

SAARC HUMAN RESOURCE DEVELOPMENT CENTRE (SHRDC)

Training course on Labour and Employment

(CONCEPT PAPER)

A) Introduction

South Asia is one of the fastest growing regions of the world hugely populated with 1.4 billion people. This number represents 22 percent of the world's population out of which 60 percent are in the working age group¹. Since there is a domination of youth in the current age structure of the population, the working age population growth rate will be higher than overall population growth rate even in future. Thus, the addition to growth of labour force may not decline noticeably though the population growth rate is projected to come down. Labour market in South Asia is characterized by common unemployment and underemployment, especially among youth and the educated, working poor who do not get adequate wages to get out of poverty, working children, and women who face discrimination across the labour market. Discrimination against women is reflected in a number of labour markets indicators. They do not get sufficient recognition for their contribution to the economy and society.

The labour force participation rate² of South Asia has been historically lower than those of Sub Saharan Africa, East Asia and the Pacific. It has declined from 76.6 percent in 1980 to 73.6 percent in 2001. Global recession observed in late 1990s adversely affected the unemployment rates in South Asia as well. Open unemployment in South

¹ Working age group refers to people fall in between 15-64 years

² Labour force participation rate is defined as the sum of the employed and unemployed as a ratio of working age population.

Asia rose from 2.9 in 1995 to 3.5 in 2001. In case of Pakistan, the unemployment rate for the year 2000 was 7.8 percent. The unemployment rate in Sri Lanka was higher at 8.2 percent. It was 7.3 percent in India, 3.3 percent in Bangladesh, 1.1 percent in Nepal and in Bhutan, and 2 percent in Maldives. We can draw conclusion that unemployment rate for South Asia is not very high in comparison to other regions of the world. However, it does not reflect the true labour market conditions. Non-existence of employment agencies to identify the unemployed, the pervasive nature of household enterprise system, and minor involvement in other non-productive activities have also contributed to show a less number of unemployed in South Asia. In addition, the problem of underemployment is severe in the region. In this context, the underemployment and non-productive use of labour become the real employment issues for the region.

There is a high degree of underemployment in the region. Due to a large population base, a primary- activity based economy, and an education system geared towards providing formal employment, the South Asian labour markets have been associated with a high incidence of unemployment and underemployment among the youth, women and the educated. The underlying reasons include the diminishing role of the public sector in employment generation, a mismatch between the education offered and the opportunities available, and the lack of marketable skills and training. Using time criteria, those working less than 35 hours per week in case of Pakistan and 40 in case of Sri Lanka, for instance around 15-20 percent of the employed are recorded to be underemployed. In India too, those working less than 40 hours a week account for 34 percent of the employed, while the corresponding number for Nepal was 47 percent in 1996. The incidence of underemployment appears to be higher among women and youth.

Poverty is also a part and parcel of labour and employment related issues in South Asia. A recent report suggests that a substantial proportion of the employed can be characterized as working poor³. According to one estimate, currently 223 million people in South Asia, accounting for 47 percent of the total employed in the informal sector, are in the category of working poor. This high proportion of the employed, who failed to earn

³ An employed person living in a poor household is defined as working poor.

enough to get out of poverty, is the reflection of the low as well as stagnating and declining levels of wages and incomes provided by the labour market.

Child labour is another pressing issue in this regard. A substantial number of children between the ages of 10-14 years participate in the labour force, despite the commitment made by the governments in the region to eliminate child labour. According to the World Development Indicators 2002, 41 percent of the children of this age group in Nepal were reported to be in the labour force; Bangladesh followed with 27 percent. In Sri Lanka it was reported to be only 2 percent.

Another worrying factor is that the growth rate of labour force has remained higher than growth of employment and GDP in South Asia. The rates of growth of employment in Bangladesh, India and Pakistan have failed to keep pace with the growth rates of labour force and GDP. Sri Lanka's employment growth rate has failed to match its GDP growth.

Despite the fact that South Asia is very rich in labour force, various economic and social problems have constrained its optimum utilization. The problem is not only with the patterns of economic growth that have constrained employment generation, but also the social attitudes against women, widely prevalent child labour, skewed land distribution system in favor of rich, education and training not matching with the demand of labour market and poor economic and political governance that have acted as disincentives to savings, investment and work. The development strategies followed in the region so far have not been successful in extending the benefits of growth to the majority of population. This has led a negative impact of increasing poverty and income inequality.

Article 23 of the Universal Declaration of Human Rights states that, "everyone has the right to free choice of employment, to just and favorable conditions for work, and to protection against unemployment". Therefore, there should be serious commitment to employment generation and human development in each member state of the SAARC

Region without which economic growth is neither sustainable nor deliverable in a socially just manner. In order to produce critical mass of qualified workforce to compete in the global market, the countries need to go beyond primary education to stress on better availability of secondary education and technical training, as well as strengthen the quality of education being currently offered, particularly by the public sector institutions.

Considering the facts, figures and issues mentioned in the area of labour and employment, the SAARC Human Resource Development Centre (SHRDC) is organizing a training course on “Labour and Employment” in October, 2004 so as to stimulate effective debate and action related to labour and employment problems in the region.

B) Objectives

The main objective of the training programme is to enhance the capacity of the government, semi-government and non-government functionaries to understand the inter-linkages between labour, employment, gender and poverty, and to develop, implement and assess employment policies and Programmes. The specific objectives are to:

- ❖ Integrate the labour and employment perspective into national and regional policy agenda on poverty reduction.
- ❖ Stimulate effective debate and action at the national and regional level.
- ❖ Help participants to develop and enhance their cognitive capacity and skills to critically analyze labour market trends, socio economic relations and institutions of employment, and human resource development strategies.

C) Approach

The training course is interdisciplinary in approach and includes sessions emphasizing the labour, employment and poverty nexus. Globalization and Macro economic policies and their implication on employment at regional and national level, Gender disparity in the labour market, issues of child labour and bonded labour, rights of

workers are the areas which will be discussed in order to impart the knowledge of the latest issues on labour and employment to the participants.

D) Methodology

The learning methods used in the course will acknowledge the participants' level of competence and experience, taking into account the proposition that they already have practical experience in the field of labour and employment. Basically, methodology includes lectures by resource persons followed by discussions, case studies, country report presentation, field visits, group works and experience sharing.

E) Expected Outcome

At the end of the training programme, the participants will be able to:

- ❖ Acquire knowledge on the dynamics of labour and employment
- ❖ Acquire an analytical and policy-building skill on specific employment-related issues, such as trends of labour market and employment, skill development ,job creation , enterprise development, and social (micro) finance
- ❖ Identify and address specific problems related to youth and women employment
- ❖ Formulate and implement policies, action plans and Programmes of intervention in employment generation, knowledge and skill upgrading, and human resource management in the public and private sector.

F) Participants

This training course is primarily designed for the mid level functionaries, trainers / professionals from the Government, Semi Government organisations, working under the Ministries of Labour, Employment, Manpower, and Planning & Development and other related organisations, and NGOs of SAARC Member States dealing with trade union

movements, child labour and gender. The participants must be responsible for dealing with the labour and employment related activities/programmes/, policy making on employment issues and fully involved in planning and delivering training/ educational programmes in the area of employment policies. There will be 25 participants in total, 3 from Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka and 7 from Pakistan (being the host country). The nominating / sending member Government state shall have to bear the two way air ticket of the participants, while SHRDC will provide local hospitality boarding and lodging and a daily pocket allowance.

G) Course Prerequisites

Each participant is required to prepare and submit in advance a “Country Report”. The report should cover at least the following issues:

- ❖ Major national issues/ trends/problems/challenges related to employment with special attention to informal economy, youth, women, child and migrant workers.
- ❖ Level of ratification of ILO conventions on employment policies and reasons given by the Government for non-ratification.
- ❖ Current national policies/programmes/legislations related to employment and poverty eradications.
- ❖ Trade union movement, union’s activities/actions for promotion of employment and poverty eradication.
- ❖ Problems related to labour and employment
- ❖ Policy prescription to overcome the problems mentioned above.
- ❖ Implementation mechanism (Action Matrix) of the policies prescribed.

H) Date and Duration

Duration of the training program will be two weeks. It will start on 27 September and end on 10 October 2004.

H) Venue

SAARC Human Resource Development Centre, Chak Shehzad, Islamabad,
Pakistan

I) Modules

There will be altogether six modules which are described below at length.

MODULE - I

TRENDS, ISSUES AND APPROACHES: AN OVERVIEW

The module will give an overview of trends on labour and employment in South Asia and will try to develop linkages between labour, employment and poverty. Important issues related to labour and employment will also be discussed in this module.

Contents:

- ❖ Current labour and employment situations and trends in South Asia
- ❖ Major factors and problems affecting the employment trends
- ❖ Youth and women employment: issues and current situations
- ❖ Characteristics of South Asian labour market

MODULE - II

ECONOMIC GROWTH AND EMPLOYMENT IN SOUTH ASIA

It deals with the relationship between economic growth and employment in South Asia. Some conceptual issues in terms of the interaction between employment and growth, effects of macro economic policies, trade liberalization and technological choices on employment will be other areas for discussion in this module.

Contents:

- ❖ Growth, Employment and poverty in South Asia
- ❖ Economic policies and their implications on employment
- ❖ Trade liberalization, technology choice and employment
- ❖ Globalization and its impact on labour and employment

MODULE - III

GENDER, POVERTY AND EMPLOYMENT

The module will highlight issues of discrimination women face in the wage labour markets. Besides, it will review strategies for enhancing women's access to paid jobs, including special employment-generation schemes in order to alleviate poverty among women. Gender sensitive wage employment promotion strategy and tackling the gender gap in the labour market are some other areas to discuss under this module.

Contents:

- ❖ Women in agriculture, formal and informal sector
- ❖ Discrimination of women in labour market and wage labour
- ❖ Women's labour force participation
- ❖ Gender sensitive wage employment promotion strategy
- ❖ Tackling the gender gap in the labour market
- ❖ Gender, Employment and poverty nexus
- ❖ Issues of child labour

MODULE – IV

ANALYSIS AND FORMULATION OF EMPLOYMENT POLICIES AND STRATEGIES

A major activity to overcome the worldwide problems of unemployment, underemployment and poverty is to develop a strategic policy framework, which articulates employment as a central issue in national and international policy-making. This module, therefore, will discuss the major issues related to employment policies and strategies. Besides, it will analyze the role of human resources in employment in the context of globalization and industrialization.

Contents:

- ❖ Macro economic policies that promote employment and decent work
- ❖ SAARC, SAFTA and their role/ impact on employment
- ❖ Role and policies of international organizations on employment creation and poverty eradication with special focus on PRSP
- ❖ Unprotected workers and informal employment
- ❖ Improving the level of participation and involvement of workers' organizations in the formulation of labour and employment policies
- ❖ Employment promotion policies for women, youth and self employed
- ❖ Analyze inequalities experienced by the poor and women with regard to access to education and training
- ❖ Training schemes, formal and non-formal education to the poor.
- ❖ Financial Resources for the Poor: Focus on Credit
- ❖ Developing entrepreneurship as a way to promote employment
- ❖ Role of technical and vocational education in employment generation

MODULE – V

MARKET FAILURE AND THE ROLE OF THE GOVERNMENT AND UNIONS IN THE LABOUR MARKET

This module will analyze the nature of the various causes of labour market failure and explain the consequences for wage rates, labour supply and demand and levels of employment. It will also deal with the causes of government intervention in the labour market

Contents:

- ❖ causes and consequences of labour market failure and government intervention
- ❖ The changing nature and role of the trade union movement
- ❖ The changing nature of the role of the government
- ❖ Labour union movement in South Asia
- ❖ Trade union policies
- ❖ The role of trade union in the informal economy and employment generation

MODULE – VI

RIGHTS OF WORKERS IN SOUTH ASIA

This module will assess the rights of South Asian workers compared to international as well as national standards and practices.

Contents:

- ❖ ILO instruments for International Labour Law (Conventions and recommendations)
- ❖ ILO Declaration on Fundamental Principles and Rights at Work, and its follow-Up (Rights of Association and Collective Bargaining, Elimination of Forced Labour, Elimination of Discrimination in Employment or Occupation, Elimination of Child Labour)
- ❖ ILO Core Labour Standards
- ❖ Enforcement of Laws and Conventions in South Asia

*Source:- Human Development in South Asia 2003- The Employment Challenge
Mahbub ul Haq Human Development Centre, Islamabad, Pakistan
-Various Websites.*