Overview of recent IR Developments in SE Asia

AP IR- Net Visioning Event
27 April 2011
Bangkok THAILAND
IR Developments in SE Asia

– Very active region of the world
– Practically every country undergoing major changes in areas of
  • Industrial Relations
  • Labour Law Reform
  • Social Dialogue
  • Trade union law
  • Minimum wage setting
  • Employment contracts, termination, outsourcing
IR Developments - Indonesia

Indonesia Jobs Pact
- Tripartite commitment at highest political level
- A national document that fits within Indonesia’s
development priorities on HRD, training, job creation,

IR Commitments
- Develop tripartite social dialogue mechanisms at
  provincial and district level
- Improve collective bargaining at enterprise & industry
  level
- Labour Law reform – Amend laws on employment
  contracts, outsourcing, and examine introduction of
  unemployment insurance
IR Developments – Indonesia (cont)

- Improve industrial relations at local level, through better negotiations between workers and employers, and
- Enhanced conciliation and arbitration services
- Improve labour inspection through better recruitment and training, and bipartite involvement in LI strategy and services
Philippines Jobs Pact

- Minimum wage setting
  - Already underway with ILO support. Philippines MW setting system not reaching poorest workers. Has become “median” wage, not “minimum”

- Industrial relations, social dialogue, and freedom of association
  - Change culture from disputes and litigation to cooperation; develop industry-level and provincial “tripartite industrial peace councils”; change rules re union registration, role of military in IR

- Employment contracts, outsourcing, disguised employment relationship
  - Use of 5 month contracts, “collectives”
IR Developments - Malaysia

Wide-ranging legal, HR & IR reforms, due to several years of low wages, productivity, investment and growth

• Minimum wage
• Labour law reform
  – Union formation, contracts & termination, and industrial relations
• Unemployment insurance
• Contracts and termination
  – To modernize labour market, allow for greater flexibility in hiring and firing
IR Developments – Cambodia, Laos

Cambodia

• Development of trade union law (2009-2011)

• Bipartite agreement on industrial peace in garment sector (2010-2011)
  – Binding arbitration for rights disputes, no strike prior to arbitration

• Laos
  – Ratification of C 144; establishment of tripartite social dialogue mechanisms; commitment to reform labour law on contracts, termination, severance
Singapore

• Singapore
  – Annual wage increases through tripartite National Wage Council. Labour productivity growth most important factor in determining wage increase
  – LP growth slowed over past 5 years due to reliance on cheap unskilled migrant labour. Govt concerned – LP growth key to sustainable GDP growth
  – Govt implementing productivity drive that involves making migrant workers more expensive, forcing employers to substitute capital for labour
IR Developments - ASEAN

• ASEAN Guidelines on Industrial Relations
• ASEAN Labour Ministers Meeting
  – Adopted Work Programme 2010-2015 including a number of IR related matters
    • “Labour Justice” – courts, arbitration
    • Labour Inspection – need to strengthen in order to enforce national labour law
    • Tripartism at all levels (including ASEAN level?)
• ILO Japan ASEAN project on IR
• ASEAN meetings on Labour Law and Labour Inspection
Thank you

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