labour market and employment promotion should be

⁴ Kofi A. Annan: *We the peoples: The role of the United Nations in the 21st century* (New York, United Nations, 2000), p. 25.

formulated, implemented and monitored to provide young women and men with opportunities for employment and income.

In West Asia – and more specifically in the GCC States – the ILO is working on the economic empowerment of youth and women through their involvement in micro- and small-enterprise development. Awareness seminars are planned in Bahrain and Qatar. The ILO is also exploring the possibilities of incorporating business management training in the vocational training institutes in order to encourage youth to engage in self-empowerment initiatives.

The Secretary-General of the United Nations, the World Bank President, and the Director-General of the ILO, have convened a High-Level Policy Network on Youth Employment “drawing on the most creative leaders in private industry, civil society and economic policy to explore imaginative approaches to this difficult challenge”. As part of this initiative the ILO has formed a task force that will look at ways to generate opportunities for young people through information and communication technologies and bridge the gap between the informal sector and the knowledge economy.

Ageing of the population: Challenge and change for work patterns, training systems, health care and pension schemes

As a result of falling fertility rates, the population is ageing in most parts of the world. This is having a major impact on both youth and old-age dependency ratios. However, these trends represent not just problems but opportunities. While higher percentages of older people will affect expenditures on health and pensions as well as create greater demands for unpaid work in caring professions – most of which are made up of women – smaller cohorts of young people will have greater access to quality education. Old age is synonymous with poverty for many working people. Longer life, better health and diminishing birth rates mean that it is becoming imperative to place a greater number of older workers in decent work through employment promotion and training programmes. Another issue that must be addressed is the fact that the gender gap at older ages will create a growing number of widows who face loss of social status and legal rights in many societies.⁵

⁵ ILO: *World Labour Report 2000: Income security and social protection in a changing world* (Geneva, 2000).

Table 2.3. Ageing

	Population over 60 (per cent of total population)					Population over 60 (per cent of total population)				
	1980	2000	2010	2030	2050	1980	2000	2010	2030	2050
World total	8.6	10.0	11.1	15.8	22.1	0.8	1.1	1.5	2.2	4.2
Asia	6.8	8.7	10.2	17.1	23.5	0.4	0.8	1.1	2.0	4.3
Eastern Asia	7.9	11.2	13.6	24.0	30.2	0.5	1.1	1.7	3.2	7.1
South-central Asia	6.1	7.0	7.9	13.0	20.0	0.4	0.6	0.8	1.3	2.8
South-eastern Asia	5.6	7.2	8.3	15.1	22.6	0.4	0.6	0.8	1.4	13.6
Western Asia	6.1	7.1	7.7	12.2	18.0	0.6	0.6	0.9	1.3	2.8

Source: ILO: World Labour Report 2000, p. 256.

The problem of resources for skills training and their optimum allocation: Defining priorities

The costs of allocating and maintaining resources and infrastructure for skills training are now prohibitive for many governments in the region. Rapid changes in technology and the way in which work is organized today necessitate enormous investment. Many countries are finding it increasingly difficult to provide the resources required. For poorer countries the task is impossible. Additional pressures on public funding capacity arise from structural adjustment programmes, restrictive fiscal policies and reduced development assistance. Increased competition and low wages have contributed to cutbacks for education and training by governments, businesses and workers.

In order to prioritize most efficiently the allocation of scarce resources to skills training, it is necessary to determine: what skills are required (by types of enterprises and sections of the community); whether skills are better learned on-the-job or off-the-job (or a combination of both); and who will provide the resources and by what means – public sector, private sector or the workers themselves?

Training must be tied to employment opportunities. Without jobs, skills training programmes are an empty promise. They represent a waste of scarce financial and human resources. The final result is frustration that can lead to social unrest.

The problem of access to skills training: Those most in need of skills cannot get training

Those without access to basic skills training and lifelong learning opportunities have limited opportunities. Unequal access exacerbates

existing inequalities arising from low educational attainment and inadequate basic skills. Differential access to training tends to reinforce skill differences in all societies, with workers who are highly skilled more likely to receive additional training than workers who are lower skilled.

Access to public skills training programmes is often restricted due to the limited number of places available. Yet public sector training often fails to attract trainees. Consequently, access to training is frequently restricted to persons having already reached a particular educational level. The poor are more likely to be excluded. The access of others is limited through training programmes implemented specifically for socially disadvantaged groups as is the case, for example, in Cambodia, China, Lao People's Democratic Republic and Thailand.

In some countries in the region, there is still a cultural preference among facilities for girls to enrol only in skill training courses exclusively for girls, and not in mixed training programmes for boys and girls. This tends to limit the training opportunities for girls. Also, in a number of countries, the narrow, outdated training in traditional "male" areas makes these courses less attractive to trainees, as the training is not responsive to labour market needs.

Private sector institutions tend to train in areas where there is a quick return on investment. These include training in language, computers and management. While some enterprises are willing to pay for their workers to attend training programmes, both public and private, many workers pay their own expenses. Larger high-performing industries are more likely to invest in skills development than small and medium-sized enterprises.

Improved access to education and training by vulnerable groups – in particular youth, the disabled, the displaced and poor – are important elements for making training effective for job creation, economic growth and social integration. Making all forms of training and education equally accessible to women will be a major step forward towards achieving gender equality in employment. Bringing training to the doorstep of people who need it most is another enormous challenge for raising productivity and increasing income in rural areas and the informal sector.

Training is also an important element in social reintegration of ex-combatants and conflict-affected people. The ILO has and continues to assist in this effort in, for example, the Solomon Islands and Palestine. Training is equally useful in dealing with post-disaster reconstruction, e.g. Gujarat (India) where craft and building skills are being developed with ILO assistance.

One of the strategies adopted by the countries in the region to enhance employability is to involve local administrations in training delivery for the informal sector. These specially tailored short training programmes for specific target groups adopt a non-formal training mode. In this context, the community-based training approach developed by the ILO is viewed as one of the more useful methodologies for promoting self-employment opportunities in poor communities of both rural areas and urban centres. The effectiveness of the community-based training approach lies in the fact that interventions are needs-based and demand-led; training provides practical skills for pre-identified employment opportunities.

Providers of training: Who does it best?

The days of government-funded, designed and implemented training programmes are numbered. The role of governments is changing to one of agent and facilitator – that of encouraging cooperation between the social partners and provision of information and mechanisms for planning and coordination of labour market and training needs. Governments also need to establish forward-looking enabling environments in which employers, workers and institutions can receive guidance and support for education and training in fast-changing economies. The question is whether governments are able to assume these roles. However, it must be noted that in some countries in the region, the State is often the only source of skills training.

It is now becoming more obvious that on-the-job training, supplemented with face-to-face instruction, is the most efficient method of imparting skills. In Japan, the Republic of Korea and Singapore, enterprise-based learning has been the main method of skills development for a number of years. Malaysia is following this trend. Nevertheless, the Malaysian Employers' Federation is meeting some resistance to enterprise-based learning within some of the larger enterprises and most of the small and medium-sized enterprises in the east coast region. In the case of the Republic of Korea, it might be added that the Government had earlier made a massive investment in vocational training, closely linked to investment trends through the Economic Planning Board, which has had a significant impact on improving the economy. Workplace training, as a complementary measure, was introduced more recently. Many companies in Thailand seek accreditation with the International Organization for Standardization (ISO) and are thus forced to provide formal training for their staff. However, the majority of workers in Thai enterprises learn their skills on the job or on an ad hoc basis with only a few enterprises

seeking more systematic arrangements with public and private training institutions. The Thai Government has recognized the need to provide support through incentives for enterprises to collaborate and participate in skill development programmes.⁶

The marketability of skills: Certification – Of what? For whom? By whom?

The issues of accreditation and certification of skills have always been contentious. Assessment is often made outside the workplace, sometimes during or immediately after training. In many cases the skills acquired are not the ones required in the world of work. Indeed, the pace at which technology is changing requires skills to be adaptable to and transferable across a range of fields. This makes it difficult to determine the breakdown of occupations into categories, particularly in information technology. The speed at which new jobs are created and old ones change also makes accreditation and certification difficult; what is certified as a necessary competence one month may change the next. The process needs to be thoroughly reviewed. Countries such as Australia, the United Kingdom and some parts of the United States are developing a more broad-based approach to skill standards and accreditation. Issues such as core competencies, soft skills, tacit knowledge, management of tasks and contingencies, as well as the ability to work in a team, are now recognized as essential. The ILO Asian and Pacific Skill Development Programme (APSDEP) has for the past three years worked with a number of countries to develop a Regional Model of Competency Standards. Further work is now being carried out to develop a framework within which the model can be applied in different countries in the region.

Incentives: What will make workers seek, accept and apply training?

Without clear incentives to train, such as increased wages, better career opportunities or improved social status, many workers are reluctant to take part in training programmes. Furthermore, it is no longer sufficient to improve the efficiency and quality of existing modes of education and training as these were developed to meet the demands of another era. Students, trainees and workers, products of

⁶ A. Rojvithee: *Successful practices in human resource development in the workplace: Contributions from labour management and government – Two case studies from Thailand* (Royal Thai Ministry of Labour and Social Welfare, Bangkok, 2000).

these systems, now find themselves lacking the knowledge and cognitive and social skills that are necessary to survive in an increasingly knowledge-based environment. Knowledge-based, high-tech enterprises often complain that graduates from colleges and universities lack the capacity to learn fresh skills and assimilate new knowledge.⁷

A number of Asian countries are making a concerted effort to restructure their education systems to meet the needs of the modern sector. However, this requires firm government commitment to make necessary changes: educational restructuring, relevant policies, regulatory framework and an enabling environment that will stimulate a knowledge-based economy. The private sector must have a role to play in the development of new policies that redefine the educational framework to meet the demands of a knowledge-based economy, since the educational establishment may not be able to do so.

Retraining to "go back in there"

Retraining schemes for retrenched workers are a key component of ALMPs and a primary concern for trade unions in the region. Nonetheless, adequate systems for placing retrenched workers in wage employment and self-employment still need to be developed and broadened.

For example, formal training systems in South Asia offer only very limited facilities for the retraining of retrenched workers. Most of them are low-literate or functionally illiterate; many may neither be interested in nor have the capacity to enter a new occupation. Surveys in India showed that only one in ten of workers retrenched as a result of privatization expressed a wish for retraining and redeployment, while almost half wished to become self-employed. However, opportunities for retraining in India remain very limited. The lesson learned from these surveys is that more self-employment training and post-training support programmes need to be implemented. Here the ILO community-based training approach mentioned above could be applied effectively. Issues such as access to retraining opportunities, cost of providing it as well as cost to the retrenched workers, reference to labour market demand, and access to facilities for start-up of businesses, require further attention to make retraining and placement more effective.

⁷ D.L. Coghurn: *Globalization, knowledge, education and training in the information age*, Centre for Information Society Development in Africa [<http://www.unesco.org/webworld/infoethics-2/eng/papers/paper-23.html>].

Employment strategies, macroeconomic policies and development planning

The experience of the Asian crisis shows that not only is it necessary to have informed policies for demand management, exchange rates and economic incentives, but also an effective implementing environment that includes transparent governance, strong institutions and appropriate laws. Indeed, there should be an enabling environment for enterprise development – and this implies protection from volatile portfolio investment as well as incentives for human resource development. Policies should promote comparative advantage in a changing global economy. Employment strategy is to increase skill development for higher technology – and this will involve decisions about government expenditure on education and training as well as policies for promoting direct foreign investment.

Rapid economic growth without employment promotion policies, human resources development and social protection schemes leaves economies such as Thailand's vulnerability to severe economic downturns. An important part of job creation through enterprise promotion will be expanding micro-, small and medium-sized enterprises by providing services and infrastructure to improve productivity and profitability. Tapping the potential of the informal sector to provide jobs and income should be part of business development efforts. In an effort to cushion the social impact of the economic crisis, governments in the region launched job creation programmes combined with community development initiatives. Moving out of the crisis, these programmes should be reassessed in terms of their contributions to sustainable employment and community development. Public employment services will need to be strengthened to provide additional services and conduct policy analysis. In particular, internal management information systems need to be strengthened. The social costs resulting from massive layoffs and reduced income of the economic crisis point to the need to improve social protection. A number of questions have been raised about minimum wages in terms of levels and mechanisms. While recent studies have shed light on some of the issues, it will be necessary to obtain additional information to enable countries to select appropriate policies for sustained economic recovery. This will require better information about decentralized decisions and enterprise incentives.

Migration policies should be considered in development plans for human resources. The highest priority should be given to measures aimed at eliminating trafficking of women and children. More generally, steps should be taken to ensure that the equality and treatment

of men and women enshrined in law is implemented in national policies. In order to shift the structure of production and exports to products with higher value added, it will be necessary to enhance the skills of workers with better education and training. This requires national strategies and coordinated policies. Social dialogue makes for better employment decisions. Systems of industrial relations need to be strengthened through better tripartite machinery and bipartite relations. Serious weaknesses in information and analysis used for labour market policies will have to be addressed.

The World Bank and IMF have endorsed proposals to place poverty reduction at the centre of concessional assistance for low income countries through country-owned poverty reduction strategies reflected in a Poverty Reduction Strategy Paper (PRSP). The ILO Director-General has stressed that the best route out of poverty for the majority of the poor is through decent work. The pursuit of the decent work agenda, in close cooperation with governments, workers' and employers' organizations, as well as with the ILO's other national and international partners, should bring an important perspective to the fight against poverty. The ILO's work in the areas of fundamental rights at work, employment promotion, social protection and social dialogue can contribute to the development of PRSPs by helping to strengthen national participatory processes and by identifying policies and actions appropriate in individual country circumstances. Among the seven countries identified for this programme three are in the Asia and Pacific region: Cambodia, Nepal and Pakistan.

What do active labour markets require?

Ideally, market forces should balance labour supply and labour demand. In a "perfect" competition scenario, labour markets work to determine wage rates and employment levels. On the demand side employers make choices concerning the levels of output, the use of technology and the mix of resources. On the supply side workers also make choices about whether to look for new jobs, to move to another location, and to acquire more education and training. In making these decisions employers and workers are believed to weigh the costs and benefits of the choices they make. Employers seek to produce at least cost, while workers look for the highest earnings. In a competitive economy labour market outcomes distribute income and products among members of society. Labour markets move workers and determine remuneration among various sectors, occupations and regions – and income is distributed to labour market participants. In practice, however, the process of adjustment may be

slow and inefficient. Economic crises, structural change, political uncertainty and armed conflict, *inter alia*, give rise to unemployment and underemployment. Discouraged workers discontinue their job search or leave the labour market. In order to correct imbalances, distortions and imperfections, governments intervene to deal with market failures, address unequal opportunities and improve income distribution. Targeted interventions are also used to alleviate poverty and combat discrimination. In addition to general strategies for growth and development, active labour market policies are designed to improve the functioning of labour markets. These may be used to improve outcomes in terms of efficiency, growth, equity and social justice.

Active labour market policies require measures for human capital, job creation and matching services. On the supply side this means training and retraining, guidance and counselling, job placement and labour mobility. On the demand side, active labour market policies require job creation and public works, subsidizing wage employment, promoting self-employment, supporting small enterprises, promoting the private sector and encouraging community development through local initiatives. Job brokering is designed to help: men and women find a first job; enterprises to find suitable workers; employed people to change jobs; and the unemployed to find new jobs.

During the Asian crisis countries in the region used these policies to address the serious issues of unemployment and underemployment. Areas for improvement include better coordination among offices and agencies that put the various components of ALMPs into effect. Ministries of labour could, for instance, benefit from better internal coordination. There also appears to have been a fragmentation and overlap of policies and programmes carried out by different ministries. Other difficulties arose from design and targeting of programmes. These problems point to a need for capacity building for policy-makers and labour administration. In addition, government, employers and workers expressed a need for improving labour market information systems.

The ILO and the World Bank have promoted ALMPs in post-crisis recovery in the Philippines, for instance. This approach has also been found to be relevant to other kinds of crises such as natural disasters and armed conflicts, when unemployment, especially of young people, soars, e.g. recent experiences in East Timor and the Solomon Islands.

Integrated approaches through country reviews

For some time the ILO has been promoting integrated approaches to employment and labour through its country objectives and multidisciplinary teams. As a follow-up to the World Summit for Social Development the ILO has undertaken a number of Country Employment Policy Reviews (CEPRs) aligned with the ILO Employment Policy Convention, 1964 (No. 122), in consultation with governments, workers and employers. Within the region these reviews have been undertaken in Nepal, Thailand and Pakistan. A review is currently under way in Yemen, encompassing wide-ranging issues such as the reform of the legal framework, the design of an SME-led strategy for employment promotion and the reform of social security schemes. The policy review in Thailand reached beyond issues traditionally designed for employment promotion and labour markets to include a wider range of policies as part of its focus on decent work and international competitiveness. It covered social protection and social dialogue as essential elements in employment policy. Labour standards together with gender concerns were important cross-cutting issues. Thus, the Thailand CEPR serves as an example for the Decent Work Pilot Programme and the Regional Decent Work Team⁸ that is now being introduced to promote an integrated approach to the ILO's four strategic objectives: promote and realize standards and fundamental principles and rights at work; create greater opportunities for women and men to secure decent employment and income; enhance the coverage and effectiveness of social protection for all; and strengthen tripartism and social dialogue.

In addition to comprehensive tripartite country reviews the ILO has worked through consultations to identify policy priorities and develop policy frameworks in the region. For example, as part of the follow-up to the World Summit for Social Development and in order to enhance the capacity of constituents to contribute to long-term sustainable growth in the region, the Regional Office for Arab States organized a "Regional consultation on employment: Follow-up to the World Summit for Social Development" in 1999.

⁸ The Regional Decent Work Team is temporarily organized and is located at the Regional Office for Asia and the Pacific (ROAP) in Bangkok. It is composed of four specialists. Each member is invited to make general comments or report in a specific field when required by the Regional Director.

Box 2.6. Thailand Country Employment Policy Review (CEPR): Central themes

The central themes running through the CEPR are decent work and international competitiveness. The review suggests that labour market institutions must be strengthened to ensure decent work opportunities. As additional jobs will, in the future, be in private businesses rather than the public sector, enterprise promotion is of crucial importance. The Government has mobilized resources for social investments and job creation to cushion the impact of the economic crisis. These should be integrated with parallel efforts for community empowerment. Social protection measures must be identified and implemented. Human resources devel-

opment is a key element in Thailand's competitiveness and ongoing reforms in systems for education and training should address these issues. A greater role for training in private enterprises should be a major priority. Strengthening tripartite institutions and bipartite relations is the key to effective social dialogue for increased productivity and decent work. A number of measures including legislative reforms are proposed. Finally, an improved labour market information system is required to produce a sound base for labour and social policies. The existing system needs strengthening to meet this need.

Source: ILO: *Decent work for all: Targeting full employment in Thailand*, Country Employment Policy Review (Bangkok, ILO/EASMAT, 2000).

Box 2.7. A national strategy to promote female employment in Yemen

In Yemen, the ILO has sought to develop a policy framework for female employment. A national working group, including tripartite partners, line ministries and the NGO sector, was set up to develop a comprehensive national strategy for female employment. This consultative process culminated in a

seminar to obtain a national consensus. The seminar was inaugurated by the Prime Minister and the strategy received the official endorsement of the Yemeni Cabinet of Ministers. The ILO is currently assisting the Government in the implementation of the strategy.

The role of systems for information and analysis

In order to formulate effective policies for the labour market, channel investment resources into human development and develop appropriate technology for productive output in a competitive economy, it is essential to have an effective labour market information system. Policy-makers require timely, reliable and accurate information about trends in employment, unemployment and underemployment. They need information to analyse labour supply and labour demand as well as to implement active labour market policies that place new entrants in productive work and displaced workers in new jobs. Em-

ployment services require information to match job applicants with notified vacancies. They also use information about business, training and credit to open opportunities in self-employment. Improved information is necessary to assess the benefits and costs for government and society in strengthening systems of social protection for workers associated with unemployment, illness, accidents, death and disability. Potential investors require information about job skills, wage rates and labour legislation. Vocational trainers require labour market information about skill requirements and labour demand.

The economic crisis has highlighted some of the strengths and weaknesses of labour market information systems in the Asia-Pacific region. Efforts to analyse the causes of current economic conditions and suggest solutions for the labour market problems have alerted users to shortcomings in the information being produced and disseminated by various agencies. Better labour market information is re-

Box 2.8. Some ILO initiatives to improve labour market information in the Asia-Pacific region

Labour statistics:

- Labour force surveys in Nepal and Viet Nam
- Improved labour force survey in Thailand
- Reviews of labour statistics in Cambodia, China, Nepal, Thailand, Viet Nam
- Update and review of labour statistics, Lebanon
- Manpower survey in the agricultural sector in the Syrian Arab Republic
- Advice on labour force survey in Qatar
- Review of methodology for estimate of unemployment rate in Jordan

Labour market information systems (LMIS):

- Training for labour market information and labour market analysis in Thailand
- Improved labour market information for urban employment promotion in China
- Use of wages statistics for collective negotiations in China
- Labour market information for employment services in Viet Nam
- Electronic labour exchange in Malaysia
- Harmonizing LMIS in GCC States
- Building LMIS with the Palestinian Authority

Labour market information proposals:

- Improved establishment-based surveys in China, Thailand and Viet Nam
- Improved statistics based on administrative records in Cambodia, China, Mongolia, Thailand and Viet Nam
- Improved labour market information system for Viet Nam
- Training for labour statistics in China
- Training workshop on labour market information and information technology development in Malaysia
- Labour force survey in Mongolia

quired to analyse trends in the quantity and quality of jobs and assess performance of the economy. This information is also essential for evaluating existing and planned programmes for job creation, enterprise development, employment services, skill development and social protection and for promoting social dialogue. It is necessary to enhance the capacity of agencies to formulate plans and policies for the future, taking into account the principles of the Employment Policy Convention, 1964 (No. 122), and the Labour Administration Convention, 1978 (No. 150).

In West Asia, the development of labour market institutions and the enhancement of the institutional capacity for labour market analysis and monitoring are considered a high priority by many constituents in the region.

Discussions indicate that labour market information is sometimes understood to be statistics rather than a broader concept that includes both qualitative information and quantitative data. These sources are complementary. In addition to improved information there is an expressed demand for enhanced capacity for better analysis of such information. Moreover, the demand for information extends beyond general profiles of the labour market to specific information on target groups in local areas, so that government agencies and workers' organizations can channel support to those people in need of assistance.

The International Labour Office has played a role in assembling and disseminating a set of timely information and relevant statistics through its Key Indicators of the Labour Market (KILM). These are designed to monitor national, regional and global employment trends and to encourage decision-makers to use better information for improved policies. Within the region several countries have shown an interest in developing labour market indicators to enhance national databases and improve international comparisons. The importance of selecting labour market indicators was evident during the Asian economic crisis. Box 2.9 gives the example from Thailand.

Employment services in the region are increasingly using on-line services to provide information about job openings and job vacancies, facilitating the placement of women and men into jobs. These services might be expanded to include information about new opportunities in self-employment. Electronic databases can be used to improve the internal management of employment services and to identify better policies for labour markets.

Box 2.9. Selection of indicators and crisis in Thailand: Open unemployment rates versus real wage earnings

The significance of selecting labour market indicators to measure labour market outcomes is clearly demonstrated in the case of the Asian economic crisis in Thailand. If rates of unemployment are used to measure the impact of the crisis on workers in Thailand, they show that the effect was progressive in the sense that higher income groups suffered more than lower income workers. Unemployment rates increased more in urban areas than in rural areas, more in Bangkok than elsewhere, more among prime-age workers rather than young jobseekers and more among better-educated workers than less-educated persons. However, if real aggregate wage earnings are used to measure the

impact, the assessment is reversed. Poor workers suffered most from the economic crisis. Wage earnings decreased more in rural areas than in urban areas; more in the poorest regions such as the north-east rather than in the richest regions such as Bangkok. Young workers were hit harder than adult workers. The decline in real earnings was greater in the private sector than in the public sector and for small enterprises than for large firms. The shift of wage earnings was from lower income work to higher paid jobs. Only in the case of gender distribution did the income effects lead to a more equal distribution of wage earnings.

The role of employment services

The main functions of employment services are matching jobseekers and job vacancies; producing and disseminating labour market information; implementing active labour market policies; administering unemployment insurance schemes; paying or authorizing payment for unemployment benefits; and regulating private employment agencies. Additional services include conducting training courses; operating production units; and administering programmes for overseas employment of domestic workers.⁹

Public employment services generally register and place a small proportion of jobseekers. The employment workshops recently conducted by the ILO in the West Bank and Gaza are an example of efforts to strengthen the capacity of these services. The workshops focused on the current status, service development and officials' opinions of employment services. Furthermore, a guide for public employment services was prepared to familiarize officials with the structure and work of employment offices as well as with labour forms, classification systems, placement services and data coding.

⁹ R. Heron: *Employment services: An introductory guide* (Bangkok, ILO/EAS-MAT, 1999).

Box 2.10. Unemployment insurance system in the Republic of Korea

In 1995 the Republic of Korea introduced an Employment Insurance System (EIS) that combines traditional unemployment benefits programmes with active labour market policies. The EIS has played a significant role in reducing unemployment by carrying out various policy measures in programmes for employment stabilization, skills de-

velopment and unemployment benefits. The EIS became increasingly important during the financial crisis.

The principal components of the EIS are: (i) employment stabilization programme; (ii) job skill development programme; and (iii) unemployment benefits.

See Kil-Sang Yoo: *The employment insurance system in Korea* (Seoul, Korea Labour Institute, 1999).

Unemployment protection is often linked to active labour market policies. In this case, employment services are an interface between public assistance and displaced workers. Unemployment insurance may be linked to participation in active job search, vocational training programmes or job counselling services. Ideally, unemployment protection should be complementary to programmes designed to place people in sustainable employment. The objective is to maintain incentives that move women and men into productive employment while protecting them from vulnerabilities of open – and, hopefully transitional – unemployment. Likewise, social assistance paid on a temporary basis is no substitute for unemployment protection linked to active policies. The Asian crisis has demonstrated that rapidly designed safety nets cannot substitute for fully integrated social security systems and anti-poverty policies. Once again, the primary focus should be to generate full employment. Employment services should be a repository of information about local policy successes and international best practices among active labour market policies.

The reform of state-owned enterprises: The economies in transition

Reforms of state-owned enterprises in transition economies create serious difficulties – most notably in terms of redundant workers and massive layoffs. Changes in the structure of the economy are reflected in the demand for labour. Serious dislocations follow from changes in the composition, form and quality of jobs. Weak labour demand and high unemployment rates may lead to lower participation rates. Long-term unemployment, sharp regional disparities, seri-

Box 2.11. The employment implications of economic restructuring in the Republic of Korea

Responding to the Asian economic crisis, the Republic of Korea decided to undertake structural reforms beginning with the financial, corporate, labour and public sectors. The directions and priorities for a reform agenda were determined through tripartite consultations. Labour policies are intended to reduce unemployment and introduce measures to increase labour market flexibility, strengthen workers' rights and expand a social safety net. Despite an early recovery from the economic crisis, continued job losses have resulted in social conflict. Labour disputes have continued despite an increased awareness about the roles of tripartite consultations, voluntary cooperation and industrial relations.

The unemployment rate is expected to be 4.4 per cent in February 2000 – down from a 17-year peak of 8.6 per cent in February 1999. Yet corporate shutdowns and layoffs in financial institutions are expected to contribute to rising numbers of unemployed workers. In addition, new entrants of college graduates and winter slowdowns in the construction sector add to the jobless total. With the number of unemployed rising to almost 1 million, the Government is attempting to deal with the painful costs of economic restructuring and the strong resistance of labour unions.

Since the beginning of the crisis, tripartite commissions have been convened with the participation of the Government, the Federation of Korean Trade Unions (FKTU), the Korean Confederation of Trade Unions (KCTU) and employers' associations to discuss a wide range of issues including macroeconomic policies, price stability, corporate management, national competitiveness and social security.

Measures to tackle unemployment include: providing employment maintenance assistance; placing displaced workers in new jobs through referral services and vocational training; creating short-term employment opportunities; and expanding social safety nets. Opportunities are provided to unemployed not covered by employment insurance – including new entrants to the job market. Programmes also include assistance for unemployed persons to set up their own businesses.

Key components of unemployment measures in the Republic of Korea include: job retention subsidies; job placement support for unemployed persons; vocational training for improved employability; special allowances and household loans to maintain minimum living standards; protection against wage arrears and of retirement pay; special unemployment measures in the winter for construction workers and new entrants.

Source: KOILAF: *Employment stabilization policy measures*, summary of corporate restructuring and employment stabilization policy released in November 2000 by the Ministry of Labour [<http://www.koilaf.org/publications/2000-13.html>].

ous wage arrears and low real incomes are likely to result. Reduced wages affect purchasing power, aggregate demand and economic growth. Skill mismatches place a strain on systems for education and training.

Box 2.12. Improvements in the working environment through I-WEB in India

Clusters of micro- and small enterprises based on traditional artisan skills have experienced growth in their activities due to their linkages to the exporting organized sector. However, the adverse working environment in these clusters is the result of increased activities generated by such linkages and competitive pressures on traditional

technology and skills. The ILO has initiated a pilot programme of small-enterprise development and improved working conditions by utilizing its tool, I-WEB (Improve Your Work Environment and Business) in a brassware manufacturing cluster in Moradabad, India.

The informal sector as a survival strategy or business opportunity

“The greater part of the informal sector consists of subsistence-level production units and activities, motivated by the need for survival and characterized by low levels of income, productivity, skills, technology and capital, and weak linkages with the rest of the economy. However, it has also been observed that there are modern and dynamic segments of the informal sector which are capable of generating significant growth, higher incomes and job creation and/or having linkages to the emerging market and formal enterprises, in particular those associated with new technologies in information and communications.”¹⁰

The informal sector has thus been viewed as both a catch-all for economic downturns and a potential seedbed for business development. More recently, new forms of self-employment and subcontracting arrangements have been developed by the formal sector to reduce costs and avoid regulations. Home-based women workers figure importantly in these strategies. In the informal sector of many Asian countries, women form the majority of subcontracted and own-account workers – at home, on the streets or in small production units known as sweatshops. Many of them are homeworkers, as defined by the ILO Home Work Convention, 1996 (No. 177), producing goods or services at the end of the subcontracting chain. The existence of informal activities that are closely linked to the formal sector through production chains has complicated recent assessments of the informal sector’s role in responding to the Asian economic crisis. To the extent that the informal economy together with the agricultural

¹⁰ ILO: *Concept paper*, Informal Sector Task Force (Geneva, 2000).

sector is a survival strategy and a safety net, it is counter-cyclical by expanding while the economy is contracting. Small, and even micro-, enterprises tend to expand as part of growing economies, while the survivalist components of the informal economy tend to expand during economic down-turns and crises. Furthermore, the component of the informal economy that is tied to the formal sector through home-based workers, especially homeworkers and out-workers, appears to follow a pro-cyclical trend.

A majority of governments in the region actively promote home work among disadvantaged groups in urban and rural areas as an important means of poverty alleviation and socio-economic development. Home work enables women to cope with responsibilities for work and family – albeit often at the cost of seriously increased stress. Earning their own income may lead women to play a greater role in decision-making for families and communities. However, the link between economic opportunities and social empowerment is not automatic. Many women work long hours in unhealthy conditions for little pay. Increasing numbers of women are joining the ranks of homeworkers in countries affected by the crisis or in economies in transition.

The Self-Employed Women's Association (SEWA) in India helped lead the 16-year-long international campaign to gain rights for home-based workers equivalent to those for formal sector workers – which led to Convention No. 177. While none of the countries in Asia has ratified the Convention, several initiatives are being taken by governments and organizations to implement its provisions, including development of national policies and promotion of self-help organizations for these predominantly female groups.

Box 2.13. Providing a voice and protection to homeworkers in Thailand

The Government of Thailand promotes home work, but at the same time intends to protect the workers in this sector. Following the provision of training to homeworkers for several years, the Ministry of Labour and Social Welfare has established a Product Promotion Centre in Bangkok and is now setting up centres for the promotion, development and protection of home work in ten provinces. HomeNet Thai-

land, a network of NGOs, village occupational, savings and/or housewives' groups, cooperatives and some unions have organized to ensure that homeworkers have a voice in policy debates. Technical and financial support is provided by the ILO to assist in efforts to improve protection of homeworkers in fields such as provision of legal aid, improvements in occupational safety and health and extension of social security.

Box 2.14. Resource centre for women entrepreneurs in China

During 1999 and 2000 the ILO assisted the Chinese employers (CEC/CEDA) to develop background documentation for the establishment of a resource centre to assist women entrepreneurs' associations. Such an initiative is intended to help the employers' organization to play an active role in

promoting decent work opportunities for women in establishing and running their own businesses. In December 2000, the ILO provided assistance to CEC/CEDA to enable them to develop a work plan for the first three years of this proposed resource centre.

For several years the ILO in the Asia-Pacific region has been supporting enterprise development and entrepreneurship for women. Based on the lessons drawn from these earlier programmes, the ILO is currently undertaking a project to enable national employers' organizations to play an enhanced role in supporting and promoting women's entrepreneurship development.

***Small business, self-employment and cooperatives:
Ways out of informality***

The basic features of self-employment creation schemes are that they are designed to provide training opportunities, complementary resources and a supportive environment for establishing and improving small businesses of target groups. The aim is to increase productivity through asset endowment, credit provision, skill formation and entrepreneurship training. Microfinance is intended to support participatory efforts for developing rural banking and micro-enterprises aimed at generating income and savings; it is also used to increase household food security. Common problems are inefficiency in targeting and lack of prerequisites such as existing organizations, marketing infrastructure, business experience and supporting services. Key benefits can be employment creation and income generation on a sustainable basis; increased consumption and greater savings; group consciousness among target groups; increased participation of rural women and young people; and better use of banking facilities.

Over the years the ILO has developed a Start and Improve Your Business (SIYB) package for practical management of small businesses. Training materials include three components: (i) Know About Business (KAB) aims at creating awareness of entrepreneurship and self-employment as a career option, particularly for trainees in vocational and technical training institutions. It provides knowledge of the required attributes and challenges for starting and operating a suc-

Box 2.15. Private sector initiatives in the economies of the Pacific Islands

Most jobs in the Pacific Islands have to be created through strengthening private sector initiatives. These initiatives, given the small scale of the economy, would in most cases take the form of establishing small and micro-enterprises. Informal sector development is a key in the process of creating quality jobs both in rural and urban centres. Self-employment and community-based training are effective forms of intervention in creating jobs in a sustainable manner in societies which are culturally favourable. In promoting micro-enterprises, a gradual trend of development should be assured, so that small and micro-enterprises can grow to become medium-sized enterprises in the future.

The review of policy and the determination of a definition of small micro-enterprises, as well as the creation of an environment for their growth, is vital. In this regard, the review of regulatory

provisions or deregulation, credit facilities, institutional support, introduction of business incubators, the provision of direct and clinical support and other measures will be essential for the healthy growth of small businesses and the informal sector in the South Pacific region.

Cooperatives now play an insignificant role (except in Fiji) in the promotion of employment in the subregion. The revitalization of the cooperative movement in the subregion is being sought by many governments. Cooperative policies have been reviewed. Introduction of a successful model for cooperatives is an area which is being considered by a group of countries (Fiji, Kiribati, Solomon Islands, Samoa, Tonga, Vanuatu and Papua New Guinea) after the successful implementation of an ILO subregional project on cooperative development.

successful business; (ii) a Start Your Business (SYB) package develops skills necessary for starting a small business. It uses participatory training methods and brings together basic theory, relevant information and practical activities. The course is a cost-effective means to help potential entrepreneurs think systematically through the most important issues related to starting a business. One practical result of the training is a business plan for potential business, in a form that can be presented to a credit institution; and (iii) Improve Your Business (IYB), a separate but interlinked component that can supplement the SYB training. The IYB basics cover essentials of basic business management such as marketing, costing, pricing, basic record keeping, buying and selling. The materials are flexible and adaptable to the specific training needs of the target group. The manuals use a learning methodology specifically developed for small business owners with relatively low formal education. Topics are presented using step-by-step explanations with illustrations of “real-life” situations.

Box 2.16. SIYB and VCCI in Viet Nam

In Viet Nam the ILO is executing a project on Start and Improve Your Business (SIYB) with funding from the Swedish International Development Association (SIDA). The counterpart is the Viet Nam Chamber of Commerce and Industry (VCCI). The project responds to the recent identification by the Government of micro- and small enterprise (MSE) development by providing train-

ing and support in small business management. The project now includes institutional support building for VCCI to operate as the focal point for SIYB in Viet Nam and research and policy guidance to support VCCI's efforts to improve the policy and regulatory environment for household and micro-enterprises.

Box 2.17. SYB, IYB and EYB in Jordan

The Government of Jordan was able to establish, with the technical and financial assistance of the USAID, a sustainable microfinance sector to facilitate creation and proliferation of micro- and small enterprises. Nevertheless, it was soon recognized that in order to strengthen the MSE sector, there was a need for a high-quality, cost-effective training and non-financial support programme focused on the specific needs of Jordanian MSEs. The ILO was thus invited by the Government, UNDP and USAID to implement a comprehensive programme of support to business training for micro- and small enterprises in Jordan. The Jordanian project for-

mulated and implemented by the ILO analysed the training and support needs of Jordanian MSEs and, on the basis of its findings, developed a comprehensive programme of training and support by adapting, re-developing, and translating into Arabic the ILO's Start and Improve Your Business training and support packages. In addition, the ILO executed project is currently developing a new training and support package entitled Expand Your Business (EYB) for growth-oriented micro- and small entrepreneurs who intend to realize their exceptional growth potential and, in this way, contribute to the creation of more quality jobs.

In view of the large number of unemployed and underemployed and the limited employment opportunities in the organized sector, a great deal of emphasis has been placed by the South Asian countries on self-employment in micro-enterprises and job creation in small enterprises. Self-employment in micro-enterprises, particularly in the informal sector, has been a natural phenomenon in the absence of other forms of employment. Nonetheless, differing programmes have been launched with varying levels of success to stimulate employment creation in micro- and small enterprises (MSEs). The question, however, is to what extent such jobs have been decent, productive, remunerative and sustainable.

Box 2.18. Indigenous and tribal programme in India

INDISCO-India is a part of the ILO's interregional programme to support self-reliance among indigenous and tribal communities through cooperatives and self-help organizations. Indigenous and tribal people, who comprise over 8 per cent of the country's population, risk losing their skills and livelihood with the rapid economic change. Subsequent to a Needs Assessment Survey in 1993, the ILO has undertaken pilot projects in the predominantly tribal regions of Gujarat, Madhya Pradesh,

Bihar and Orissa. Focusing on self-employment opportunities through Natural Resource Management and farm and off-farm income generation, job creation has been the main focus in these pilot projects. Based on important lessons learned during the pilot phase, the ILO is seeking to develop the models of self-employment initiatives among tribal people by linking grass-roots experiences with the policy environment.

There is no denying that MSEs have created the largest number of jobs in South Asia. As much as 80 per cent of the non-farm employment in India is in the MSE sector; however, it has contributed only 7 per cent of the GDP. Similar situations exist in other countries of the subregion. What remains uncertain is to what extent low productivity results from subsistence activities under competitive pressure and to what extent it results from policy choices and the regulatory environment. The issue of job quality remains a serious concern; low incomes and a poor working environment are compounded by a lack of social protection.

The low incomes of workers and their families in micro-level economic activities in the informal sector compel them to work excessive hours to survive. They are left with very little time and ability to access technology, credit and markets unless they are organized in cooperatives. This is particularly true in rural areas, where technology, credit and markets tend to be far removed from the centre of activity. In the central province of Uva in Sri Lanka, an entrepreneurship development programme in the rural sector is being implemented by means of the ILO strategy assisting the cooperatives movement. While the promotion of cooperatives for this purpose is a good example of a response to this need, there are other successful responses, e.g. through the use of the I-WEB being promoted in India (see box 2.12).

Similarly, the indigenous and tribal populations who are heavily dependent on natural resources and traditional skills, increasingly find themselves without adequate resources and means for survival as modern development activities encroach on their sources of live-

lihood. The ILO has implemented programmes to help workers engaged in marginal economic activities to form cooperatives.

Important issues in designing programmes for employment promotion include: efficiency; targeting strengthening institutions; replication; sustainability; and monitoring and evaluation. Experience shows that many programmes have bypassed the core poor. Targeting efficiency may be improved through clear selection criteria; a better information base; self-targeting measures; and participatory selection procedures. Strengthening and linking of institutions is undertaken by means of encouraging group activities and cooperative enterprises as well as linking government agencies, non-governmental institutions and target groups. It goes without saying that replication of successful initiatives increases the usefulness of pilot projects. However, identifying the elements of success is not easy.¹¹ The following are associated with sustainability: gender sensitivity, capacity building, self-reliance, commercial viability, mainstreaming programmes, local resources, creating linkages to regular programmes, participatory approaches to programme management, and “threshold” levels of loanable funds. Monitoring and evaluation should be a regular component of all special employment promotion programmes. This requires better information systems such as benchmark surveys, performance indicators, feedback mechanisms and participatory evaluation.

Migration for employment: A particular challenge for the decent work agenda

South Asia has continued to rely on the Middle East for labour emigration except for Bangladesh, which has also tapped the Malaysian demand to some extent. Given the vast borders in the region, migration and trafficking across borders are common in the Indian subcontinent, with India and Pakistan as both source and destination countries. Sri Lanka is the only South Asian country in which the bulk of migrant workers – mostly domestic workers – are women. The outflow of skilled labour from South Asia is on the rise with the liberalization of labour markets in developed countries, especially for workers with IT skills.

Temporary migration flows in South-East Asia have changed from a Middle-East driven flow to an intra-Asian one. The Philippines and Indonesia represent the major senders while East Asia (Japan, Taiwan

¹¹ Some lessons for anti-poverty programmes are outlined in the following publication: M. Lipton: *Successes in anti-poverty* (Geneva, ILO, 1998).

(China), Hong Kong (China) and the Republic of Korea), Singapore and Malaysia represent major destinations. Thailand also has become both a major labour-sending and labour-receiving country in the past decade. In the South Pacific the continuous movement – especially of young workers – from the smaller islands to Australia and New Zealand is well documented. Facilitated by common cultural and linguistic factors, the numbers of Arabic-speaking migrant workers within the Middle East far exceed those of workers coming from outside that region.

The major problems and key issues in the region pertain to the following: high incidence of irregular migration; trafficking, especially of women and children across borders; managing of migration flows and migration policies; and the protection of basic rights of migrant workers. The largest number of irregular migrants are found in Malaysia (from Indonesia) and Thailand (from Myanmar) among countries in the subregion.

“May I help to build your country?” The advantages of migration for recipients

Benefits of migration cannot be conceived as a one-way flow favouring the sending country alone. Yet receiving countries rarely mention the positive contributions made by migrant workers to their economies and societies. “What most people forget is that migrant workers have generally made a positive contribution to the host countries, both in terms of socio-economic development and in providing labour for jobs which the local people did not want to do.”¹² All migrant workers, irrespective of their status, contribute to the economic prosperity of the host society. Businesses and employers in host countries reap enormous profits by exploiting migrant workers, especially irregular workers.

The brain drain of highly skilled migrants is a major loss of the investment in human resources made by the home country and a windfall gain to the host country. At present, such migration is on the rise with many developed countries liberalizing the entry of skilled workers, especially IT workers. Receiving countries also gain by the rising labour force participation of women that is made possible by the engagement of foreign domestic workers. Some labour-receiving countries earn sizeable revenues through levies on firms employing

¹² ILO: *Protecting the least protected: Rights of migrant workers and the role of trade unions (guidelines for trade unions)*, Bureau for Workers' Activities (ACTRAV), Interdepartmental Project for Migrant Workers, 1994-95 (Geneva, 1996).

foreign workers, the burden of which may partly or fully be passed on to the workers themselves. Malaysia and Singapore are examples of countries using selective levies.

“Please go home”: The social and political problems of migration

In Asia, migrant workers are regarded as strictly temporary workers with no rights of residence, even if they have worked for many years in the host countries. Some concessions or exceptions are made in the case of highly skilled workers in countries such as Singapore. On the other hand, north Asian countries still pursue a policy of non-admission of unskilled workers for employment despite pronounced labour shortages of such workers.

During the Asian economic crisis, many migrant workers found themselves unwelcome guests in the host countries. Major labour-receiving countries in the Asian region announced plans for mass deportation of irregular workers and non-renewal of contracts for regular migrants. Yet actual repatriations were lower than expected given the reluctance of local unemployed workers to go into low wage jobs vacated by foreigners. Countries with no regular admission policy for unskilled workers generally connive at the presence of irregular workers within their borders and enforce crackdowns during times of recession. Most problems in migration in Asia stem from irregular migration and trafficking which expose migrant workers to the worst forms of abuse and exploitation. Even regularly admitted workers do not enjoy rights of equal treatment and social security with national workers in most countries.

The protection of migrant workers is compromised by the fact that neither major labour-sending countries nor labour-receiving countries in the region have ratified ILO Conventions on migrant workers. Only New Zealand and Malaysia have ratified the ILO Migration for Employment Convention, 1949 (No. 97), and the latter in respect of the State of Sabah only.

Can migration be organized better? The ILO and the IOM

The management of migration flows and adoption of credible migration policies is a major challenge for countries in Asia. It is clear that everything cannot be left to the market. While the private recruitment industry has contributed much to expansion of migration in the region, it is also responsible for numerous malpractices in the form

Box 2.19. A study of the *kafeel* system in Kuwait

There is growing concern over the existence of surplus foreign labour in Kuwait. At the request of the Kuwaiti Government, the ILO has launched a study and survey which is designed to find viable alternatives to the current re-

cruitment system (*kafeel*, or sponsor system), which was established as the main mechanism for bringing in and supervising the employment and stay of foreign workers.

of excessive fees levied on workers, contract substitution and outright fraudulent practices. Bilateral labour agreements between countries are highly desirable to prevent such abuses; yet few labour-receiving countries are willing to use such instruments. The ILO is assisting countries in the development of policies for more orderly migration at national and regional levels consistent with international standards on migrant workers. The International Organization for Migration (IOM) has sponsored several recent initiatives such as the Bangkok Declaration on Irregular Migration, the Manila Process and the Asia-Pacific consultations, which serve as consultative processes on sensitive migration issues. The trade union movement in the region is also taking a greater interest in ensuring the protection of migrant workers as reflected in the commitments made at the ILO Asia Pacific Symposium on the Role of Trade Union Organizations on Migrant Workers, held in Kuala Lumpur in December 1999.

Looking forward***Training needs in a global economy***

New strategies and methodologies for skills training must be developed to address the challenges of rapid globalization and the information economy. These must deal with the need to develop basic skills, learn new skills, provide greater flexibility, encourage lifelong learning, create effective institutions and strengthen delivery systems. Linkages must be made between education and training and between employers and workers. This will involve greater participation by the private sector.

Building on lessons learned and best practices with an emphasis on sustainability

The challenges of restructuring and transition have pushed many workers into the informal sector and small enterprises. While opportunities are opened for jobs and income, the challenge will remain to

ensure that employment is decent and that work is remunerative and sustainable. The ILO, together with traditional constituents and other partners, should continue to identify lessons learned and best practices.

Meeting the opportunities and challenges of the new economy

The ILO and its constituents must work together with new partners in harnessing the potential provided by the new economy and minimizing the threat of a digital divide. Building on the issues and priorities such as those outlined in the *World Employment Report 2001*, countries should seek ways to use information and communications technology to move women and men into decent work.

Using multidisciplinary approaches and integrated strategies

The Country Employment Policy Reviews (CEPRs) have proved to be an effective method for setting policy priorities for employment promotion and labour markets in the region. Integrated strategies and multidisciplinary approaches that reach across the four strategic objectives of the ILO provide an effective methodology for promoting decent work. Comprehensive reviews should be continued through tripartite consultations, policy frameworks, CEPRs and the Decent Work Pilot Programme.

Addressing the demand for labour market information

Reports from the countries in the region – as well as responses to the crisis in Asia – indicate that there is a great demand for labour market information that can be used to meet the needs of public employment services as well as to identify, formulate, implement, monitor and evaluate policies for employment and labour. Governments, employers and workers have identified labour market information systems (LMIS) as a high priority.

Political commitment

This chapter has attempted to identify the factors which can enhance national and regional capacity to deal with the daunting challenges of unemployment and underemployment in an effective and sustainable way. It is recognized, of course, that achieving the objective of full – or at least fuller – employment requires not only knowledge, commitment and sustained dedication, it requires significant

investment. This can only be mobilized through a clear, purposeful and unwavering national policy commitment to do away with the tragic waste of human (and economic) potential which unemployment and underemployment constitute. It is, however, an investment which pays handsome dividends. The countries with the best training, employment services, labour market policies and social protection are the wealthiest. They do not have these programmes because they are the richest. They have generated their wealth through these programmes.

3. Social protection

Since 1997 progress has been made in the area of occupational safety and health (OSH) although it is still not sufficiently addressed in national and regional agendas. In the last decade the region approached OSH concerns with particular emphasis on rapid economic growth and the ensuing economic and financial crisis. The overall situation in the region will not improve significantly unless governments, employers and workers formulate and pursue common goals to ensure safety and reduce health risks.

In the area of conditions of work, the priority issues in the region are: the Work Improvements in Small Enterprises Programme (WISE); ergonomic adaptation for an ageing workforce; and sexual harassment at the workplace.

In the ILO the principle of solidarity remains the basis of social security. The Asian crisis of 1997 highlighted serious inadequacies in the region's approach to social security. In addition to the strains placed on systems by severe economic fluctuations, the ageing of the population represents a major challenge for Asian social security services and policy-makers alike. Many social security programmes in the region reach only a small minority of the population. New approaches are required to extend coverage to those most in need.

HIV/AIDS is emerging as an increasingly serious threat in the region and the ILO is responding with targeted programmes.

While there is much debate concerning the most appropriate definition of the role of the State in democratic societies, there is a general consensus that it is a fundamental state duty to safeguard the lives, property, physical integrity and dignity of its citizens. Historically, most – if not all – States have sought to meet this obligation by developing increasingly sophisticated systems of national defence, presumably because the greatest threat to citizens was thought to be aggression from outside the borders of the State or violent insurrection within it. Recent events in various parts of the region bear tragic witness to the fact that such threats remain very real. However, it is not for the ILO to debate the relevance of national defence forces.

It is, nonetheless, important to consider that in many countries the greatest threat to life, physical integrity and dignity comes not from armed conflict but from epidemics, accidents, illness, natural disasters and deprivation. Surely, then, it is the obligation of national societies, the States which embody them and the international community, to address these risks and threats to their citizens' lives and well-being as a paramount concern. This is the cornerstone of the ILO's concept of social protection. This chapter will address the following issues:

- occupational safety and health;
- conditions of work;
- social security; and
- HIV/AIDS.

Occupational safety and health

The Twelfth Asian Regional Meeting in 1997 concluded that:

“A large number of workers in Asia are killed, injured or suffer illness at work each year. Employers need to take steps, in cooperation with workers and their organizations, to improve performance in relation to occupational safety and health, while governments should facilitate these efforts, including through ensuring appropriate legislation and effective inspection.”

Since 1997 progress has been made, but occupational safety and health (OSH) is still not sufficiently addressed in national and regional agendas. In the last decade, the region approached OSH concerns with particular emphasis on two contexts: rapid economic growth and the subsequent economic and financial crisis. Both technological development and economic growth have had a direct impact on working conditions and the safety and health of people at work. The economic crisis and, more broadly, the necessity of greater productivity and competitiveness, as well as the need to reduce public expenditure, have all been invoked to justify assigning less attention and priority to OSH issues. In the final analysis, the overall OSH situation in the region will not improve significantly unless governments, employers and workers make more concerted and more committed efforts to design and implement adequate measures to prevent occupational accidents and diseases.

Since the Twelfth Asian Regional Meeting, the ILO has recorded several important and encouraging cases of progress in the field of occupational safety and health. In the South Pacific an OSH policy

framework has been completed in Papua New Guinea and an OSH policy review has taken place in Fiji, which adopted comprehensive legislation (the Health and Safety at Work Act) in 1996. In South-East Asia, improved OSH legislation has been drafted. Malaysia has continued to build on the solid base of its 1994 Occupational Safety and Health Act, which applies to all workers in all economic sectors. Australia, China and Hong Kong (China), Indonesia, Japan, Republic of Korea, New Zealand, Singapore and Thailand have all issued legislation or national standards on the implementation of OSH management systems at the enterprise level. Revision of OSH legislation has also taken place in countries such as Lebanon, Jordan, Syrian Arab Republic, Bahrain and Yemen in harmony with ILO Conventions. This was attributed to the revival of “higher national tripartite safety and health commissions”, and to the organization of train-the-trainer courses in OSH in these countries.

The Philippines ratified the Safety and Health in Mines Convention, 1995 (No. 176), in 1998. Mongolia and Viet Nam both ratified the Occupational Safety and Health Convention, 1981 (No. 155), in 1998 and 1994, respectively. China ratified the Chemicals Convention, 1990 (No. 170), in 1995. The Republic of Korea and Singapore have both issued regulations on labelling and the distribution of chemical safety data sheets. In addition, the Republic of Korea amended the Industrial Safety and Health Act to require mandatory reporting from particularly hazardous installations, in line with the Prevention of Major Industrial Accidents Convention, 1993 (No. 174).

A project on occupational safety and health in agriculture, implemented by the ILO and the General Organization for the Exploitation and Development of the Euphrates Basin, in the Syrian Arab Republic, has formulated an Arabic-language manual on rural safety and health. A profile on occupational safety and health has been drafted by the social partners to promote the role of the factory labour inspectorate. Similar “profiles” have been developed in Iraq, Yemen and the Palestinian Authority.

Table 3.1 gives a summary of the most recent statistics available on occupational injuries in a number of countries and areas in the Asia-Pacific region. These countries were not selected on account of their particularly bad safety records – quite the contrary – but because they had the most comprehensive and reliable data collection systems. However, in general the systems for reporting of occupational accidents and diseases are very weak or close to non-existent. Because of widespread exclusion of data from the public and informal sectors, as well as agriculture, available data often reflect the situation

Table 3.1. Occupational injuries, 1998: Asia-Pacific region (selected countries)

<i>Countries and areas</i>	<i>Injuries (including fatalities)</i>	<i>Fatalities</i>	<i>Fatality rate/ 100,000 workers</i>
Japan ¹	148 248	1 844	± 4.2
Hong Kong, China ²	63 526	240	10.1
Korea, Republic of ³ Includes occupational diseases and commuting accidents	51 514	2 212	20 (per 100,000 insured persons)
Malaysia ³ Includes occupational diseases and commuting accidents	85 338	1 273	22.3 (per 100,000 insured persons)
Singapore ³ Includes occupational diseases	4 247	99	14.2
Thailand ³ Includes occupational diseases and commuting accidents	186 498	790	15.4 (per 100,000 insured persons)

Sources for statistics: ¹ The Japan Advanced Information Center of Safety and Health.

² Hong Kong Accidents Statistics Bulletin (Oct. 2000) [<http://www.jaish.gr.jp/eng/html/sokuhou.html>].

³ ILO: Yearbook of Labour Statistics (Geneva, 1999).

of less than 60 per cent of the workforce. In general, only compensated accidents, or those meeting certain special criteria to be covered by national notification schemes, are reported. Responsible and realistic estimates which compensate for this serious under-reporting place the number of fatal occupational accidents (not including work-related fatal illness) in the Asia-Pacific region (not including the Arab States) at 186,000 per year. Furthermore, the ILO estimates that for every fatal accident, there are at least 750 accidents causing either temporary or permanent disability, giving a figure of 14 million non-fatal injuries each year.

While the OSH situation in the modern, urban employment sector is far from satisfactory, other sectors present even more daunting challenges. Agriculture is one of the most hazardous sectors of activity, both in the industrialized and developing countries. It is estimated that worldwide at least 170,000 agricultural workers are killed each year as a result of machinery accidents or agrochemical poisoning. Due to widespread under-reporting of deaths, injuries and occupational diseases in agriculture, the real picture of the occupational

Box 3.1. ASIA-OSH – An initiative to improve OSH information

Since 1992 a Finnish-funded, Bangkok-based ILO project, ASIA-OSH, has been operating to improve the OSH information infrastructure in the Asia-Pacific region. Project efforts have supported OSH organizations and units in developing worldwide web sites, software, directories for networking, translation and dissemination of ILO publications, the promotion of ILO OSH standards and guidelines for adequate statistics on work-related accidents and diseases. Various OSH training courses, seminars and workshops have been organized on such varied subject areas as chemical safety and the prevention of silicosis, and on potentially hazardous occupations like construction and mining.

Training on OSH information systems has helped OSH officers understand: how existing information systems can facilitate and support their everyday work; which computerized

and manual systems have been developed in their own countries and abroad; and how they might better market their services.

The fundamental role of OSH information and functions of information units are now better and more widely understood. Officers, especially chiefs and directors of OSH departments, have realized that the better their OSH information and services, the stronger are the foundations for legislative development and enforcement as well as employers' and workers' awareness raising. More resources (within their funds, staff and equipment) have been allocated so that information units have begun to assume their rightful place within their institutional structures.

The widely read *Asian-Pacific Newsletter on Occupational Health and Safety*, published by the Finnish Institute of Occupational Health, has helped to pass on the ASIA-OSH message.

health and safety of farm workers is much worse than official statistics indicate. Small-scale farmers commonly apply agrochemicals manually using old, poorly maintained equipment. This results not only in increased exposure to chemicals, but also in significant ergonomic hazards, aggravated by sustained physical work with primitive tools and the frequent lifting of heavy loads.

During the last several years, DANIDA support was the most significant source of funding on OSH in Asia. For instance, support for developing legislation, training and awareness raising in China to help in the implementation of the Chemicals Convention, 1990 (No. 170), as well as for launching a safety campaign in Viet Nam, are examples of DANIDA support. Other countries that received such support included India, Jordan, Lao People's Democratic Republic, Mongolia, Nepal, Pakistan, Palestine, Philippines and Sri Lanka.

The results of the pioneering study on silicosis in Lebanon is likely to add a new chapter on the lessons learned by the ILO/WHO Programme on the Elimination of Silicosis.

In most countries only limited categories of agricultural workers are covered by national legislation, employment-injury benefits, or insurance schemes. A large number of farmers are deprived of any form of social protection and when national regulations exist they are seldom applied.

Rural workers and their families should have access to adequate working and living conditions, health, and welfare. An adequate balance between agricultural growth and the protection of the environment is also crucial for the sustainable production of the world's food. Rural occupational safety and health must be integrated into a rural development policy with a well-defined strategy. The emphasis should go on prevention and environmental protection consistent with current and future trends. The issues need to be addressed both at national and international levels.

In Asia, efforts towards improving working conditions in agriculture have begun for example in Malaysia (inspection), the Philippines and Viet Nam (training and awareness raising). At its 89th Session in 2001, the International Labour Conference adopted new international labour standards on safety and health in agriculture.

Working conditions in the informal sector are also frequently precarious and unsafe. Vulnerability to diseases and poor health result from a combination of undesirable living and working conditions: poor housekeeping, hygiene, lighting and workplace design; long working hours; and insufficient awareness of chemical and electrical hazards. Job-related risk factors are compounded by overcrowding, poor nutrition and other public health problems, such as inadequate sanitation, lack of adequate storage and general effects of poverty. In home-based enterprises, the exposure of family members to hazards may result in their contracting work-related diseases even when they are not directly involved in the job.

Many micro-enterprises lack sanitary facilities or clean drinking water and have poor waste-disposal facilities. To raise productivity, they need services that help to increase their income while protecting worker health and improving working conditions.

Attempts to improve OSH in the informal sector require an integrated approach. Safety and health promotion, social protection, and quality employment creation are necessary elements of strategies to improve the basic living and working conditions of the urban and rural poor alike.

Women worldwide are entering the manufacturing and service sectors in increasing numbers. Indeed, they make up almost 50 per cent of the workforce in many countries.

A fundamental issue in this region (and others) is the balancing, in terms of national policy, of workers' lives and health with the aim of increasing productivity and competitiveness. One school of thought would hold that the concept of "balancing" is inherently wrong. The Universal Declaration of Human Rights identifies the right to life as a fundamental human right. No economic justification, therefore, can excuse jeopardizing the life of any citizen. In reality, however, there are insuperable obstacles to pursuing policies which seek to eliminate risks to human life at the expense of any other national policy objective. It is an incontrovertible fact that motor vehicles and those who operate them are the cause of tens of thousands of deaths annually but no country can seriously consider banning them. Neither could economic growth and technological development, both indispensable to sustaining ever-growing populations, be stopped merely because they increase the risks of death, disease and injury.

Awareness of the need for occupational safety and health management systems (OSH-MS) is increasing among tripartite constituents in the Asia-Pacific region. OSH-MS is a practical instrument using systematic and voluntary risk-assessment approaches. It is aimed at upgrading safety and health standards in various occupations to levels beyond minimum compliance with current legal provisions. The ILO is developing and finalizing its own guidelines on OSH-MS that reflect ILO values. The ILO/Japan Asian-Pacific Regional Seminar on OSH-MS, which was held in Kuala Lumpur in May 2001, provided a useful forum for introducing the ILO OSH-MS guidelines to governments, workers and employers in the region. It is expected that these guidelines will meet the needs of employers and workers as they strive to improve safety and health at the workplace. Corresponding national policies on OSH-MS need to be strengthened in order to achieve effective implementation.

But, as touched on above, it is not an easy matter for governments to define policy in this area in the face of so many competing needs. Moreover, the traditional tools of State are not necessarily well-adapted to the realities of rapid technological change, tremendous commercial pressure, shrinking public funds for administration – especially labour inspection – and the demands of voters for generating and sustaining employment.

Conditions of work

Improvements are achievable in even the smallest enterprises ...

Among the most important and successful ILO programmes in recent years has been that on Work Improvements in Small Enterprises (WISE). Given that the small enterprise sector both comprises the largest number of workers in many countries and is seldom – if ever – the focus of labour inspection services, WISE is a particularly necessary and well-targeted approach.

The success of WISE in creating improvements in working conditions of small enterprises has encouraged efforts to adapt and extend the WISE approach to other groups of hard-to-reach workers, including rural workers and workers in micro-enterprises.

... and can achieve productivity gains

Selected emerging issues in the field of ergonomics are being examined in the region. Japan is a leader in adapting work methods and equipment to the requirements of the older worker, an increasingly important field in countries with an ageing workforce. A project in

Box 3.2. WISE association: Employers' organization and small business

In countries where small business is a significant constituency of the employers' organizations, services that specifically address their needs are being developed. The ILO's Work Improvements in Small Enterprises Programme (WISE) has been particularly useful in this respect, because it helps to increase productivity through employee motivation and process efficiencies, while at the same time improving working conditions. In Mongolia, several trainers representing the employers' organization were taught to deliver WISE training to small business managers. They have now begun to conduct training themselves, and several enterprises have incorporated WISE methodology in their management practices. In Yemen, a bipartite training course for representatives of workers' and em-

ployers' organizations focused on such issues as standards and norms for industrial production; inclusion of medical coverage in social security systems; and incentive programmes in all productive sectors.

Similarly, a project on cleaner production, funded by the Government of Norway, was implemented in several countries in the region. By implementing cleaner production in selected enterprises, it demonstrated how a single process, designed to improve environmental performance by reducing waste, can also improve working conditions, workplace relations and economic outcomes. The project was successful in several countries in its objective of establishing capacity within employers' organizations to organize cleaner production assessments.

Box 3.3. The WIND approach

In Viet Nam, the Centre for Occupational Health and Environment under the Department of Health in Cantho Province, with technical assistance from Japan's Institute for the Science of Labour and financial support from the Toyota Foundation, has developed a training programme for "Work Improvement in Neighbourhood Development" (WIND). Inspired by the ILO's "Work Improvements in Small Enterprises" (WISE) training methods, the WIND programme relies on participatory approaches to achieve immediate results. A series of training workshops

for farmers has been conducted in Cantho Province.

The ILO has provided technical support, in collaboration with the Bureau of Rural Workers of the Department of Labor and Employment, to conduct pilot activities based on WIND in the Philippines and to further develop the programme and adapt it to local conditions. A local agricultural cooperative served as a facilitator of WIND in the Philippines and assisted local farmers in implementing many improvements in safety, health and working conditions.

the Philippines has examined the relationship between ergonomic improvements and productivity gains. Research is ongoing into questions of both ergonomics and safety and health in relation to information and communications technology hardware.

New recognition of the problem of sexual harassment ...

Although women are entering occupations previously closed to them, the labour force is still highly segregated by gender. The fact is that women have fewer choices than men as to where they can work and they end up doing work involving long hours that is heavy, dirty, monotonous, low paid and in a hostile atmosphere where sexual harassment may be more the rule than the exception. What is more, they frequently have no access to health services. This is particularly true of those working in the informal sector – in which women constitute the majority. Besides suffering excessively long hours of work, women usually have to bear the entire burden of housework and family care as well. Health problems such as stress, chronic fatigue, premature ageing and other psychosocial and physiological effects are often the result.

As women enter the workforce in ever-increasing numbers the incidence of sexual harassment at the workplace grows. The ILO will convene in October 2001 a regional meeting in Kuala Lumpur on this issue, with the objective of establishing a programme of action to address the problem systematically.

... and of problems in balancing work and family

The importance of maternity protection as a condition for equality in employment and as a means to protect mothers and their children, has been highlighted by the growth in female employment. Inspired by the Maternity Protection Convention, 2000 (No. 183), the ILO is working with NGOs in India, in collaboration with the STEP programme, to expand the coverage of maternity protection to more women workers and explore the potential for extension of micro-insurance to cover maternity protection. Awareness raising on maternity protection has also been stepped up in the region. Problems of reconciling work and family life are also increasingly on the agenda for both men and women workers, as well as governments and employers. The ILO is conducting research on these issues in Japan and the Republic of Korea. Issues of working time, including excessive and unsocial working hours, are closely related to this problem. Increasing working time flexibility and deregulation are giving rise to new working-time patterns and forms of work organization at enterprise level. This has also been the subject of preliminary ILO research in the region and studies are now being conducted in Japan and the Republic of Korea.

Social security

The Social Security (Minimum Standards) Convention, 1952 (No. 102), reflects the consensus of member States that it is the role of the State to ensure the social security of its population. Whether or not this is provided by public administrative bodies or through private initiatives, the State should remain the guarantor. In Asia, the basis for achieving income redistribution through social security varies greatly from country to country. With respect to schemes that mainly cover formal sector workers, a number of countries, including Singapore, rely fully on the individualized approach of provident funds; other countries, such as Thailand, opt for redistributive social insurance benefits, as reflected in its defined benefit pension system, though this provides low income replacement benefits. China has a dual system under which there is a combination of individual accounts and solidarity-based pensions.

Redistribution of income and poverty alleviation are best achieved through a combination of social assistance and social insurance policies. The needs of the poor and workers in the informal sector might for the time being best be served by a tax-financed social assistance scheme, while income mooting for workers with a regular wage income who face a number of social risks can best be done

through income-related social insurance benefits. The financing of the combination of the two systems must be fine-tuned in each national case so as to maximize the overall resource bases for the national social transfer systems. In addition, solutions must be found which respect traditional patterns while developing community-level solidarity simultaneously with national schemes under which communities share the social risks they all face. The skills and structures need to be developed to govern complex, pluralistic, national social transfer systems consisting of a variety of different measures catering to the needs of different groups without foregoing the guarantee of access to some basic social security services for all.

Given their increasing level of per capita income, many Asian countries still spend relatively less on social protection than countries in other parts of the world even if one accounts for the different population structures. In many ways the formal social protection systems in Asia are still nascent. When comparing the size of the social sector to the overall economic performance even in post-crisis years and benchmarking it against the international experience, it appears that many Asian countries could afford further improvements in their national social protection systems.

Even though middle-income economies in Asia experienced a rise in wage employment and their economies grew rapidly prior to the Asian crisis of 1997, the scope of national social protection systems remained relatively limited from an international perspective during that period. This is not to diminish efforts over the past decade made by some countries such as Thailand gradually to expand social security while continuing to target, primarily, workers under formal contractual employment. Much effort is still necessary to address the needs of the large number of workers outside of formal employment but who nonetheless contribute significantly to economic development.

As mentioned above, few countries had implemented social security programmes before the Asian crisis of 1997. Thailand launched its comprehensive social security legislation only in 1991,¹ some decades after such neighbouring countries and trading partners in the Association of Southeast Asian Nations (ASEAN) as Malaysia, Philippines and Singapore. This was due mainly to concerns in government

¹ Until the Social Security Act was promulgated in 1990, the only significant improvement had been the conversion of the Workmen's Compensation Scheme from an employer liability benefit into a social insurance scheme in 1974.

circles about the impact of social security contributions on labour costs and competitiveness, and as a result of insufficient understanding of the essential role of well-designed and self-financed schemes in improving productivity and contributing to harmonious labour relations and thus to social and economic development. Indeed, governments had failed sufficiently to grasp that social security: encourages social peace which reduces the frequency of industrial conflict and increases willingness to work; makes it easier to meet delivery commitments; and leads to improved product quality and a better investment climate. As reiterated at various Asia-Pacific Economic Cooperation (APEC) meetings held to discuss the aftermath of the financial crisis in the region, political stability plays an important role in investment decisions, especially those made by foreign direct investors.

When the Asian crisis occurred, the lack of comprehensive social protection programmes and the corresponding administrative infrastructure with which to provide social assistance relief to a significant proportion of the population made it difficult for governments – such as those of Indonesia and Thailand – to reach out to the needy. Given the important role that social protection plays in securing sustainable human development and livelihoods, it is vital that social security systems attempt not only to prevent people from becoming poor but also to assist them in dealing with various contingencies – such as the sudden loss of employment. Indeed, social security systems may be considered to have two basic functions:

- a preventive function, whereby all present and formerly economically active persons build up entitlements in the event of contingencies such as unemployment, sickness, maternity, old-age, invalidity and death – thus contributing to building up human capital for sustainable development; and
- a curative function, whereby poverty is alleviated through short-term transfers, notably when there is economic hardship.

In times of economic difficulty there is frequently great pressure to allocate resources to short-term measures of poverty alleviation at the expense of longer term, sustained and integrated social security programmes. Many middle-income countries in Asia were put under tremendous internal and external pressure to abandon carefully designed implementation plans for building long-term social protection systems in favour of “quick fix” minimum social safety nets in the form of decentralized, temporary programmes. The social safety net approach is perhaps of value in a context of crisis response. It should not be considered a substitute for integrated and sustainable social

protection policies because it is reactive rather than proactive. However, social safety nets could remain a part of social protection measures, given specific situations, as the two are not mutually exclusive.

The Republic of Korea moved in the early 1990s to cover all workers under its various social protection programmes. These programmes include a comprehensive employment insurance system that delivers social insurance benefits and actively promotes employment.

Agreement among the ministers responsible for human resources at APEC and ASEAN meetings in recent years confirmed that one of the major lessons learned from the recent financial crisis in the region was that social policies had received insufficient attention during the decades of prosperity; they acknowledged that opportunities to develop effective systems of social protection had been lost.¹ There are still difficulties in establishing appropriate social priorities for development in middle-income economies of Asia, judging from the fact that when the crisis struck, already low social security contribution rates were further reduced for the period 1998-2000, although the scheme faced demands that benefits should be extended to many more unemployed workers.

Plainly, the economic crisis has placed social protection and social security under considerable pressure. However, by drawing attention to gaps and weaknesses and highlighting ways to strengthen protection systems, the crisis has also served to enhance social protection. There is now greater recognition of the need for comprehensive and coordinated policies to broaden the scope and effectiveness of social protection as a whole. This is recognized by the IMF, particularly with regard to the middle-income economies of Asia where it is active: “the IMF sought to ensure that the macroeconomic policy framework could accommodate social protection measures and emphasized to the authorities that such measures should be part and parcel of IMF-supported programs”.²

The rapid ageing of the population in many Asian countries has implications for basing social protection on a mandatory retirement age. But, if increasing cash transfers to inactive older generations were to be avoided, then workers would have to be requested to

¹ APEC: *Joint Ministerial Statement of the Sixth APEC Finance Ministers Meeting* (Langkawi, Malaysia, 1999).

² P. Heller: *Human dimensions of the Asian economic crisis*, at the World Bank regional meeting on social issues arising from the East Asian crisis and policy implications for the future, Fiscal Affairs Department (Washington, IMF, 1999).

remain longer in the labour force. Societies would also need to invest in preparing social infrastructure and workplaces for the requirements of older populations and workforces. If future declines of the standard of living of the elderly are to be avoided then a skilful long-term planning and fine-tuning of policies in various areas of social and economic policy will be required.

Extension of coverage

There are many examples of social security schemes in developing countries which protect only a small minority of the labour force – chiefly employees of large enterprises in major urban areas. Unfortunately, the administrative tasks of registering establishments and their workers, collecting contributions and maintaining long-term records, tend to overwhelm such social security institutions and cause postponement of plans to extend coverage to smaller and more numerous urban work units and to the rural workforce. Perversely, those most in need of social protection in the urban informal sector and rural areas are the least likely to be covered by social security schemes. This situation is not only obviously unfair but it raises special problems for the smallest enterprises and their workers, who are unable to join the schemes until contribution rates have risen significantly and may no longer be affordable.

The main reason for extending coverage to smaller enterprises is to facilitate labour mobility in a sector that is both dynamic and often unpredictable. This may be achieved by transferring responsibility for

Box 3.4. The greying of the world's most populous nation

In the region, the country most affected by ageing is China. This is largely a result of the one-child policy. Over the coming 30 years the ratio of active workers to senior citizens will follow a similar pattern as in Japan over the past three decades. Aware of the complications faced by Japanese society to cater to the needs of its large proportion of elderly, China has undertaken a radical serious reform of its pension system so as to be best prepared to face this serious situation. Various forums, in which the ILO has been an important participant, have been convened to receive the views of international experts. Chi-

na is due to implement reforms gradually by first piloting its planned modifications to shift the burden of social security away from state-owned enterprises towards the State. Due to China's massive size, solidarity pooling is mainly focused on municipal and provincial levels. This poses nonetheless serious constraints for the national authorities facing demands for resources from poor provinces and makes it necessary to set up new redistributive mechanisms between the richer coastal provinces and the poorer central and western regions.

Box 3.5. Ageing and health care – A gender issue

The need for health care, at least of certain kinds, is rapidly increasing at a time when individuals live longer but cannot rely as they did in the past on traditional family and community support. The health care needs of the aged are significantly distinct from those of younger generations. Further investments must therefore be planned, such as residential centres for elderly people, who have no family member to turn to for special care.

The combined impact of lower fertility rates, increasing labour force partic-

ipation of women and the rising proportion of aged persons in the population will necessitate more extensive social protection. The availability of caregivers, traditionally roles filled mainly by women, can no longer be taken for granted. Over time it is likely that expenditure on social services for the elderly will grow relative to services for children. Households will have to be prepared to devote a larger proportion of their income to provision for old age, as the average number of children they support declines.

maternity allowance payments – one cause of discrimination against women workers – from individual employers to the social insurance fund. At the same time, by bringing more workers into the unemployment insurance scheme, extension of cover makes the scheme itself more viable.

In Thailand the Workmen's Compensation Fund was already serving enterprises with 20 or more workers in the early 1990s and this provided a strong foundation for the country's Social Security Office. It is planned to extend coverage to all enterprise workers and their dependants in 2001. Coverage under the Thai social security scheme is likely to reach nearly 14 million persons – in addition to government workers who already have their own programme. Currently, those who do not qualify for health care under other schemes – more than half of the population – are taken care of by the Ministry of Public Health. Having extended coverage in this manner, Thailand is now seeking ways to offer universal health care. The Republic of Korea also provides another good example of coverage extension.

The difficulty in bringing social insurance to informal sector workers stems from their irregular and often precarious employment. In the absence of associative structures, there is seemingly no way to involve them in a contributory social insurance scheme, whether community-based or nation-based, based on mandatory regular payments. As a result, the death of a breadwinner and other risks can cause untold hardship. A solution, however, appears to lie in community-based social insurance which draws on social assistance subsidies to help workers who are unable to meet their contributory

Box 3.6. Social security reform: Priorities for West Asia

Within the ILO policy framework related to the reform and governance of pension schemes, a regional seminar was organized jointly by the ILO and ROAS (May 1998, Amman). The main topics discussed were: social security systems in the countries of the region, adequacy and social security principles in pension reform; social security reform at the global level; comprehensive quantitative modelling for a better pension strategy; the risks of pension systems; designing mixed systems of pension; extending personal coverage of pensions; governance of social security systems; and training activities.

The seminar has adopted important conclusions related to the development of social security schemes in the countries concerned focusing on the improvement of services, extension of the system and improving the management

and the efficiency of the social security institutions.

Based on its strategic objective to enhance the coverage and effectiveness of social protection for all, the ILO provided technical advice to Kuwait (actuarial studies); Oman (development of the social security schemes); the West Bank and Gaza (building social security system: legislation and institution); Jordan (actuarial study); Lebanon (pension schemes); and Yemen (reform of the pensions system).

Annual training courses for Arab countries are organized with a view to enhancing the technical capacities in the field of financing and managing pension schemes. Extension of social protection and improved governance of the system are considered to be priorities by the constituents of West Asia.

obligations. Of course the sustainability of voluntary community-based schemes depends on acceptance and appreciation by their members, who must perceive value in what they get as they have limited means to invest.

STEP programme and the extension of social security

The Government of Belgium has given the ILO funds to help communities serve the social security needs of their members through reliance on the mutual health fund concept. The programme supports national strategies to extend health care. In countries where the State does not provide social security coverage for informal sector workers, the Strategic and Tools against Social Exclusion and Poverty Programme (STEP) can help to develop micro-insurance schemes at the local level. These offer a vulnerable population the benefit of an immediate solution. Governments are encouraged to provide the necessary regulatory framework guidance and financial subsidies.

Most East-Asian governments are working towards universal coverage. As in Thailand, it is appropriate to start by making workers in the informal sector fully aware of the service available. It goes with-

out saying that the extension of social security presupposes that the necessary infrastructure, such as health-care facilities, is in place.

Micro-insurance: Is it an option?

For many of the poorest countries, micro-insurance may be the only available way for communities to have access to minimum protection. Government revenues, in such cases, seldom go far enough even to allow minimal income transfers to communities.

However, many of these independent schemes have proven financially vulnerable to unexpected events. When financial guarantees are wanting, unforeseen events can prove fatal. It is for this reason that the ILO encourages governments to constitute a financial “backbone” for these schemes, subject to their meeting certain minimum requirements.

In countries with acceptable income levels, like many in Asia, governments are encouraged to provide income transfers for their entire population – and community-based social insurance schemes with links to the State, notably as financial guarantor, are promoted.

HIV/AIDS

Within the framework of the new Programme on HIV/AIDS and the World of Work (ILO/AIDS), the ILO seeks to imprint a dimension of social justice on national responses to the pandemic in South-East Asia. In close consultation with the Joint United Nations Programme on HIV/AIDS (UNAIDS), the ILO provides technical assistance to its constituents to develop workplace policies on HIV/AIDS, focusing on prevention, non-discrimination and care for infected workers. The ILO’s tripartite structure gives it a comparative advantage in terms of access to workplaces and support from the social partners. This enables it to reach out to large target groups. The major challenges facing South-East Asia include:

- high levels of labour migration (cross-border and rural-urban);
- limited capacity of the constituents to respond;
- high incidence of commercial sex work;
- drug abuse at the workplace;
- stigmatization and discrimination of infected workers by management and colleagues;
- a perception of the pandemic on the part of certain governments as a “social evil”;
- poor OSH standards;

Box 3.7. The ILO versus HIV/AIDS in South-East Asia**Cambodia**

- Strengthening the national capacity to address HIV/AIDS in the world of work

Following a needs assessment in December 2000, a project has been proposed that would strengthen the constituents' capacities to respond to the pandemic, establish a participatory mechanism for addressing HIV/AIDS concerns in formal-sector enterprises, and mainstream HIV/AIDS modules in vocational training programmes.

Thailand

- Knowledge development on HIV/AIDS and the world of work: Good practices in Thailand

A technical memorandum, drafted in November 2000, focuses on good practices and potential ILO contributions to the national AIDS response.

- Developing a model on HIV/AIDS prevention and management in workplaces: Outreach to factories in Rayong Province

This two-year project aims to develop an effective model for HIV/AIDS prevention and management in formal sector enterprises in Thailand and to create workplace environments where discrimination based on HIV/AIDS status is eliminated. With support from UNAIDS, this

project has been submitted to the World AIDS Foundation for funding.

- Supporting indigenous and tribal peoples in countering HIV/AIDS

This planned DANIDA-funded joint ILO/INDISCO and ILO/AIDS initiative will initially examine HIV/AIDS vulnerability among indigenous and tribal peoples in the north of Thailand and seek out appropriate local responses to the pandemic.

- SSO prevention and promotion programme

In collaboration with the Social Security Office (SSO), the ILO is exploring possibilities for a health education programme for women factory workers in Thailand.

Viet Nam

- HIV/AIDS workplace-based education and prevention

Based on a Memorandum of Understanding (MOU) between the Ministry of Labour, Invalids and Social Affairs of Viet Nam (MOLISA) and the United States Department of Labor (USDOL), the ILO is developing a three-year-project focusing on HIV/AIDS awareness raising and training, as well as capacity building for social partners and national policy development to provide a better working environment for workers with HIV/AIDS.

- weak social protection systems; and
- a high incidence of child labour which is compounded by the pandemic.

The extension of HIV/AIDS-related studies in low-incidence but high-risk areas such as Lebanon should add to the rich experience on pre-empting the grave consequences of this pandemic.



4. Social dialogue: Participation and cooperation for decent work

The Asian economic crisis had both positive and negative effects on the institutions and process of social dialogue. As democratization accelerates, it becomes more urgent to define more clearly the respective roles of social dialogue and participatory democracy.

The value of national social dialogue depends on the independence, representativity and capacity of the social partners to engage in it. Social dialogue may be tripartite or bipartite. In either case it must operate within a clear legal framework.

The main area for social dialogue at present is that of economic reform and social equity, the latter comprising both issues of social protection and of minimum wages. Social dialogue is also a means of more efficient and more effective dispute resolution.

Since its inception, the ILO has promoted social dialogue. Indeed, its tripartite structure reflects a conviction that the best solutions arise through its many forms and levels, from national tripartite consultations and cooperation to plant-level collective bargaining and workplace relations. Engaging in dialogue, the social partners also fortify democratic governance, building vigorous and resilient labour market institutions that contribute to long-term social and economic stability and peace. Social dialogue is a powerful tool that has helped solve difficult problems and fosters social cohesion.

Despite its proven worth, social dialogue is far from being as fully utilized in the region as elsewhere. In some countries freedom of association is still not fully guaranteed, and in many others trade union density has decreased while industrial relations institutions have weakened. In some enterprises outmoded, hierarchical practices can lead to acrimony, breeding a chronically confrontational culture that in the long run is unproductive for both enterprises and workers. In addition to these familiar problems, social dialogue has been undermined by a number of recent developments that have tended to favour individual over collective action. More complex and flexible

types of employment, for example, have loosened many social ties and have widened disparities between the skilled and the unskilled, and between the formal and informal economies. At the same time, many enterprises have been changing their structure, dismantling the kind of vertical hierarchies that underpinned traditional systems of industrial relations and moving away from collective bargaining.

But there have also been positive developments in the region. Social partners have renewed their efforts to build sound institutions with a growing recognition of the important role of social dialogue in social and economic policy areas. In countries' efforts to cope with the Asian crisis, tripartite social dialogue has gained new or renewed acceptance among social partners. Democratization, in particular, has helped the resurgence of social dialogue in such countries. Intensifying competition between and within nations has led social partners in the region to put more emphasis on building sound labour-management relations at the workplace. Economic reform in transition economies has led – though often with a significant time lag – to reforms of labour market institutions such as collective bargaining and dispute settlement mechanisms at the workplace. These developments indicate that social dialogue should be a dynamic, rather than static, process, geared towards meeting the complex challenges of building economic competitiveness and social equity. Similarly, social dialogue should be a democratic process geared to reaching out not only to workers in the formal sector but also to the more vulnerable, atypical workforce in order to reduce the phenomenon of social and economic exclusion.

One of the key rewards of social dialogue is the building of mutually satisfactory and rewarding relationships between the partners that lead to decent working environments, job satisfaction, good enterprise performance and, in general, outcomes with rewards for all. Both tripartite and bipartite dialogue, with greater transparency and mutual respect for each other's views and needs, especially on a voluntary basis, builds better trust and cooperation. Effective employers' and workers' organizations can certainly help build good relationships. The ILO's social dialogue programme seeks to build on and promote these values and practices amongst the constituents.

Tripartite social dialogue and the road towards democracy

Social dialogue is a manifestation of participatory democracy. Political openness and democratic governance are preconditions for social dialogue to prosper. It is also equally true that well-functioning social dialogue institutions reinforce and invigorate political democ-

Box 4.1. Social dialogue in Arab States and the role of the ILO

In collaboration with the Arab Labour Organization (ALO), the ILO organized an Arab Interregional Meeting for Arab Countries on the Promotion of Tripartism and Social Dialogue (Beirut, October 2000). Bringing together the ILO tripartite constituents and other concerned parties in the Arab region to discuss for the first time the issue of social dialogue, the meeting was designed to enhance tripartite consultation, and promote social dialogue in the context of national development efforts. The most important conclusions of the seminar were the following: to uphold the principle of tripartite dialogue and consultations and to promote all mechanisms, activities and channels for such dialogue, taking into consideration the particular outlook, level of development, and requirements of each individual society, ensuring at the same time that each party enjoys its independence and its freedom to express itself with regard to its interests in industrial relations; to

urge the governments of the Arab States to ratify the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), which are considered to be the cornerstone of tripartism and consultation among the social partners; to urge governments to establish national permanent committees comprising all three social partners, which would be concerned with all labour and employment issues, as well as urge these governments to ratify the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144); to increase technical cooperation in order to strengthen the capacities of workers' and employers' organizations so that they are able to participate more actively in tripartite consultations; and to create the legislative framework for the promotion of women and their participation in social dialogue and tripartite consultation.

racy. Political changes that have occurred over the last few years in many countries of the region have had a significant impact on the development of social dialogue in the countries concerned.

In a number of countries that were hard hit by the Asian financial crisis, changes of political landscape have been substantial, opening a window of opportunity for social partners to take new social-dialogue initiatives. To a varying degree – but consistently – political trends in the crisis-affected countries reflect a rising demand for openness and popular participation in economic and social policy choices. While the pressure for democratic reform has been a long-standing trend in the region, the crisis appears to have given it new impetus. The increase in tripartite initiatives is one facet of this new momentum. In the Republic of Korea, the creation of the Tripartite Commission, whose mandate and influence is far greater than any other tripartite body in the country's modern history, was a reflection of maturing democracy. In Thailand, the new Constitution emphasises openness, participation, and the consolidation of democracy. In

Indonesia, the new political openness led to ratification of the ILO's core Conventions including those on freedom of association and the right to collective bargaining, thus preparing the ground for social dialogue. The creation of bipartite and tripartite mechanisms in Yemen, Lebanon, Jordan and Kuwait are signs of greater political openness and a trend towards more participation in the economic and social decision-making process. Moreover, the latest changes in some GCC States authorizing the setting up of workers' organizations are indications that these countries accept the need to include constructive forces and institutions, such as independent trade unions, in the process of change.

In South Asian countries, social dialogue has a long history supported by an equally long history of plural democracy, especially in India. But many observers have become sceptical of the social partners' ability to help renovate the country through social dialogue, as social dialogue has often revealed its incapacity to move beyond the status quo. A need to move forward is strongly felt among social partners in the region and there is a need for governments to be more proactive, especially through timely decision-making.

In other countries, political instability has had a damaging impact on social dialogue. In Fiji, the main tripartite body – the Tripartite Forum, which had been reactivated after a lapse of ten years – and tripartite steering committees, which were formed to implement the country programme, became temporarily dysfunctional after the coup in May 2000. Tripartite institutions were also affected in the Solomon Islands after the outbreak of ethnic clashes that virtually cancelled out earlier attempts at tripartism. The continued embargo on Iraq became a major handicap in promoting effective social dialogue, whereas occupation and the closure of borders and the Palestinian territories are factors which continue to weaken or even prevent the operation of tripartite structures.

The abovementioned political developments and their impact on social dialogue confirm the view that political openness and sound governance are prerequisites for social dialogue. If social dialogue is to assure its rightful place in society, as a form of participatory dialogue, it should complement parliamentary democracy. Where major decisions on economic and social policies are influenced by employers' and workers' organizations, these organizations may be perceived as usurping the legitimate role of the elected legislature. In the Republic of Korea, social partners have had difficulty translating their hard-earned tripartite agreements into legislation when the legislature was reluctant to ratify agreements reached through long negotiation

between the social partners. The social partners also frequently encountered scepticism amongst officials of economic ministries who questioned whether social dialogue helped or hindered social and economic structuring. Despite the positive perception of social dialogue and the general acceptance of the value of the institutions of dialogue, there are still chronic and newly emerging constraints which continue to hinder the proper functioning of social dialogue.

That governments acknowledge the legitimacy of workers' and employers' organizations and their representatives shows that their contribution to policy-making is regarded as useful. Inherent in this is a recognition of the social partners' expertise on a range of economic and social issues. It follows that social partners must be able to demonstrate their expertise on, and contributions to, social and economic policy issues in social dialogue. Of crucial importance to all parties to social dialogue in the Arab States is the need to acquire the technical and professional capacity to participate effectively in tripartite social and economic negotiations.

Another issue requiring careful attention by the social partners is how to make social dialogue inclusive. Globalization has spawned new forms of work organization, altered established employment relations and weakened the traditional structure and role of the trade unions. Workers in the informal sector, the self-employed, part-time workers, and home-based workers usually fall outside the traditional channels of representation. There are successful examples of collaborative efforts between these workers and other specific segments of the working population. For example, voluntary partnership between the social partners and other social groups has helped the integration of young people – who are especially vulnerable to long-term unemployment – into the labour market in New Zealand. In India, where the vast majority of the working population is in the informal sector, there have been encouraging attempts to address the social and economic concerns of informal sector workers. The Indian State of Kerala managed to address the 80 or 90 per cent of workers who are in the informal sector by developing ways, on a mutually acceptable basis, to offer them provident funds, health insurance and other benefits based on workers' contributions. The Kerala experience may make for a useful model of social dialogue focused on unorganized labour. The "vision statement" on labour policy in Kerala also is unique in the sense that it is a non-government agenda arrived at through a participatory process; it is not a case of popular organizations endorsing an agenda set by government.

What happened to tripartism in the aftermath of the economic crisis?

The Asian financial crisis wrought economic and social havoc on millions of working people and their families; however, it also acted as a catalyst for increased recognition of the need for tripartite dialogue among the social partners and governments.

In addressing the effects of the economic and social crisis through mobilization of tripartite cooperation, a more participatory approach has been taken in the crisis-affected Asian countries. The search for solutions has resulted in the creation of entirely new tripartite approaches in the Republic of Korea (Tripartite Commission, 1998), Malaysia (creation of National Economic Action Council, 1998), Singapore (Tripartite Panel on Retrenched Workers, 1998) and Thailand; meanwhile efforts in several other countries have been channelled through existing tripartite bodies. Some of the tripartite initiatives have included government participation at the highest level. In Malaysia, the tripartite mechanism set up to address the economic crisis was spearheaded by the Prime Minister himself. In the Republic of Korea, tripartite bodies now include the major economic ministries. In some instances, the agenda for dialogue has extended well beyond the issues dealing solely with the labour market to include a range of macroeconomic policy choices. Such has been the case in both the Republic of Korea and in Malaysia.

In the Philippines, the Department of Labor and Employment orchestrated a national tripartite process involving the Philippine employers' organizations and two of the country's labour federations, which resulted, in February 1998, in a "Social Accord". The Accord committed trade unions to renounce strike action during the economic downturn in return for an employer pledge to avoid retrenchment as far as possible. Following an initial duration of six months, the tripartite process and the Accord were renewed later in the year. Furthermore, on the initiative of the Department of Labor and Employment, the tripartite accord process was replicated at the regional level and produced several regional accords. In Indonesia, the demise of the previous government and subsequent democratic reform led to the abolition of the trade union monopoly, paving the way for freedom of association and resulting in a proliferation of new trade union federations.

However, the road towards genuine social dialogue has not been smooth. Political instability has hampered social dialogue machinery. Failure to convene national tripartite conferences on major social and economic policy issues has eroded the value and credibility of estab-

lished social dialogue institutions in the Philippines, while the social partners in Indonesia are struggling to find a new form of social dialogue against a background of continuing political turmoil and a changing industrial relations environment.

The institutions of tripartism in Asia and the Pacific: A long way to go

Despite the impressive development of social dialogue in some countries in this region, it must be recognized that the institutional basis of tripartite social dialogue is relatively weak in the Asia-Pacific region as well as the Arab region.

Capacity of the social partners

First of all, the social partners' organizational capacity is weak in many of the countries under consideration. Trade union density tends to be relatively low, ranging from a mere estimated 2.8 per cent of the workforce in the formal sector of Thailand, to 11 per cent in the Republic of Korea, to 20 per cent in Singapore and to around 30 per cent in Australia. Taking into account the vast scale of the informal sector in such Asian countries as India, Indonesia, Thailand and others, trade union representation of the working population is quite limited.

In many countries, the plethora of trade unions necessarily makes individual workers' organizations less representative in social dialogue. This, for instance, is the case to a varying extent in India, Pakistan and Bangladesh. In Indonesia, now that the trade union monopoly has been abolished and freedom of association guaranteed, there are more than 30 trade unions at the national level, competing with each other for the same membership. Multiplicity of trade unions often hampers social dialogue by weakening unions' ability to take coordinated positions.

Employers' organizations in several developing countries of the region are in a scarcely better situation. Their weak secretariats, low membership base and consequent lack of financial capacity prevent them from carrying out important activities and providing relevant services to their members. This situation makes it increasingly difficult to attract new members. Competition from rival organizations, such as chambers of commerce, businessmen's associations and other NGOs, compounds their difficulties. In some countries (notably in the Arab States), the only business organizations are chambers of commerce; in others, there is the trend to merge economic and social

organizations representing business (e.g. New Zealand, Australia, Japan). Elsewhere (as in Viet Nam, Nepal, Bangladesh and at least one Indian case) the employers' organization is de facto a part or an extension of the chamber of commerce. Multiplicity of employers' business organizations also weakens their capacity and can pose problems in countries like India, East Timor and Thailand. Employers' organizations frequently represent the large employers and find it difficult to organize and represent the interests of employers in medium, small and micro-enterprises. In the Arab States, the weakened capacity of employers' organizations, coupled with dwindling financial resources, have hindered their efforts to review their roles with a view to giving more priority to social issues and providing stronger support to the SMEs, which represent the majority of their members.

Furthermore, the State – a vital component of tripartism – is not always in a position to change the situation. Ministries of labour generally do not have the financial and human resources needed to carry out their multiple responsibilities. As a result, even where formal tripartite structures have been established, their impact is imperceptible. As most important decisions on economic and social policy are taken by the ministries of finance and planning, or the office of the president or prime minister, tripartite bodies under the ministry of labour can often play merely a marginal role. Not only is it critically important to augment the financial and human resources and capacities of the ministries of labour, it is equally important to elevate their status, engage them in purposeful dialogue and draw the social partners into the government's decision-making process. Capacity building through intensive training in the basic concepts of efficient labour administration is being provided in Cambodia, China, East Timor,

Box 4.2. Enhancing the role of labour administrations

Within the joint ILO/ALO Regional Programme for Labour Administration, technical advice was offered and training activities and seminars conducted to improve the effectiveness of the labour administration systems of the Arab-Asian countries to promote employment, improve labour conditions and social protection – mainly in the informal economy – and increase their participation in the design of economic and social policies. The activities also fo-

cused on gender issues and the development of sound labour relations.

In addition to these joint activities, the ILO provided technical advice and conducted training to enhance the role and effectiveness of labour administration and reviewed labour legislation in the light of the new socio-economic challenges (Lebanon, Jordan, Kuwait, United Arab Emirates, the West Bank and Gaza, Oman and Qatar).

Mongolia and Viet Nam, with particular emphasis on upgrading skills and the services offered by provincial labour offices.

Weakness of collective bargaining

Another important indicator of trade union strength and the effectiveness of industrial relations machinery is collective bargaining coverage. In countries such as the Republic of Korea and Malaysia, collective bargaining coverage is higher than trade union density, since collective bargaining agreements apply to non-union employees (whether at enterprise or, in some instances, industry level). In others, collective bargaining coverage appears to be significantly lower than that suggested by trade union density figures (notably Thailand and South Asian countries where trade union density itself is low).

In transition economies, the problem of weak social partners presents itself in a different way. In China and Viet Nam, each of which have a single official trade union confederation, membership density tends to be higher than in other Asian countries. While official data suggests a relatively high degree of unionization, the trade unions' real strength seems to be far below what the data might suggest. In Viet Nam, for example, the very concept of collective bargaining – and, in particular, bargaining over interests – is not widely known. Such collective agreements as do exist tend more often than not to amount to little more than the joint endorsement by labour and management of the provisions of the Labour Code. In China, a relatively extensive trade union presence in enterprises fails to confer many of the benefits which workers expect from union in a market economy.

The weakness of the social partners in the Arab region continue adversely to affect their negotiating skills and capacities, thus leading to limited consultations or negotiations at enterprise, industry and national levels.

One of the weaknesses of the industrial relations system in many Asian countries is the scarcity – or even lack – of arrangements at the industrial or sectoral level. Collective bargaining in Asia is chiefly confined to the enterprise or workplace level. But without intermediate-level industrial relations arrangements, social partners can find it difficult to deliver on agreements, if these are reached at the national level, to workers and employers at the enterprise level. This was one of the obstacles the social partners in the Republic of Korea faced after reaching the first national tripartite agreements – how to link industrial relations at different levels and how to strengthen social dia-

logue at the intermediate level are challenges for the social partners in most parts of Asia.

In addition to the abovementioned weaknesses of collective bargaining in many Asian countries, the collective bargaining agenda at the enterprise level has been rather narrowly set, hardly going beyond basic working conditions at the workplace. Other qualitative issues, such as training and participation in management decisions, are rarely addressed by labour and management through collective bargaining.

Practices and institutions of workplace cooperation

This weakness of collective bargaining at the enterprise level may also be attributed to the fact that practices and institutions of workplace cooperation have not been sufficiently developed. An encouraging example of plant-level joint labour-management consultation may be found in Japan, where committees contribute to sound bipartite relations both in union and non-union enterprises. Nonetheless, practices and institutions of plant-level cooperation are virtually absent in Malaysia and Thailand. In other countries attempts have been made to institutionalize workers' participation in decision-making (e.g. through legislation requiring the establishment of labour-management committees), but such institutions have not worked satisfactorily. In South Asia, for instance, workplace institutions for cooperation – despite being championed for decades by the government – have not always lived up to the social partners' expectations.

In certain cases, however, the crisis has given a fresh impetus to greater workplace cooperation – as in the Philippines where it appears to have resulted in broader support for labour-management councils. In Thailand, the 1998 Code of Practice to Promote Labour Relations outlined ways in which to reduce workplace costs and committed parties to the principle that bipartite social dialogue was a necessary prerequisite to any decision affecting employees' welfare. In many workplaces in Asia, the unions' more realistic attitude towards job losses and competitiveness concerns has often been accompanied by a greater willingness on the part of management to communicate and instil workplace cooperation. In this regard, it should be emphasized that sound human resources management and sound industrial relations reinforce and complement each other, as every successful enterprise testifies.

Strengthening bipartite initiatives

An important industrial relations policy issue is how to strengthen bipartite social dialogue at the higher levels, both by sector and at the

national level. As European experience shows, voluntary initiatives between trade unions and employers' organizations at industrial and national levels have an enormous potential not only for improving the industrial relations atmosphere but also for tackling social policy issues. However, the weak capacity of both employers' and workers' organizations remains a major obstacle to the development of bipartite initiatives in Asia.

The lack of voluntary initiatives in the region might be a legacy of state-led development processes, in which actors in the labour markets expected governments to take the lead in social dialogue. Recent developments in some countries suggest increased recourse to bipartite social dialogue. In Japan for instance, the employers' federation (NIKKEIREN) and the national centre of trade unions (JTUC-RENGO) have forged and strengthened a partnership in their endeavour towards greater employment security and job creation. Their joint declaration and projects initiated tripartite efforts to improve the labour market situation by solving mismatch problems, proposing new policy measures on training and education, and putting forward policy measures to cope with an ageing society. Furthermore, bipartite partnership in Pakistan has led to the formulation of a new labour reform programme; and in Malaysia bipartism has been instrumental in overcoming the effects of the economic crisis.

The legal framework for social dialogue

Legal frameworks for social dialogue in some Asian countries do not seem to encourage sound development of social dialogue at the various levels. There are still some legal restrictions on trade union

Box 4.3. Bipartite social dialogue: The case of WEBCOP in Pakistan

A new development in Pakistan has been the establishment of a bipartite national level forum: the Workers' and Employers' Bipartite Council of Pakistan (WEBCOP). This body has played a unique role in helping the Government build on consensus proposals for the labour reform programme – even with regard to long-outstanding labour issues. Industrial relations strategy is now shifting from legislative intervention to bipartite initiatives, in which the State acts as a facilitator.

WEBCOP constitutes a group of enlightened employers and eminent leaders from almost all national level workers' organizations in Pakistan. A detailed Memorandum of Understanding has been signed which aims at improving relations between the partners, developing a consensus regarding a national manpower policy and harmonizing industrial relations through continued social dialogue.

Box 4.4. Bipartite dialogue at the sectoral level in Malaysia

In Malaysia, in addition to the effects of the regulatory environment and national tripartite dialogue on labour market adjustment, important initiatives have also occurred at the sectoral level, where there has been substantial cooperation between trade unions and employers in lessening the impact of the crisis on jobs. Prior to the crisis, the Federation of Malaysian Manufacturers (FMM) had become the first employers' organization to establish a joint com-

mittee with the Malaysian Trade Union Congress (MTUC). When the crisis occurred, the joint committee constituted itself as a "task force" on retrenchments and vacancies. In essence, the committee functions as a private employment service. It holds a list of companies planning to retrench staff. The MTUC is part of the information conduit. It also seeks out vacancies for retrenched workers on the list it maintains.

activities, particularly in the public sector. Labour laws in many Asian countries have been characterized by restrictions on the full freedom of trade unions to engage in activities deemed to be managerial prerogatives or likely to result in industrial conflict, as is the case in Singapore and Malaysia. Restrictions on the scope of bargaining in both countries are part of the export-oriented development strategy in which the aim is to ensure an investor-friendly labour climate. In this regard, it may be no coincidence that Malaysia and Singapore are the two countries in which the share of foreign-owned firms is highest. Across the countries of the region, there is also a clear bias towards narrowing the grounds on which a legal strike or lockout can occur – again in an apparent attempt to ensure an investor-friendly environment.

Legal frameworks for social dialogue in transition economies have not kept pace with the socio-economic changes brought about by their bold economic reform policies. Freedom of association in some countries is still not a reality, while the legal framework for collective bargaining and dispute settlement is yet to be developed in others. Despite these shortcomings, labour market institutions, including trade unions and collective bargaining, continue to develop in tandem with transition to a market economy. In Cambodia the climate for trade union organizations has become markedly more favourable and there is generous public policy support in the country's 1997 Labour Code. In China, there is a growing number of cases in which union representatives have been able to offer substantive support to workers whose rights have been breached.

The weaknesses of industrial relations institutions in the region suggest that, despite the recent progress made in many countries,

much ground remains to be covered to ensure the development of social dialogue as a means of promoting decent work for all.

Having independent and strong social partners also assists the process of labour law formulation and revision; social dialogue is both an important element in laws, and the means of arriving at workable regulatory texts. Exercises where the social partners are consulted throughout the process give credibility and viability to those texts as well as a sense of ownership which permeates into other areas of social reform (Indonesia, East Timor). But having solid labour laws, which reflect the fundamental principles and standards ratified by States, is only the first step towards achieving decent work, the first “down payment” in reducing the decent work deficit, which need to be followed up by a number of steps towards balancing the books. These initial steps include disseminating the contents of new or revised labour laws so that the players know the rules, and training the labour administrations in modern techniques for fulfilling their functions under the laws (Cambodia, Viet Nam).

In general, the capacity of social partners needs to be significantly strengthened. Activities geared towards strengthening industrial relations, as well as institutions including collective bargaining and workplace cooperation, should be implemented throughout the region.

Social dialogue on economic reform and social equity

Social dialogue, economic reform and restructuring

During the past decade, nations in the region embarked on various social and economic reform policies in their attempt to cope with the challenges of trade liberalization and globalization. In some countries, the social partners had to confront economic reform arising from the transition to a market economy; in others, the Asian financial crisis dictated radical financial and corporate restructuring. Elsewhere, reform implied the opening up of protected industries and the restructuring of state-owned enterprises. In yet other cases, economic reform measures were introduced as a consequence of IMF-lending conditionalities. Whatever the impetus, social partners in the region all faced the common task of having to take on far-reaching economic reform, with its inevitable ensuing hardship for millions of working families.

With very few exceptions, social dialogue on economic reform centred on ways to minimize the negative consequences for working people while making financial markets more effective, enhancing the

performance of firms and thus strengthening economic performance of the country in the long run. A particularly thorny issue was how to cope with the unemployment crisis resulting from mass redundancies due to restructuring. In China, the restructuring of state-owned enterprises has led to the loss of millions of jobs. A similar situation exists in other transition economies where state-owned enterprises, which employ a majority of the formal sector workforce, are set to be privatized. Attempts at economic reform have often met with strong resistance from trade unions. The turbulent industrial relations climate in the Republic of Korea, where social partners managed to reach historic tripartite social agreements on a wide-ranging set of economic and social policy issues, are illustrative of this dilemma. Privatization in Papua New Guinea and the reform programme in the Solomon Islands have created widespread tension and dislocation in social dialogue. The fear of job losses, the adequacy or otherwise of redundancy packages, the quest for alternative employment or income-earning opportunities, are among the major concerns of trade unions. Privatization is also a priority issue in South Asia. In India, telecommunications, the power sector and many other public sector enterprises are up for privatization. Trade unions are vehemently opposed to any such changes, fearing that massive retrenchments will be the result. In the Syrian Arab Republic and Lebanon, government initiatives for privatization and economic restructuring remain a major concern of trade unions and employers' organizations. Tripartite national consultation mechanisms are given a bigger role in determining the course of these policies.

Weak or non-existent social protection schemes for those who lose their jobs have aggravated the tension between governments and trade unions. The abovementioned tripartite agreements in the Republic of Korea struck a certain balance as the agreements produced new social protection measures and an expansion of unemployment insurance coverage in exchange for a more liberal approach to layoffs. Furthermore, the agreements included far-reaching measures to improve corporate governance and monitor top management behaviour. In many cases, however, the short time frame for corporate restructuring and privatization, which is dictated by financial markets, placed the dialogue on reform measures under enormous pressure. Whenever social dialogue has centred on relatively "soft" social policy issues in the spirit of innovative partnership, it has proved its value – as demonstrated by the tripartite dialogue on medicare reform in Singapore. But continuous retrenchment and worsening working conditions in some countries accompanying economic and social policy reform have put social dialogue severely to the test.

**Box 4.5. Singapore:
Tripartite committee on portable medical benefits, 2000**

There are two components to the provision of medical benefits in Singapore. The first is coverage under the government-operated Medisave and Medishield schemes, which Singaporeans can draw upon when they are hospitalized. There is also a supplementary employer-provided medical benefits scheme that covers both outpatient and hospitalization costs.

The tripartite committee is to review how the existing employer-provided benefits scheme could be further strengthened. At present such benefits are not transferable; hence benefits cease when a person leaves service. As the population ages, this is one factor that could result in discrimination against older workers, who could be shunned by employers trying to avoid paying higher medical costs.

Negotiating wages: Decency versus competitiveness

Wages have always been central to the social dialogue agenda. In the face of increasingly severe global and domestic competition, moves towards labour market flexibilization and the Asian financial crisis itself have exerted pressure to change wage policies in many Asian countries. There has been debate over minimum wage policies in this context and some have tried to link wages to various business and economic performance indicators. The crisis has put downward pressure on wage levels. Thus negotiation on wages has become an attempt to strike an optimal balance between decency and competitiveness.

Minimum wage policy is a thorny issue in the region. Faced with stiffer competition and the need for flexibility, some employers and their organizations are asking whether a minimum wage is worth having at all. Governments are also concerned about the appropriate scope, level and administration of the minimum wage with a view to enhancing competitiveness and attracting more investment, while providing an appropriate level of social protection through the setting of a wage floor.

In countries such as the Philippines and Thailand, where the minimum wage is approximate to the average wage of a large proportion of the formal workforce, negotiations over the minimum wage have significant influence over overall wage movement. At the height of the Asian financial crisis, government in the Philippines and Thailand froze the level of the minimum wage. In Thailand, upward adjustments of decentralized minimum wage rates were made in 2001, for the first time since the outbreak of the crisis in 1997.

Box 4.6. Minimum wage policy reform in Thailand

At the micro level, wage fixing in Thai enterprises might be seen as typical of the way in which market forces are mediated through individual bargaining power and unilateral employer determination. This interpretation would be based on the low incidence of coverage of collective bargaining. But this view overlooks the fact that wage setting in Thailand has been influenced by frequent adjustments to a nationally determined minimum wage. These adjustments result from the deliberations

of a tripartite National Wage Committee, whose recommendations have – almost without exception – been converted into law by the Government. Since the crisis, the Government has made changes to minimum wage fixing machinery that decentralizes it to the provincial level. Local minimum wage fixing is intended not only to further the objective of a more fine-tuned adjustment of costs to capacity to pay, but also to attract more investment capital.

Archaic legislation in India governing various minimum wage rates – such as the Plantation Act and the Bonus Act – seem to have provided little benefit to the workers they are supposed to protect. With widespread unemployment and underemployment, the unorganized sector is scarcely affected by such legislation. Compliance with the Minimum Wages Act, which is intended to protect unorganized labour too, is very weak. Despite adjustments to the minimum wage over nearly a decade, these laws have become virtually defunct. In the Pacific Islands, for example, minimum wage legislation has yet to be applied in Fiji; and in Papua New Guinea, a recommended policy on minimum wage has not, to date, been implemented.

In Malaysia – where no statutory national minimum wage exists – the MTUC has campaigned for the introduction of a national minimum wage. On the other hand, employers perceive the rigidity of the wage system in Malaysian firms as a major obstacle to flexibilization of human resources management and thus to enterprise competitiveness. The question of how to strike a balance between competitiveness and social equity manifests itself as a debate between those in favour of minimum wage and those who want a flexible wage system.

The issue of wage flexibility – in other words, linking wages to various performance indicators – is a very important one in the region. In a quickly changing market context amid mounting global competition, enterprises have to fine-tune their workforce requirements – and therefore wages – constantly. Flexibility on all fronts is becoming increasingly important to enable enterprises to remain competitive and is a crucial issue for employers. In Japan and the Re-

Box 4.7. Tripartite consensus on wage adjustment in Singapore

The strong spirit of tripartite cooperation in Singapore facilitated the adoption of a set of wage reduction guidelines issued by the National Wage Council in November 1998 to help companies regain cost competitiveness

and preserve jobs. The guidelines called for a wage cut of between 5 and 8 per cent, in addition to a reduction in employers' Central Provident Fund contributions by 10 points.

public of Korea, the traditional seniority-based wage system has been considerably eroded recently as a growing number of enterprises have brought in performance-based wage systems. The rapid spread of these wage systems has met with resistance from Korean trade unions, which believe that they undermine solidarity among union members by encouraging peer competition. There are also concerns that performance-based wage systems may hamper organizational efficiency in the absence of transparent and fair criteria for measuring performance and sufficient consultation with employees.

Wage negotiations actually saved jobs in the thick of the economic crisis. In most crisis-affected countries, labour and management agreed to freeze – and in some instances reduce – the wage bill in return for maintaining employment levels thus saving viable enterprises and jobs. In many cases, labour and management agreed upon the principle of “more reduction for higher managers, less reduction for low-rank employees”. In Singapore, orderly wage reduction was introduced by tripartite social dialogue.

Wage policy reform has been pursued in the vastly different context of public sector reform in the transition economies of China and Viet Nam. In these countries, the state budget covers not only civil service and public sector wage costs but also state-owned enterprises. Wages have offered scope for adjustment, in as much as labour supply was previously relatively fixed by the lifelong employment system. As a cost for maintaining a redundant workforce within enterprises, wages were kept very low. Consequently, wages ceased to function as a motivating factor and unreasonably low-wage levels resulted in reduced efficiency, poor governance, widespread moonlighting, and even rampant corruption. Wage reform policy is closely linked to the restructuring of the public sector, with greater implications for employment adjustment and social security reform. Over the years the Government of China has gradually loosened its administrative control over the total sum of wages and given autonomy to

large and medium-sized enterprises to determine wages on the principle that total wage growth rate should be lower than that of labour productivity. What is more, to ensure equity while moving towards a market-based wage system, the Government has tried to stimulate collective bargaining in the private sector.

Towards more efficient dispute settlement

Global data show that labour disputes declined during the past decade. Countries in the region have – with a few exceptions – also witnessed falling numbers of labour disputes. More emphasis on workplace cooperation – and, perhaps more significantly, the waning bargaining power of trade unions in the globalized economy – have contributed to the decrease. The declining number of labour disputes, however, does not undermine the importance of effective dispute settlement machinery. Effective and fair procedures for dispute settlement can help the social partners nurture a culture of industrial harmony and cooperation.

In many Asian countries, dispute settlement procedures are not well developed. In particular, dispute settlement procedures in South Asia have been criticized as being costly, slow and too legalistic – on average, it takes between four and five years to settle a dispute in South Asia. The growing backlog before the industrial courts has also

Box 4.8. Bipartite private mediation service in Sri Lanka

The Employers' Federation of Ceylon (EFC) has set up an Employment Mediation Services Centre (EMSC) for settling disputes arising out of employment. Any employer, worker or employers' or workers' organization may seek mediation through the Mediation Centre. The EMSC strives to promote the use of mediation to facilitate the expeditious settlement of employment-related disputes to the satisfaction of each of the parties concerned.

In a rapidly changing industrial relations scenario in Sri Lanka, brought about by the onset of globalization and economic liberalization, the focus is beginning to shift from dispute settlement to dispute prevention. Both employers and workers – and their representative

organizations – have realized that prevention is certainly better than cure, and therefore emphasize alternate dispute resolution mechanisms such as mediation and grievance redressal at the enterprise level. The particular type of mediation promoted is also known as "interest-based problem solving", where both parties move from traditional antagonistic positions to consultation and dialogue based on the individual or collective interests of the parties. The expected result is a win-win situation as opposed to the win-lose situation encountered in traditional processes of dispute settlement. The Government has recently endorsed this new approach and intends to promote it.


Box 4.9. Innovative solutions in the Philippines

New approaches to dispute settlement are also evident in the Philippines. The Government of the Philippines has tried to find alternatives to litigious, third-party dispute resolution. The Department of Labor and Employment has recently shown less of a tendency than previously to intervene directly in disputes on the grounds that such in-

tervention crowds out the development of bipartite dispute resolution. It has increasingly promoted voluntary mediation and conciliation through the National Mediation and Conciliation Board among other – less legalistic – private and public alternatives for dispute resolution.

become problem in Malaysia, which is now reviewing its industrial court system. The Indian experience, in respect of this problem, is another case in point.

The social partners have made serious attempts to improve dispute settlement processes. Noteworthy are bipartite initiatives to find less costly, more expeditious, “win-win” approaches to dispute settlement based on a voluntary dialogue-based approach. In Bangladesh, bipartite mediation committees at the sectoral level, set up by the Bangladesh Garment Manufacturers and Exporters Association, have proved their effectiveness in handling disputes. A similar encouraging development is occurring in Sri Lanka.



5. A review of activities and the way forward

A review of activities in the Asia-Pacific region

East Asia

Strategic Objective No. 1: Promote and realize fundamental principles and rights at work

While the campaign for universal ratification of the ILO core Conventions has had some very positive results in the South-East Asian subregion, significant gaps remain, as pointed out by the Expert-Advisers on the ILO Declaration. Extensive and deep-rooted problems of lack of freedom of association, forced labour, child labour and discrimination persist. The limitations of operational programmes in these areas resulted, at least in part, from a lack of resources. Once funding in support of the Declaration became available, it proved possible to do more, as had been the case earlier with child labour.

Although funds and expert time were devoted throughout the period under review to providing training and support to member States in order to help them comply with their reporting obligations under the ILO Constitution, some governments are still encountering considerable difficulties in this regard. This stems in part from inadequate human resources in labour ministries and frequent transfers of staff, as well as the demands arising from frequent questionnaires and requests for information. Since this is a recurring problem, new and more sustainable strategies need to be devised to allow the labour ministries and the ILO to address it jointly.

Numerous resolutions of the International Labour Conference and decisions of the ILO Governing Body have underlined the importance of linking ILO standards to technical cooperation programmes. During the period under review, efforts continued in this direction, but more remains to be done to follow up systematically the problems and issues identified by the Committee of Experts through operational activities.

**Strategic Objective No. 2:
Create greater opportunities for women and men
to secure decent employment and income**

The programmes and projects designed to generate employment, especially in the small business sector, were generally highly successful. They usually applied and adapted the SIYB (Start and Improve your Business) methodology. One weak point to be remedied is the tracking of the employment results after the active project phase. Studies in other regions have shown that, while the programme may create many job opportunities, the sector is very volatile and many jobs disappear as well. It is therefore important to concentrate more attention on the sustainability of the small enterprises and jobs generated. A good example in this connection is the ASIST (Advisory Support, Information Services and Training for Labour-Based Infrastructure Programmes) project for the generation of employment through public works and infrastructural programmes. It has moved from an initial focus on short-term reconstruction-based employment projects to much more extensive and ongoing national infrastructure projects.

During the period under review, considerable efforts were devoted to advising member States on how to establish or improve their labour information systems, especially statistics. With the notable exception of Nepal, there was frequently little concrete follow-up to the recommendations of the ILO experts. The usual reason cited was the lack of resources both internally, as a result of insufficient government budgets, and externally, because of a relative lack of donor interests in this area. As indicated in Chapter 2 above, an adequate information and statistical base is indispensable to understand and remedy deficiencies in the management of the labour market. It is hoped that more priority can be given to this sector in both national and donor budgets.

In relation to employment, more attention needs to be paid to the special problems and issues of those at the extremes of the age scale. On the one hand, youth unemployment, most critically in countries with young populations, has to be given greater priority because of the disproportionate number of young people who are without jobs. On the other, certain large countries in the region are confronting a rapidly ageing workforce and need to develop more appropriate policies for this demographic group.

Some success was achieved in the definition of policies and guidelines to integrate people with disabilities into the labour market,

but there was perhaps too much emphasis on government policies and structures. Over the last five years it has become clear that much more collaboration is to be sought from the private sector and trade unions on this issue.

While a very effective series of activities was carried out in Thailand, in cooperation with the ministries of labour and education, to assist tribal people to generate income and find employment, in many countries such people live in conditions of abject poverty and exclusion. Using extra-budgetary resources, it has been possible to strengthen EASMAT (East Asia Multidisciplinary Advisory Team) expertise and capacity in this regard, thus making it possible to provide more assistance for this vulnerable population group in the future.

Very significant progress has been made on women's employment and conditions of work in the South-East Asian subregion, both through the mainstreaming of gender considerations in projects and programmes of general scope, as well as through targeted operational activities. The sad reality remains, however, that in many countries of the region women's wages and incomes are significantly lower than men's and there are still many obstacles to equality of opportunity in training, employment, business and social protection. It is a demonstrable fact that women's employment is one of the most effective means of reducing poverty and thus must be at the centre of any development strategy.

**Strategic Objective No. 3:
Enhance the coverage and effectiveness
of social protection for all**

The WISE (Work Improvements in Small Enterprises) programme has had a very positive impact in the subregion and has been welcomed by small businesses, since it combines ergonomic improvements with accident reduction, both of which result in greater productivity and efficiency at the workplace. Given the very large proportion of the workforce engaged in small and micro business, this programme should clearly be expanded.

Tragically, the subregion continues to witness large industrial accidents with major loss of life and often serious environmental consequences. The occupational safety and health specialist and the labour administration specialists are collaborating to help member States to improve their capacity to reduce such risks, along with the cooperation of workers and employers.

During the period under review the ILO embarked on a systematic effort to eradicate preventable occupational diseases, in particular silicosis and related pneumoconiosis. While it does represent a considerable investment of ILO funds, the programme has had a positive impact.

Until the year 2000, the ILO had not participated in the Joint United Nations Programme on HIV/AIDS (UNAIDS). It then began to design, in conjunction with the Programme, a structured approach to the problem, based on the ILO's tripartite strengths. This participation has been welcomed by the constituents and the United Nations system alike and will certainly develop rapidly.

A major component of the ILO programme in China, South-East Asia and the ASEAN countries, has been in the field of social security. It has proved difficult for the ILO field structure – even with considerable assistance from headquarters – to respond to the enormous volume of work requested of it in this area. Important progress has been achieved by, for example, the design and implementation of an entirely new social security regime in the Lao People's Democratic Republic. The ILO has also been given a central role in the recasting of the social security system in China and several other countries. If the Office is to be able to meet the rapidly growing demands from constituents in this sector, more human and financial resources will have to be found to support these efforts. It is, however, a measure of the ILO's success and credibility in this complex field that so many requests continue to flow in.

The formal schemes which are in place, even those that have been modernized and restructured, tend to be very limited in their coverage. It is a paradox that those most in need of social protection, such as the rural poor and urban informal workers, are precisely those who are least likely to benefit from existing social protection programmes. It is therefore urgent to ensure that adequate social protection arrangements are extended to as much of the population as possible and, most particularly, to those who are in greatest need.

New social insurance schemes, geared to the needs of increasingly complex and globalized labour markets require a sophisticated set of management skills that are not always available, especially if there are decentralized responsibilities and structures, which require a much greater number of staff. Some training materials have been developed by the ILO, but this sector will require much more attention in the future.

The model for measuring the efficiency of social expenditure which was developed by the Social Security Department at headquar-

ters has given rise to considerable interest in the South-East Asian sub-region, not only from national governments but also from international financial institutions and other development partners. Both the concept and the methodology will be tested in the region in the near future and the demand for assistance in setting up such models is expected to rise dramatically.

Strategic Objective No. 4: Strengthen tripartism and social dialogue

Increasing democratization and the influence of commercial globalization have given rise to much more interest than hitherto in the areas of social dialogue and both bipartite and tripartite mechanisms for consultation and negotiation. During the period under review, most attention was concentrated on collective bargaining processes at various social and economic levels. Recently constituents have been requesting more assistance on broader mechanisms and procedures for social dialogue. Results have been mixed because the success of such initiatives depends on a number of fundamental factors, such as autonomous and strong organizations of employers and workers, transparency, accuracy and accessibility of information, the rule of law, etc., which are not always present but without which social dialogue can only be a sham. Transition processes take time and effort but seldom succeed unless there is the political will on all sides to carry them through. The Office should perhaps be more selective about the contexts in which it offers technical assistance in this sector, favouring those where it is clear that there is a real will to progress.

Precisely in order to support and build the type of autonomous and strong workers' and employers' organizations – as well as to strengthen the governments' structures – programmes and projects in support of this aim have continued to form an important component of the ILO programme during the period under review. Many encouraging results have been seen, especially in the areas of joint consultation and action by trade unions in a number of countries and in strengthening the capacity of employers' organizations to plan their operations and orient them more towards the needs and priorities of their members.

South-East Asia and the Pacific

Strategic Objective No. 1

The follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, giving fuller effect to the principles and rights relating to freedom of association and collective bargaining, discrimination and child labour, are all issues that merit attention in the subregion. The technical assistance projects on the Declaration being implemented in Indonesia are expected to provide much greater impetus to the activities in this sphere. While technical assistance – by way of awareness raising, advocacy and training activities – has been undertaken to develop the capacities of the social partners to promote the fundamental Conventions, recent changes at higher levels of the civil service in some countries in the subregion make it imperative to pursue these efforts. Technical assistance is also being provided to national authorities in the subregion for the formulation and/or amendment of labour laws, taking into account the provisions of ILO standards. Further advice and training on ILO standards and procedures is, however, clearly needed in some countries in the subregion.

The activities undertaken in the subregion for the progressive elimination of child labour include advocacy, the dissemination of information and the provision of technical assistance targeted at specific groups. The networks developed by the IPEC project in the subregion are an important vehicle for achieving the desired objectives. Greater attention is now being paid to strengthening the national system for collection and analysis of data on child labour. This would also be useful in focusing the interventions more effectively.

Strategic Objective No. 2

Employment promotion and the promotion of decent work are among the priority areas of ILO work in the subregion. The Philippines has been selected for the Decent Work Pilot Programme (DWPP). The social partners in the Philippines continue to be actively involved in consultations in preparation for the launch of the pilot programme.

The development of the informal sector is considered as one of the means of reducing poverty in the countries in the subregion. The ILO technical assistance provided in this area includes enhancing trade union support for the informal sector, strengthening the capacity of the network of homeworkers and providing training programmes

for municipal officials aimed at developing a better appreciation of the informal sector. Considerably more technical advisory input may be required for this sector in the not too distant future.

Skills training is recognized as one of the key elements in promoting employability. The planning and delivery of skills training programmes for the informal sector are now being given greater attention in the countries in the subregion. The related issues concern skills training for women and enhancing the efficiency and effectiveness of skills training for the information and communication technology (ICT) sector.

The community-based training approach developed by the ILO is viewed as one of the more useful training methodologies for the promotion of self-employment opportunities in poor rural and urban communities in the subregion. The Philippines was one of the earliest countries where this approach was pilot tested. Indonesia, Papua New Guinea and Fiji were later supported in applying this methodology. No significant follow-up has, however, been undertaken due to lack of donor interest in this activity.

Considerable work has been done in the subregion to promote entrepreneurship through Start and Improve Your Business (SIYB) training programmes. With a view to ensuring greater sustainability of the outcome of these programmes, the focus has now shifted to helping the national authorities to create a more conducive enabling environment for the promotion of SMEs, for instance through the review and updating of SME policy. The collaboration of the Asian Development Bank and the World Bank has been secured for some of the phases of these activities.

Youth unemployment and the training of seafarers are two issues of serious concern to the countries in the subregion, including the countries of the Pacific Islands. Given the common concerns relating to these two issues in all the countries in the subregion, it may be useful to explore the feasibility of providing technical assistance on these issues by way of a subregional programme.

Strategic Objective No. 3

There is growing concern with work-related accidents and diseases in the subregion. In this context, the ILO's Work Improvements in Small Enterprises (WISE) programme in the Philippines has proved effective in disseminating relevant guidelines throughout the country. The WISE approach has now become part of the labour inspection system of the Department of Labor and Employment (DOLE).

With support from EASMAT and headquarters, technical assistance has been provided for the review of current forms of social protection in the Philippines and Indonesia. The Social Security System (SSS)/ILO Disability Project implemented in the Philippines has been instrumental in the development of a manual to replace the one currently in use in the SSS for the assessment of disability. While the new manual has been accepted by the SSS Board, the extent of its implementation remains to be seen.

The welfare of migrant workers has received much attention in both the Philippines and Indonesia. Technical assistance provided in this sphere relates to developing more effective strategies to ensure the welfare of migrant workers. It will, however, be necessary to seek collaboration with the labour-receiving countries in the region to ensure sustained impact in this respect.

As elsewhere, there is growing recognition in the countries of the subregion that the official figures may not be an accurate reflection of the numbers affected by HIV/AIDS. In response to this concern, the capacity of the Philippine workers' organizations is being strengthened to address the prevention of HIV/AIDS in the workplace. The social partners in the other countries in the subregion should also engage themselves in such activities.

Strategic Objective No. 4

ILO activities with the employers' and workers' organizations in the subregion have focused on further strengthening their capacity to address a number of issues including the impact of globalization, the promotion of occupational safety and health, HIV/AIDS, enhanced gender sensitivity, the elimination of child labour, the promotion of harmonious industrial relations, and improved productivity. The nature and scope of activities undertaken with the social partners in the various countries in the subregion have depended, among other things, on their respective absorptive capacity. This situation points to the imperative of added technical support for those organizations which are currently relatively less endowed. Some of the issues that are priority concerns in the countries of the subregion in this context include strengthening tripartism, social dialogue and the labour institutions that underpin them.

South Asia

The countries covered by the South Asia Multidisciplinary Advisory Team (SAAT) in the South Asian region have a relatively high

incidence of underemployment and poverty. The region is currently undergoing a process of economic reform and the opening up of its economies. As a consequence, a number of issues, both general and sector-specific, have emerged which are of major concern to the ILO and its social partners. Given their importance, these issues need to be addressed and taken into account in both our current and future activities with a view to helping the tripartite constituents to meet the challenges inherent in economic reforms and structural adjustment measures. A brief description of the major issues, MTD (multidisciplinary advisory team) action and future challenges in each area under the four strategic objectives is given below.

Strategic Objective No. 1

The Declaration now features prominently in all SAAT activities. The ILO/SAAT brochure on ILO fundamental Conventions has been updated and will include a special flyer on the Declaration. The rate of ratification of fundamental Conventions in South Asia is high compared to other countries in the Asia-Pacific region.

To the already relatively high number of ratifications of core ILO Conventions have been added ratifications of Convention No. 100 by Bangladesh, Convention No. 111 by Sri Lanka and Convention No. 122 by India. India is currently discussing the ratification of Conventions Nos. 87 and 98 but this may require a special promotional effort. The Islamic Republic of Iran has not ratified Conventions Nos. 87 and 98 either, but the emergence of tripartite consultative machinery at the national level and democratic developments in general make ratification prospects encouraging. Despite IPEC (International Programme on the Elimination of Child Labour) assistance throughout South Asia, Nepal and Sri Lanka remain the only countries in the region to have ratified Convention No. 138 so far. The promotion of Convention No. 182 and Recommendation No. 190, and better coordination between IPEC and promotional efforts, may go some way to redressing the anomaly.

Despite its above-average rate of ratification, there are serious constraints in the region on the application of the fundamental Conventions particularly in the area of freedom of association. This is particularly true of the export processing zones where restrictions on union activity are promoted or tolerated. The bonded labour system continues in some countries in spite of the fact that forced labour is constitutionally prohibited and bonded labour outlawed. The reasons for the limited application of Conventions can be traced to a lack of general awareness of standards, the existence of a large unorganized

sector, the gradual erosion of tripartite consultation, and a rule of law plagued by legislative inertia, inadequate enforcement machinery and an ineffective judicial infrastructure.

In order to deal with these constraints, SAAT is taking a number of practical measures which include organizing a series of awareness-raising seminars on the Declaration in South Asian countries. Training courses have also been held for government officials and civil society organizations in Pakistan and Sri Lanka. Publicity materials, such as ILO/SAAT's, "The fundamental human rights Conventions of the ILO – A series of slides on the highlights of the Declaration" – and a regularly updated backgrounder entitled *The International Labour Organization and international labour standards*, have proven to be effective in raising awareness. Technical assistance has also been provided to countries to rationalize and simplify their labour laws.

Assistance to help governments discharge constitutional and reporting obligations has been provided in the form of technical advisory services to Bangladesh and Nepal, and in the form of training courses and fellowships to Bangladesh, Pakistan and Sri Lanka.

Child labour also remains a formidable challenge in many South Asian countries despite significant efforts to enforce relevant legislation. The elimination of the most intolerable aspects of child labour, namely bondage and child slavery, dangerous and hazardous work, and the exploitation of very young children, must therefore be a priority in South Asian countries. The ILO has been providing technical assistance to member States through IPEC. The rehabilitation of children from hazardous workplaces has been a key strategy that IPEC has been pursuing with the support and cooperation of governmental and non-governmental organizations, trade unions, employers' organizations, United Nations agencies and bilateral donors. It has also been addressing issues such as institution building, the training of enforcement officers, the sensitization of parents of child workers and awareness raising among the social partners and civil society groups. Strengthening this programme and developing additional national initiatives will create conditions for the gradual elimination of child labour. The challenge for the countries is to provide free and compulsory primary education and to change attitudes which encourage the social and political acceptance of child labour. In this context, the role of the judiciary, particularly the Supreme Court of India, has been instrumental in transforming such attitudes through its landmark judgements on the issue. It is imperative to carry forward this process with active cooperation between the judiciary, the social partners and civil society groups.

Strategic Objective No. 2

Declining or slow growth in formal sector employment in many South Asian countries has led to increased pressure to generate employment opportunities in the informal sector. The work of the ILO in this area has focused on building the capacity of employers' organizations in the areas of management and small enterprise development; meeting the challenges of globalization, competition and productivity; the development of women entrepreneurs; and training and support regarding self-employment for redundant workers during the processes of privatization and economic restructuring.

The ILO's national employment strategies, as prepared for Nepal and Pakistan, have proved useful in encouraging these countries to put emphasis on employment in their planning activities. However, such strategies are largely dependent on well-functioning labour market institutions and information systems. India has recognized the need to strengthen such institutions, particularly in view of its bid to undertake labour policy reforms in tandem with its second generation of economic reforms. Besides providing policy advice in India for such labour policy reforms, SAAT has developed technical cooperation projects in order to strengthen the national capacity to formulate labour market policies, conduct labour market analysis and develop labour market information systems.

In the field of labour market policies, the ILO has given direct advice in South Asia on wage policies, the labour market implications of privatization and industrial restructuring, the problems of labour redundancy, and methods of reconciling the need for adequate labour protection with labour market flexibility. A report on economic reforms and labour policies in India, discussed at a national tripartite workshop, attracted considerable attention from policy-makers and other social partners. The recommendations concerning active employment exchanges catering to the needs of both the organized and unorganized sectors were included in the *Approach Paper to India's Ninth Five-Year Plan*.

The countries in the region have placed a great deal of emphasis on job creation through the promotion of self-employment and the improvement of small enterprises. The ILO has provided assistance on strengthening local capacities to use its highly popular SIYB (Start and Improve Your Business) training packages for entrepreneurship development, for example, in Sri Lanka and Nepal, and has been currently carrying out a nationwide exercise in Pakistan to review and assess the impact of policy and regulatory environment on the creation of decent jobs. In the absence of a conducive policy and appro-

appropriate regulatory environment to stimulate the growth of modern small enterprises, the promotion of self-employment may only result in the further expansion of the informal sector.

Developing the skills of the workforce, particularly the youth element, with a view to self-employment, has been a challenge for the ILO. The need to reform the national institutions to respond to the requirements of the workforce and of small enterprises has been recognized. However, the obsolescence of centralized training institutions points to the need for new approaches and, in particular, to decentralized, enterprise-responsive training programmes. The technical assistance programmes for youth self-employment in Sri Lanka and Nepal combine skills development and entrepreneurship development packages (such as SIYB and KAB (Know about Business)). The potential role of industry has not yet been fully explored. ILO initiatives to reform the national training system and establish a youth human resource exchange in Sri Lanka are expected to provide a model for promoting youth employment in other countries in the region.

A major issue arising out of globalization and structural adjustment programmes has to do with the social consequences of public enterprise privatization, which is gaining momentum in South Asia. The ILO has been investigating the social effects of the privatization process in order to address the issues of labour redundancies, retraining, redeployment and social protection. Social dialogue on these issues is being promoted. In India, the Government has set up the National Renewal Fund to meet the needs in terms of compensation, retraining, rehabilitation and redeployment of workers made redundant by public enterprises. The ILO has helped arrange a national-level discussion on how best to utilize the Fund for such purposes.

Given these problems, ILO advisory services will have to focus on three basic areas: macroeconomic policies to increase the employment intensity of growth, labour market reforms to increase flexibility without jeopardizing labour protection and policies to improve productivity and incomes in the informal sector. Technical assistance would need to focus on eliminating child labour and gender-based discrimination, restructuring labour regulation in the organized sector, designing and implementing safety nets for retrenched workers, restructuring labour market institutions (relating to training, social security and job search) and developing an adequate information base to monitor employment and labour market developments.

The major challenge facing the MDT would be to help design labour market institutions and regulations which can best satisfy the twin imperatives of higher employment growth and competitiveness

on the one hand, and employment security and an adequate level of social protection on the other.

Strategic Objective No. 3

The crucial need in the field of social and labour protection in the countries of South Asia is to develop a sound national policy which fully reflects present-day needs.

As regards social security, the formal schemes based on the traditional pension scheme and provident fund models in India, Nepal, Pakistan and Sri Lanka need to be maintained and strengthened in the light of global trends towards pension reform, and the ILO/SAAT has advised the governments in this regard. However, the proposals which seem likely to offer the most immediate prospects for extending coverage to greater numbers of unorganized sector workers include the relatively straightforward schemes usually described as welfare funds. Such schemes are suited to public sponsorship, especially at the regional or local government level, as seen in the array of such schemes developed in India's State of Kerala. These schemes are nevertheless subject to fairly complex financial dynamics, and the ILO has been working with the state government to review the policies which will be needed if the schemes are to continue to operate effectively. However, other complementary efforts are needed, not least the many and varied initiatives to be found at the grass-roots level, many of which fit the developing concept of micro-insurance. This has developed most strongly, but by no means only, in the field of insured access to health services.

The activities of SAAT in the occupational safety and health (OSH) field have focused on building up the capacities of the ILO member States in South Asia to prevent occupational injuries and diseases successfully. Due to political commitment elicited by SAAT, intensified action in occupational safety and health has been promoted in the region. This is reflected in the ongoing process of the revision of OSH legislation in India, Bangladesh and Sri Lanka and in the activities aimed at establishing national tripartite bodies to address OSH issues in Bangladesh and Pakistan, and a National Institute of Occupational Safety and Health in Sri Lanka. Policy advice and technical guidance have been provided to the ILO constituents to enhance their capacities to design and implement protective policies and preventive programmes. A solid basis has been laid down for long-term cooperation with national authorities through the provision of technical advisory services and direct support for institutional development. Technical assistance was provided to the Government

of Nepal through the implementation of technical cooperation activities to strengthen the National Centre for Occupational Safety and Health in the Ministry of Labour.

Direct technical assistance and guidance for priority action in mining safety was provided to India and Pakistan. The training of occupational physicians in the use of the ILO *International Classification of Radiographs of Pneumoconiosis* for early detection of pneumoconiosis and recommendations for establishing efficient systems of workers' health surveillance resulted in improved protection of workers' health in Indian mines.

The guiding principle behind the overall approach is essentially educational, prompted by the need to develop a workplace culture of safety awareness. An industry which has developed rapidly in the region, and which illustrates the issues in a particularly graphic manner, is that of ship-breaking, and a specific programme is currently being implemented which will focus on this industry in Bangladesh, India and Pakistan.

While there have been significant achievements in the areas of occupational safety and health and social protection, a number of issues remain unresolved which will require greater attention in future programmes. In the light of the downsizing which has been, and will continue to be, a common result of the growing momentum towards the privatization of public sector enterprises, the question being increasingly asked is what role the social security and related institutions can play in relieving the distress of the workers affected. In the first place, it is important to build and – where necessary – develop those labour market institutions, including active employment exchanges, labour market information systems and training institutions, which are needed to support retrenched workers in reskilling and searching for new jobs. In addition, appropriate safety nets need to be established which would provide retrenched workers with at least a minimal income bridge and reasonable time to look for new work.

More broadly, there is an urgent need for a large-scale extension of social protection, beyond the small fraction – less than 10 per cent – of the labour force, almost entirely in the organized sector, who currently enjoy any sort of coverage. To begin with, national federal governments should strengthen the national institutions, and, hopefully, public confidence in them. They should also encourage, and where possible assist, the provincial governments to strengthen locally based institutions. The involvement of civil society groups is essential in order to reach out to far-flung workers in the informal sector and in rural areas.

The special ILO Programme on HIV/AIDS and the World of Work has moved quickly to develop proposals for work in several countries, including an extensive project to be carried out in India over a number of years. An early product of the global programme is a code of practice for the workplace, which provides a first step for ILO constituents to collaborate in a joint effort to mitigate the impact of this infection which – while it has not yet developed to the same scale as in some other parts of the world – has the potential to be devastating and demands a concerted effort in which the ILO intends to participate fully.

Strategic Objective No. 4

The promotion of social dialogue has gained considerable ground in South Asia. It is now widely recognized that social dialogue and sound industrial relations can contribute to increased employment opportunities by improving the efficiency and competitiveness of the member States. They also enable employers and workers to achieve an optimal balance between the efficiency of the enterprise and adequate social protection for workers, enabling them to share the benefits of growth.

In India, the promotion of social dialogue has led to the establishment of enterprise-level bipartite bodies in industrial cities like Bangalore and Delhi. In the Indian Punjab, a recent social dialogue seminar resulted in the establishment of people's labour courts. The authorities were able to solve more than 2,300 cases in a single day which had been pending before the labour courts for years. In Pakistan, trade unions and employers' representatives have been appointed to local councils, further strengthening tripartism. Another important development has been the establishment of bipartite councils in major cities by which all matters of concern to workers and employers are discussed and resolved in a spirit of cooperation.

In order to equip trade unions with better negotiating skills and effective bargaining capacity at the enterprise level and also to build up employee-employer relationships by settling disputes amicably, bipartite workshops continue to be organized in the South Asian region. The principal form of assistance provided to employers' organizations, continues to involve encouraging and helping them to develop long-term strategic plans so that their efforts to assist members have some strategic direction and their own capacities are developed. Technical assistance also continues to be provided for better human resource management, productivity improvement and more harmonious industrial relations based on labour-management cooperation.

The ILO has been active, not only in providing technical advice for the prevention and speedy settlement of labour disputes, but also in undertaking training programmes to strengthen labour inspection and conciliation skills, and improve the operation of industrial courts.

But despite significant efforts and achievements, serious problems in the industrial relations sphere persist in the countries of South Asia, including a lack of protection for contract and home-based workers, the non-application of labour laws in export processing zones, and the exclusion of public servants from freedom of association and collective bargaining. One major problem is that economic liberalization policies, privatization and public-sector reforms in South Asian countries have often lacked effective social dialogue, particularly at the national level, which is necessary to ensure their successful implementation. Moreover, social dialogue depends on the strength and effectiveness of tripartite institutions and on the ability of the social partners to analyse complex labour market developments and economic restructuring policies. Tripartite institutions do exist in South Asian countries, but they are weak. Industrial relations systems are still deeply rooted in dispute settlement; they are not supportive of institutions geared to labour-management cooperation at the enterprise, sectoral or national levels. The labour inspection system does not operate properly. There is a fragmentation and multiplicity of trade unions and a low unionization rate. The trade union movement and collective bargaining are becoming increasingly weak due to growing labour casualization. Employers' and workers' organizations generally only cover the organized sector, which involves less than 10 per cent of the total labour force. The influence of labour ministries on major economic decisions that impact on economic and social conditions is usually limited. There is thus a major challenge to strengthen the capacity of ILO constituents to contribute effectively to economic and social policy-making.

To meet some of these challenges, labour laws and industrial relations systems need urgent reforms based on modern concepts and practices. In India, the Government has set up the Second National Commission on Labour. The Commission is expected to review the relevance of existing labour laws and make appropriate recommendations on flexibility and workers' social protection.

An important challenge for trade unions is to organize "unorganized" workers (contract, casual and rural workers) and bring them under the umbrella of the trade union movement, so that they can also enjoy social security benefits, the right to organize and decent wages. Women, who form a substantial portion of such workers, are

often deprived of maternity benefits and protection. If these issues are not addressed properly, there could be an increase in child labour.

Challenges facing women workers in South Asia

The challenges facing women at work in South Asia today are closely related to the marked shift from an organized and protected economy towards an insecure, flexible and highly discriminatory labour market in which women remain deprived of adequate social protection and labour laws. Ensuring an optimum level of social protection and protection from various forms of work-related discrimination is a high priority for women workers in the unorganized sector. Furthermore, a growth-oriented competitive market demands skilled, diversified, creative and market-responsive women workers. Enhanced self-employment skills, entrepreneurship and knowledge of new technologies are also recognized imperatives. Increasing women's participation and representation in decision-making through social dialogue, particularly in labour administration, employers' organizations and trade unions is another challenge that needs to be addressed. All these efforts could be further promoted if the institutional mechanisms to implement and enforce gender-sensitive policies, programmes and legislation could be adequately strengthened in a sustainable manner.

A review of activities in the Arab States

Strategic Objective No. 1

The InFocus Programme on Promoting the Declaration aims to increase understanding of and support for the ratification and application of Conventions. Particular emphasis is placed on issues such as freedom of association, collective bargaining and the elimination of forced labour through training activities and technical advisory services.

Promotion of application of core Conventions

A series of training activities and technical advice culminated in the organization of a tripartite regional seminar on the ratification and application of core Conventions. The seminar was designed to examine the ILO Declaration on Fundamental Principles and Rights at Work and mechanisms for its follow-up.

Other activities included a tripartite national seminar on international labour standards in the Syrian Arab Republic; a national seminar in Lebanon for labour inspectors on labour inspection and international labour standards; and the provision of technical contribution to the regional seminar on international labour standards and Arab labour standards.

Child labour

Child labour activities focused on raising awareness, policy on the elimination of child labour with special emphasis on its worst forms, and on the implementation of specific action programmes designed to eliminate child labour.

The Office's efforts to promote the ratification of the fundamental Conventions focused on the elimination of child labour, through the Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182). During the period under review, Jordan, Kuwait, the United Arab Emirates and Yemen ratified Convention No. 138, while Jordan, Kuwait, Qatar and Yemen ratified Convention No. 182.

Within the framework of the Memorandum of Understanding, national programmes on the elimination of child labour were formulated in Yemen, Jordan and Lebanon.

Women workers

Within the framework of the ILO's contribution to the twenty-third special session of the General Assembly of the United Nations – Beijing +5 – the Regional Office for Arab States undertook two complementary activities aimed at mainstreaming the issue of gender and equality at work for women. The first activity was to conduct a regional study that reviewed the progress made in the implementation of the Beijing Platform for Action in the region in the area of gender equality at work. The second activity was the organization of a special panel on gender equality at work, during the ILO's Regional Tripartite Consultation on Employment which was a follow-up to the World Summit for Social Development.

Yemen's current economic reform programme has unfortunately implied decreasing job opportunities and social protection for women. In this context, the Ministry of Labour and Vocational Training is attempting to augment its role in both promoting female employment and protecting women workers and has established a specific directorate for working women. An ILO mission to Yemen helped draft the general functions and organizational structure of the directorate.

The occupied Palestinian territories

The Director-General's *Report on the situation of workers in the occupied Arab territories*¹ confirmed that Palestinian workers regularly face obstacles relating to security and to equality of opportunity and treatment, including restricted access to employment in the occupied territories in Israel and the settlements, a lack of clarity in the applicable minimum wage legislation, the frequent non-payment of wages and the need to use intermediaries to obtain work permits.

Strategic Objective No. 2

In supporting national development efforts in the region, particular attention was given to employment promotion and growth, human resource development and the response to globalization, with a view to promoting decent work for all. Globalization and rapidly changing production systems create both new opportunities and problems for employment. Businesses in the Arab region have to respond to rapidly expanding new technology, new competitors and erratic financial flows. This is often to the detriment of employment, especially in large enterprises, as work is reorganized to achieve productivity goals or capital-intensive systems are introduced.

Regional Tripartite Consultation on Employment: Follow-up to the Social Summit

Within the framework of the follow-up to the World Summit for Social Development, and in order to enhance the capacity of constituents to contribute to long-term sustainable growth in the region, the Regional Office for Arab States organized a Regional Tripartite Consultation on Employment. The consultation brought together, for the first time, representatives from governments, employers' and workers' organizations of Arab countries in West Asia, resource persons working on employment issues in the region, and representatives of international and regional organizations.

Multidisciplinary mission to the West Bank and Gaza

Since October 2000, the Palestinian territories have witnessed the most severe crisis since the signing of the Declaration of Principles on Interim Self-Government Arrangements in September 1993. In response to the emerging crisis, a mission was fielded to the West Bank and Gaza in March 2001 with a view to assessing priority needs in

¹ ILO: *Report of the Director-General: Appendix*, International Labour Conference, 88th Session, Geneva, 2000.

the current situation and exploring prospects for funding project proposals. A programme addressing the pressing needs for employment promotion and income generation is being launched.

In February 2000, the ILO fielded a multidisciplinary mission to the West Bank and Gaza to enhance, upgrade and expand the ILO technical cooperation programme with the Palestinian Authority and the social partners. Under the overarching objective of creating more employment opportunities for men and women and of establishing a conducive socio-economic environment for decent work, the mission aimed to develop a coherent and cohesive programme of ILO activities in consultation with the Organization's tripartite partners to ascertain their views and to identify areas of action.

Multidisciplinary mission to Iraq

In May 2000, a multidisciplinary mission was sent to Iraq to review short-term needs and actions required in priority areas and to develop a long-term programme of work through the formulation of new technical projects. Ten project proposals relating to vocational rehabilitation, vocational training, occupational safety and health, labour administration, child labour and women workers were formulated.

Post-conflict employment promotion and socio-economic integration in south Lebanon

Following the withdrawal of the Israeli forces from south Lebanon, the ILO fielded a multidisciplinary mission on employment and social rehabilitation in July 2000 to assess the situation on the ground with a view to developing a coherent programme of ILO response to the identified needs and relevant development challenges. The primary objectives of the mission were to promote job opportunities by maximizing the socio-economic potential of the south and its integration with the rest of Lebanon and to enhance the rehabilitation and socio-economic integration of the various vulnerable crisis-affected groups. The mission produced projects in the fields of employment promotion and labour market monitoring, micro- and small enterprise development, vocational training, occupational safety and health, women workers, child labour, labour administration, and employers' and workers' organizations.

Strategic Objective No. 3

The programme corresponding to this objective was mainly designed to develop capacity building to promote the adoption of new

international labour standards relating to working and employment conditions and the implementation of appropriate policies and programmes to develop occupational safety and health services and prevent occupational hazards. Efforts were intensified to develop measures aimed at protecting agricultural workers from hazards associated with agriculture. It also addressed the need to improve the working and employment conditions of vulnerable groups.

In view of the limited, and sometimes non-existent, social security coverage in the region, the activities were designed to help countries implement social security reforms and strengthen social safety nets for unprotected workers. The programme also covered women workers and their social security rights.

Occupational safety and health

Within the framework of the interregional programme on managing safety in particularly hazardous occupations, work continued on the implementation of a national project on occupational safety and health in agriculture in collaboration with the General Organization for the Exploitation and Development of the Euphrates Basin in the Syrian Arab Republic. The aim of the project is to protect the lives of 25,000 workers and their families from the hazards associated with agriculture, including exposure to pesticides and chemicals, accidents and injuries, biological hazards, and exposure to noise and heat.

Within the framework of the interregional programme to support the design and implementation of tripartite national occupational safety and health policies and measures, a national seminar on safety in the use of chemicals at work was held in Amman. The objective of this seminar was to enable the social partners concerned with occupational safety and health to exchange experiences and technical views and to strengthen the capacities of occupational safety and health personnel in the chemical sector and improve their performance.

Social security

With a view to assisting the countries in the region in developing a strategic approach to the development of national social security systems, the ILO organized an interregional tripartite seminar on social protection strategies for the Arab countries. The objectives of the seminar were to enhance the capacity of governments to deal with pension and social security reform and to identify technical assistance and training needs in the region. As an outcome of the seminar and,

in response to the needs of the countries, a draft regional project document on the development of social security systems was formulated to establish a technical assistance programme to enhance the managerial capacities of social security institutions in the region.

Strategic Objective No. 4

Under the rapidly changing economic and social conditions in the region, the social partners have been endeavouring to redefine and consolidate their roles in national development efforts. In this context, ILO activities under this strategic objective focused on strengthening the social partners' capacities, in terms of their institutional framework and expertise, on various issues of critical importance in the respective countries. These are mainly related to fundamental principles and rights at work, globalization and new technologies, employment promotion, poverty alleviation and social protection. The ILO also provided opportunities for tripartite consultations on specific technical subjects, as reviewed above, and promoted sustained social dialogue by establishing the appropriate mechanisms and institutions.

Promotion of tripartism and social dialogue

The ILO Regional Office for Arab States, in collaboration with the InFocus Programme on Social Dialogue, organized the interregional meeting for Arab countries on the promotion of tripartism and social dialogue in Beirut. The seminar was designed to assess the status of social dialogue in view of the current social and economic changes taking place in Arab countries and to identify development prospects. Additionally, the labour law audit carried out in selected countries, e.g. in the United Arab Emirates, with the assistance of the ILO's programme on Government Labour Law and Administration (GLLAD), has helped to identify areas requiring further technical assistance.

Assisting workers' organizations

Addressing a wide range of issues, advisory services and training were provided to strengthen the capacities of workers' organizations in the region. National seminars and workshops were organized on trade union rights, labour dispute settlement, globalization and its impact on workers, and wage policy.

In Lebanon, a project was designed to strengthen the technical capacities of the General Confederation of Lebanese Workers (GCLW) to further improve its effectiveness in social dialogue. Three seminars were organized within the framework of the project: trade

union involvement in social, legislative and economic development; women's issues at work in precarious situations; improvement of administration, function and structure of trade unions. These seminars were particularly geared to young trade unionists as training for their future leadership roles.

Assisting employers' organizations

Technical advisory missions were carried out to Bahrain, Jordan, Qatar, Syrian Arab Republic, United Arab Emirates, Yemen, and the West Bank and Gaza to help employers' organizations identify their needs and to provide advice to enhance existing services or establish new ones.

Seminars and workshops were organized in Bahrain, Oman, Syrian Arab Republic, United Arab Emirates, Jordan and Qatar to develop managerial and entrepreneurial capacity, especially for women, and to identify employers' strategies and policies to accommodate emerging needs.

The way forward

This overview points to some general conclusions.

First, all countries are facing similar problems in responding to the challenges of the emerging global economy, while coping with specific problems of development, institutional change and structural adjustment. Everywhere, existing institutional structures, including the State, are under challenge to ensure and promote fundamental rights at work, driven by demographic change and instant communications. Economic growth has been shown to be a necessary – but not a sufficient – condition for employment. Persistent problems of poverty, unemployment and exclusion, go hand in hand with greater opportunities and expanding aspirations. In this situation – as was reflected at the last International Labour Conference – there is increasing evidence of a common desire of people everywhere for *decent work*, that is work which respects their individuality and dignity; provides them with sustenance; ensures provision for the uncertainties of employment, health and old age; and which gives their lives personal and social identity.

Second, these common problems manifest themselves in a diversity of situations and through a variety of needs, which reflect the developmental, institutional and cultural specificities of different countries. For example, the above review shows the growth of non-

standard forms of employment everywhere, which takes the form of non-standard wage employment in the more developed economies, and the expansion of the informal sector in others. In some parts of the region, migration plays an important role in labour market outcomes and the development process as a whole.

Third, experience in implementing ILO programmes in the region has demonstrated the necessity of finding integrated responses to the challenge of *decent work*. Without rights at work, there can be no social dialogue. Without social dialogue, there cannot be sustainable employment or development. Without social protection and rights at work, employment can degenerate into exploitation. Furthermore, development goals and gender policies must underpin the *decent work* agenda. Employment and development are essential to improve the quality of people's lives. There can be no *decent work* without work itself. Neither can there be *decent work* without equality of rights and opportunities for women and men. Without gender policies, there can be no stable societies nor contented families.

Finally, the ILO must plan its future activities keeping these lessons in mind. It must promote universal values without prescribing universal solutions. Each country, regardless of the level of development, can define *decent work* within the context of its own realities and aspirations, while respecting the basic fundamental principles. Implementing *decent work* programmes is a dynamic process in which universal values can be tested and realized in the context of national realities. It is necessary for the Office and the tripartite constituents to have an open and systematic dialogue at the national level to put these integrated approaches in place. This Thirteenth Asian Regional Meeting provides an opportunity to take practical action to make *decent work* a living reality for the majority of the population of the world.