



International
Labour
Organization

Current trends in Employment, and Industrial Relations & Labour Laws in Asia

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The contents of presentation

1. Trends in employment

2. Trends in industrial relations

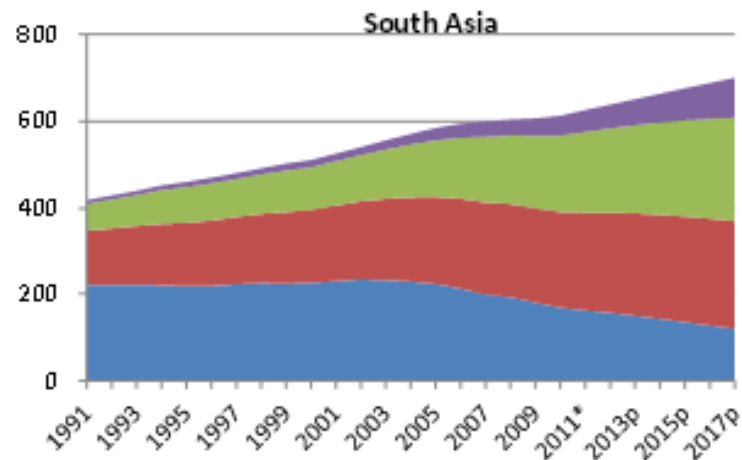
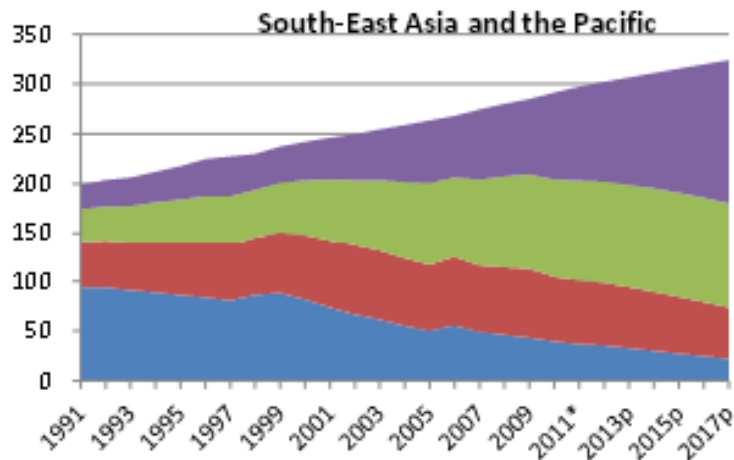
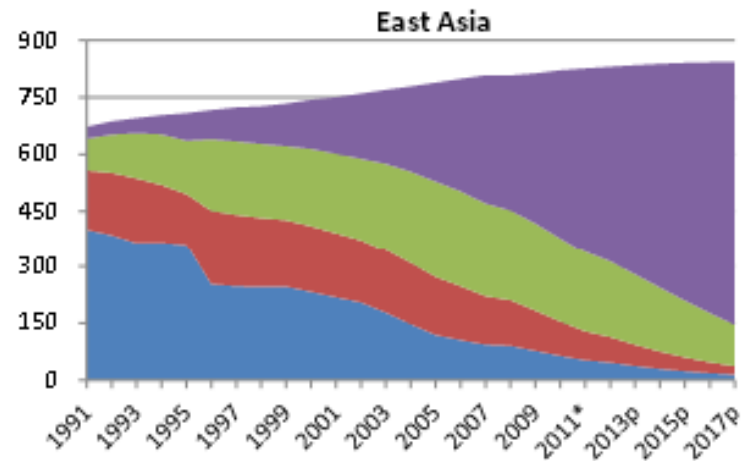
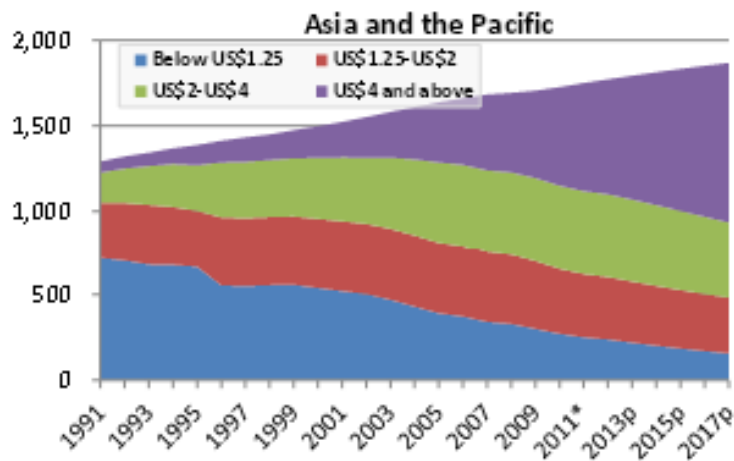
3. Labour law reform and decent work



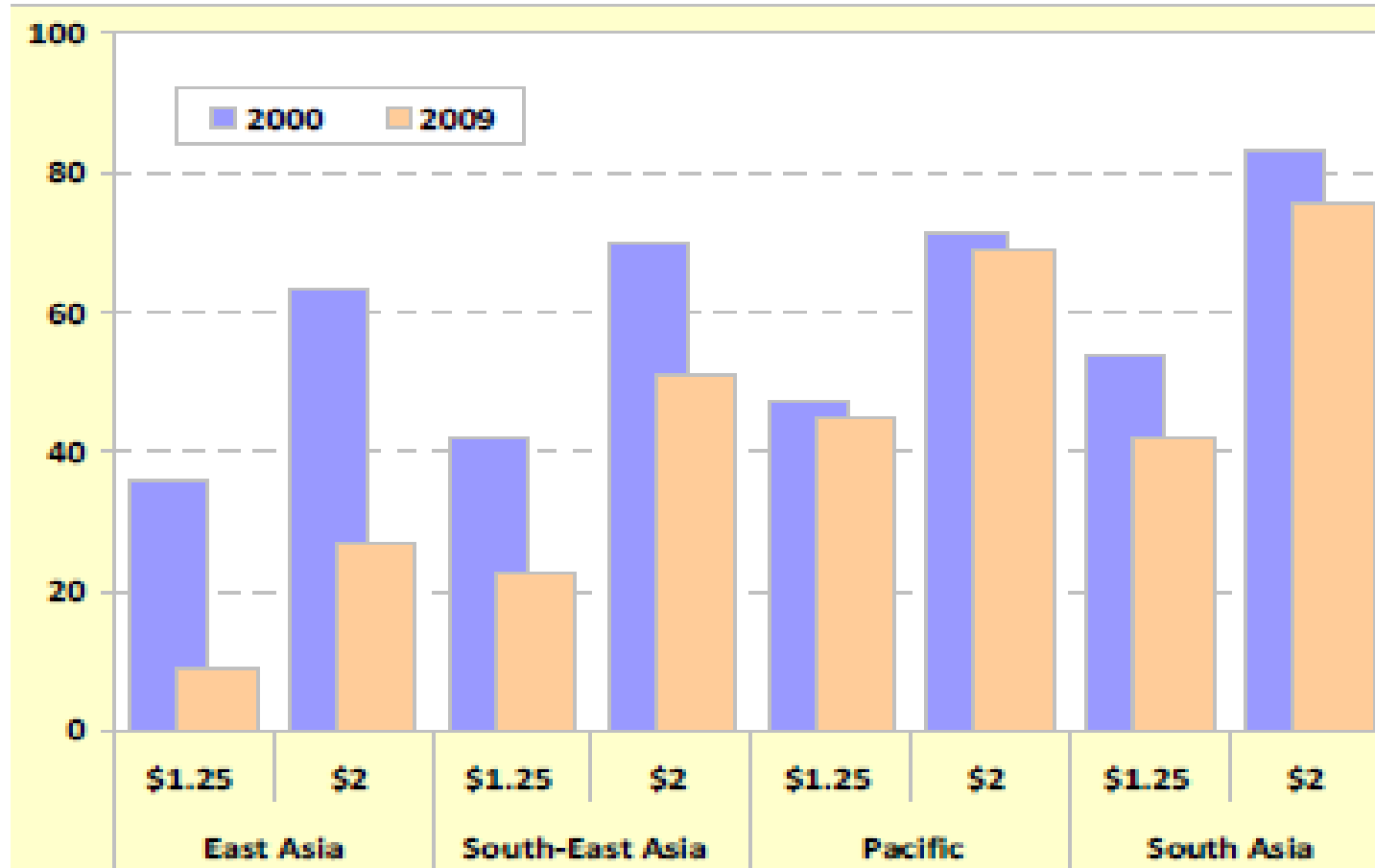
Trends in employment



1. Large majority of workers fall under **the working poor** (million)

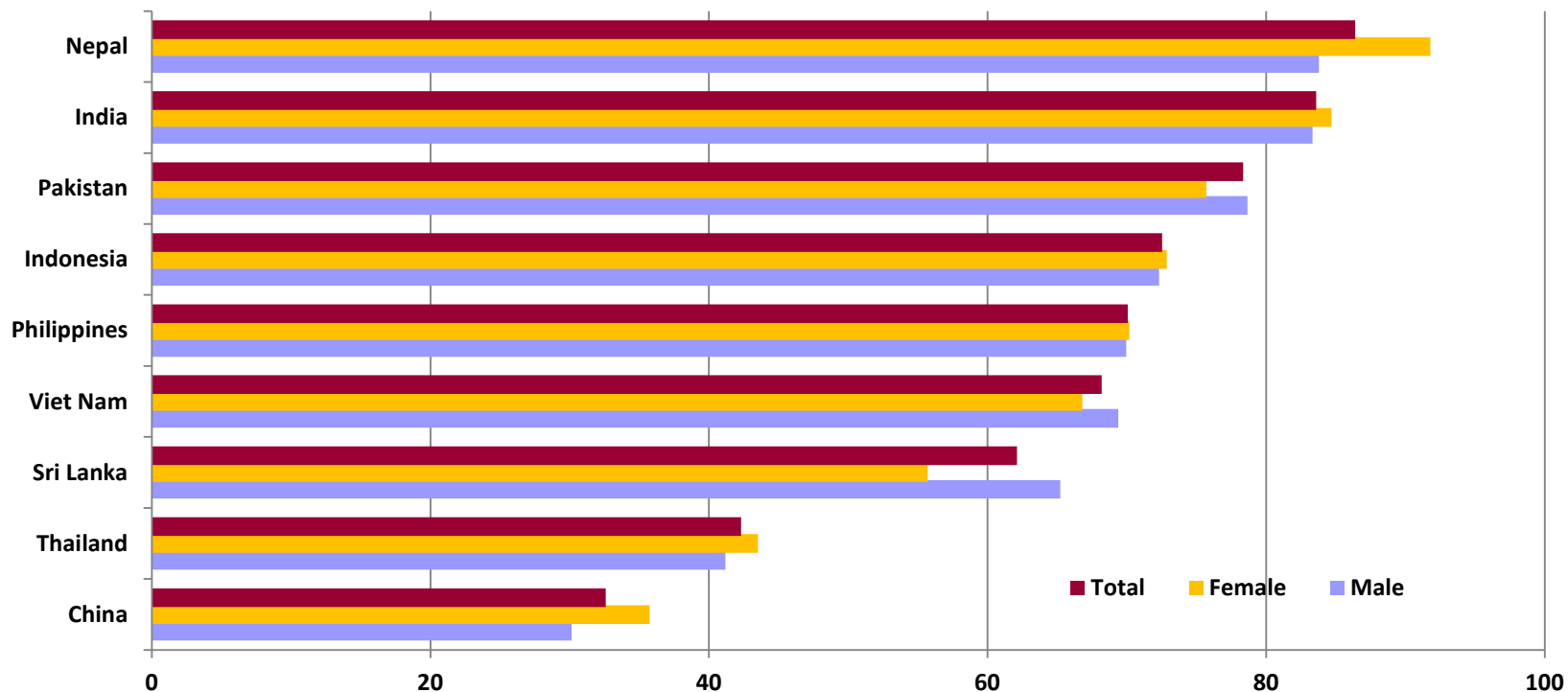


% of workers living under moderate and extreme poverty in 2000 & 2009



Source: ILO, *Trends in Econometric Models* (ILO, Geneva, 2010)

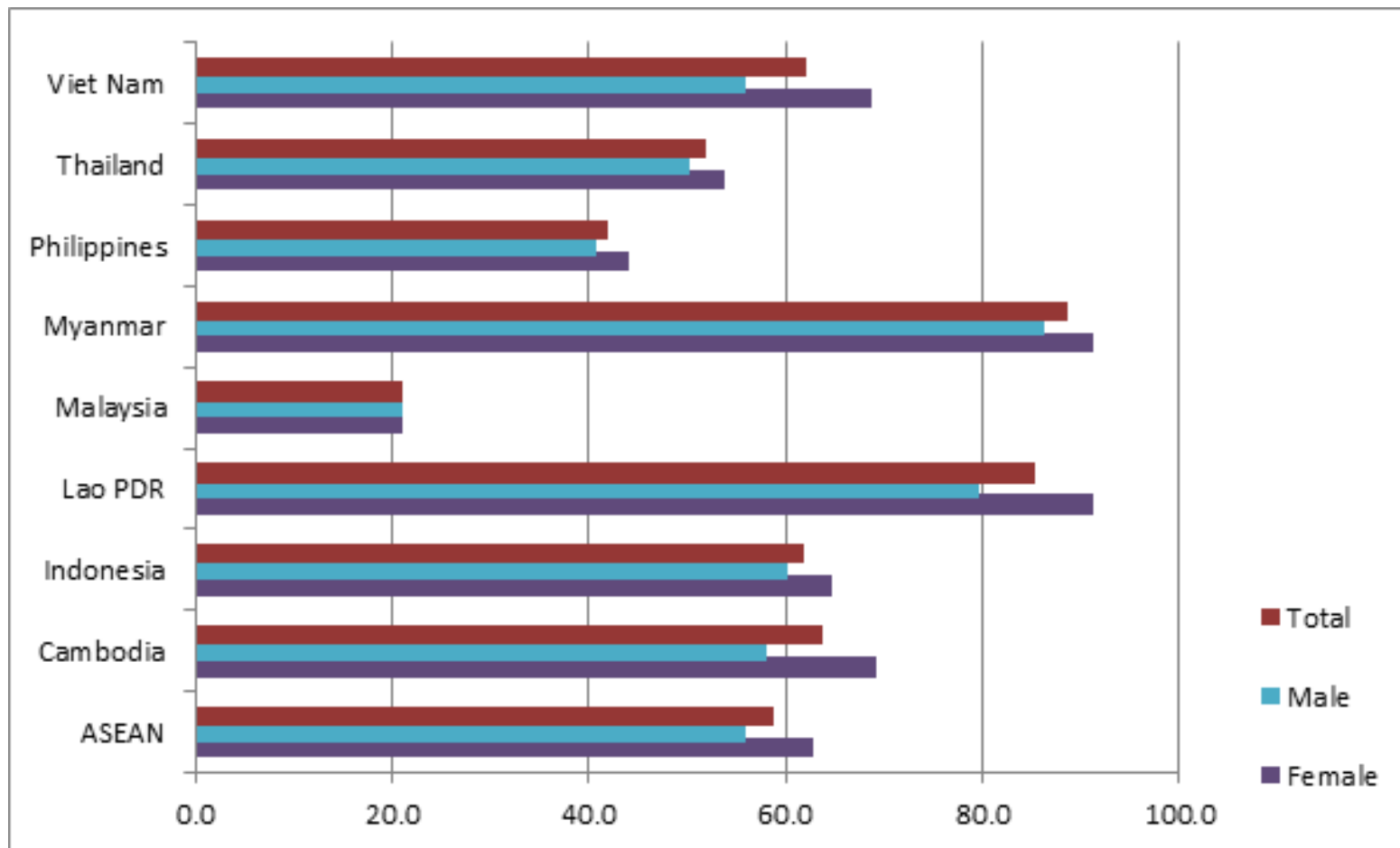
2. Percentage of precarious employment of the total workforce in selected Asian countries



Note: Indonesia includes only Banten and Yogyakarta; Sri Lanka excludes the Northern Province; China covers six urban areas.

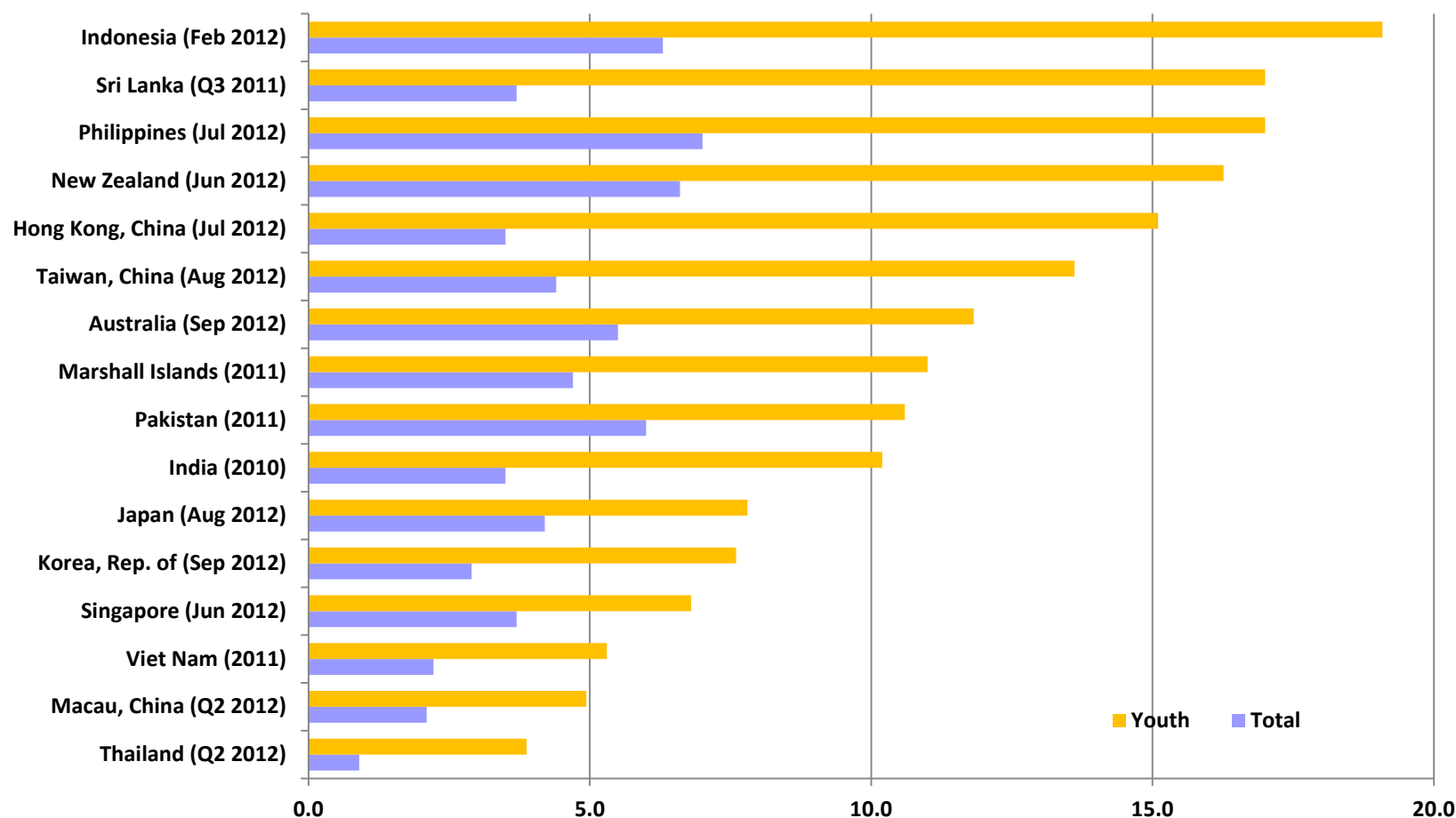
Source: ILO: *Statistical update on employment in the informal economy* (Geneva, June 2012); National statistical offices.

Precarious employment in ASEAN countries by sex (%)



Source: ILO - Trends Econometric Models, January 2014

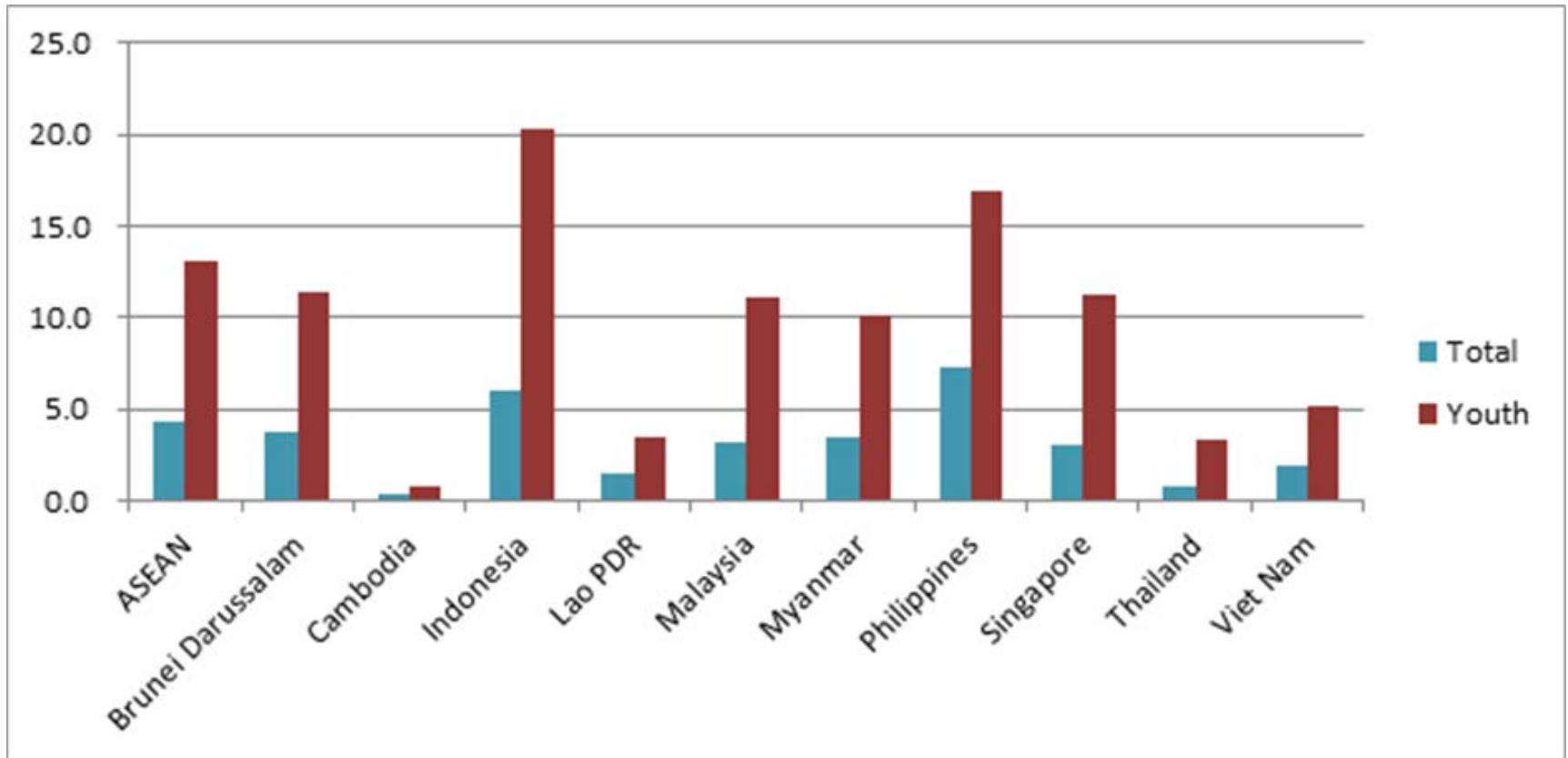
3. High youth unemployment compared with the adult unemployment rate in Asia (%)



Note: Youth aged 15-24, except Hong Kong, China (aged 15-19); Macau, China (aged 16-24); Pakistan (aged 15-19); Singapore (Residents aged 15-29) and Viet Nam (aged 20-24).

Source: National statistical offices; ILO: Key Indicators of the Labour Market, 7th Edition (Geneva, 2011).

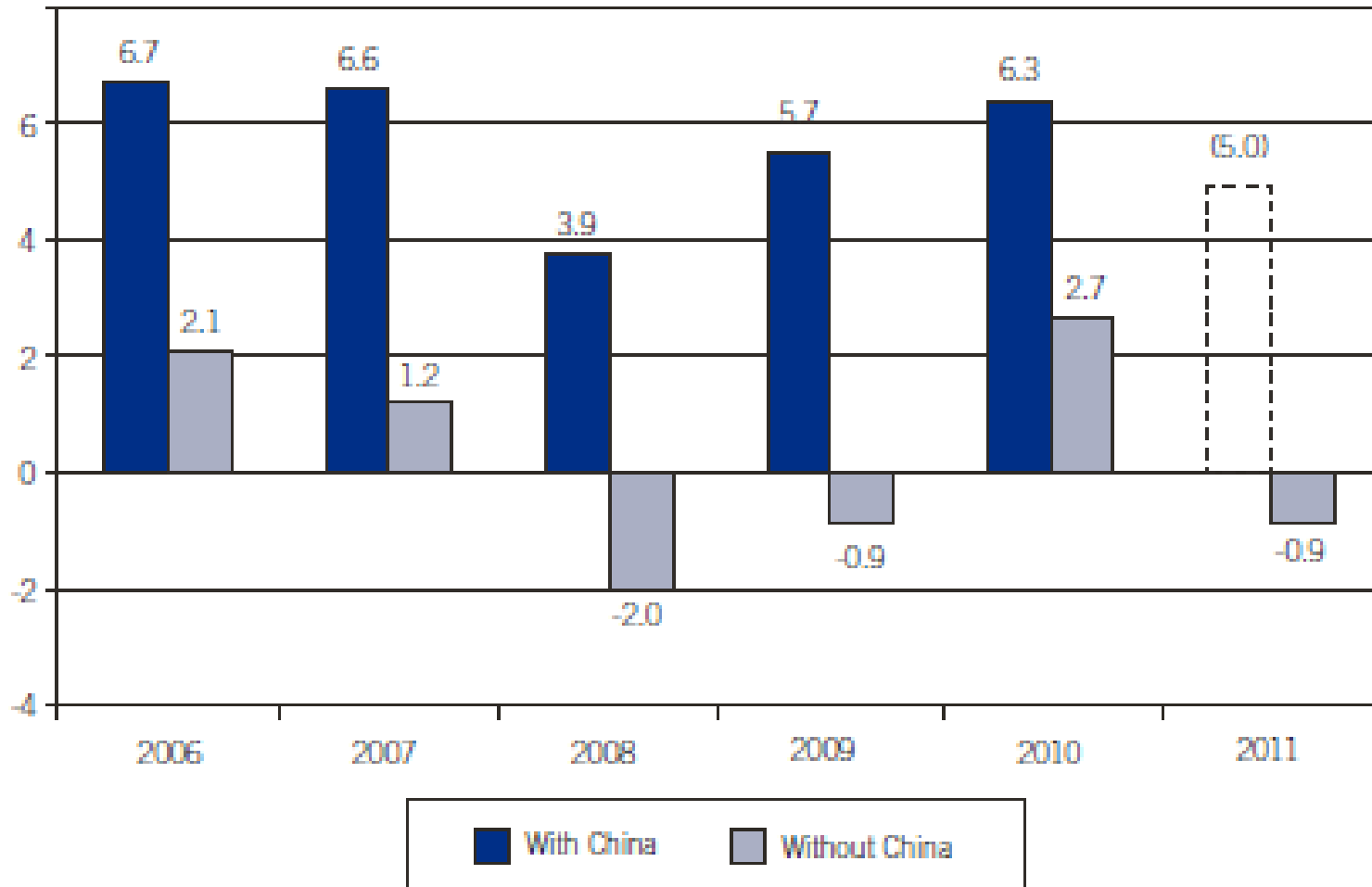
High youth unemployment rate in ASEAN countries (%)



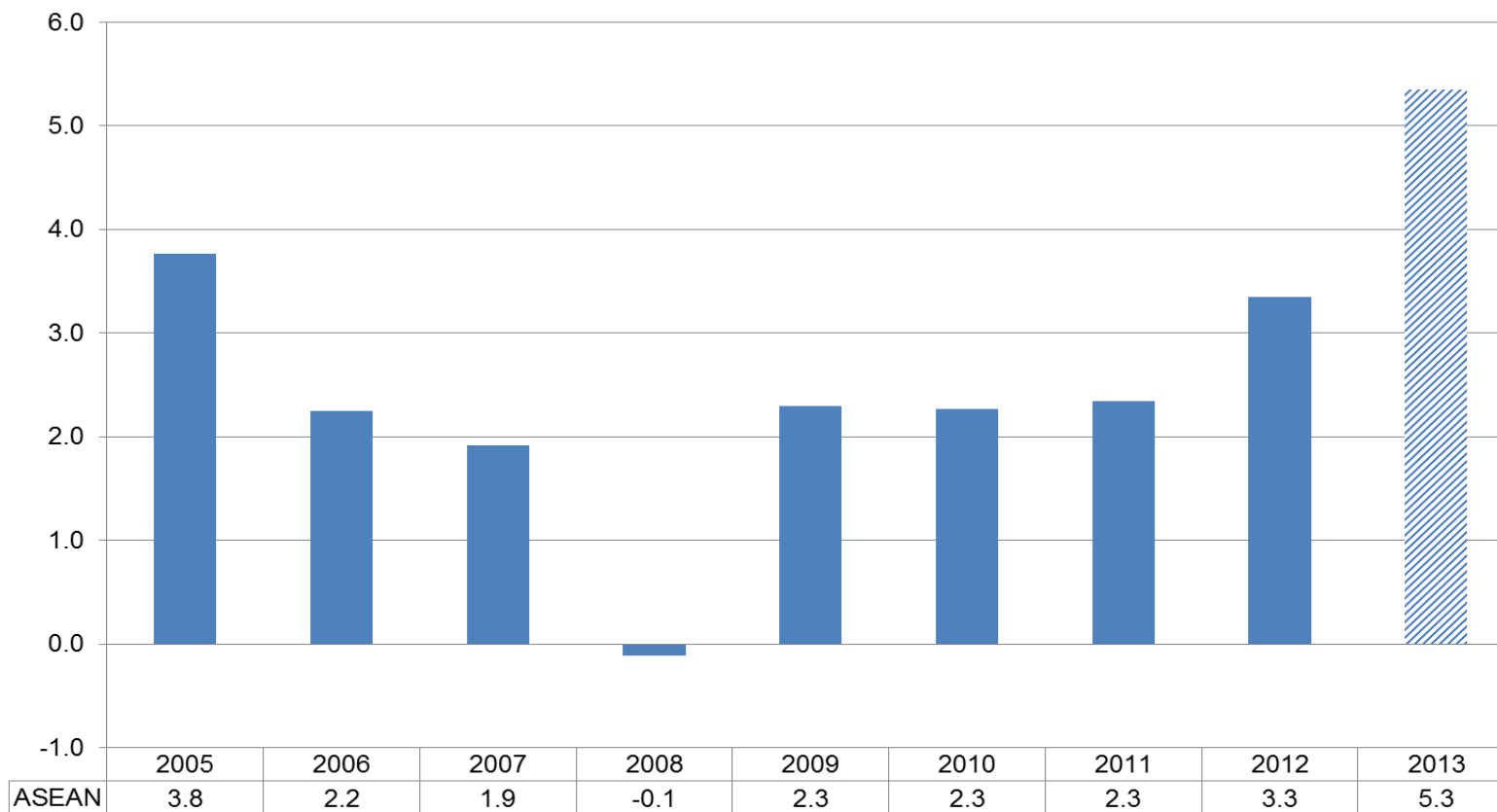
Note: data are estimates.

Source: ILO - Trends Econometric Models, January 2014

4. Stagnant real wage growth in Asia, 2006-11 (%)

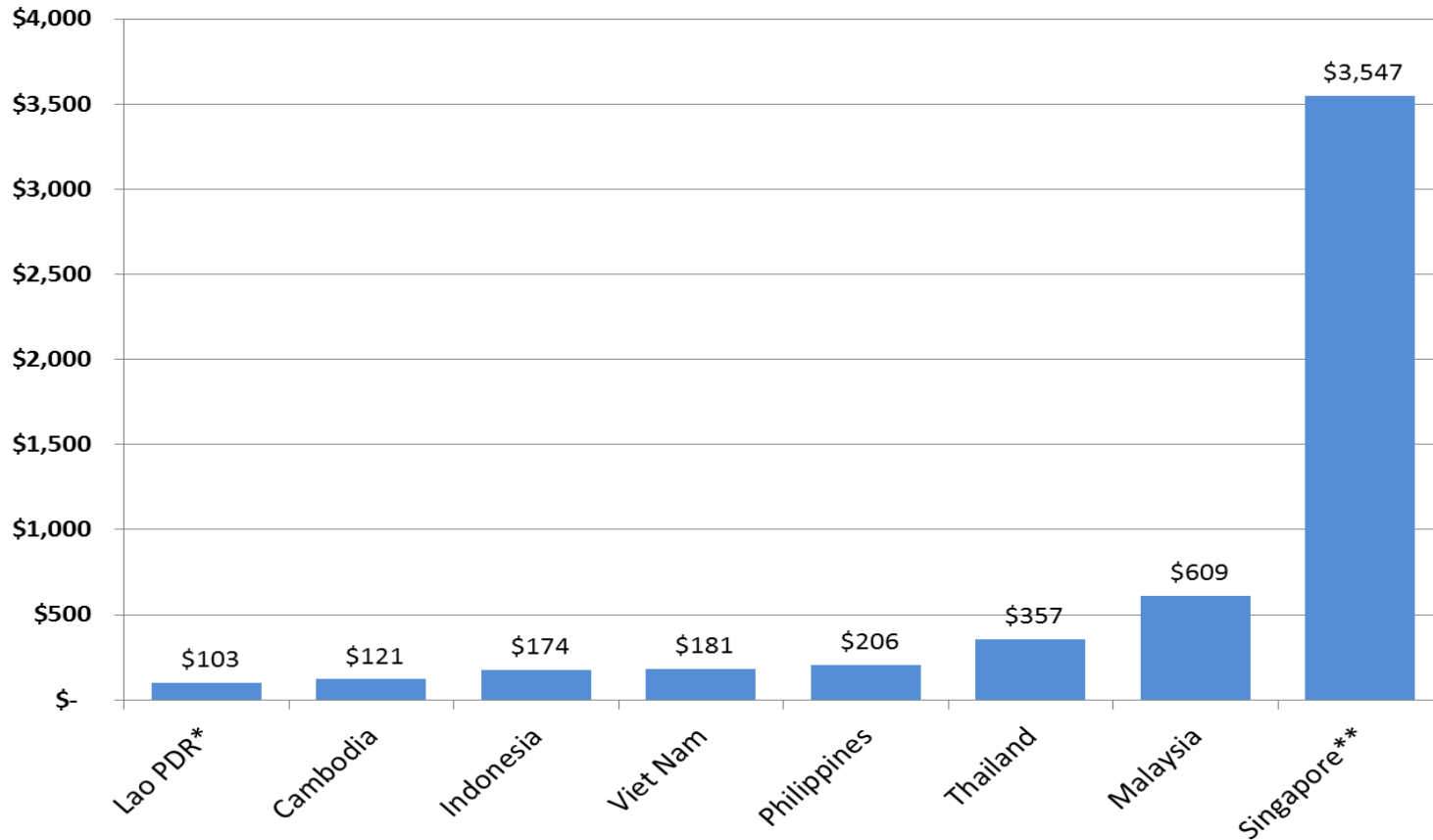


Annual real wage growth in ASEAN, 2005-2013 (%)



Note: The figure for 2013 is a preliminary estimate based on available data in the year.
Source: ILO estimates based on national sources compiled in the Global Wage Database.

Average monthly wages in ASEAN countries, 2012 (US\$)



Source: ILO Global Wage Database, based on national sources and ILO estimates based on 2010 CLS/LFS micro-data for Lao PDR.

5. Long working hours

country	Weekly WH	Overtime limit	Maximum weekly WH	Overtime pay	Minimum annual leave
Cambodia	48 hours	10 hours per day (including overtime)	60 hours ¹²	50% increase; no universal national entitlement to compensatory time off	15 days
China	40 hours	3 hours per day and 36 hours per month	48 hours	50% increase; no universal entitlement to compensatory rest ¹³	5 days (after 1 year of service)
India	No universal legislation	No universal legislation	No universal legislation	No universal national entitlement	No universal legislation
Indonesia	40 hours	3 hours per day and 14 hours per week	54 hours	50% increase (first overtime hour) and 100% (subsequent hours) plus sufficient rest, and meals and drinks of at least 1400 calories, if the overtime work is executed for 3 hours or more	12 days
Korea, Republic of	40 hours	12 hours per week	52 hours ¹⁴	50% increase or compensatory time off if agreed in writing with workers' representatives	15 days
Lao People's Democratic Republic	48 hours	45 hours per month	59 hours	50% increase; no universal national entitlement to compensatory time off	13 days
Malaysia	48 hours	12 hours per day (including overtime), 104 hours per month	72 hours	50% increase; no universal national entitlement to compensatory time off	8 days

Mongolia	40 hours	No universal national limit	No universal national limit ¹⁵	50% increase or compensatory time off (unspecified duration)	15 days
Pakistan	No universal legislation ¹⁶	No universal national limit	No universal legislation ¹⁶	No universal national entitlement. For several sectors, an increase of 100% is mandated.	No universal legislation
Philippines	48 hours ¹⁷	No universal national limit	No universal national limit	25% increase; time off granted shall not exempt the employer from paying the additional compensation	5 days
Singapore	44 hours	12 hours daily maximum (including overtime), 72 hours overtime per month	61 hours	50% increase; no universal legislation on compensatory time off	7 days
Thailand	48 hours	36 hours per week	84 hours	50% increase; no universal national entitlement to compensatory time off	6 days
Viet Nam	48 hours	4 hours per day and 200 hours per year	52 hours	50% increase or compensatory time off, paid at 50% of the normal wage rate	10 days

Impacts of labour flexibility

1. Large majority of workers fall under the working poor
2. Precarious employment with little social and legal protection
3. High youth unemployment rate
4. Stagnant real wage growth
5. Long working hours with concern of OSH



Transforming “a low wage growth model” towards an inclusive and wage-led economic growth model

Trends in industrial relations

1. Labour fever

Spread of wild cat strikes spread in many countries including

- Bangladesh
- Burma
- Cambodia
- China
- Vietnam

Demanding higher wages and better welfare schemes

2. Violation of FOA

- Cambodia, using FDC
- Bangladesh, delaying registration of new unions
- India, imposing the Essential Service Maintenance Act
- Thailand, applying various employers' tactics
- Korea, denying recognition of teachers' and civil servants' unions
- Malaysia, using the IRA and the TUA
- Myanmar, displacing union leaders

Ratification of ILO 8 core conventions in Asia

<i>Country/convention</i>	29	87	98	100	111	105	138	182
Brunei							2011	2008
Cambodia	1969	1999	1999	1999	1999	1999	1999	2006
Indonesia	1950	1998	1957	1958	1999	1999	1999	2000
Lao PDR	1964			2008	2008		2005	2005
Malaysia	1957		1961	1997		x	1997	2000
Myanmar	1955	1955						
Philippines	2005	1953	1953	1960	1953	1960	1998	2000
Singapore	1965		1965	2002		x	2005	2001
Thailand	1969			1999		1969	2004	2001
Viet Nam	2007			1997	1997		2003	2000

Ratification status of 8 core conventions by Bangladesh, China, India, Nepal, Pakistan and Korea.

4. Inflows of migrant workers within Asia

- Vulnerable to discrimination and violation of labour rights
- Not fully respect for trade unions
- Little social security including healthcare
- Pushing wages lower, by taking low-quality jobs with low wages

5. Low unionisation rate

Country	Year	As a % of paid employment (i.e. employees)	As a % of total employment
Asia and the Pacific			
Australia	2010	18.08	
Hong Kong, China	2010		22.19
Japan	2010	18.28	
Korea, Republic of	2010	9.68	
Lao People's Dem. Rep.	2010		15.53
Malaysia	2007		7.60
New Zealand	2010	20.78	
Philippines	2010	8.73	
Singapore	2010	32.76	
Sri Lanka	2010	11.54	
Viet Nam	2011		14.63
Thailand	2010	3.65	

Source: ILO, 2012

6. Low collective bargaining coverage

Country	year	CB coverage	
		% of wage workers	% of total workforce
Australia	2008	38.2	
Bangladesh	2006	5.0	1.1
India	2002		2.0
Indonesia	2005	14.0	4.0
Japan	2005		
Korea	2006		
Malaysia	2007	2.4	1.8
New Zealand	2008	17.8	14.6
Pakistan	2001		
Philippines	2007	2.2	1.1
Singapore	2007	17.3	14.6
Sri Lanka	2003		
Taiwan, China	2006		
Thailand	2007		0.5
China	2012		
Vietnam	2013		

Other trends in industrial relations

- Use of the judicial system to punish legitimate union activities and union leaders
- Promotion of work council and CBA with shopstewards
- Internal barriers and weaknesses of trade unions



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Labour law reform



Q1: What are the strategies/ focus of trade unions in achieving labour law reform in line with international labour standards?



Labour laws in China

Enacted and years to be effective	Process/ Role of ACFTU	Role of ILO
Labour Contract Law (2008)	Active participation in the process	ILO provided forums and training
Employment Promotion Law (2008)	Involved in the tripartite drafting committee	
Labour Dispute Mediation and Arbitration Law (2008)	Opened a website to collect workers' views and delivered them to the government	
Social Insurance Law(2011)	Organised seminars and workshops to consolidate ACFTU perspectives	

Labour laws in Vietnam

To be revised	Role/ Role of VGCL	Role of ILO
<p>The Labour Code</p> <p>Trade Union Act</p> <p>The Minimum wage Act (draft)</p>	<ul style="list-style-type: none">- MoLISA worked with social partners on the LC- VGCL authorised to draft TUA-Adopted in 2013 -Making a VGCL position paper	<p>ILO organised a study tour, forums, and research</p>

Labour law in Malaysia

Labour legislation under review	Process/ Role of MTUC	Role of ILO
<p>Employment Act 1955; Industrial Relations Act 1967; Trade Unions Act 1959; The Minimum Wage Act effective from March 2011</p>	<ul style="list-style-type: none">- Organised forums-Developed a position paper-Involved in the PEMUDAH meeting led by the PM office-Submitted a MTUC concern to the government on underlining of labour rights	<p>ILO provided forums</p>

Labour Law in Myanmar

New law	Process/ Role of trade unions	Role of ILO
Act on Organizations in 2012	No consultation with trade unions	Fact-finding mission to Rangon in Feb. 2011 to discuss a draft TU Law with the government ILO IR project being implemented, training tripartite partners on the Act as well as FOA and CB

Labour law in Thailand

Laws to be reviewed	Process/ role of trade unions	Role of ILO
<p>The Labour Law</p> <p>Industrial Relations Law</p>	<p>Formed a “Campaign Committee of Trade Unions to promote Ratification of ILO C.87 and C.98 in Oct. 2009”, constituted by 12 national federations</p> <p>Adopted its workplan in Nov. 2009</p> <p>MOL-led Tripartite Working Group concerning ratification of ILO C.87 and C.98.</p> <p>Early 2011, the Cabinet decided to ratify the conventions</p> <p>On 8 Oct 2013, union representatives and the Deputy PM signed a MOU to ratify C.87 and C.98 before 1 May 2014 (political situation disturbs the ratification process)</p>	<p>ILO has closely collaborated with trade unions in their ratification campaign, by providing numerous forums, leadership training and research.</p>

Labour law in Cambodia

Law under review	Process/ role of trade unions	Role of ILO
Draft Trade Union Law	<p>14th meeting of the Private Sector Forum held in Nov. 2008 discussed the need for a TU Law</p> <ul style="list-style-type: none"> - In Dec. 2008, the office of the Council of Ministers issued an order to prepare a TUL - In May 2009, a Tripartite Working Group set up to draft a TUL (8 G, 3 E, 4 W and 1 ILO) <p>Trade unions played active role in all processes of tripartite consultation meetings held in 2010-11</p> <ul style="list-style-type: none"> -On 24 June 2009, the first TU preparatory meeting held to take a common position -Developed a union position to provide inputs in the draft law in June 2010 -A number of preparatory meetings held prior to the tripartite meetings to consolidate views of multiple unions -On 28-30 May 2014, tripartite meeting be held in PP to review the latest version of the TUL 	<p>ILO provided technical and financial support to trade unions from the beginning of the draft law until now</p>

Further discussion on trade union preparation for labour law revision

- Who will take initiate in the labour law revision?
- What is the scope of the labour law revision/ reform?
- What is the process of the revision?
- What is the timeframe of the revision?
- What are union strategies – negotiation skills and bargaining power?
- What is the supporting mechanism within trade union?



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