

**ILO/ARPLA. *Codes of Practice: A Structural Analysis*.** Bangkok: ILO (ARPLA). 1987. 88pp. US \$ 2.00 Paperback.

**ILO/ARPLA. *Monitoring Labour Markets*.** Bangkok: ILO (ARPLA). 1987. 110pp. US \$ 3.00 Paperback.

**ILO/ARPLA. *Managing Contract Migration: Philippine Experience Observed*.** Bangkok: ILO (ARPLA). 1987. 68pp. US \$ 3.00 Paperback.

All three books deal with various issues concerning the labour market, such as basic agreements on industrial relations, labour market information, and managing temporary migration.

(i) A Code of practice in industrial relations is a collective agreement and a moral instrument of voluntary partnership. The agreements are most often concerned with development and are not related exclusively to conflict resolution or conflict avoidance as explicit goals. It is not a Code of law, yet it determines the range of the moral authority of laws in practice.

In many ways, a Code is the core of an industrial relations system. The objects of a Code are: to maintain discipline and industrial pace, to achieve greater industrial harmony, to develop and promote a compatible system of labour relations to ensure justice and fairness, and change in work attitudes and productivity. The structure of a Code must incorporate elements of the approach to dispute settlement; the criteria for recognition of unions for consultation, the status of grievance- and consultative-machinery, and the status of the partism.

The book on the Codes of Practice addresses the question as to how these objectives have been aligned structurally in the industrial relations of six Asian countries; India, Indonesia, Malaysia, Philippines, Singapore, and Thailand.

The Indian Code of Discipline is such that the government is not a party to the agreements between management and union. However, the government does keep the administrative machinery in good order. By structuring the agreements in three parts, responsibility is distributed in three spheres. For instance, industrial disputes, strikes, and lockouts have been placed in the joint sphere. Workload composition, employers' labour practices, and administrative responsiveness have been placed in the sphere of management, while the sphere of the union includes union activities. Thus, the Indian Code is prepared in such a way that violation of a single Code leads to total violation in both the joint and individual spheres. This dependence is both the substance and the moral authority of the Code.

The Indonesian Code is a commitment of cooperation for contingency planning and welfare between government, managements, and unions. This is a unique Code in the sense that it identifies a specific market situation and contemplates the agreement as a preventive measure to ward off the detrimental effects of that situation. The Code outlines the duties and responsibilities of management and

workers, not with reference to industrial harmony, but with reference to an economic situation. The weakness of the agreement is that where there is no drop in production and the market conditions are favourable, no specific obligations arise except by way of goodwill commitments.

The Malaysian basic agreement features: a Code of conduct for industrial harmony; cooperation between management and workers; and a Code of industrial relations practice. The structure of the Code aims at recommendation for a wider societal framework than that agreed between two parties. A unique feature of the Code is that it recognises the need to build up the communication chain between management and union. The employer is supposed to inform the employees about employment and work conditions, agreements with trade unions, and performance and prospects of the enterprise to give employees a sense of judgement. In this way, the Code provides a system of checks and balances.

The Philippines' basic agreement involves provision for certain adjustments in order to ensure a decent living for workers and the continued viability of business and industry. To ensure this, the setting up of commissions is the responsibility of the government, with no vesting responsibility of managements and unions.

Based on the Japanese model of a labour-management system, the Singapore Code concerns itself with human aspects of productivity. This places job involvement, small group participation, business welfare, and identification with the company as the immediately achievable goals in terms of feasibility of application. Viewed in this light, the agreement places emphasis on establishing a productive industrial culture.

The Thailand Code aims at the development of a voluntary system and combines both the social and economic objectives in full measure as a strategy for national development. It establishes an objective relationship with the legal framework and attempts a fair balance in the distribution of responsibilities among the social partners.

Based on the Codes of practice of six Newly Industrialized Asian countries, the book on the Codes of Practice provides an assessment of the conceptual underpinnings and operational relevance of the Codes to the structure of relationships envisaged in the Codes. An assessment of the structure of the Codes reveals the extent to which they have met the needs of the industrial relations system, as well as the areas of structural ambivalence and conceptual opacity. The experience of these countries can be utilized by other countries which are in the process of developing a comprehensive Code of practice in industrial relations.

(ii) Labour Market Information (LMI) serves three parties: employers, job seekers, and policy-makers. The requirements of these three parties change as the labour market structures change. If a labour market is stable in terms of the types of manpower demanded, then it would be possible to design an LMI programme valid

for a long period of time. However, the labour market is in a permanent state of transition. More important is that changes seem to be taking place at a rapid pace. This contributes to the problem of identifying and producing at any point of time the information most needed by the three parties. To ensure an optimal utilization of labour, the three parties must be kept informed of the changes in the labour markets.

In general, an understanding of the working of the labour markets in the Asian developing economies is believed to be poor in nature. This is because data collection agencies do not apply relevant statistical concepts. The apply concepts developed in advanced economies to developing economies. For instance, it is appropriate to divide the labour force into employed vs. unemployed for developed economies, where wage employment is widespread, and payments and work conditions are subject to formal labour contracts. In contrast, in developing countries, the proportion of labour force engaged in wage employment is much lower; a large majority being self-employed or family helpers. Thus, the concept of open unemployment has limited significance for developing countries. Such conceptual underpinnings suggest a modification of existing labour market concepts.

The book on labour market information contains a collection of papers which address some of the key issues involved in the LMI data in developing countries of Asia.

In both of his papers, Islam illustrates the problem of defining a market for rural labour in the developing economies of Asia where labour contracting practices and non-market forces can lead to highly varied wage rates for the same category of workers. Due to a variety of arrangements under which labour is normally hired, it is quite difficult to collect information on even apparently straightforward items like labour force participation, employment, and wages. As such, in these economies, market and non-market relations are difficult to distinguish from each other. Nevertheless, any transaction which is based primarily on economic principles can be regarded as 'market-related' even though the parties concerned may not have acted completely free from other influences. Islam suggests that a good deal of care needs to be applied in preparing LMI data in developing countries.

In his first paper, Godfrey points out the difficulties in defining the informal sector for operational purposes and suggests that we should forget about the concept of the informal sector and look at industrial branches and sectors as a whole, disaggregating with each other. A major problem with this approach is its ignorance about generalizability.

In his second paper, Godfrey draws attention to the important issue of monitoring the utilization of educated manpower. Information about the outcome of educated people after they finish their schooling or training is required to compare with information about the cost of education so that policy-makers can decide about

continuation of the education or training programme. He draws attention to different ways of measuring the outcome of an education or training programme and suggests that, in order to measure the outcome in terms of the application of skills, one should use the 'tracer' method, which involves tracing, at regular intervals, the performance in the labour market of a cohort from a particular education and training institution. The problem with this method is that it is extremely expensive and relies heavily on enumerators. To cut the cost of the survey, he suggests that a random sample be drawn.

Tan's paper is on the adjustment of labour markets after the emigration of construction workers from the Philippines, where she tried to trace the adjustment to the vacancies created. Tan argues that an increase in labour force participation is created by foreign demand and becomes the major reason for the persistently high rates of unemployment among construction workers despite the phenomenal outflow of this type of worker. Occupational and geographical mobility, and the low cost of on-the-job training are cited as factors responsible for the fast response of supply.

Irfan's paper is on labour market adjustments after emigration from Pakistan. He concludes that the reduction in labour supply and the inflow of remittances has far-reaching implications for the entire economy. He reports that the outflow of workers has implications for individual's labour participation, human capital investment, choice of technology, and establishment of sectoral priorities at the national level. The reverse flow of remittances has an equally pervading influence on consumption patterns, savings behaviour, and, ultimately, on volume and composition of aggregate demand.

The final paper is a review of labour market efficiency by Kelly. Kelly illustrates some of the limitations of conventional labour market indicators in showing how efficiently labour markets adjust to disturbances. He suggests that in cases where the public sector is the major employer, or where lay-offs are regulated by the government, conventional indicators may not be very meaningful. He recommends that less emphasis be given on the expansion of labour market information, and more for the utilization of the existing data.

The book on the Labour Market Information has raised many fundamental conceptual issues and recommends that data collection agencies revise their conventional LMI data so as to provide appropriate information to those who make use of it.

(iii) From the theoretical point of view emigration from a country can be permanent or temporary. Permanent migration implies both production and consumption of goods and services in the host country. On the other hand, temporary migration is associated with production of goods and services in the host country, and consumption in the home country. The latter aspect of temporary migration bears on a broad spectrum of choices, ranging from an individual's labour participa-

tion and human capital investment to the choice of technology and establishment of sectoral priorities at the national level. The resulting inflow of remittances has an equally pervading influence on consumption patterns, savings behaviour, and balance of payments.

In the wake of unprecedented temporary emigration to the countries of the Middle East, overseas employment administration has emerged as an exciting area for public policy. The questions to be answered by policy-makers deal with: what measures should be government of labour-sending country take to protect her emigrants? how can emigrants be encouraged to remit their savings through official channels? should the government set standards for overseas employment, particularly minimum wages?

The book on *Managing Contract Migration* carries the proceedings of a seminar which was built around the experience of the Philippines.

The overall impact of temporary labour migration on the Philippines from the social and economic standpoint has been very significant. The Philippines economy benefited from migration through the appreciation of family living standards and expenditures on education, housing, and basic consumption. The multiplier effects of such expenditures have increased exportation of food products to the host countries, increased tax revenue, and changed attitudes and aspirations of the workers and their families.

The Philippines has also experienced many problems associated with migration, such as illegal recruitment, sub-standard living conditions and contract violation in the host countries, emigration of workers invested with critical skills, and non-equitable distribution of overseas employment. In her effort to maximise social benefits, minimise costs and establish efficiency, as well as to ensure adequate protection of workers' interests, the Philippine government intervenes in the settlement of claims and disputes, market development, and welfare programmes. Moreover, the Philippine government follows a regulatory approach to control overseas employment by deregulation, lesser government participation in overseas employment, blacklisting of employers who repeatedly violate regulations or escape obligations, and setting of standards by way of regulations on minimum wages, an 8-hour working day, overtime pay, etc.

Based on the Philippines experience on planning, development, organization, and administration of the overseas employment programme, the book on *Managing Contract Migration* raises the levels of understanding and the appreciation of issues about temporary migration. Policy-makers in other labour-exporting countries can utilize this unique experience while formulating their overseas policies.