

Labour Market Governance

FACT SHEET

The ILO, in its recent report *Labour and Social Trends in Asia and the Pacific 2006: Progress towards Decent Work*, defined Labour market governance as referring to those public and private institutions, structures of authority and means of collaboration that coordinate or control activity at the workplace and in the labour market. In other words, labour market governance refers to the totality of policies, norms, laws, regulations, institutions, machinery and processes that influence the demand and supply of labour in an economy.

It is important to note that labour market governance is not just about the government or the state. The respective capacities and relations between those who demand labour (employers) and those who supply labour (workers) must be considered as integral aspects of labour market governance. Thus, a range of factors – including the regulatory framework, efficacy of the labour administration system, operation of various bipartite and tripartite institutions, the capacity and role of representative employers' and workers' organizations and current industrial relations norms and practices – all combine significantly to influence the dynamics of the labour market. **Labour market reform** implies reviewing these various elements of labour market governance to ensure that the outcomes they produce are perceived as efficient, equitable and fair by all concerned.

The ILO has unique comparative advantages in terms of institutional knowledge, global experiences, expertise, products and tools to advise and assist governments, employers' and workers' organizations in their efforts to make their labour law and regulatory framework more responsive to current realities and needs.

The ILO has developed a body of international labour standards that address practically all issues relevant to the world of work. These Conventions (and the accompanying Recommendations) set forth the agreed minimum standards that should be met by all member states that ratify them. The ILO has also created a database, **ILOLEX**, to track and manage information about member states' ratification of ILO Conventions and Recommendations. The ILO also maintains a database of national labour, social security and related human rights legislation. Known as **NATLEX**, it covers 55,000 records from 170 countries and territories. The comparative knowledge arising from national legislation can provide a mine of information to member states intending to review their own labour laws.

Beyond providing publications and information resources, the ILO offers advisory services in the field of labour law. In Asia and the Pacific, the ILO has provided advice and technical assistance to labour law reform efforts in a number of countries across the region. For example, in Indonesia, the ILO assisted in the reform of laws relating to trade unions, manpower and dispute settlement. In China, the ILO was asked to review and comment on the draft Labour Contracts Act. And in Fiji, ILO advice was sought as that country was drafting a new Employment and Labour Relations Act.

*The ILO provides **labour law assistance** in different forms, including the following:*

- expertise for assessing the labour law framework in a given country;
- advice on the revision of labour law;
- the drafting of laws or regulations;
- technical comments on draft labour legislation, including comments in the light of ILO standards and proposals for alternative wording;
- assessment of the existing law enforcement machinery and procedures, including recommendations for improvements;
- technical information on a wide variety of labour law subjects;
- participation in national discussion fora, including parliamentary committees, on the assessment and revision of labour law;
- training of national officials - support for the development of national competency.

As governments, employers' and workers' organizations across Asia and the Pacific tackle the challenge of improving labour market governance and engaging in successful labour market reform, the ILO can assist by facilitating connections and networks across the region.

The importance of access to accurate and timely statistics in addressing issues of labour market reform cannot be overemphasized. Statistics on trade union density, coverage of establishment and workers by collective bargaining agreements, strikes and lockouts and workdays lost, wage trends and many other significant labour market indicators can assist the governments, employers and workers in thinking about labour market governance and undertaking reform initiatives.



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Such exchanges and networks have already proven useful for the partners involved. For example, in 2007, the ILO Vietnam Industrial Relations Project facilitated a study tour of Cambodian government, employer and union representatives, with a view to sharing experiences on workplace cooperation and collective bargaining.

IR Net Project: *The IR Net project currently funded by the Government of Japan has drawn up industrial relations profiles of selected East Asian countries (10 ASEAN countries plus China, Japan and the Republic of Korea), as well as regional synthesis documents. The web-based IR Net provides comprehensive and authoritative information and analysis of essential aspects of industrial relations, including collective bargaining, dispute settlement and social dialogue systems in the participating countries. It is expected that the IR Net project will contribute to the evolution of a regional knowledge network of academics and practitioners working in the industrial relations field, with a view to providing useful insights and experiences to assist in the possible replication of best practices and successful projects across the region.*

However, many economies in Asia and the Pacific have weak labour market information systems, with the result that labour market information and analysis may not be easily available to policy-makers, the social partners, and the public in general. Many of these countries, however, do produce information through household and establishment surveys, population censuses and administrative records, so that one of the main problems remains the communication of such information and analysis to the national audience and global community.

WHAT IS NEEDED

Assistance sought relates to:

More comprehensive review of labour law through enterprise survey

Promoting business environment reform incl. the labour law resource tools

Increasing Effectiveness of Labour Administration and its Services

Development of wage policy including relations between democratic union governance and wage negotiation

For more information, please visit:
<http://www.ilo.org/asia>

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