International Labour Organization

Labour and Social Trends in Asia and the Pacific 2006

Progress towards Decent Work

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International Labour Office
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Foreword

This is the second issue of the *Labour and Social Trends in Asia and the Pacific: Progress towards Decent Work*, a report published every second year. The report has two main aims, the first of which is to present major trends in employment and social conditions in the world's most populous and dynamic region, while also drawing attention to key policy challenges posed by the identified trends.

The second aim of the report is to contribute to the development of internationally comparable, gender-sensitive indicators to measure progress in decent work. Decent work is a goal, meaning not just whether women and men have any job, but productive employment that provides: an adequate income to keep them and their families out of poverty, security in times of adversity, good working conditions and a voice in decisions that affect their lives and livelihoods. To identify decent work gaps, and measure progress made in the different dimensions of decent work – many of which are of a fundamentally qualitative nature – it is crucial to have relevant and up-to-date information.

The report uses data from the ILO and other sources. The data problems encountered are several: missing data for countries and years, lack of comparability across countries and over time, questionable data values, data from different sources showing substantially different patterns and, fundamentally, that data do not exist that adequately address the underlying concept one wants to know about. The present report highlights information gaps and suggests improvements in data collection. This is part of an ILO initiative to establish a regional Decent Work Indicator database and provide technical advice and support to countries to develop national data compilation capacity (see Annex I).

This second issue of the report provides an overview of recent subregional trends in the labour market, followed by new thematic chapters on key employment and social developments and an updated and expanded statistical annex. The present report also has a special purpose. It is intended to provide background data for the Fourteenth Asian Regional Meeting (ARM), which is taking place in Busan, Republic of Korea from 29 August to 1 September 2006. Every four years, the ILO's ARM brings together the political, economic and social actors from countries of the region. The 14th ARM will highlight the role of productive employment in people-centred development. The general discussion will focus on the labour market and employment effects of globalization in the Asian Region, regional integration and cooperation as a means of dealing with these effects, key policy issues in making decent work an Asian goal, and the role of the ILO in assisting individual countries to find their own solutions.

The report is the result of strong collaboration between the ILO Regional, Subregional and Country Offices in Asia and the Pacific and various ILO units at Headquarters in Geneva, including the Bureau of Statistics. Special acknowledgement and thanks go to the Employment Trends Team of the Economic and Labour Market Analysis Department (Geneva); they provided access to the latest ILO data and their comments and suggestions have greatly helped the preparation of the report. Background papers used in the reports were prepared by Manolo Abella on migration and by Russell Lansbury, Richard Hall, Jacob Saulwick and Nick Wailes on labour market governance.

The report was produced by the Economic and Social Analysis Unit of the ILO Regional Office for Asia and the Pacific, with Gyorgy Sziraczki having the primary responsibility for the report. Valuable inputs were provided by many colleagues: Urmila Sarkar, Kenta Goto, Chang-Hee Lee and Charles Bodwell contributed to different sections; and Somsward Punkrasin provided research and secretarial support. Special mention should be given to Steven Kapsos who, in addition to preparing Chapter 3 and extensively contributing to other parts of the report, was also responsible for the statistical annex, and to Lin Lean Lim, Deputy Regional Director, who coordinated the work related to the report and provided key technical contributions.

I believe this report will be useful to people interested in labour and social issues, and helpful to all in pursuit of decent work in the region.

Gek-Boo Ng
Regional Director, a.i.
Regional Office for Asia and the Pacific

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1 Overview

Asia and the Pacific most economically dynamic region in the world

Recent economic growth in Asia and the Pacific, which is home to more than four billion people, has been by far the most rapid in the world. In recent years, the region has grown at a rate over twice the world average and is projected to continue outpacing the rest of the world in the near term. Productivity growth has also been exceptionally rapid, with Asia and the Pacific raising the total global labour productivity growth rate by over 60 per cent since 1995.

The dynamism of the region has been manifested not only by its rate of economic and productivity growth but also by its rapid and competitive integration into global markets for goods, services and investment. Asia has had exceptional export performance compared to other regions of the world. Intra-Asian trade has been growing much faster than trade with the rest of the world. Many Asian countries are now trading more between themselves than with other non-Asian markets – reflecting both the rising importance of Asian consumers and the growing involvement of Asian countries in different stages of global production systems. The region houses major global production systems operated by multinational enterprises. The two main engines behind the rise of Asia are China and India. They have emerged as global economic powerhouses, shifting the growth pole from the West to the East.

Great diversity and imbalances within the region

There is great diversity within Asia and the Pacific – from the developed, industrialized economies (Japan, Australia and New Zealand) to the previous "Asian miracle economies" (the "tigers" – Hong Kong (China), the Republic of Korea, Singapore and Taiwan (China); and the "tiger cubs" – Indonesia, Malaysia, the Philippines and Thailand) to the least developed countries (Afghanistan, Bangladesh, Cambodia, Kiribati, Lao People's Democratic Republic, Myanmar, Nepal, Papua New Guinea, Samoa, the Solomon Islands, the Democratic Republic of Timor-Leste and Vanuatu). Several countries have remained mired in social conflicts, with the path to economic and social development as well as democracy hampered by the lack of decent and productive employment opportunities for the population.

Total number of unemployed has been climbing

Despite strong economic growth in Asia and the Pacific, recent trends show the labour market situation largely unchanged in 2005. Unemployment rose by 1.4 million, or 1.7 per cent from 2004, reaching 82.2 million in 2005 (Table 1.1), according to ILO estimates.[1] The region's unemployment rate remained unchanged at 4.6 per cent (where it has been since 2003), however it is up considerably from a decade earlier, when it stood at 4.0 per cent. The unemployment rate was up slightly in East Asia (from 3.7 per cent in 2004 to 3.8 per cent in 2005), down slightly in South-East Asia and the

[1] ILO, Global Employment Trends Model, 2005, (Geneva, ILO).

Table 1.1: Unemployment, employment and labour force in Asia and the Pacific, 2000, 2004-2005 (millions)

	2000	2004	2005
Unemployment	74.1	80.8	82.2
Employment	1 591.6	1 690.1	1 714.0
Labour force	1 665.7	1 770.9	1 796.2

Source: ILO, Global Employment Trends Model, 2005, (Geneva, ILO).

Pacific (from 6.2 per cent in 2004 to 6.1 per cent in 2005) and unchanged in South Asia (at 5.0 per cent). Following the recent acceleration of growth in Japan, unemployment rates in the developed (industrialized) economies declined in 2005 (from 4.8 per cent in 2004 to 4.4 per cent).

Table 1.2: Labour market indicators in Asia and the Pacific, 2000, 2004-2005

	Unemployment rate (%)		Employment growth rate (%)	GDP growth rate (%)			Labour force participation rate (%)		Annual labour force growth rate (%)
	2004	2005	2005	2004	2005	2006p	2000	2005	2000-2005
East Asia	3.7	3.8	0.7	8.7	8.0	7.5	76.9	74.9	1.0
South-East Asia and the Pacific	6.2	6.1	1.9	6.1	5.1	5.4	70.1	70.6	2.2
South Asia	5.0	5.0	2.3	6.9	6.9	6.2	59.9	59.6	2.3
Developed (Industrialized) Economies*	4.8	4.4	0.4	2.8	2.0	2.1	62.6	61.1	0.0
Developing Asia Total	4.6	4.6	1.5	7.8	7.3	6.9	69.0	68.0	1.6
Asia and Pacific Total	4.6	4.6	1.4	6.7	6.2	5.9	68.7	67.6	1.6

Notes: 2005 data are preliminary estimates, ["p" denotes projection].
* This country grouping includes Australia, Japan and New Zealand.

Sources: ILO, Global Employment Trends Model, 2005; IMF, World Economic Outlook Database, September 2005.

Youth hardest hit by rising unemployment

Young women and men aged 15-24 years bore the brunt of rising unemployment. While young people made up 20.5 per cent of Asia's labour force in 2005, unemployed youth constituted 47.7 per cent – almost half – of the region's total jobless population. The youth unemployment rate stood at 7.8 per cent in East Asia, 11.3 per cent in South Asia and a staggering 16.9 per cent in South-East Asia, including the Pacific island states. Except in Singapore where the ratio of youth to adult unemployment rates was only 1.5, other countries for which data are available show youth unemployment at least twice as high as adult unemployment. In India, the Republic of Korea, the Philippines and Viet Nam, youth unemployment rates are over three times as high as adult unemployment rates, while in Bangladesh, Thailand and Sri Lanka, they are over four times as high. Among young people, women have higher unemployment rates than men in South-East Asia and South Asia.

The ILO has estimated that halving youth unemployment would increase GDP by between 1.5 and 2.5 per cent in East Asia, between 4.6 and 7.4 per cent in South-East Asia and between 4.2 and 6.7 per cent in South Asia.

Underemployment is still widespread

Open unemployment is but the tip of the iceberg. The more serious problems are underemployment and the poor conditions of work of those who are employed, especially in the informal economy. Millions find themselves working long hours, without protection against hazards, on short-term or informal contracts, with low pay and little or no social protection. According to recent estimates, informal employment in

developing Asia comprises about 65 per cent of non-agricultural employment. In addition, millions have to make a living with their raw labour in subsistence agriculture.

Employment growth has not matched economic growth

Employment in Asia and the Pacific increased from 1.690 billion in 2004 to 1.714 billion in 2005, an increase of 1.4 per cent or 24 million additional jobs. However, in relation to the strong economic growth rate of about 6.2 per cent, the growth of employment remained disappointing. Employment as a share of the working-age population declined slightly to 64.4 per cent, from at 64.6 per cent in 2004.

The challenge of job creation is huge. At approximately 1.8 billion, Asia's labour force is enormous and growing – by an estimated 240 million or 13.4 per cent over the next ten years. The most rapid increases in labour force will be in countries with the highest numbers of working poor and the largest informal economies, such as Afghanistan, Bangladesh, Lao People's Democratic Republic, Nepal, Pakistan, Papua New Guinea, the Philippines, the Democratic Republic of Timor-Leste and some Pacific island states. Unless economic growth becomes more employment-intensive (or there is a significant and sustainable increase in growth) the prospects of denting into the number of unemployed and underemployed and absorbing the millions of new jobseekers throughout Asia-Pacific are bleak.

In parts of developing Asia, however, the rates of the labour force growth are slowing down due to demographic trends. These countries include China, Hong Kong (China), the Republic of Korea, Singapore, Sri Lanka and Thailand. They face emerging labour shortages and other social and economic consequences of their gradually ageing workforce.

Progress in reducing gender equality

A number of indicators show progress over the past 15 years – but there is still a long way to go to close the decent work gaps. Data indicate that gender gaps in literacy rates, labour force participation, unemployment rates and wage levels have been reduced in several countries. Significantly, female labour force participation rates have been increasing fastest in those countries with the largest gender gaps in participation – so that there seems to be some move towards equality. In a few countries, namely the more industrialized ones, the gap between male and female manufacturing wages has narrowed slightly. But overall, women workers still remain disadvantaged and discriminated against.

Wage growth lags behind large productivity gains

Since 1995, total output per worker in Asia and the Pacific has grown by over 40 per cent – almost three times higher than productivity growth in the rest of the world. While real manufacturing wages have been on the rise throughout much of Asia, they have not risen by as much as labour productivity. In some countries, wages have been kept from rising rapidly by the vast number of excess workers in the agricultural sector. In China, for example, labour productivity in manufacturing rose by 170 per cent between 1990 and 1999, while real wages rose by slightly less than 80 per cent. Manufacturing wages in Sri Lanka grew only marginally between 1990 and 2002. Pakistan and India actually experienced a decline in real manufacturing wages since 1990 – a drop of 8.5 per cent in the former between 1990 and 2002 and of 22 per cent in the latter between 1990 and 2001. Paradoxically, India's decline in real manufacturing wages occurred despite an increase in manufacturing labour productivity of over 84 per cent over the same period. This provides an indication of deterioration in the incomes and livelihoods of workers despite the increasing efficiency of their labour.

Similarly, large productivity gains have also failed to translate into substantially shorter working hours. Although working time in Asia-Pacific has recently started to decline, workers in developing Asia still work considerably longer hours than most of their counterparts in the rest of the world.[2] The top six economies in the world in terms of annual hours worked are all Asian. The long working time is also reflected in the large share of people working 50 hours or more a week.[3]

If Asian economies are to foster sustainable growth, they must work to ensure that economic growth is balanced between productivity and employment growth and that gains from productivity accrue not only to firms' profits but also to workers' earnings and living standards. The pursuit of competitiveness and growth are far less likely to bear fruit in the long-run if the benefits of globalization are not equitably shared by the workforce, employers and the wider population. By placing the goal of decent and productive employment creation at the heart of social and macroeconomic policies, economies in Asia-Pacific can promote continued improvements in competitiveness together with sustainable economic development and poverty reduction.

Rising mobility of workers

From South Asia to the Pacific island states, cross-border movements of labour have become an important feature of development. Growth in migration has been rising over two times faster on average than the growth of the labour force of the origin countries. In recent years, 2.6 to 2.9 million workers in Asia have left their homes each year to work abroad. Over 50 per cent of the migrants come from South Asia (primarily from India, Bangladesh, Pakistan and Sri Lanka), and the rest mainly originate from South-East Asia and the Pacific (Indonesia and the Philippines).

Asia itself absorbs an increasing proportion, an estimated 40 per cent, of the migrants. Each year, over one million new migrants are leaving for Japan, Taiwan (China), the Republic of Korea, Hong Kong (China), Singapore and Malaysia. This is a major change compared with the late 1970s and the 1980s when more than 90 per cent of the migrants found jobs outside the region. The increasingly intra-regional migration reflects both demographic trends and the increasing integration of the economies of Asia-Pacific.

The growing mobility of labour across borders has benefited sending and receiving countries as well as the migrants themselves. But migration also involves costs such as brain-drain and the risk of dependency. In addition, protecting the basic rights of migrant workers and ensuring fair conditions of employment in receiving countries are major concerns. The huge and growing numbers of irregular migrants signal the immense problem of managing migration in a positive and protective way that maximizes benefits to all, as migrants in irregular and informal work arrangements are very vulnerable to exploitation and abuse.

Massive reduction in poverty but the problem of working poor remains serious

Many countries in Asia and the Pacific have made huge strides in reducing poverty, most remarkably in East and South-East Asia. Yet the region is still home to hundreds of millions of working poor. In 2005, of the over 1.71 billion workers in Asia and the Pacific, over 1 billion still did not earn enough to lift themselves and their families above the US$2 a day poverty line. Among these working poor, 336 million lived with their families in extreme poverty on less than US$1 a day. Even though this is less than 15 years ago, it still means that more than every fifth worker in Asia and the

[2] See, ILO, Labour and Social Trends in Asia and the Pacific 2005, Bangkok, pp. 23-24.

[3] See Table III.2.3 in the Statistical Annex.

Pacific has to face the difficult situation of surviving with less than US$1 a day for each family member.

In 2005, the proportion of employed persons living in a household whose members are estimated to be below the US$1 a day poverty line was 11.4 per cent in South-East Asia, 13.4 per cent in East Asia and 34.2 per cent in South Asia. Taking the US$2 a day poverty line, the proportion of the working poor rises to 47 per cent in East Asia, 58 per cent in South-East Asia and the Pacific, and a shocking 84 per cent in South Asia. If people working in poverty were able to be more productive and earn more, then poverty would decline. This is why access to decent and productive employment is essential as a sustainable route out of poverty.

Uneven decline in child labour across the region

Between 2000 and 2004, the number of child workers aged 5-14 years declined by 5 million in Asia and the Pacific. But the region still has some 122.3 million working children – about 64 per cent of child workers worldwide. At too young an age, many of these children work long hours, in hazardous conditions and in unhealthy environments. The worst forms of child labour found in this region include slavery, trafficking into exploitative situations, debt bondage and other forms of forced labour, forced recruitment into armed conflict, prostitution and pornography, and other illicit activities. Working at an early age poses not only health hazards but it also exacerbates the large problems faced by youth in the job market. Child labour prevents children from acquiring the education and skills needed to compete in the labour market as young adults at later stages in their lives.

While in every country in the region the proportion of children aged 10 to 14 in the labour force is smaller today than 10 or 15 years ago, the decline has been uneven across the region. Child labour has been virtually eliminated in China, Malaysia, Thailand and Viet Nam, but it remains prevalent in other countries. In Nepal, nearly 40 per cent of the children aged 10 to 14 are still in the labour force and in the Democratic Republic of Timor-Leste nearly 35 per cent are working. In several other countries – Afghanistan, Bangladesh, Cambodia, Lao People's Democratic Republic, Myanmar and the Solomon Islands – more than 20 per cent of children aged 10 to 14 are in the labour force.

Poverty is both a cause and consequence of child labour and improved access to quality education is crucial to breaking this vicious cycle. Social attitudes, inadequate legislation, weak labour market, inadequate health and social policies and the overall macroeconomic environment also contribute to the prevalence of child labour. Political volatility and conflict as well as natural disasters have increased the vulnerability of children to being forced to work for their survival.

Labour market reforms in the focus

In many countries, there is a trend towards strengthening national laws in line with the fundamental principles and rights at work, particularly concerning the fight against discrimination at work, child labour and forced labour. Countries have also been trying to find a balance between the needs for increased flexibility in employment arrangements and enhanced protection for workers. However, the situation in the field of freedom of association is worrying. Recent events in some countries reflect serious threats to freedom of association and freedom of expression and the absence of a climate in which people may exercise their basic rights without intimidation or fear. Some countries have changed their labour laws in favour of economic and trade objectives, while overlooking the potential impact on workers. In an increasingly open and interdependent world, countries need to carefully balance economic and development

objectives with decent work goals. Success in this regard is critical to the longer term viability of their labour markets and social fabric.

Representation gap is growing

Regardless of the workplace and the country, unions are facing the same sort of challenges relating to globalization, restructuring, privatization and informalization. Traditional forms of action are losing their effectiveness, past gains have been renegotiated, and it is increasingly difficult for workers to make their voices heard. The level of unionization (union membership as a percentage of the labour force) in Asia and the Pacific is low and declining (only between 3 and 8 per cent in countries such as Bangladesh, Thailand, Malaysia and the Republic of Korea; the highest is about 16 to 19 per cent in New Zealand, Australia and Singapore). Low and declining union density rates in the region are reflected in limited and diminishing collective bargaining coverage. Employers' organizations have also been experiencing formidable challenges including the increasing diversity of companies and the growing presence of multinational firms, which are often outside of their membership.

Structure of the report

The remainder of this report examines these complex, often interrelated issues in detail. Chapter 2 provides an overview of labour market trends in each of the four Asian subregions (East Asia, South-East Asia and the Pacific, South Asia and the developed (industrialized) economies). The chapter also provides an employment outlook for each of the subregions. Chapter 3 examines sources of Asia's competitiveness in the global economy, focusing on the region's tremendous labour productivity growth, its low-cost structure and historically favourable exchange rate regimes. Chapter 4 takes a look at the difficulties faced by millions of youth in labour markets in Asia, who face rising unemployment rates and often fewer decent job prospects. More migrant workers originate from Asia and the Pacific than any other region in the world. Chapter 5 provides a closer look at the growing phenomenon of labour migration in Asia-Pacific, with an eye on the benefits and large challenges of migration for sending and receiving countries and for migrant workers themselves. Since poverty is directly linked to employment, Chapter 6 focuses on trends in poverty and the working poor throughout Asia and the Pacific. The chapter also discusses the problem of child labour in the region, as child labour is directly linked with poverty. Finally, Chapter 7 examines the complex issue of labour market governance and reforms in Asia and the Pacific. The chapter provides an analysis of trends in unionization, collective bargaining and industrial action.

2

Subregional trends in the labour market

The subregional data presented in this chapter[1] refer to the following country groupings:

East Asia	China, Democratic People's Republic of Korea, Hong Kong (China), Macau (China), Mongolia, Republic of Korea and Taiwan (China)
South-East Asia and the Pacific	Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Papua New Guinea, Philippines, Singapore, Solomon Islands, Thailand, Democratic Republic of Timor-Leste and Viet Nam
South Asia	Afghanistan, Bangladesh, Bhutan, India, Islamic Republic of Iran, Maldives, Nepal, Pakistan, and Sri Lanka
Developed (Industrialized) Economies	Australia, Japan and New Zealand

2.1 East Asia

Recent trends

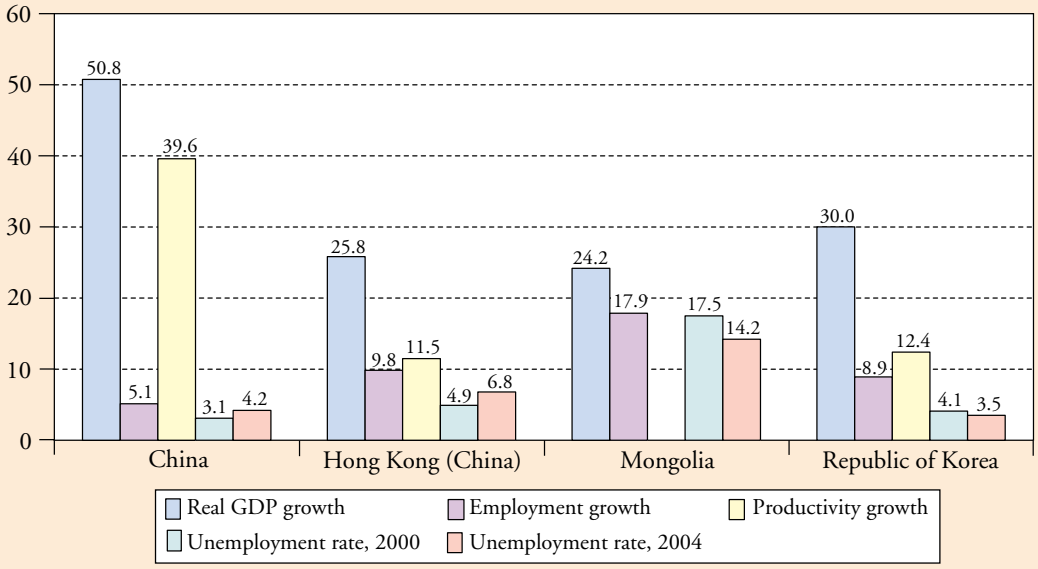
East Asia is the world's most populous region, with China accounting for 93 per cent of its total population. The subregion is also experiencing the fastest economic growth, with an average annual GDP growth rate of more than 8 per cent in recent years. This process is driven mainly by China, the largest economy in the subregion, but the smaller economies have also been performing well. Output per person employed in East Asia – one measure of labour productivity – grew at an annual rate of 6.5 per cent between 1995 and 2005.[2]

[1] The main data source for this chapter is the ILO, Key Indicators of the Labour Market (Fourth Edition, Geneva, ILO, 2005). Data on economic (GDP) growth comes from the International Monetary Fund, World Economic Outlook 2005 Database. While this chapter draws on the ILO, Global Employment Trends Brief (ILO, Geneva, 2005), it presents the most recent data, identifying some new trends and highlighting the diversity in employment performance not only across the subregions but also within each subregion in Asia and the Pacific.

[2] See ILO, Global Employment Trends Model, 2005 (Geneva, ILO, 2005).

However, the strong economic performance in the subregion has not been matched by equally strong job creation. The difference between China, the Republic of Korea and Mongolia is striking. With over 50 per cent GDP growth China created only around 5 per cent additional jobs from 2000 to 2004 (Figure 2.1). The low labour absorption in China reflects in part a long-term structural change from employment-intensive growth towards capital-intensive growth, especially in industry. The country's labour productivity surged by nearly 40 per cent, which has contributed to rapidly rising living standards and declining poverty rates. Yet, the growing number and share of unemployed in the country underscores the need for greater efforts toward achieving the goal of decent and productive job creation. Expanding access to decent work will go a long way towards spreading the benefits of the country's tremendous growth across the country's massive population.

Figure 2.1: Growth in GDP, employment and labour productivity, 2000-2004 and unemployment rates in 2000 and 2004, selected economies in East Asia (%)



Sources: IMF, World Economic Outlook Database, 2005; ILO, Key Indicators of the Labour Market Database, 4th Edition; the Conference Board and Groningen Growth and Development Centre, Total Economy Database, January 2006.

The Republic of Korea saw a lower rate of GDP growth but a much higher rate of employment growth. The country's unemployment rate declined from 4.1 to 3.5 per cent between 2000 and 2004, while labour productivity grew by a respectable 12.4 per cent. Mongolia, with an even lower rate of real output growth, had the highest rate of job growth in the subregion of 17.9 per cent between 2000 and 2004. However, at 14.2 per cent, the country's unemployment rate is still the subregion's highest.

GDP in Hong Kong (China) grew by over 25 per cent between 2000 and 2004, and this growth benefited both employment, which expanded by nearly 10 per cent, and labour productivity, which grew by 11.5 per cent. However, the unemployment rate in Hong Kong (China) rose from 4.9 per cent to 6.8 per cent, signalling insufficient job growth. A recent pickup in economic growth and recent declines in the unemployment rate provide a positive indication that job growth is once again occurring hand-in-hand with productivity growth.

Employment and unemployment trends are not only influenced by economic growth, but also by growth in the labour force. The East Asian region has the lowest labour force growth rate in developing Asia, with an average annual growth rate of 1.0 per cent between 2000 and 2005. This low rate stems primarily from a major slowdown in population growth in China and the Republic of Korea, even though the labour force in Mongolia has continued to expand rapidly. In addition, economic activity among young persons (aged 15-24) has declined substantially, due in large part to increasing and prolonged schooling attendance (see Chapter 4).

It is important to note that along with increasing unemployment, labour shortages have recently emerged in China and labour costs are rising. For example, in the southern province of Guangdong, the nation's manufacturing capital, there is an estimated shortfall of about two million workers. Factories there are finding it harder to hire migrant workers for low wages. The latest survey from the Ministry of Labour and Social Security shows that this year, construction, engineering and machine building enterprises in prosperous coastal areas are willing to pay workers at least 1,000 yuan per month. Just three years ago, these enterprises paid only 600 yuan per month. The labour shortage is being felt not only in booming cities along the eastern coast but also in inland cities and some rural areas. The Research Centre of Rural Economy under the Development Research Centre of the State Council estimates that 20 per cent of rural areas no longer have surplus labour. Most migrant workers nonetheless remain poorly paid and lack basic benefits such as public holidays, regular time off and social security insurance.[3]

In the more industrialized Republic of Korea, labour-intensive industries such as clothing, footwear and toys have almost disappeared because wages are high enough in US dollar terms to render the Republic of Korea uncompetitive as a base for labour-intensive, export-oriented manufacturing – especially since the financial crisis of 1997/98. At the same time, capital-intensive and sophisticated engineering exports have grown.

Overall, labour force participation (the proportion of the working-age population that is either working or looking for work) in East Asia is high; the rate is around 75 per cent in China, 68 per cent in Mongolia and 62 per cent in the Republic of Korea. The labour force participation rate has been declining in China and has held relatively constant in the other two countries. Women's labour force participation rates are lower than men's in all three economies, though the gender gap is fairly small and slowly closing.

Employment outlook

Over the next couple of years, the East Asian economies are expected to continue to grow almost as rapidly as they have over the last few years. Risk factors that could affect their economic performance include rising oil prices, tightening financial market conditions and global current account imbalances. Recently, attention has been focused on how to rebalance China's economy away from heavy dependence on exports to growth that is driven more by domestic demand. In part, such a rebalancing would require making domestic demand more self-sustaining by shifting its composition from

[3] "Workforce shortage on horizon", Bangkok Post, Monday, May 29, 2006, p. 9. See also T. Fuller, "Costs rise in China amind labor shortage", International Herald Tribune, Wednesday, April 20, 2005, pp. 1 and 10; T. Fuller, "Shoemaker, its workers and today's global labor", International Herald Tribune, Wednesday, April 20, 2005, p. 13; "The cost of doing business in China", The Economist, 16 April 2005.

investment to consumption.[4] This is a major challenge in the medium term, and it could have far-reaching consequences for the level of households' income and the sectoral composition of employment. Other challenges facing China include poor corporate governance and increasing inequalities between prosperous industrial centres and poorer rural areas.

Labour force growth in East Asia is projected to slow down to 0.6 per cent per annum between 2005 and 2015. The main cause will be slower labour force growth in China (where the labour force is forecast to expand at about half the rate of growth that occured between 1995 and 2005), but it will also decrease in all other economies in the subregion. In China, slow labour force growth combined with rapid economic developments will further diminish the country's previously abundant labour reserves. The total number of new entrants to China's labour force will nevertheless be high, projected at around 43.5 million until 2015 (4.3 million new entrants each year).[5]

The key question is whether this overall positive precondition will translate into improvements in the labour market. China has seen a tremendous slowdown in the number of jobs being created compared to GDP growth in recent years, due to structural changes and labour shedding in state-owned enterprises (which accounted for an estimated 30 million job losses). Given the steady increase in unemployment, job creation needs to be placed at the forefront of the policy debate. Simultaneously, the emerging labour shortages in skilled workers indicate that the challenge is not only the quantity of jobs but increasingly the quality of jobs and the quality of human resources (Box 2.1). Better education and training have become priority issues as the economy is gradually moving up to higher-value production and services.

Box 2.1: The growing importance of quality education in China

While shortages of cheap labour threaten the dominance of China's powerhouse manufacturing industries, the lack of qualified graduates could derail longer-term plans for a transition to producing higher-value goods and services. This talent crunch is now hurting both multinational companies and local firms. Employers complain that many graduates lack the skills and experience necessary to start work immediately, particularly for foreign companies.

A recent McKinsey report, entitled "Addressing China's Looming Talent Shortage", finds that fewer than 10 per cent of Chinese graduates across a range of technical and professional disciplines would be suitable for employment in foreign companies.

Not surprisingly, for a country with huge investments in construction and infrastructure, the report found that China had about 1.6 million young engineers and that plenty more were being trained. About 33 per cent of university students in China studied engineering, compared with 20 per cent in Germany and 4 per cent in India. Compared with their peers in Europe and North-America, however, the report states that most of these Chinese students had little practical experience in working on projects or in teams because the educational system emphasizes theory over practice. These shortcomings meant that only about 160,000 young Chinese engineers would qualify for jobs with multinationals, about the same number as were available in Britain.

(continued on page 11)

[4] IMF, Regional Economic Outlook, Asia and Pacific, May 2006, pp. 44-53, http://www.imf.org.

[5] ILO, Economically Active Population Estimates and Projections (EAPEP) Database, Version 5 (Geneva, 2005).

(continued from page 10)

Poor English and general communication skills were also seen as serious barriers for graduates seeking work in multinationals or joint-venture companies. Paradoxically, the scarcity of human resources in a country of 1.3 billion people could become a serious obstacle to long-term economic development.

The government is taking considerable efforts to improve the education and training system. As part of the current five-year plan, spending on education will double from about 3 per cent of gross domestic product to 6 per cent by 2010, according to reports in economic journals. Over the same period, enrolment in tertiary education is projected to rise from about 13 per cent of the university-entry age group to about 23 per cent. While this will increase the number of fresh graduates, experts warn that it will take more than money to enable universities and colleges to provide knowledge and skills that are relevant to the market. Both the content and method of education need to be brought in line with what companies demand. The challenge for China is to look beyond simply increasing the pool of graduates and to concentrate on quality as well. The raw material is there. But the way talents are developed also requires attention.

Source: D. Lague, "Chinese paradox: A shallow pool of talent", International Herald Tribune, Tuesday, 25 April, 2006.

2.2 South-East Asia and the Pacific

Recent trends

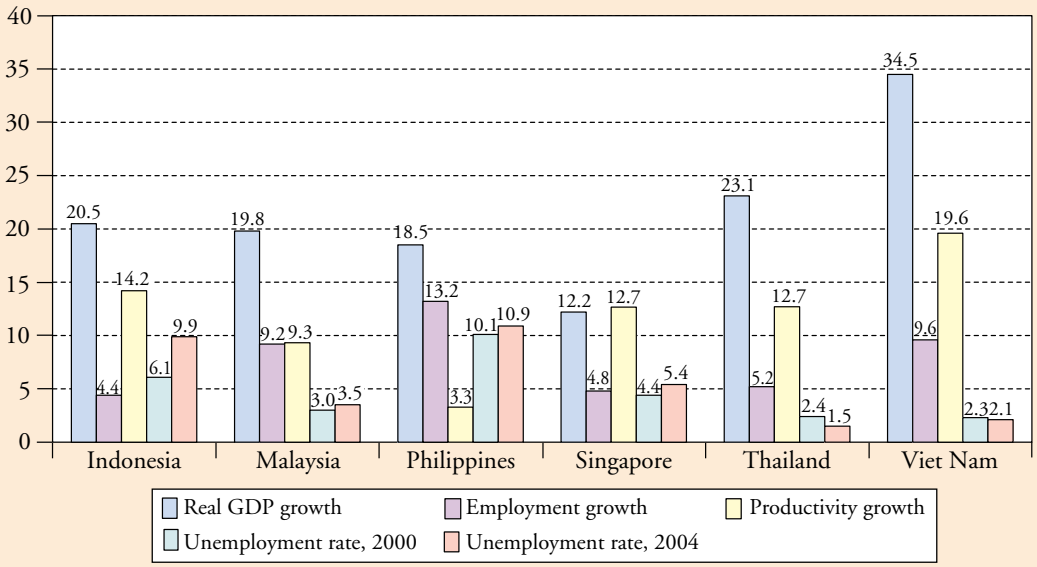
South-East Asia has experienced slower economic growth since 1999 than before the financial crisis of 1997/98, although some recent improvements have been observed. Cambodia and Viet Nam have been the best subregional economic performers since 2000, with annual average GDP growth rates of 7.3 and 6.5 per cent, respectively. In 2005, Cambodia's economy was the fastest growing in the subregion; its GDP grew by 13 per cent on the back of booming tourism and strong garment exports.[6] Malaysia also performed well in recent years, with annual GDP growth rates over 5 per cent between 2003 and 2005. Growth also accelerated in Indonesia, the subregion's largest economy. On the other hand, economic growth slowed somewhat in Thailand and Singapore during 2005.

Employment growth since 2000 has been strongest in Malaysia, Viet Nam, the Philippines, and Thailand, but it has been disappointingly low in Indonesia. These countries have all experienced fairly robust GDP growth, but employment creation in Indonesia has lagged behind the other countries (Figure 2.2). Not surprisingly, unemployment in Indonesia rose sharply from 6.1 per cent in 2000 to 9.9 per cent in 2004[7], largely because GDP growth (particularly in manufacturing) was insufficient to

[6] "Cambodian GDP grows 13 per cent in 2005, says IMF", Bangkok Post, Friday, May 12, 2006, p. B4.

[7] While this report relies on unemployment figures from the Indonesian Labour Force Survey (LFS), it is important to note that the data tends to overestimate the size of unemployment in the country. The reason for this is that in 2001 the National Statistical Office introduced a broader definition of unemployment compared to international standards. Since then, the LFS has included discouraged workers (those who stopped looking for work) into the group of unemployed, thereby increasing the number of unemployed. According to standard international definition, discouraged workers are not part of the unemployed population; they are outside the labour force. For detailed discussion, see: D. Suryadama, A. Suryahadi and S. Sumarto, "The measurement and trends of unemployment in Indonesia: The issue of discouraged workers", SMERU Working Paper, Jakarta, July 2005.

Figure 2.2: Growth in GDP, employment and labour productivity, 2000-2004 and unemployment rates in 2000 and 2004, selected economies in South-East Asia (%)



Sources: IMF, World Economic Outlook Database, 2005; ILO, Key Indicators of the Labour Market Database, 4th Edition; the Conference Board and Groningen Growth and Development Centre, Total Economy Database, January 2006.

create enough jobs to absorb the estimated 2.0 to 2.5 million annual new entrants to the labour market. Labour productivity in Indonesia expanded by more than 14 per cent over the period, which represents a positive development. However, the country's rising unemployment rate indicates that growth that is more balanced between gains in productivity and gains in decent jobs would be beneficial to the country's overall labour market performance.

Unemployment in the Philippines increased modestly; the unemployment rate stood at 10.9 per cent in 2004. Labour productivity growth in the Philippines lagged behind other economies in the subregion. This is due to very rapid population and labour force growth, together with insufficient growth in output. Malaysia's unemployment rate rose from 3 to 3.5 per cent between 2000 and 2004. Thailand experienced solid growth in output and labour productivity and the country's unemployment rate actually declined between 2000 and 2004, which underscores the country's favourable labour market developments over the period. But nearly everywhere else in South-East Asia the unemployment rate was higher in 2004 than in 1995, indicating that the subregion's employment performance had been weak in the years following the Asian financial crisis. Employment growth picked up slightly in 2005, raising hopes that economic growth coupled with employment gains could lead to continued poverty reduction in the subregion.

Underemployment rates[8] are alarming, notably in Indonesia and the Philippines, where the relative number of working poor remains high. During the financial crisis this

[8] The international definition of time-related underemployment, adopted in 1982 by the 13th International Conference of Labour Statisticians, includes all persons in employment "involuntarily working less than the normal duration of work determined for the activity, who were seeking or available for additional work during the reference period". However, few countries have applied the definition consistently and have collected data on a regular basis. Therefore, the share of workers working less than 35 hours a week out of the total employment is used here as a proxy for measuring underemployment.

rate increased (albeit in varying degrees) in all economies in the subregion. Since then, there have been declines in many countries, though the size of the problem remains a serious concern. In Indonesia, for example, a total of 31.4 million workers in 2002 (or 34.3 per cent of the labour force) were underemployed (working less than 35 hours a week) compared with 34.1 million in 1996, according to labour force survey data.

One reason for the poor labour market performance over the past few years is that some economies still have not fully recovered from the Asian financial crisis. This is especially true for Indonesia, the biggest economy in the subregion. In Cambodia and Viet Nam, one reason for the adverse labour market trends is that state-owned enterprises have been releasing a large number of workers. Another important trend affecting the subregion is reduced private investment in the post-crisis period, which reflects changes in the structure of trade and production.[9] Another factor is the subregion's high labour force growth rate at 2.2 per cent per year between 2000 and 2005, resulting from high population growth rates and stable labour force participation rates. Moreover, due to internal migration, the urban labour force is growing faster than the rural one, putting pressure on urban labour markets. It is worth noting that there is a large amount of variation among the labour markets in South-East Asia (Table 2.1).

Table 2.1: Labour market indicators, selected countries in South-East Asia

	Unemployment rate (%)				Labour force participation rate, 2005 (%)			Employ-ment-to-population ratio, latest year
	1995	2000	2003	2004	Total	Male	Female	
Cambodia	…	2.5	3.5	3.1	79.6	81.4	78.0	75.2
Indonesia	7.2	6.1	9.9	…	70.1	87.1	53.0	61.6
Lao PDR	2.6	…	…	…	69.3	82.3	56.4	…
Malaysia	3.1	3.0	3.6	3.5	66.2	83.7	48.1	61.9
Myanmar	4.1	…	…	…	78.8	87.7	70.0	…
Philippines	8.4	10.1	10.1	10.9	70.7	84.7	56.5	60.9
Singapore	2.7	4.4	5.4	…	69.9	82.8	56.7	60.5
Timor-Leste	…	…	…	…	70.5	82.9	56.6	…
Thailand	1.1	2.4	1.5	1.5	77.6	84.5	71.0	71.4
Viet Nam	2.7	2.3	2.3	2.1	79.9	82.4	77.4	73.5

Sources: Statistical Annex; ILO, Global Employment Trends Model 2005; ILO, Key Indicators of the Labour Market Database, 4th Edition; ILO, Economically Active Population Estimates and Projections (EAPEP) Database, Version 5 (Geneva, 2005).

The Pacific subregion has experienced the poorest economic performance in Asia, adding to its increased marginalization in recent years. In 2005, GDP grew at 2.3 per cent in the Pacific, which compares with a growth rate of 7.3 per cent in developing Asia as a whole. Most Pacific island economies have a narrow production base and are vulnerable to external shocks. Poor economic performance combined with high population and labour force growth has led to declining living standards and a deteriorating employment situation in many Pacific countries.

[9] The decline in investment has affected most newly industrializing countries of Asia. For example, comparing 1992-1996 with 2000-2004, private investment declined by between 5 to 18 percentage points of GDP in Hong Kong (China), the Republic of Korea, Malaysia, Singapore and Thailand. See, IMF, Regional Economic Outlook, Asia and Pacific, May 2006, pp. 33-42, http://www.imf.org.

Papua New Guinea illustrates the enormous challenge. Its economy grew by 2.5 per cent in 2004, only the third year of growth since 1996. The economy was only around 4.4 per cent larger in 2004 than it had been in 1994, though in the same period the population increased over 26 per cent, or 1.2 million people. In real terms, GDP per capita has fallen by over 17 per cent in the past decade. The country has fertile agricultural land, extensive forestry and fishery resources, and substantial gold, copper and other mineral resource deposits, as well as reserves of oil and natural gas. But the vast majority of Papua New Guineans work as self-employed farmers in the informal economy. More than 75 per cent of the labour force is engaged in growing food crops for subsistence consumption or for sale in nearby urban markets, or in growing tree crops for export. The capital-intensive mining industry (the country's strongest sector) makes a relatively small contribution to employment growth. In 2005, the economy continued to grow by an estimated 2.9 per cent, contributing to employment growth of 1.9 per cent compared with the year before.[10] Although this is a positive sign, the country's economic growth and productivity improvements still lag well behind the rest of Asia.

Employment outlook

South-East Asia has been confronting a phase of volatility and uncertainty in the world economy since recovering from the 1997/98 financial crisis. It has managed to navigate through this period reasonably well in terms of a recovery in economic growth rates. Some of this success has translated into employment gains, but the overall labour market performance has not matched the success before the financial crisis. In the Pacific, the economic and employment outlook depends on political stability in the countries, investment and growth in key sectors as well as the external environment.

Slowing labour force growth rates will take some pressure off South-East Asia's labour markets. Labour force growth rates are expected to slow down to 1.8 per cent annually between 2005 and 2015, compared with 2.3 per cent annually over the past decade. Nevertheless, between 2005 and 2015, around 5.6 million people will enter the subregion's labour market each year.[11] Even if success in reducing working poverty can be repeated, South-East Asian countries need to create new employment opportunities to avoid stagnation in unemployment and underemployment rates in the future. This in part depends on an investment recovery, which is especially important for Indonesia and the Philippines, given their high rates of unemployment and underemployment. Job creation is also a daunting challenge in Cambodia, the Democratic Republic of Timor-Leste, and the Lao People's Democratic Republic – countries with very high rates of population and labour force growth. On the other hand, labour force growth will be moderate in Singapore and Thailand, two countries that are increasingly facing the problem of population ageing.

2.3 South Asia

Recent trends

The South Asian subregion has had solid economic growth between 2000 and 2004, during which time the Indian economy grew by 5.7 per cent per year. Afghanistan, Bangladesh, Bhutan, the Islamic Republic of Iran[12] and the Maldives had real output

[10] The Economic Intelligence Unit, Papua New Guinea, Country Report, April 2006, p. 18.

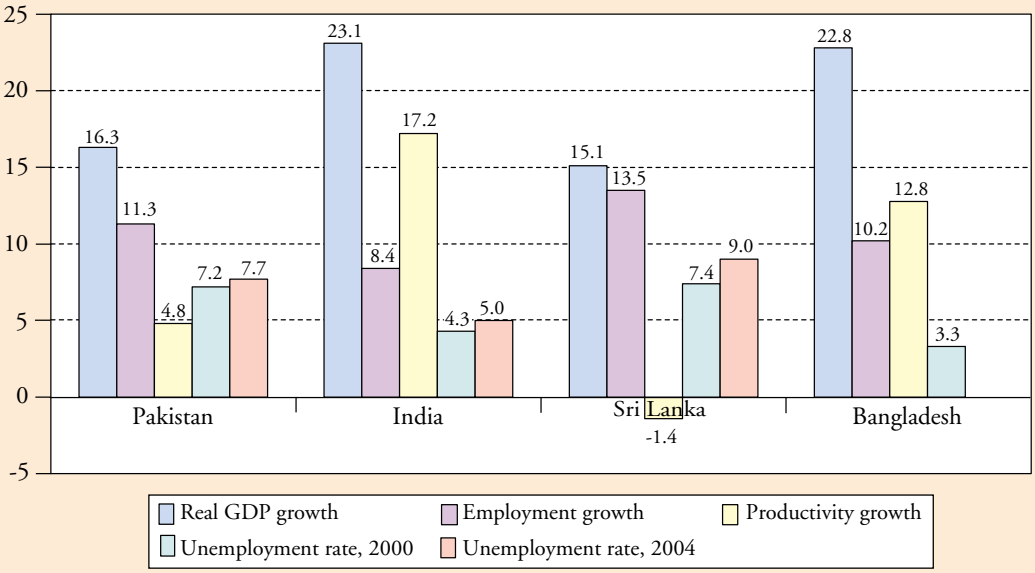
[11] ILO, Global Employment Trends, (Geneva, ILO, 2004).

[12] Employment trends in the Islamic Republic of Iran are highlighted in this section as the country is covered by the ILO Subregional Office for South Asia.

growth rates of above 5 per cent. Pakistan grew at an average annual rate of 4.5 per cent, while Nepal and Sri Lanka grew at an annual average of 3.5 and 3.9 per cent, respectively.

Employment growth has been stronger in Sri Lanka and Pakistan and somewhat weaker in India (Figure 2.3). But nowhere in South Asia has job creation been enough to fully absorb new labour market entrants. This trend is confirmed by unemployment figures. The latest available figures show that the unemployment rate in Sri Lanka rose from 7.4 per cent in 2000 to 9.0 per cent in 2003, whereas it increased in India from 4.3 per cent in 2000 to 5.0 per cent in 2004 and in Pakistan from 7.2 per cent in 2000 to 8.1 per cent in 2003, before falling to 7.7 per cent in 2004. Unemployment also increased in Bangladesh.

Figure 2.3: Growth in GDP, employment and labour productivity, 2000-2004 and unemployment rates in 2000 and 2004, selected economies in South Asia (%)



Sources: IMF, World Economic Outlook Database, 2005; ILO, Key Indicators of the Labour Market Database, 4th Edition; the Conference Board and Groningen Growth and Development Centre, Total Economy Database, January 2006.

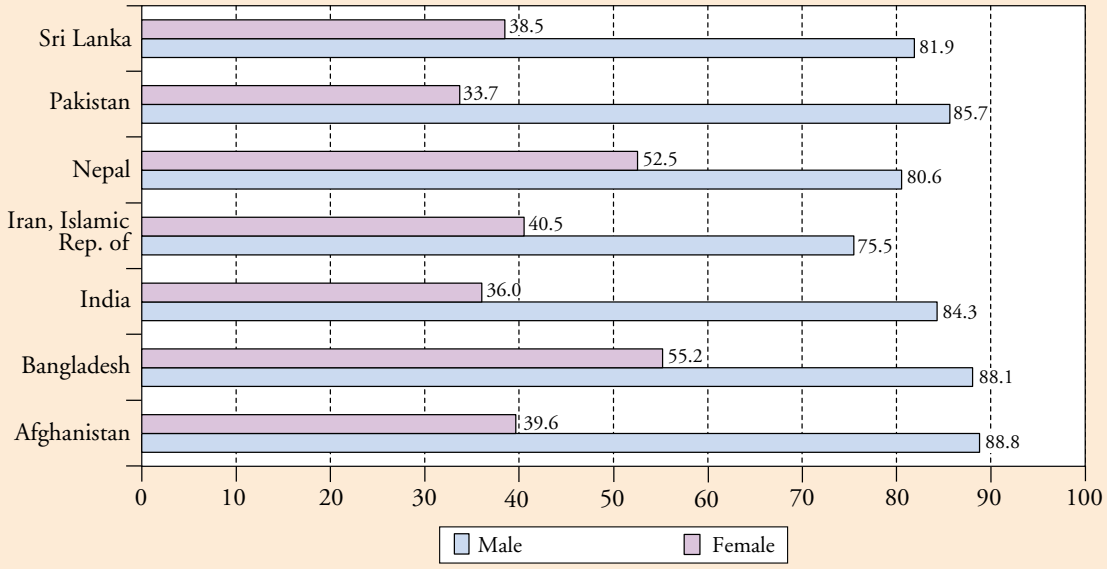
The South Asian employment-to-population ratio of about 57 per cent is one of the lowest in the world; only the Developed Economies, Central and Eastern Europe (non-European Union) and the Middle-East and North Africa regions have lower ratios. Employment-to-population ratios (the share of people with work among the working-age population) moved in the opposite direction of unemployment rates. The decreasing employment-to-population ratios in India, Pakistan and Bangladesh indicate declining demand for workers in these countries. At the same time, the rising unemployment rates show that people are actively, but unsuccessfully, looking for work. These two trends together suggest that employment creation has been insufficient to absorb the growing labour force.

Labour productivity performance has varied greatly among countries in the subregion. Output per worker in India grew by a very robust 17.2 per cent between 2000 and 2004. Productivity also expanded at a fast pace in Bangladesh. On the other

hand, Pakistan experienced very low growth in productivity over the period and output per worker in Sri Lanka actually declined. As productivity growth is a key ingredient for sustainable poverty reduction, the stagnation in Pakistan and Sri Lanka raises concerns that the number of poor will rise in these countries.

South Asia's labour force has been growing at a strong annual average of about 2.3 per cent, mainly reflecting high population growth rates but also increasing labour force participation rates, particularly of adult women. However, labour force participation rates remain low compared with other subregions in Asia and the Pacific. These low rates are mainly due to the enormous discrepancy between the reported rates for men and women (Figure 2.4). At the same time, female unemployment rates are generally much higher than male unemployment rates within the subregion, a particularly worrying trend in countries where female labour force participation is still low. Women in these economies have limited employment opportunities and, if employed, women generally earn less than their male counterparts.

Figure 2.4: Labour force participation rates by sex (age 15-64), selected economies in South Asia, 2005 (%)



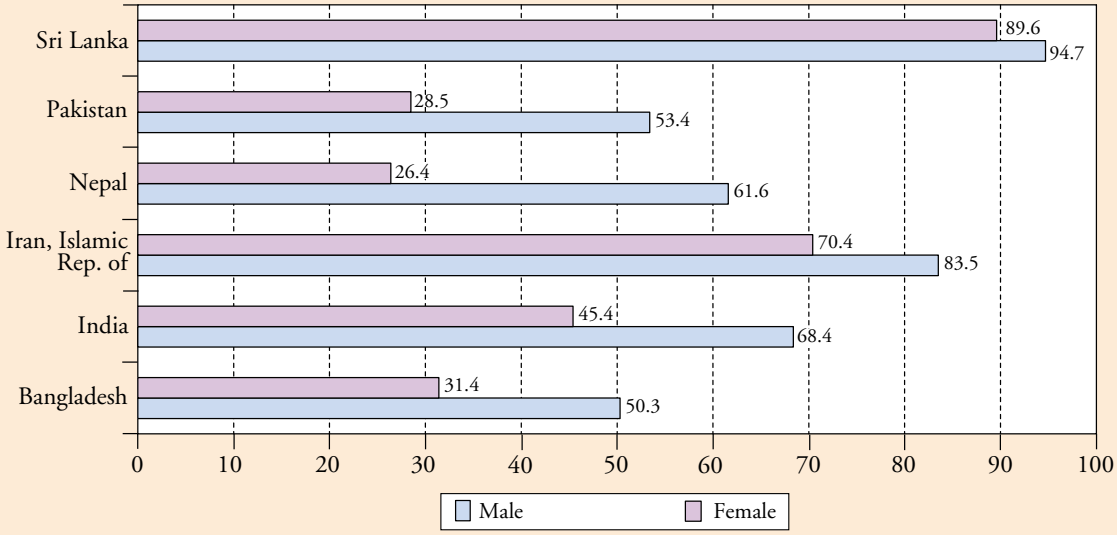
Source: Statistical Annex.

Another concern in South Asia is the low literary rate of the adult population. Research has shown that there is a strong relationship between levels of per capita income and adult literacy rates, indicating that skills and education are strongly linked to income levels.[13] Among the developing regions across the globe, South Asia has the lowest adult literacy rate at 55.8 per cent (compared to a world average of 79.1 per cent and 90.2 per cent in the rest of Asia and the Pacific). Bangladesh, Nepal and Pakistan all have adult literacy rates of about 40 per cent and India has a rate of 57.2 per cent. Sri Lanka is the only country in the subregion with a high adult literacy rate.

[13] See David Kucera and Sarna Ritash: "Child labour, education and export performance", Policy Integration Department Working Papers No. 52, (Geneva, ILO, 2004), p. 27.

However, it is not only the overall literacy rate that is conducive to economic growth; greater gender equality in education also matters.[14] In this respect, South Asia does not fare well either. While the gender gap in literacy levels in Sri Lanka and the Islamic Republic of Iran is small, in Bangladesh, India, Nepal and Pakistan, the literacy rate of women is 30 to over 50 per cent lower than the rate of men (Figure 2.5).

Figure 2.5: Adult literacy rates by sex, selected economies in South Asia, latest year available (%)



Source: Statistical Annex.

Employment outlook

In recent decades, South Asia has experienced relatively lower growth in per capita income than its neighbours in East and South-East Asia. South Asia is home to 24 per cent of the world's population, but the subregion accounts for less than 9 per cent of global GDP and an even lower share of exports (about 1.6 per cent). South Asian countries are comparatively closed to trade and investment: the subregion's ratios of merchandise and service exports to GDP are lower than any other region in the world. The subregion strongly depends on agriculture and therefore on weather conditions and demand for agricultural products. In India, for example, the agricultural sector accounts for around one-quarter of GDP and employs about 65 per cent of the labour force.

Overall prospects for the subregion's labour market largely depend on the performance of India, which has a share in the subregional GDP of 73 per cent. The key issues in South Asia include rising unemployment and underemployment rates, a high incidence of working poverty, low employment generation in high-productivity sectors, low adult literacy rates, and large gender gaps in education, participation, unemployment, and wages. South Asia's GDP growth rate has been stronger in recent years (6.9 per cent in 2004 and 2005), and is forecasted to stay above 6 per cent in the 2006.[15] But the employment situation is not expected to change significantly. The

[14] Stephen Klasen: "Does gender inequality reduce growth and development? Evidence from cross-country regressions", World Bank Policy Research Report on Gender and Development, Working Paper Series No. 7, 1999.

[15] IMF World Economic Outlook Database, 2005.

policy challenge is to move from job creation in the informal economy to creating productive employment in the formal sector – otherwise, there is little hope of substantially reducing the number of working poor.

The South Asian labour force is projected to grow by around 2.1 per cent a year between 2005 and 2015, adding over 14 million new entrants to the labour market every year. Labour force growth will be particularly rapid in Afghanistan (47.1 per cent between 2005 and 2015), Bhutan (44.5 per cent) and Pakistan (40.4 per cent). In Sri Lanka, however, the labour force is expected to expand by only 7.8 per cent.

According to ILO estimates,[16] to halve the share of working poor in total employment from 1990 levels (202 million working poor currently live in the region, down from 227 million in 1990), South Asia would need yearly GDP growth rates of around 6 per cent, less than one percentage point above the growth rate of the past ten years. This gives the subregion a chance to reach the goal but only if the labour market problems mentioned above are successfully addressed.

2.4 Developed (Industrialized) Economies

Recent Trends

Despite comprising just over 4 per cent of the total population in Asia and the Pacific, the developed (industrialized) economies in the region account for approximately 21 per cent of the region's total output.[17] However, owing to robust economic growth in developing Asia and more moderate growth in the larger, developed economies, the subregion's share in total output has fallen considerably, down from 41.4 per cent in 1980. Underscoring this trend, the subregion has grown at an average annual rate of 1.6 per cent over the past decade, compared with 6.4 per cent in developing Asia.

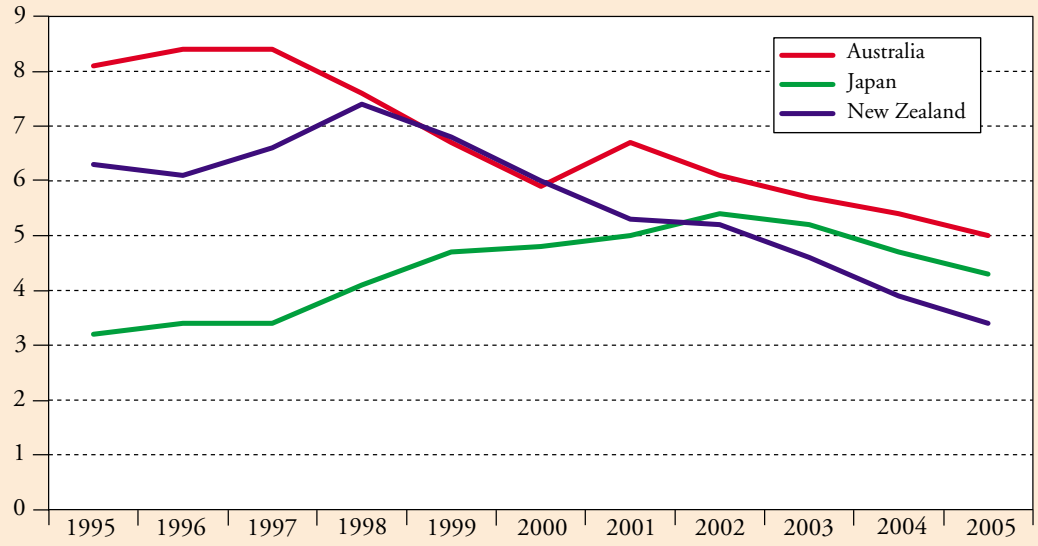
The developed (industrialized) economies also differ from developing Asia in terms of population age-structure. While 46.3 per cent of developing Asia's population is below the age of 25, the equivalent share in the developed economies is only 26.4 per cent. And while only about 6 per cent of developing Asia's population is aged 65 and above, the comparative figure is 18.6 per cent in the developed economies, and nearly 20 per cent in Japan. These demographic differences are likely to have important consequences for national labour market outcomes throughout the region. Ageing populations, with rising ratios of dependents to workers, could face greater demands in terms of social security and transfer payments together with declining rates of economic growth. Changing demographics can also impact migration patterns, a topic taken up in Chapter 5.

Over much of the last decade, job growth was considerably more robust in Australia and New Zealand than in Japan, though the overall labour market trends in Japan have improved in recent years. Between 1995 and 2005, unemployment rates fell sharply in both Australia and New Zealand. Australia's unemployment rate declined from 8.1 per cent in 1995, to 5 per cent in 2005, with the 2001 global economic slowdown marking the only year in which unemployment rates rose over the period

[16] Steven Kapsos: "Estimating growth requirements for reducing working poverty: Can the world halve working poverty by 2015?", Employment Strategy Papers 2004/14 (Geneva, ILO, 2004).

[17] UN, World Population Prospects 2004 Revision Database; IMF, World Economic Outlook Database, 2005.

Figure 2.6: Unemployment rates, Developed (Industrialized) Economies, 1995-2005 (%)



Source: ILO Key Indicators of the Labour Market (KILM) Database, 4th Edition.

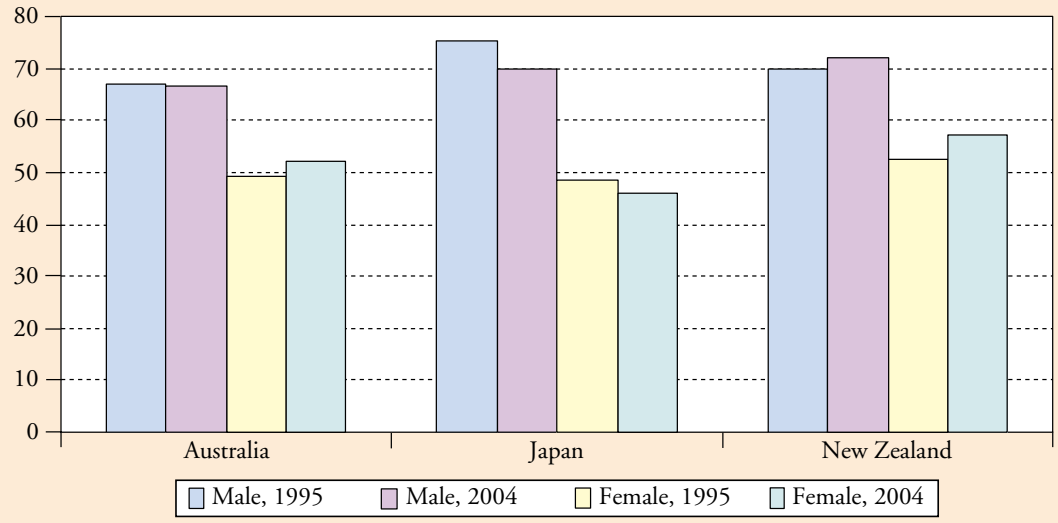
(Figure 2.6). New Zealand's unemployment rate fell from 6.3 per cent to 3.4 per cent over the same period, and the country's unemployment rate has declined in each year since 1998, when it stood at 7.4 per cent.

On the other hand, the unemployment rate in Japan, which has historically been very low in comparison with most other industrialized economies, rose from 3.2 per cent in 1995 to 5.4 per cent in 2002. Since 2002, Japan's ongoing economic recovery has contributed to better overall employment performance and its unemployment rate has subsequently fallen to 4.3 per cent in 2005.

Employment-to-population ratios, or the shares of the working-age population that are "in work", show a similar pattern: Australia's employment-to-population ratio rose by 1.3 percentage points, to 59.3, between 1995 and 2004. In New Zealand, the employment-to-population ratio jumped 3.5 percentage points over the same period. Meanwhile, Japan's employment-to-population ratio dropped sharply, falling 3.8 percentage points to 57.6. Figure 2.7 reveals important differences in this indicator among the sexes: in Australia, the share of employed males declined slightly, thus the country's rising employment-to-population ratio has been driven exclusively by a rising share of employed women. Japan's falling employment-to-population ratio is a function of declining shares of both women and men engaged in employment. Meanwhile New Zealand witnessed increasing shares of women and men in employment, with relatively faster employment gains among women.

These quantitative employment and unemployment indicators show very favourable labour market trends in Australia and particularly in New Zealand over the past decade, with significantly less positive trends in Japan. Yet, a comparison of the three countries' labour productivity data, which provides one measure of trends in employment quality, reveals a much more complex picture. Between 1995 and 2004, output per worker (measured in constant 1990 US$) rose by 18.2 per cent in Australia, by 13.9 per cent in Japan and by 11.7 per cent in New Zealand. Over the same period,

Figure 2.7: Employment-to-population ratios by sex, Developed (Industrialized) Economies, 1995 and 2004 (%)



Source: ILO Key Indicators of the Labour Market (KILM) Database, 4th Edition.

output per hour worked rose by 21.9 per cent in Australia, by 20.9 per cent in Japan and by 12.8 per cent in New Zealand. While labour productivity has grown overall in New Zealand, growth in that country has been relatively more employment-intensive, and therefore less driven by gains in labour productivity than in Australia and Japan.

Employment outlook

In recent years, Asia's developed (industrialized) economies experienced positive employment trends. Since 2002, the total number of unemployed in these economies has fallen by approximately 830,000, or around 19 per cent, while the total number of employed rose by over 1.2 million, or 1.7 per cent. In 2004, economic growth in industrialized Asia reached 2.5 per cent, which was the best performance since 1996, and in 2005, output growth further accelerated to 2.7 per cent. Importantly, accompanying this acceleration in GDP growth was an increase in employment generation. The forecasted growth of 2.8 per cent in 2006 could lead to further improvements in the job-creating potential of these three economies.[18]

While the economy of New Zealand is expected to slow down after years of strong expansion, output growth in Australia is projected to quicken in 2006, driven mainly by accelerating domestic demand. Japan's strong recovery is also expected to continue, which could lead to further improvements in the labour market, stimulating household incomes and consumption. Nevertheless, risk factors including high energy prices and global current account imbalances remain. In the medium-term, population ageing will increasingly challenge economic prospects, especially in Japan where the dependency ratio is rising fast and the labour force is already on the decline. Raising living standards for an ageing population will also require higher productivity growth than in the past.

[18] Source of GDP data: IMF, Regional Economic Outlook, Asia and Pacific, May 2006, http://www.imf.org.

3

Competitiveness, productivity, employment and wages

A country's competitiveness in the global economy is a function of many complex, often interrelated factors. Macroeconomic environment and the quality of public institutions, technological readiness and innovation, physical infrastructure and the availability of labour with appropriate skills, and business climate and company strategies, are just a few examples of the many different factors that influence the competitiveness of an economy.[1] Asia's rapid export-led growth, large in-flows of investment capital and its recent emergence as a hub for the world's expanding outsourcing and offshoring activities provide a clear indication that the region's relative competitiveness in the global economy is on the rise. This chapter focuses on three of the key sources of the region's competitiveness: low relative production costs, favourable exchange rate regimes in many key exporting countries and rapid labour productivity growth. The chapter concludes by examining whether the region's productivity gains – a key driving force behind its growing competitiveness – have come at the expense of employment generation.

3.1 Asia's cost competitiveness

Low manufacturing wages drive cost competitiveness

The cost competitiveness of production in Asia receives a great deal of attention, with particular emphasis on the region's low-cost manufacturing. In addition, the emergence of offshore information technology (IT) operations ranging from call centres to software development operations reflects the fact that the region's low comparative wages together with appropriate skills in the region's workforce have been key sources of competitiveness. One recent study estimated that the average total hourly compensation for a worker engaged in manufacturing in China was approximately US$ 0.60 in 2003.[2] This amounts to approximately 3 per cent of the average hourly compensation of production workers in the United States and it is also much lower than in Asia's industrialized economies. Yet, other developing economies in Asia have even lower

[1] For a detailed analysis see, World Economic Forum: The Global Competitiveness Reports 2005-2006 and 2004-2005 (Basingstoke, Palgrave Macmillan Ltd., 2005, 2004).

[2] Oxford Economic Forecasting, 2004. As reported in "Labour Cost Gap Widens between India and China", by Anil Sasi, in The Hindu Business Line, December 11, 2004. See also Bannister, J. "Manufacturing earnings and compensation in China", Monthly Labour Review, August 2005, US Bureau of Labour Statistics.

manufacturing wage rates. For instance, wages for workers in Vietnamese footwear factories have been reported to be some 30 per cent lower than the comparative wages in China. In Indonesia, earnings are around 15 per cent less than in China.[3]

Real manufacturing wages have been on the rise throughout much of Asia. For instance, labour shortages have recently emerged in China's manufacturing sector, which has led to rapid wage increases in the country (see Chapter 2, section 1 for further information). Yet, by and large wages have not risen by as much as labour productivity. In China, labour productivity in manufacturing rose by 170 per cent between 1990 and 1999, while real wages rose by slightly less than 80 per cent. In the Republic of Korea, manufacturing wages increased by over 93 per cent between 1990 and 2003, but over the same period labour productivity among manufacturing workers surged by 290 per cent. Holding other factors such as exchange rates constant, a situation in which workers' productivity has grown faster than their wages implies a decline in unit labour costs, and an increase in overall cost competitiveness.

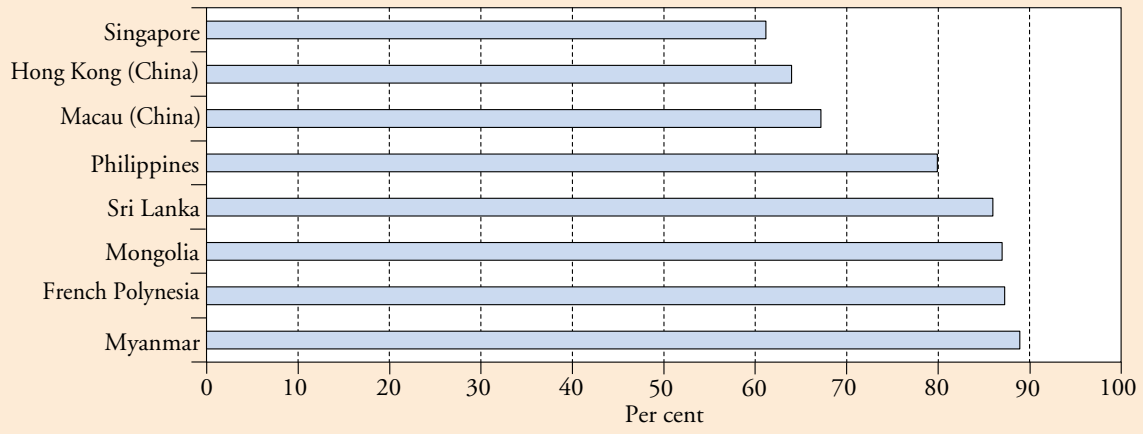
Productivity growth does not guarantee higher wages

Wages have not increased everywhere in Asia. Manufacturing wages in Sri Lanka grew only marginally between 1990 and 2002. Pakistan and India actually experienced a decline in real manufacturing wages since 1990 – a drop of 8.5 per cent in the former between 1990 and 2002 and of 22 per cent in the latter between 1990 and 2001. Paradoxically, India's decline in real manufacturing wages occurred despite an increase in manufacturing labour productivity of over 84 per cent over the same period. This indicates a deterioration in the incomes and livelihoods of workers despite the increasing efficiency of their labour.

Persistent gender gap in wages

It is also important to note that the growth in wages observed in many Asian economies masks a persistent gender gap (Figure 3.1). Female manufacturing workers in Singapore earn on average only 61 per cent of the earnings of their male counterparts. Yet, in recent years the gender gap in manufacturing wages has declined in some countries in the region, including Japan, Malaysia and the Republic of Korea.

Figure 3.1: Female earnings in manufacturing as percentage of male earnings, selected Asian economies, most recent year



Source: ILO, Key Indicators of the Labour Market, 4th Edition (Geneva, 2005).

[3] Fuller, T. "Shoemaker, its workers and today's global labor", International Herald Tribune, Wednesday, April 20, 2005, p. 13.

Low comparative wages in ICT and high-tech sectors

Increasingly, it is not only Asia's manufacturing sector that attracts attention and investment based on cost competitiveness. The rapid expansion of information and communications technologies (ICT) has also allowed medium- and high-skilled service sector workers in Asia to compete more directly with workers in developing and developed economies. A recent study by Mercer found that average annual pay for a software engineer in India was less than US$10,000 in 2005.[4] In the United States, the comparable pay is five to six times this level. Accountants in India receive around US$5,400 per year, around one-twelfth the average rate in the United Kingdom. Meanwhile, the supply of skilled labour in the region is large and growing. Indian gross enrolment in tertiary education was 11.5 per cent in 2004, up from 6.6 per cent in 1995, and enrolment in China rose from 5.3 per cent in 1995 to 15.4 per cent in 2004. While these levels are still comparatively low, each country currently has over 200 million young people aged 15 to 24, and thus the total number of graduates is very large.[5] Yet, the sheer number of graduates does not automatically lead to a growing pool of available skills (see Box 2.1 in Chapter 2).

With improving ICT infrastructure in much of developing Asia and the increase in offshoring and outsourcing activities taking place in the globalizing world, new employment opportunities are rapidly emerging throughout a wide spectrum of occupations in the region. Average pay in these new service-sector jobs has been surging in many Asian economies, benefiting high-skilled workers and contributing to the emergence of a new middle class. Among five levels of employees including operations staff, clerical staff, technical staff, managers and senior executives, India ranks first out of 70 countries studied worldwide in terms of its real growth rate in salaries.[6] Among these types of workers, real (inflation-adjusted) pay is expected to increase by 7.3 per cent in 2006, versus a global average of 2.4 per cent. Pay among workers in these categories is forecast to grow by 4.8 per cent in China, 4.3 per cent in Indonesia, 2.3 per cent in Singapore and 2.1 per cent in Hong Kong (China). Yet, even after taking into account these high growth rates, developing Asia is likely to have comparatively low labour compensation costs among high-skilled workers for decades to come.

Rising inequalities should not be ignored

It is important to note that while these service-sector salaries are comparably low based on international standards, they are typically much higher than the prevailing local salaries. Accordingly, in economies such as India, with large numbers of workers living in poverty and relatively few workers benefiting from these types of new high-skilled jobs, the potential for growing inequality in incomes and living standards is large.[7] Policy-makers in economies experiencing this type of imbalanced growth must be mindful of the potential economic and social implications.

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[4] Mercer, 2006 Global Compensation Planning Report.

[5] World Bank EdStats Database, 2005; UN Population Prospects Database, 2004 Revision.

[6] Mercer, 2006 Global Compensation Planning Report.

[7] For instance, the estimated number of employees engaged in the computer and information services sector in India, at 813,000 in 2003, represents only two-tenths of one per cent of the country's total labour force.

Low wages do not ensure competitiveness

While Asia's overall competitiveness has benefited from low production costs, this comparative advantage comes with clear drawbacks. Low wages are often synonymous with poor working conditions, a lack of social protection and an absence of benefits such as sick leave and paid holidays. And increasingly, countries simply cannot count on low-cost production and cheap exchange rates to ensure their competitiveness. In the context of a globalizing world, a key factor has become the availability of workers with the appropriate skills, including technical and language skills. This has raised the importance of investing in education and training and has made knowledge a vital factor of production. In addition, with millions of workers living in poverty in Asia (see Chapter 6), there is a great need to increase the quality of employment in the region, particularly among the relatively low-skilled occupations. This in turn will require higher wages, safer workplaces and expanded benefits.

3.2 Favourable exchange rate regimes

"Cheap" exchange rates have both benefits and costs

Exchange rates also influence countries' competitiveness. If a country experiences a decline in the value of its currency versus the currencies of its trading partners, its exports become cheaper. Demand for the country's exports then tends to rise and the export sector experiences growth, which can contribute to overall growth and development objectives. In countries that are heavily export-oriented (that is, exports comprise a substantial portion of their total GDP), maintaining relatively "cheap" currencies often increases competitiveness. It also lowers the price incurred by foreign firms to hire local labour. However, maintaining artificially cheap exchange rates can also carry substantial costs, such as the need to amass large foreign exchange reserves in order to maintain desired exchange rates, higher potential inflation, less domestic control over monetary policy and increased speculative investment flows, which often introduces unwanted volatility into domestic markets.

Box 3.1: How will a stronger yuan affect China and other economies in Asia?

Because of the growing importance of China in the global economy, the country's announcement in July 2005 that it would end the decade-old peg of its currency, the yuan, to the US dollar, in favour of a "managed float" exchange rate regime against a basket of currencies, attracted keen attention from the business community as well as from China's trading partners. Since the initial announcement, the yuan has appreciated by more than 3 per cent against the dollar.

All else equal, the yuan appreciation makes Chinese exported goods more expensive in dollar terms and thus somewhat less competitive in the global marketplace. Facing a rising yuan, exporters in China have a fundamental choice: either pass along the price increase to consumers, or accept a lower price for exported goods in order to partially or fully offset the yuan appreciation. This is not a simple decision. Allowing the price to increase will likely decrease demand for the exported good, which means lower sales and smaller profits for the firm. Similarly, reducing the price of the good will lower the firm's profit margin. Given this difficult choice, what types of impacts is the yuan's appreciation likely to have?

(continued on page 25)

(continued from page 24)

First, low-margin businesses in China will suffer. Exporters of textiles and garments and other industries that tend to operate on a very low-margin basis could find their operations less profitable or even unprofitable relatively quickly. There is growing evidence that some of these types of low-margin, relatively low-skilled, labour-intensive production activities have already begun to move from China to countries with relatively lower costs, such as India, Bangladesh and Cambodia. As a result, low-skilled, low-wage workers in China are likely to be net losers due to the currency appreciation, while low-skilled workers in competing low-cost countries may benefit from increased employment opportunities. A related effect of the yuan appreciation is that it may accelerate China's production of higher-margin and higher-value added goods. As one observer puts it, "…China is gradually moving from competing with countries like Thailand and Indonesia to vying with South Korea, southern Europe and eventually, with the likes of Germany, Japan and the United States".*

Therefore, skilled workers in China could benefit over time from the yuan appreciation. These workers may find new, improved employment opportunities, and, since they are more likely to be consumers of imported goods, they will also benefit from falling prices of imports. Yet, this raises very important issues related to equity. If low-skilled, low-wage workers in China bear the brunt of China's rising currency, the net effect could be an increase in inequality in the country. It is therefore important for policy-makers in China to keep a watchful eye on domestic labour market developments as the yuan appreciates. The country would also benefit from "up-skilling" its low-wage workers. By enhancing workers' skills and employability, the benefits of higher value-added production could be distributed more widely. This, in turn, would help minimize inequalities due to the yuan appreciation while also promoting further poverty reduction in this rapidly expanding economy.

* K. Bradsher. "Rising Yuan Pushes China Upmarket". The New York Times, April 20, 2006. See also Mitchell, T. "China's Competitiveness 'on the decline". Financial Times, March 22, 2006.

Over the long run, a country's real exchange rate should tend to reflect the underlying fundamentals of its economy. All else equal, high-performing economies experiencing successful economic growth underpinned by innovation, higher productivity and production of higher value-added goods should experience an appreciation in their real effective exchange rates.[8] In this light, exchange rate trends throughout much of Asia present a paradox. For instance, China, Malaysia and Singapore have all witnessed depreciation in real exchange rates since 1980. In China the decline has been particularly large. This clearly runs counter to what would be expected given these countries' strong economic performance over the period and instead reflects active efforts among many economies in Asia to maintain cheap currencies.

Many Asian currencies are appreciating

Beginning around 2005, the trend has appeared to shift toward gradual currency appreciation in many Asian economies. Rising consumer prices and surging asset prices throughout much of the region are putting upward pressure on currencies. The existence of large trade imbalances with developed economies such as the United States is also increasing political pressure on many countries in Asia – most notably China – to allow currencies to appreciate. More positively for the region, the trend toward exchange rate

[8] Asian Development Bank, Competitiveness in Developing Asia, 2002.

appreciation also appears to reflect a gradual shift toward less export dependence. Increasingly, the region's economic performance is being driven by expanding domestic markets and by the production and consumption of a growing middle class. Nevertheless, if current trends continue, one source of Asia's cost competitiveness could be diminished somewhat in the years ahead.

3.3 Asia's surging labour productivity

Labour productivity growth is important for a variety of reasons, three of which are most relevant for this report.[9] Firstly, productivity growth is essential for improving general living standards. Most directly, labour productivity gains can allow workers to earn higher wages and work fewer hours for equal or even greater remuneration. Secondly, and very important in the context of the over 900 million Asian workers who live with their families on less than US$2 per person, productivity growth can provide a sustainable route out of working poverty. The working poor do not suffer from an absence of work, but rather from the low productivity and resulting low remuneration that they receive for their labour. Finally, productivity growth is one of the key determinants of a country's overall competitiveness. Taking all else equal, a country with higher productivity will have lower unit production costs and will be more competitive.

Asia leading the world in labour productivity growth

Over the course of the past decade, the average worker in Asia and the Pacific has become considerably more productive. During this time, total output per worker in the region grew by over 40 per cent, or an average of 3.5 per cent per year (Table 3.1). In the rest of the world, output per worker grew by an average of only 1.3 per cent per year. Asia and the Pacific, in effect, raised the total global labour productivity growth rate by 0.8 percentage points (by over 60 per cent) between 1995 and 2005.

Table 3.1: Output per worker, selected regions, 1995-2005

	Output per worker, constant 2000 international $		Change, 1995-2005	
	1995	2005	Total growth	Average annual growth
Asia-Pacific Total	8 154	11 498	41.0	3.5
East Asia	5 767	10 828	87.8	6.5
South-East Asia and the Pacific	7 734	9 030	16.8	1.6
South Asia	5 616	7 803	38.9	3.3
Developed (Industrialized) Economies	48 147	55 569	15.4	1.4
Developing Asia	6 017	9 444	57.0	4.6
World	15 372	18 894	22.9	2.1
World ex-Asia	26 174	29 816	13.9	1.3

Sources: ILO, Global Employment Trends Model 2005; World Bank, World Development Indicators 2005, IMF, World Economic Outlook Database, 2005.

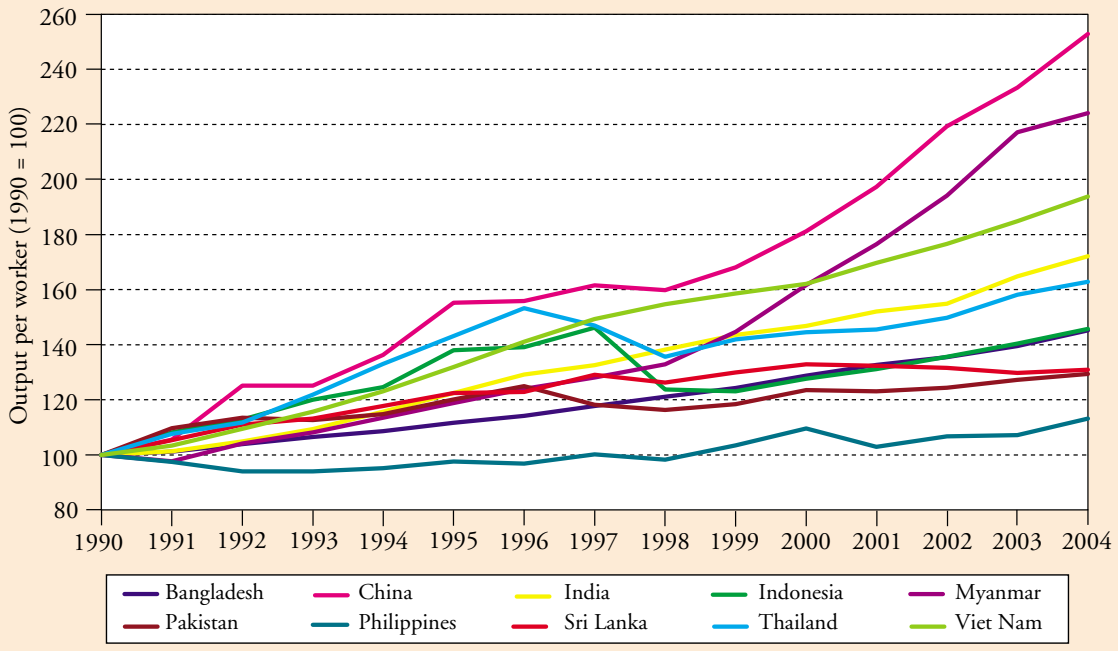
[9] Labour productivity is defined as output per unit of labour input, where labour input is typically measured on either a per-worker or per-hour worked basis. In this chapter, the term labour productivity refers to output per worker unless otherwise noted.

Among the subregions, East Asia experienced the fastest labour productivity growth. Output per worker in East Asia grew by an astounding 88 per cent in the past 10 years. Labour productivity in South Asia also grew rapidly, rising approximately 39 per cent. South-East Asia and the Pacific experienced slower growth, as many economies in the subregion saw a significant drop in output, employment and productivity during the financial crisis of 1997-1998. Yet, despite this sharp downturn, productivity in South-East Asia still grew by nearly 17 per cent over the course of the last decade.

China leads Asian countries in productivity growth

A closer look at country-level data reveals that these subregional averages mask substantial differences among the various countries. Figure 3.2 depicts country-level trends in labour productivity between 1990 and 2004 for 10 Asian economies whose levels of output per worker were less than US$10,000 in 1990. Among these economies (and indeed, among all economies in the region), China experienced the fastest growth in labour productivity – more than 150 per cent. China experienced a very large productivity acceleration beginning in the early 1990s, coinciding with a sharp acceleration in overall economic growth. In Myanmar, the level of labour productivity also more than doubled and Viet Nam saw its output per worker grow by nearly 94 per cent.

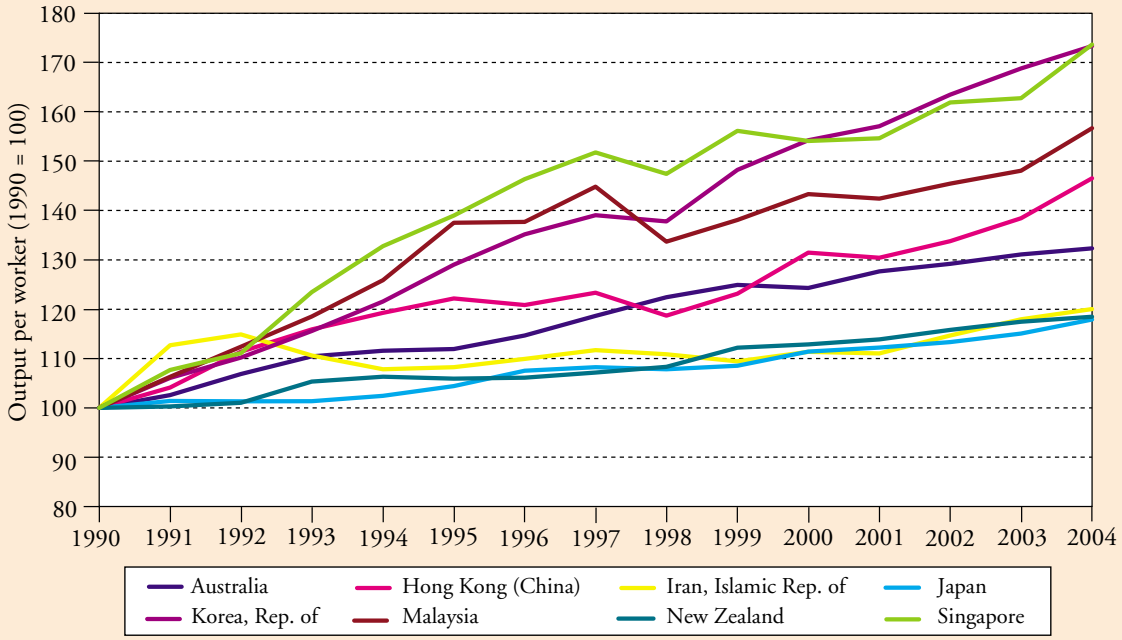
Figure 3.2: Output per worker in Asian economies, 1990 = 100, below $10,000



Source: The Conference Board and Groningen Growth and Development Centre, Total Economy Database, January 2006, http://www.ggdc.net.

The dynamic Indian economy has also experienced rapid, steady productivity growth since 1990, and the country's rate of GDP growth has accelerated in recent years. Thailand, despite undergoing a sharp but relatively brief downturn in the years of the Asian financial crisis, had substantial growth in productivity. In Indonesia, the effects of

Figure 3.3: Output per worker in Asian economies, 1990 = 100, above $10,000



Source: The Conference Board and Groningen Growth and Development Centre, Total Economy Database, January 2006, http://www.ggdc.net.

the Asian financial crisis on labour productivity were more severe. Output per worker did not recover to its pre-crisis level until 2004, approximately seven years after the crisis. Both Pakistan and Sri Lanka have faced a substantial slowdown in growth since 1997, which has had an adverse effect on productivity, though Pakistan has recovered in recent years. Finally, the Philippines lagged behind the rest of these economies, raising concerns about the country's competitiveness and potential to reduce poverty.

Figure 3.3 provides country-level trends in labour productivity between 1990 and 2004 for eight Asian economies whose levels of output per worker were greater than US$10,000 in 1990. Among these, the Republic of Korea, Singapore, Malaysia and Hong Kong (China) had the most rapid growth in labour productivity. The Asian financial crisis did adversely affect labour productivity in each of these economies. However, output per worker recovered considerably faster in these economies than in Thailand and Indonesia, a reflection of the greater overall susceptibility to severe economic downturns in developing versus more developed economies. Productivity growth in the Islamic Republic of Iran was relatively low in comparison with the remainder of the economies in this group. Among Asia's developed (industrialized) economies, Australia experienced the most rapid labour productivity growth since 1990, while Japan and New Zealand had considerably slower growth.

Large differences in productivity levels remain

Table 3.2 provides levels and growth rates of output per worker among the 18 Asian economies for which data are available. Hong Kong (China) with annual output per worker of nearly $54,000 has the highest labour productivity. The differences in levels among these Asian countries are stark: the level of labour productivity in Bangladesh is less than 6 per cent than in Hong Kong (China). Similarly, China's rapid labour

Table 3.2: Output per worker in 1990 and 2004, selected Asian economies

	Output per worker, constant 1990 $		Change, 1990-2004	
	1990	2004	Total growth	Average annual growth
Hong Kong (China)	36 815	53 946	46.5	2.8
Singapore	28 191	48 951	73.6	4.0
Australia	36 966	48 916	32.3	2.0
Japan	37 144	43 797	17.9	1.2
New Zealand	30 285	35 878	18.5	1.2
Korea, Rep. of	20 633	35 769	73.4	4.0
Malaysia	13 434	21 051	56.7	3.3
Iran, Islamic Rep. of	12 099	14 521	20.0	1.3
Thailand	8 291	13 507	62.9	3.5
Sri Lanka	8 339	10 921	31.0	1.9
Indonesia	5 945	8 666	45.8	2.7
China	3 258	8 240	152.9	6.9
Pakistan	6 033	7 806	29.4	1.9
Philippines	6 348	7 180	13.1	0.9
India	3 484	5 995	72.1	4.0
Viet Nam	2 346	4 548	93.9	4.8
Myanmar	1 959	4 390	124.1	5.9
Bangladesh	2 166	3 144	45.2	2.7

Source: The Conference Board and Groningen Growth and Development Centre, Total Economy Database, January 2006, http://www.ggdc.net.

productivity growth since 1990 must be put in the context of its very low starting point. Output per worker in this dynamic economy stands at less than one-quarter of the current level in the Republic of Korea. India's output per worker is approximately 17 per cent that of the Republic of Korea.

Clearly many economies in the region have been growing rapidly, and rising labour productivity levels have contributed to higher living standards, reduced poverty and improved overall competitiveness. Nevertheless, raising productivity levels to those of today's industrialized economies is likely to require decades. If productivity in China were to continue to expand at the very rapid historical rate of 6.9 per cent, it would take approximately 28 years to reach the level that currently exists in Hong Kong (China). And if labour productivity in Hong Kong (China) were also to continue to expand at its historical rate, it would take approximately 48 years for the two economies to converge to the same level. For India, based on historical trends, it would take 56 years for labour productivity to reach the current level of Hong Kong (China).

Future gains in productivity will depend on improvements in working conditions

Asia's ability to continue its rapid growth in productivity and output will depend greatly on the ability of governments and firms in the region to foster decent employment

opportunities. This, in turn, requires tangible and sustainable improvements in working conditions for millions of workers throughout the region's farms, factories and offices. The ILO is committed to the promotion of decent work throughout the world and has initiated programs in the region designed to enhance productivity by improving working conditions (see Box 3.3).

Box 3.2: The ILO Factory Improvement Programme in Sri Lanka, Viet Nam and India

Recognising the pressures – competitive, social and environmental – faced by companies operating in global supply chains and the need for capacity building linking the issues of improved productivity and quality to issues related to the provision of decent conditions of employment for workers, the ILO developed a Factory Improvement Programme (FIP). The programme has been in place in Sri Lanka since July 2002, and was recently introduced in Viet Nam and India.

A number of the initial supply chain research findings supported the eventual design of the FIP, namely the need to create a shared vision that integrates a mix of social and competitive goals into the organization, and the creation of systems of feedback, improvement and remediation. FIP seeks to address each of these areas. It was based on corrective action plans and in-factory assistance as well as training to workers and managers, helping them to implement broad-based change to their operations. It links improvements in quality and productivity to improvements in social practices and labour law compliance, with the goal of ensuring that social improvements remain in place once the project's involvement has ended.

FIP has already worked with around 10 per cent of the larger garment factories in Sri Lanka, representing over 20,000 workers. An external review of the programme found that on average in-line quality rejects were cut by over 40 per cent, while turnover and absenteeism fell by on average 26 per cent and 34 per cent, respectively. These improvements were the result of hundreds of changes, large and small, that took place as a result of the programme. Taking one example, the introduction of manual jigs to assist in stitching operations, a $20 investment, resulted in one factory in over $1,400 in savings for one order. Similar improvements have resulted from subsequent programmes. In Viet Nam, where FIP was conducted with 12 factories from a variety of sectors, the majority of facilities experienced reduced defect rates of over 50 per cent, while also cutting overtime hours. In numerous cases, workers benefited from considerable pay increases as a result of boosts in productivity.

The focus on strengthening communications and collaboration, for both the benefit of productivity and working conditions, is a central element of the FIP design. It is through collaboration between workers and managers that FIP attempts to create the virtuous cycle that supports long-term, sustainable change.

3.4 The relationship between productivity and employment

Is there a trade off between productivity and employment?

In the long-run, productivity bolsters aggregate demand and can grow hand-in-hand with employment. Nevertheless, labour-saving technological change often allows firms to produce the same or greater output with less labour input, and in the short-run job losses due to productivity growth can occur.[10] In light of the region's rapid growth in productivity, it is instructive to examine whether these gains are leading to job losses in the three major economic sectors (agriculture, industry and services). Table 3.3 provides employment elasticities by economic sector. For a given positive rate of growth in value-added, a low elasticity implies low employment intensity of growth, and thus that productivity growth is the main driver of growth in the sector.[11]

Table 3.3: Employment elasticities and value-added growth by sector in Asia, 1992-2004

	Sector employment elasticity, 1992-2004			Average annual growth rate, 1992-2004 (%)		
	Agriculture	Industry	Services	Agriculture value added	Industry value added	Services value added
East Asia	0.11	0.05	0.45	2.7	10.4	7.5
South-East Asia and the Pacific	-0.33	1.14	1.04	2.3	5.2	4.9
South Asia	0.65	0.36	0.44	2.7	5.3	7.2
Developed (Industrialized) Economies	0.81	-0.07	0.51	-1.9	0.0	2.0
Developing Asia	0.26	0.26	0.57	2.6	8.5	6.9
Asia-Pacific Total	0.26	0.24	0.56	1.8	3.2	3.2

Sources: ILO, Key Indicators of the Labour Market 4th Edition (updated figures), Kapsos, S. The employment intensity of growth: Trends and macroeconomic determinants, ILO Employment Strategy Paper 2005/12, Geneva, ILO.

Structural change in much of Asia and the Pacific

In East Asia, all three sectors experienced rapid growth, with the industrial and service sectors growing at an average annual rate of 10.4 per cent and 7.5 per cent respectively. Growth in both the agricultural and industrial sectors has largely been driven by productivity growth, as reflected by the very low employment elasticities corresponding to these sectors. Indeed, employment in agriculture declined over this period, implying that productivity-driven structural change is taking place. Growth in the subregion's service sector has been much more balanced between employment and productivity.

In South-East Asia and the Pacific, the three economic sectors registered robust growth over the full period. The negative employment elasticity in agriculture implies that productivity in the sector has been growing faster than output, and that these productivity gains have been accompanied by declining employment. In both industry

[10] ILO, World Employment Report 2004-2005.

[11] Annex II provides an overview on how employment elasticities are related to productivity and employment growth as well as a general overview on the employment elasticity as a labour market indicator.

and services, employment growth has outstripped total value-added growth, and thus productivity in these sectors actually fell over this 12-year period. Declining productivity in the industry and service sectors should raise a red flag that workers' living standards in these sectors may well have declined in the recent past.

South Asia experienced relatively balanced growth in all three sectors, with the subregion's agricultural sector continuing to absorb a large portion of excess labour in rural areas. This subregion, which is home to some of the poorest countries in Asia, is exhibiting the least degree of structural economic change and the least evidence that productivity growth is reducing the short-term demand for labour.

Among Asia's developed (industrialized) economies – Japan, Australia and New Zealand – agricultural output declined, as both employment and productivity in the sector fell. Industrial output grew in step with ongoing productivity growth, as employment in the sector declined. More and more workers in the developed (industrialized) economies are engaged in service-sector jobs. In the service sector, growth was driven roughly equally by employment and productivity.

Taken together, it is clear that Asia's rapid productivity growth – particularly in agriculture – is contributing to a shift in employment away from agriculture and into industry and services. The region's developed (industrialized) economies are also experiencing a decline in industrial employment, a pattern that is seen in many other developed economies throughout the world and one that reflects the declining relative competitiveness of manufacturing and related activities in the developed economies. It does not appear, however, that Asia's rapid productivity growth is leading to a widespread decline in demand for labour in the region. Nevertheless, it is clear from the manufacturing wage and productivity data discussed earlier, that the benefits of higher productivity do not automatically translate into higher wages and higher living standards for workers.

If economies in Asia and the Pacific are to maintain their competitiveness while fostering sustainable growth and continued poverty reduction, they must work to ensure that economic growth is balanced between productivity and employment growth and that gains from productivity accrue not only to firms' profits but also to workers' earnings and living standards. The pursuit of international competitiveness is far less likely to bear fruit in the long-run if it is accompanied by large increases in domestic inequality, diminished rights at work, gender-based labour market discrimination and reduced social welfare. By placing the goal of decent and productive employment creation at the heart of social and macroeconomic policies, economies in Asia-Pacific can promote continued improvements in competitiveness together with sustainable economic development and poverty reduction.

4

Youth employment

More than 660 million young women and men between the ages 15 and 24 years live in Asia and the Pacific today. They are the "Millennium generation", the generation of young Asians who are entering the labour force for the first time during the twenty-first century. What they do – as workers, entrepreneurs, innovators, agents of change, citizens, leaders and parents – will shape economic, social, political and technological developments. They are the region's greatest assets, but their potential is not being fully realized because they lack access to productive and decent work.

4.1 Youth employment challenges in Asia-Pacific

Asia-Pacific has almost half the world's unemployed youth

Asia-Pacific has over 45 per cent of the world's young people without work. In 2005, 39.2 million young people in Asia were unemployed. Young women and men aged 15 to 24 made up 20.3 per cent of the labour force in 2005, but unemployed youth constituted nearly half (47.7 per cent) of the region's jobless. Within the region, South Asia has the largest unemployed youth population, almost 16.3 million in 2005. However, in the last decade it is South-East Asia and the Pacific that has experienced the worst relative change. Youth unemployment in this subregion more than doubled, from over 5.5 million (9.7 per cent) in 1995 to nearly 10.4 million (16.9 per cent) in 2005. The rise started with the Asian financial crisis, but despite the region's recovery, youth have found it increasingly difficult to secure decent and productive employment in South-East Asia. Youth unemployment rates in Indonesia, the Philippines and Sri Lanka climbed to over 25 per cent. The youth employment rates are also alarmingly high in some of the Pacific island countries where the number of young people seeking work each year is up to seven times greater than the number of new jobs available.

Youth at least three times more likely to be unemployed than adults

The ratio of youth unemployment to adult unemployment is a good indicator of the problems that young jobseekers face compared to their adult counterparts. In East Asia, a young person's risk of being unemployed was 2.7 times as high as that of adults in 2005 (Table 4.1). In South Asia, youth were 3.7 times as likely as adults to be unemployed. In South-East Asia and the Pacific, the ratio increased from 4.9 to 5.6 in the decade from 1995 to 2005 and this subregion now has the highest ratio of youth to adult unemployment rates in the world. In the developed (industrialized) economies in Asia-Pacific youth are around 2.4 times as likely as adults to be without work.

Table 4.1: Youth unemployment in Asia-Pacific subregions, 1995 and 2005

	Youth unemployment rate (%)		Ratios of youth to adult unemployment rates	
	1995	2005	1995	2005
East Asia	7.2	7.8	2.8	2.7
South-East Asia and the Pacific	9.7	16.9	4.8	5.6
South Asia	9.4	11.3	3.8	3.7
Developed (Industrialized) Economies	7.8	9.1	2.5	2.4

Note: 2005 data are preliminary estimates.

Source: ILO, *Global Employment Trends Model, 2005.*

In the developing countries in Asia-Pacific for which data are available, jobless young people account for more than half of the total unemployed. For example, jobless young people represent over 51 per cent of the total unemployed in Pakistan and the Philippines, about 61 per cent in Indonesia and close to 80 per cent in Bangladesh. One reason for this lies in the demographic profile of the countries; due to rapid population growth the proportion of youth in both the working-age population and the labour force is high. The other reason is that job creation in these countries is insufficient to absorb large number of new entrants into the labour market. In countries with higher income levels, young people account for a smaller share of the total unemployed; Japan and Singapore, which both have ageing populations and low birth rates, have the lowest proportions of young people among their unemployed (Table 4.2).

Table 4.2: Youth unemployment indicators in selected Asian countries

	Youth unemployment rate (%)	Ratio of youth to adult unemployment rates	Share of youth unemployed to total unemployed (%)
Australia (2004)	11.7	2.9	40.3
Bangladesh (2000)	10.7	11.9	79.4
Japan (2004)	9.5	2.3	19.6
Korea, Rep. of (2004)	10.0	3.6	27.0
New Zealand (2004)	9.3	3.3	41.6
Indonesia (2005)	28.7	n.a.	60.7
Pakistan (2002)	13.4	2.4	51.1
Philippines (2003)	26.3	3.5	52.5
Singapore (2003)	7.8	1.5	16.8
Sri Lanka (2003)	27.2	6.3	62.3
Thailand (2004)	4.5	4.8	48.2
Mongolia (2002)	20.0	1.6	28.0
Viet Nam (2004)	4.6	3.2	46.2

n.a. = not available

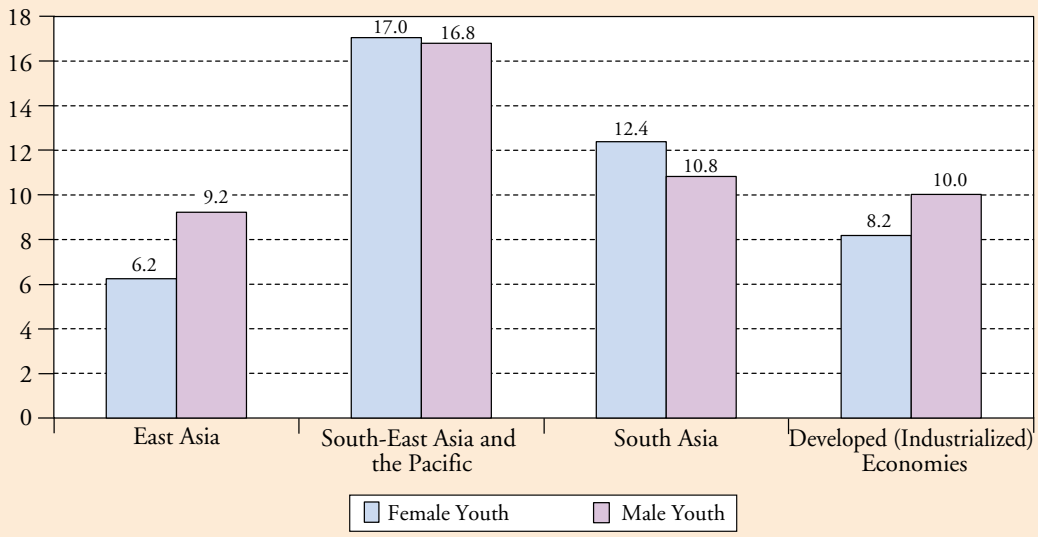
Source: ILO, *Key Indicators of the Labour Market* (4th Edition) (Geneva, ILO, 2005), except Indonesia – Labour Force Survey 2005.

The ILO has estimated that halving youth unemployment would increase GDP by between 1.5 and 2.5 per cent in East Asia, between 4.6 and 7.4 per cent in South-East Asia and the Pacific and between 4.2 and 6.7 per cent in South Asia.[1]

Gender differentials in youth unemployment

Looking at the gender dimension of youth unemployment, both in South-East Asia and the Pacific and in South Asia the unemployment rate for young women is higher than for young men (Figure 4.1). Since the unemployment rate is also higher for adult females than for adult males, it is possible that this gender differential might persist into the next generation in these two subregions. In East Asia, young women have lower unemployment rates than young men (6.2 per cent compared with 9.2 per cent in 2005). The same is true in the developed (industrialized) economies in Asia and the Pacific, where the youth male unemployment rate is 10 per cent, compared with a youth female unemployment rate of 8.2 per cent.

Figure 4.1: Youth unemployment rate by sex, 2005 (%)



Note: 2005 data are preliminary estimates.
Source: ILO Global Employment Trends Model, 2005.

Unemployment among educated youth is particularly high

While unemployment usually falls with the level of a person's education in developed (industrialized) economies, the relationship between the two is often the opposite in developing countries. One reason for the high unemployment among educated youth in some parts of developing Asia is that economic development has not kept pace with rapid increases in educational attainment. For example, in Sri Lanka, the probability of being unemployed is much higher among those with a university or post-graduate degree. The share of the unemployed with 13 years or more schooling increased from 15.4 per cent in 1990 to 29 per cent in 2003. This reflects the slow progress in moving to a higher growth path that demands higher levels of education and skills. While Sri Lanka's educational achievement is close to that in most middle-income countries,

[1] ILO, *Global Employment Trends for Youth* (Geneva, ILO, 2004), Table 7, p. 21.

much of its economy is stuck in a production base with low value added, focusing mainly on primary products and low-end manufacturing.[2]

Higher unemployment among educated youth is also related to the quality of education and the mismatch of skills. Moreover, unemployment among educated youth tends to reflect their job and wage reservations; they search for "good" jobs and reject job opportunities perceived to be inadequate according to social or cultural norms. In several developing countries, young people from wealthier families and with higher levels of education are over-represented in the unemployment numbers because it is only they who can afford to spend time looking for work and forego earning an income.

Underemployment and job quality are the main problems

While joblessness among young people is a serious regional problem, it is only one aspect of labour market status. A young person can be inactive (outside of the labour force), unemployed, underemployed, employed part-time, full-time, or even over-employed (those who in addition to a full-time employment have a secondary job or work excess hours in one job). Concentrating on unemployment trends in countries without effective unemployment support mechanisms runs the risk of excluding from the analysis the less fortunate, who simply cannot afford to be openly unemployed. The problem, therefore, is not so much youth unemployment in developing Asia but rather the conditions of work of those who are employed. Indeed, millions of young women and men – many of whom come from impoverished families – find themselves working long hours, without protection against hazards and risks, on short-term or informal contracts, with low pay and little or no social protection.

4.2 Multiple causes: demographic, economic and age-specific

The youth employment challenge has multiple causes. In some countries, demographic changes are partly responsible for the increase in youth unemployment and underemployment. Despite longer periods spent in the educational system and declining youth labour force participation rates, rapid population growth in South-East Asia and the Pacific and especially in South Asia has increased the supply of young labour market entrants. Between 1995 and 2005, the youth labour force expanded by 8.4 per cent in South-East Asia and by 17.2 per cent in South Asia (Table 4.3). The largest increases in the youth labour force took place in the Lao People's Democratic Republic (34.4 per cent), Afghanistan (50.7 per cent), Pakistan (54.3 per cent), the Islamic Republic of Iran (59.4 per cent) and Cambodia (78.9 per cent).

In contrast, East Asia saw a 12.3 per cent contraction in its youth labour force during the same period. This was the outcome of two factors: a low population growth rate and an increasing rate of youth participation in education. The latter is reflected in a drop in the youth labour force participation rate from 75.2 per cent in 1995 to 67.3 in 2005. Outside East Asia, the same trends can be observed in Singapore and Thailand. As a result, the youth labour force contracted by 4.4 per cent in Singapore and by 24.4 per cent in Thailand. The developed (industrialized) economies also experienced a decrease in their youth labour force, with Japan recording the largest decline (27.6 per cent) between 1995 and 2005.

[2] UNESCAP, Economic and Social Survey of Asia and the Pacific 2006, Bangkok, 2006, p. 178.

Table 4.3: Youth labour force growth and participation in Asian subregions, 1995 and 2005

	Youth labour force ('000s)		Change (%)	Youth labour force participation rate (%)	
	1995	2005	1995-2005	1995	2005
East Asia	176 137	154 511	-12.3	75.2	67.3
South-East Asia and the Pacific	56 703	61 490	8.4	58.1	56.5
South Asia	123 118	144 333	17.2	50.1	47.0
Developed (Industrialized) Economies	10 985	8 674	-21.0	50.7	49.5

Source: ILO, Economically Active Population and Projections (EAPEP) Database, Version 5 (Geneva, 2005).

While the youth employment challenge is closely linked to the general economic and employment situation, it has its own dimensions. Young people face certain age-specific difficulties in making the transition from the educational system to the labour market. Therefore, while young people can benefit from a broad range of policies and programmes that promote economic growth, enhance productivity and create jobs, it is crucial to address the age-specific difficulties. These difficulties include:

- Lack of labour market information and job-search experience;
- Wage and job reservations that youth have for entering the labour market – there is often a mismatch between youth aspirations (i.e. the level of pay and type of job they are prepared to accept) and labour market realities. This may also be related to aspirations parents have of the type of jobs they think their children should have;
- Lack of employment experience – since employers prefer experienced workers, young people often find themselves at the end of the queue for jobs;
- "Insider-outsider" effects (adults already in the labour market have an advantage over youth trying to enter) related to some aspects of labour market regulations;
- Constraints on self-employment and entrepreneurship (young people lack business experience and have particular difficulties in having access to finance because they usually have no collateral); and
- Lack of organization and voice – because young people often are not represented in trade unions or employers' organizations and have few channels through which they can make their voice heard.

The ILO's school-to-work transition survey provides a tool to capture both the quantitative and qualitative aspects of the age-specific difficulties faced by young people (Box 4.1). The survey focuses on identifying variables behind the relative ease or difficulty of the school-to-work transition in order to gauge ways in which countries can improve the process of matching the supply and demand for youth labour.

Box 4.1: School-to-work transition in China

The 2005 Chinese school-to-work transition survey involved a sample of 7,000 young people aged between 15 and 29 years along with 220 enterprises. The survey was conducted in four cities (Tianjin, Dalian, Changsha and Liuzhu), representing different geographical regions of the country. The findings of the survey include:

- Young people regarded education as a key factor determining their employment prospects. Close to 75 per cent believed that a university or post-graduate degree is needed to find a decent job.
- Despite the value attached to high levels of education, many young people left school early because of financial constraints. 34 per cent of the respondents who left education only with junior high school or lower educational attainments gave financial constraints as their main reason for abandoning schooling.
- When asked about the preferred type of business, 43 per cent of young people preferred the public sector, followed by those who preferred to start their own business. The private sector was among the least preferred types of business due to employment insecurity, low pay and the lack of benefits both in domestic private firms and multinational enterprises.
- About 15 per cent of those who entered the labour market before the age of 23 experienced a period of unemployment. The majority of the unemployed youth had only junior high school or vocational training.
- When unemployed young people were asked about the main obstacles they faced in finding jobs, overwhelmingly the most frequent response was their low level of education, followed by lack of work experience.
- Most of the employed youth had insecure employment: 38 per cent worked without a contract and another 56 per cent had only a temporary or fixed-term contract.
- On average, employed youth worked 48 hours per week. One-third of them worked 50 hours or more a week.
- Benefits were low: 42 per cent of the interviewed youth were covered by a pension scheme, 36 per cent by medical insurance, and only 26 per cent by unemployment insurance.
- Self-employed youth most commonly chose self-employment because of the greater independence and flexibility this affords. 90 per cent relied on their own savings or support from family and relatives. They also faced difficulties because of inadequate access to technology and business information and support services.

Source: "Report on the pilot school-to-work transition survey in China", prepared by the Youth Employment Network Office (Beijing), the Research Institute of Labour Sciences (Beijing), and the ILO (Geneva), unpublished draft, August 2005.

4.3 Linkage between youth employment and child labour

Child labour exacerbates the problem of youth employment

The linkages between child labour and youth employment are critical. Child labour tends to exacerbate the problem of youth employment insofar as it prevents children from acquiring the education and skills needed to compete in the labour market as young adults in a later stage in their life (Box 4.2). But it is not enough to eliminate child labour without ensuring alternative opportunities for education and skills acquisition that improve the employability of young people. The lack of opportunities for education and training is indeed one reason why child labour is sometimes seen as the way to acquire the experience and skills needed to improve labour market prospects. Efforts to alleviate the problems of child labour and youth unemployment and underemployment are less likely to be successful if these problems are tackled separately.

Box 4.2: Linkages between dropping out of school early, child labour and youth employment

In early 2006, the ILO undertook a survey in Indonesia which looked at the labour market situation of disadvantaged youth, and the impact of early school drop-out and child labour on future life and work experience. The survey interviewed more than 2,500 young people aged between 15 and 29 in eight provinces. Among the findings of the survey were:

- Dropping out from basic education was not motivated by prospects of working, but was a result of the costs of participation in education.
- Early school drop-out results in child labour and also a large pool of unemployed youth who lack the knowledge and skills to find decent work.
- Unemployment is extremely high among 15 to 17 year-olds (71 per cent) with the rate declining gradually with age (the unemployment rate among 23 to 24 year-olds is 20 per cent).
- The average age of both marriage and birth of first child was 2.3 years earlier for those who dropped out of school.
- Earnings differentials are significant between those who had completed junior secondary school and those who had not. Among the employed, earnings of those who had completed junior secondary school were 56 per cent higher overall, and among the self-employed they were 39 per cent higher.
- Among those who were working, 52 per cent of those completing junior secondary school worked for a salary, compared to 37 per cent of those not completing junior secondary school. Someone who had completed junior secondary school was three times more likely to have a contract than someone who had dropped out.
- Fourteen per cent had experienced a work related accident or illness. However, 33 per cent said yes to the question "Have you ever felt the way you earned money meant your personal safety was in some way at risk (e.g. working on the streets, or at night in dangerous situations)".
- On a range of indicators (job security, safety and health, use of qualifications, representational security and perception of well being) those who had completed junior secondary school recorded higher satisfaction than those who had dropped out of school and began to work at an early age.

Source: ILO, Draft report on the relationship between early school drop-out, child labour and youth employment, Jakarta, 2006.

There is a cruel irony in the co-existence of child labour and youth unemployment or underemployment. While demand for certain types of labour is met by children who should not be working, there is also a supply of labour from young people that goes unutilized or under-utilized. For example, Mongolia had an estimated 37,000 'working children' aged 5 to 14 years and 40,000 unemployed youth aged 15 to 24 years in 2003. In the Philippines, 11.0 per cent of all children aged 5 to 14 years were working in 2001, while 26.3 per cent of the youth labour force was without work. In Bangladesh, 4.7 million children were working in 2003 while youth unemployment amounted to 1.4 million or 10.7 per cent of the youth labour force in 2000. Measures that promote better functioning labour markets would help to reorient the demand for labour away from children and towards young jobseekers. But there must, of course, be the necessary safeguards to ensure that young people, too, are protected from exploitation in the forms of work available to them.[3]

Children and youth fall into partially overlapping age brackets. Those between the ages of 15 and 17 years are, according to ILO Conventions, generally free to work and be employed as long as they are not engaged in hazardous forms of work. However, there are an estimated 51.9 million children aged 15 to 17 years exposed to hazardous work, most of them in Asia and the Pacific.[4] The detrimental health effects of premature employment and hazardous work tend to impair employability during the productive years of youth and sometimes even for a lifetime.

4.4 Youth labour force projections

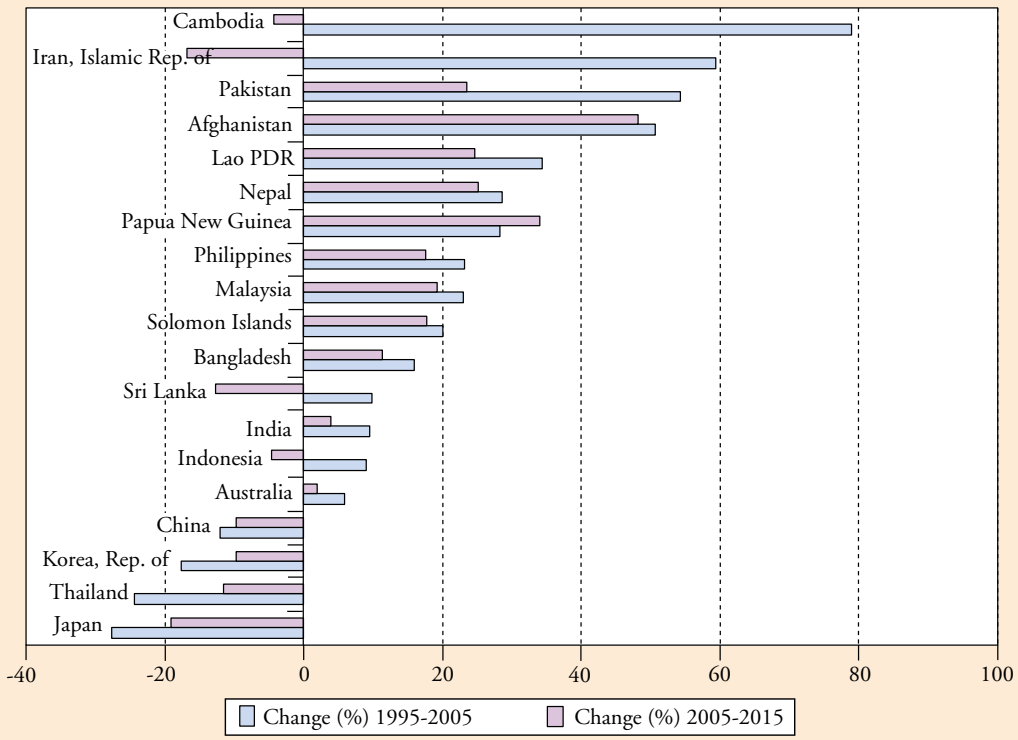
The future bodes well for some countries but it brings huge challenges for others

The next decade is crucial to meet the commitment of the Millennium Declaration, to "develop and implement strategies that give young people everywhere a real chance to find decent and productive work" (paragraph 20). Demographic trends bode well for most countries, as population growth rates are declining throughout much of Asia and the Pacific. Furthermore, young people are increasingly likely to stay longer in the education system and their labour force participation rates are expected to decline. These developments will take some pressure off the youth labour market. For example, while the youth labour force (the number of unemployed and employed young people) in the Islamic Republic of Iran increased by 59.4 per cent between 1995 and 2005 it is expected to decline by 16.8 per cent between 2005 and 2015. The youth labour force will also decline by around 10 per cent in China, the Republic of Korea, Sri Lanka and Thailand, and by 19.1 per cent in Japan (Figure 4.2). Countries with declining youth labour forces will have the opportunity to focus on job quality while ensuring that young women have the same opportunities as young men.

[3] IPEC, "Child labour and youth employment linkages: Conceptual framework and generic terms of reference for national policy studies and related activities", 2004, p. 6.

[4] The end of child labour: Within reach, Global follow-up report to the ILO Declaration on Fundamental Principles and Rights at Work, Report to the 95th Session of the International Labour Conference, Geneva, 2006, p. 6.

Figure 4.2: Change in youth labour force, selected Asian economies, 1995-2005 and 2005-2015 (%)



Source: ILO, Economically Active Population Estimates and Projections (EAPEP) Database, Version 5 (Geneva, 2005).

However, the youth employment challenge remains huge in other countries. Between 2005 and 2015, the youth labour force is expected to expand by more than 17 per cent in Malaysia and the Philippines and by more than 20 per cent in Nepal, Pakistan and the Lao People's Democratic Republic, by 34.1 per cent in Papua New Guinea and by an astonishing 48.1 per cent in Afghanistan. These countries will face enormous pressure to create jobs for millions of young labour market entrants in the coming decade.

5 Labour migration

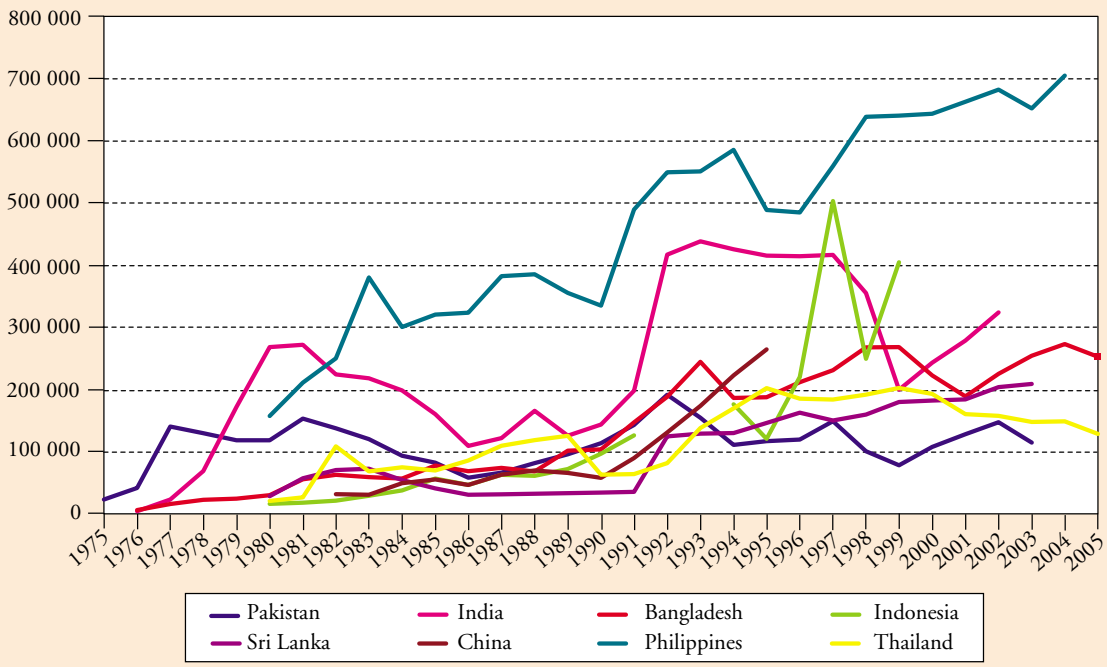
Over the past two decades, gross emigration of labour rose at an annual rate of 6 per cent in the Asia-Pacific region as a whole.[1] This would make growth in migration over two times faster on average than the growth of the labour force of the origin countries. Equally important is that labour migration is increasingly intra-regional, reflecting both demographic trends and the increasing integration of the economies of Asia-Pacific.

5.1 Labour migration trends

Workers on the move

After a period of modest migration growth in the 1980s (an estimated 800 to 900 thousand a year) the number of migrant workers started to climb at the beginning of the 1990s (Figure 5.1). The annual migration flow reached about 2 million in 1994

Figure 5.1: Trends in out-migration of labour from Asian countries



Source: Abella, M.: Growing migration system in Asia, unpublished report, 2006, p. 2.

[1] Abella, M.: "Driving forces of labour migration in Asia" in International Organization for Migration (IOM), World Migration 2003, Managing migration challenges and responses for people on the move (Geneva, 2003), Chapter 11.

and about 2.3 million in 1998. The main reason for this increase was an emerging labour shortage in several newly industrializing economies in East and South-East Asia. Taiwan (China), Hong Kong (China), the Republic of Korea, Malaysia, Thailand and Singapore have become magnets for migrants looking for better jobs and higher incomes. Although this trend was temporarily interrupted by the Asian financial crisis[2], it resumed once the economies had recovered from the crisis and again started to experience labour shortages.

While wage and income differentials are key factors influencing cross-border movements, other factors like state policies (i.e. restrictions on admissions), the cost of migration and ethnic linkages have played more important roles in shaping the directions and volumes of migration flows. The largest flows have been between neighbouring countries where income gaps are relatively narrower, such as between Malaysia and Indonesia, India and Bangladesh, and Thailand and Myanmar, and where the cost of migration is smaller.

Labour migration increasingly intra-regional

Asia itself absorbed an increasing proportion, an estimated 40 per cent, of the 2.6 to 2.9 million Asian workers (both registered and undocumented) who left their homes each year between 1995 and 2000 to work abroad. This is a major change compared with the late 1970s and the 1980s when more than 90 per cent of the migrants found jobs outside the region. Labour migration to the Gulf States slowed down relative to labour flows to other parts of Asia. Some 1.4 million migrant workers headed for Japan, Taiwan (China), the Republic of Korea, Hong Kong (China), Singapore and Malaysia. Because of proximity and earlier migration ties, workers in the Indian sub-continent still largely migrated to Saudi Arabia, Kuwait, and the other Gulf Cooperation Council (GCC) States over the period, but there has been a notable rise in recent years in the number of Bangladeshi plantation workers in Malaysia, Sri Lankan domestic helpers in Singapore, and Nepalese construction workers in the Republic of Korea. At the same time, Thailand's long land frontiers with Myanmar and the Lao People's Democratic Republic have become an active migration front, a result of the country's per capita income rising far ahead of its immediate neighbours' incomes.

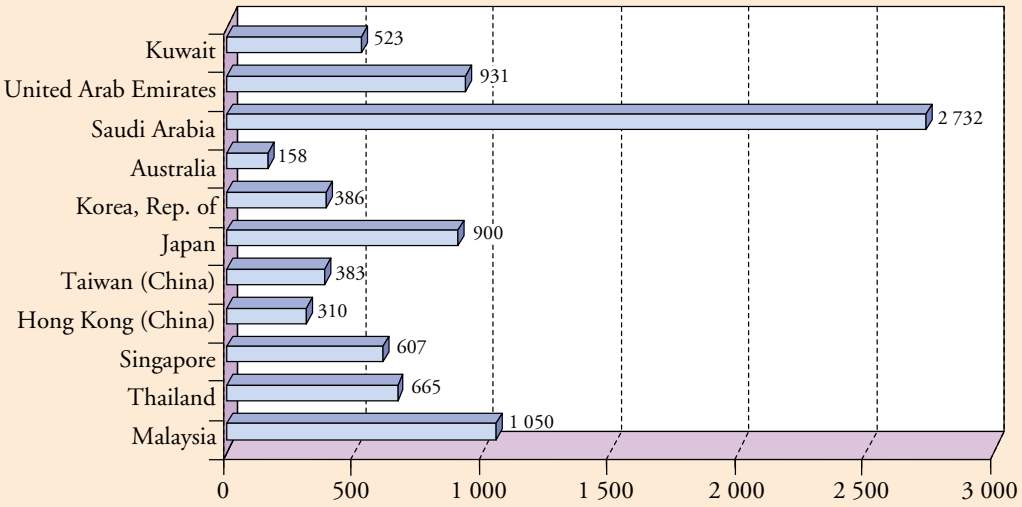
Figure 5.2 shows the size of the Asian migrant workforce in selected countries around the year 2000. Asian migrant workers represented anywhere from 40 to 70 per cent of the labour force of the Member States of the GCC. However, in the major receiving countries in East Asia they represented just over 4.2 per cent of the latter's combined labour force. The exceptions are Singapore, where migrants now account for 28 per cent of the labour force, and Malaysia, where they account for an estimated 12 per cent. In March 2004, Japan's Ministry of Health, Labour and Welfare estimated the number of foreign workers in Japan to be at least 800,000. The Republic of Korea had an estimated 389,000 foreign workers at the end of 2003.[3]

There are also huge labour migration flows to countries outside Asia, either through labour agreements, private contracts or under skilled visa categories. These range from Filipino nurses bound for Canada to Indian information technology workers heading for the United States.

[2] Indonesia actually experienced an increase in out-migration during the crisis period, which is not surprising given the large impact of the crisis in the country.

[3] IOM: World Migration 2005, Costs and benefits of international migration (Geneva, 2005), pp. 106-108.

Figure 5.2: Asian migrant workers in selected economies, around 2000 (thousands)



Source: ILO, ILO Plan of Action on labour migration in Asia-Pacific (unpublished, Bangkok, December 2005).

Large labour outflows from some Asian countries

The growth of labour outflows reported by some countries of origin has been remarkable (Table 5.1). The Philippines still remains the largest supplier of labour – the annual outflow of migrants to all destinations represents about one per cent of the labour force. The Islamic Republic of Iran is also emerging as a 'labour exporter', registering an annual outflow of skilled and specialized migrant workers of about 285,000, mainly to Europe and the Middle East. There are currently 3 million Iranians working abroad temporarily, mostly skilled and semi-skilled and primarily young and male.[4] Some countries in Asia are both source and destination for migrants. For example, both India and Pakistan host large communities of undocumented foreigners and refugees from the subregion while millions of their own people work in the Middle East and other regions. Thailand receives many unskilled migrants from Myanmar, Cambodia and the Lao People's Democratic Republic but also sends its own people to other countries including Israel, Japan and Taiwan (China). Mongolia is a newcomer in the group of sending countries and has about 100,000 citizens, or 0.7 per cent of its population, abroad, many of whom work in Japan, Taiwan (China), and the Republic of Korea.

[4] Ibid, p. 106.

Table 5.1: Estimated annual emigration of labour from selected countries

Country	Data available	Recorded average annual labour emigration[1] (000's)	Adjustment[5] required for excluded or undocumented flows (000's)	Main destination countries/regions
Bangladesh	1999-2002	224	+53	Gulf States, South-East Asia, India
India[2]	1999-2002	316	+200	Gulf States, USA, East Asia
Indonesia	2002	480	+50	Gulf States, Malaysia
Pakistan	1999-2003	135	+25	Gulf States, USA, Western Europe
Philippines	2002-2003	265[3]	+25	South-East Asia, Gulf States, USA, Europe
Sri Lanka	1999-2003	192	+16	Gulf States, Singapore
Thailand	2001-2002	160		Taiwan (China), Japan, Israel
Viet Nam	2003	75		Malaysia, Japan, Republic of Korea
Others (Myanmar, Malaysia, Lao PDR, China)		32	+120	Thailand, Singapore, Australia, Europe
	2003	530[4]	+100	Japan, Republic of Korea, South-East Asia, USA

[1] Official government statistics on workers registering employment contracts before departure. Data does not include those emigrating for permanent settlement in foreign countries, students who work, undocumented workers leaving under the guises of tourism, business or other non-work purposes.

[2] Indian data includes only those registered by Protector of Emigrants; graduates of tertiary education and holders of certificates from state training centres are not required to register, nor are those with previous experience working abroad.

[3] Philippine law requires all departing migrant workers to register with authorities, including those who have previously registered and are renewing contracts. The figure shown is based on "new hires" only to avoid counting again re-hired workers.

[4] In 2003, Chinese contracting companies posted 520,000 employees abroad. Added to this is the reported annual placement of 10,000 migrant workers by authorized employment service agents.

[5] Adjustments based on several sources including destination country data on foreign nationals admitted on temporary work visas, the numbers overstaying their visas, registration of undocumented workers (such as in Thailand and Malaysia) and estimates of undocumented foreign workers in other regions.

Source: ILO: ILO Plan of Action on labour migration in Asia-Pacific (unpublished, Bangkok, Dec. 2005).

5.2 "Migrant jobs"

Migrant workers concentrate at the bottom and top of the employment ladder

The majority of Asian migrant workers are at the bottom of the employment ladder, doing the dirty, dangerous and difficult – "3 D" – jobs that are shunned by locals and that, once they become "migrant jobs", tend to remain migrant jobs. These include jobs in commercial agriculture, construction, labour-intensive manufacturing, domestic service and cleaning and catering services.

At the other end of the scale, Asian migrants are professionals and highly skilled technicians – Filipino nurses and teachers moving to West Asia and the industrialized

countries, Bangladeshi doctors moving to Malaysia, Indian software engineers and designers moving to the United States – making up the 'brain drain" from their countries of origin. The other part of the brain drain comprises young Asians who, after going overseas to study, then stay on in the country of study. Between 1990 and 1999, the stay-on rates of foreign science and engineering PhD graduates in the United States were 87 per cent from China, 82 per cent from India and 39 per cent from the Republic of Korea.[5]

With Asian companies increasingly engaged in outward investments and becoming increasingly multinational, Asians are also representing growing proportions of the business professionals and "intra-company transferees" in the more dynamic regions of Asia and other parts of the world. More and more frequently, Asian skilled, professional and managerial workers are experiencing the mobility of the internal labour markets of multinational enterprises that has resulted from expanding trade and foreign direct investment.

Since the early 1990s, Asia has become the largest supplier of the world's professional and skilled migrant workers. Between 1990 and 2000 India alone supplied some 300,000 workers for the high-tech industries in Silicon Valley, and recently every year an average of 60,000 Indians, many of them highly educated, emigrate to the United States, Canada, Australia and the United Kingdom.[6] This figure does not include the large numbers of students studying abroad, who, after their education, stay, often permanently, in their host countries. Between 1992 and 1998 some 445,000 Filipino professionals moved abroad, mostly for temporary employment. And in one year alone (2000) Bangladesh lost 110,000 professional and skilled workers through contract labour migration.[7]

Figure 5.3 below shows the size of emigration of professionals and skilled workers relative to less skilled ones from five major Asian sending countries. The statistics are based on registrations of contract workers with government agencies; hence they may understate actual flows (as in the case of India, which requires an exit clearance only for those with low education migrating abroad). Nevertheless, the data clearly shows the proportion of professional and skilled migrants in total outflows has been on the rise.

Feminization of Asian labour migration

A global trend towards the feminization of labour migration is most evident in Asia. In 2001, women accounted for some 47 per cent of all migrants in Asia.[8] Female migrants from the Philippines, Indonesia and Sri Lanka make up between 60 and 80 per cent of all migrants. Large numbers of female migrants also originate from Thailand and Myanmar, many having irregular status in the host countries. Seventy per cent of the four million Indonesians working abroad are women. South Asian women are

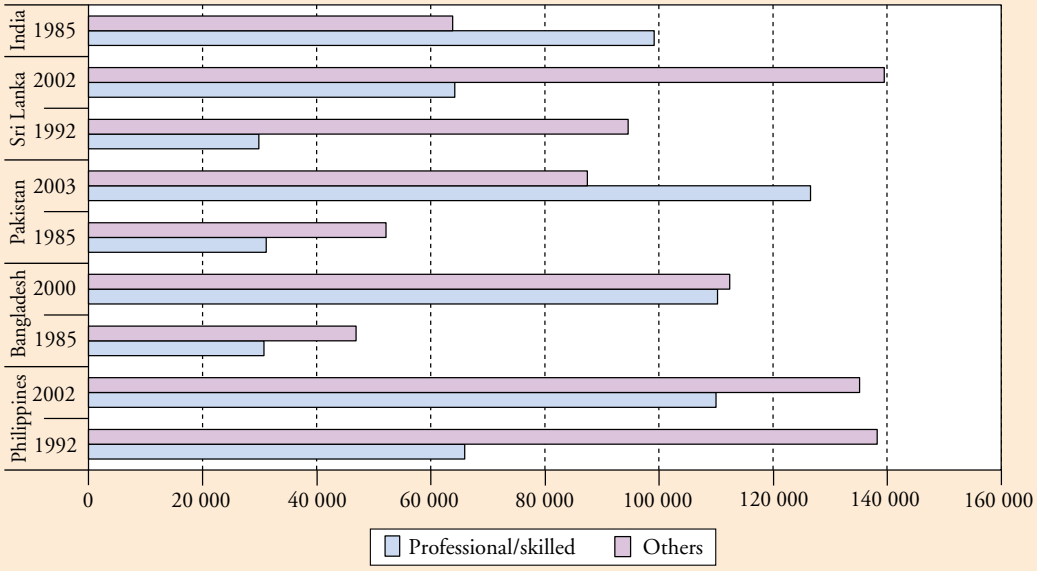
[5] Organization for Economic Cooperation and Development (OECD): International mobility of the highly skilled, Policy Brief (Paris, 2002).

[6] See Varma, U.K. and Sasikumar, S.K. "External Migration and Remittances: "Trends, policies, impact and development potential – the Case of India", in IOM, Labour Migration in Asia, Geneva, 2005.

[7] Alburo, F. and Abella, M. "Skilled labour migration from developing countries: Study of the Philippines" ILO International Migration Papers, No. 51, 2002, Geneva.

[8] Hania Zlotnik: "The global dimensions of female migration", Migration Information Source (Washington DC, 1 March 2003).

Figure 5.3: Labour emigration flows by skill level, all destinations, selected years



Source: Statistics compiled from reports of the Philippines Overseas Employment Administration, the Sri Lanka Bureau of Foreign Employment, the Bureau of Emigration of Pakistan, the Bureau of Manpower, Employment and Training (Bangladesh), and the Office of Protection of Emigrants (India).

increasingly moving to work, mostly in the Middle East but also in Malaysia and the Maldives.[9]

Asian female labour migration is strongly concentrated in a very limited number of female-dominated occupations, which are associated with traditional gender roles, mainly domestic work and the "entertainment" industry.[10] While these jobs do not necessarily have to be exploitative, the circumstances of the jobs themselves often lead to a high degree of vulnerability to abuse and exploitation. The significance of women migrants in domestic work can be judged from the fact that in Hong Kong (China), they numbered more than 202,000 in 2000, and that in Malaysia there were 155,000 documented and many more undocumented migrant domestic workers in 2002.

5.3 The costs and benefits of migration

The growing mobility of labour across borders offers significant benefits both for sending and receiving countries as well as for the migrants themselves. The autonomous and voluntary movements of workers from lower- to higher-wage countries suggest that the region's resources are being allocated from less to more productive employment. These movements no doubt enhance the position of Asian economies in global

[9] In response to highly publicized cases of abuse, the governments of Bangladesh, Nepal, Pakistan and the Islamic Republic of Iran banned certain categories of female workers from going abroad. However, as many women continued to migrate illegally, the barriers have again been relaxed and applications for skilled, semi-skilled and unskilled migrant women are considered on a case-by-case basis. Only Sri Lanka has an active policy to encourage female migration in South Asia. See IOM: World Migration 2005, Costs and benefits of international migration, op. cit, p. 110.

[10] ILO: An Information Guide Preventing Discrimination, Exploitation and Abuse of Women Migrant Workers, Booklet 1, "Introduction, Why the focus on women international migrant workers" (Geneva, 2003).

production systems. While relative wages alone may not accurately reflect the relative productivity of labour, the size of the wage differentials is often such that the benefits of some integration of labour markets are difficult to deny.

For the sending countries, the impact of migration on poverty reduction has clearly been positive. Remittances have enabled migrants' families to have higher standards of living and better education and health for children. Remittances often have multiplier effects on local economies. For some countries, workers' remittances represent the single most important source of foreign exchange income, providing a stable source of development finance, often larger than official flows of development assistance. In 2003, it is estimated that Asian sending countries received a combined remittance income of over US$40 billion, and some of the world's largest recipients of migrants' remittances are in Asia. India received some US$23 billion and the Philippines received US$8 billion in 2004.[11] Remittances from overseas nationals represented 48 per cent of GDP in Tonga, 21 per cent in Samoa and 13 per cent in Vanuatu in 2002.[12] The share of migrant remittances in GNP in 2002-03 was 6 per cent in Bangladesh, 3.1 per cent in India, 7 per cent in Pakistan, 6.5 per cent in Sri Lanka, 8.6 per cent in the Philippines, 4.7 per cent in Indonesia and 1.8 per cent in Thailand. [13] According to the Asian Development Bank, remittances sent to Nepal in 2005 amounted to US$1.1 billion – up 17 per cent from the previous year, an amount that accounted for 12 per cent of the country's total GDP.[14]

Yet, in addition to these important benefits, labour migration also involves costs such as brain drain and the risk of dependency. In addition, protecting the basic rights of migrant workers and ensuring fair conditions of employment in receiving countries are major concerns. The huge and growing numbers of irregular migrants signal the immense problem of managing migration.

Despite these very real and significant concerns, demographic trends and patterns of uneven development in Asia suggest that in the coming years labour migration will not only continue, it will grow. This poses immense challenges and exciting opportunities for all countries involved. Depending on how well migration is managed, the rising mobility of the region's human resources, both skilled and unskilled, can become a unique source of comparative advantage in the increasingly competitive global environment.

[11] IOM: World Migration 2005, Costs and benefits of international migration, op. cit, pp. 269-270.

[12] ADB: Responding to the Priorities of the Poor: A Pacific Strategy for the Asian Development Bank 2005-2009, op. cit, p. 48.

[13] World Bank: Global Development Finance, Mobilizing Finance and Managing Vulnerability (Washington DC, 2005), pp. 28-29.

[14] "Expats become Nepal's biggest Money Spinner", AFP, The Taipei Times, 31 January 2006.

6 Social trends

6.1 Poverty and the working poor

Massive reductions in poverty, but Asia still home to two-thirds of the world's poor

The Asia-Pacific region has made substantial progress in reducing poverty. The number of people living on less than US$1 a day dropped by about a quarter of a billion since 1990, largely due to sustained growth in China and an acceleration in economic growth in India. Yet, the region is still home to over 600 million people living on less than US$1 a day – more than two-thirds of the world's poor. If the poverty line is raised to US$2 a day, Asia has about 1.9 billion poor people or more than three-fourths of the world's poor.[1]

The regional figure masks diverse performances by the subregions (Table 6.1). The decline in income poverty has been the most remarkable in East and South-East Asia. Based on the one dollar per day poverty line, poverty has been virtually eliminated in Malaysia, Thailand and the Republic of Korea. Between 1990 and 2003, the latest date for which data are available, China, Indonesia and Viet Nam (Box 6.1) halved the number of people living on less than one dollar a day. These countries have already achieved the Millennium Development Goal (MDG 1) of halving the one dollar poverty rate by 2015. The Lao People's Democratic Republic and the Philippines are also close to achieving this goal.

Table 6.1: US$1 a day and US$2 a day poverty shares (%)

	US$1 a day total poverty		US$2 a day total poverty	
	1990	2003	1990	2003
East Asia	31.2	14.9	68.8	43.2
South-East Asia and the Pacific	16.6	9.3	59.3	47.8
South Asia	40.9	28.4	85.4	75.7

Source: ILO, World Employment Report 2004-05 (Geneva, ILO, 2005).

On the other hand, the largest number of poor people lives in South Asia. Although one dollar a day poverty dropped from 40.9 per cent in 1990 to 28.4 per cent in 2003, the South Asian share is still the second highest in the world (after Sub-Saharan

[1] ILO, Realizing Decent Work in Asia, Report of the Director-General, 14th Asian Regional Meeting, Busan, Republic of Korea, 2006.

Box 6.1: Growth, jobs and poverty: The success story of Viet Nam

According to World Bank data, there were 8 million fewer people living below US$1 a day poverty in 1993 than in 2003. In Viet Nam, 39.9 per cent of the population lived below the poverty line in 1993, but only 12 per cent did in 2003. Urban poverty dropped from 25 to 6 per cent in this period. This was the result, among other factors, of an impressive decrease in the number of urban working poor as a consequence of more productive jobs and higher wages.

In addition, unemployment decreased considerably over the past ten years. Viet Nam's economy generated approximately 730,000 new jobs annually. This was not only a result of impressive growth rates, but also of the national programme for employment generation that supported job centers and vocational training. Over this period the private sector absorbed about 90 per cent of new entrants to the labour market.

Another contributing factor was the almost unique slowdown in population growth that started in the late 1980s and took some pressure off the labour markets by noticeably reducing the number of new entrants.

The case of Viet Nam may serve as a good example for other economies in the region but, in one respect, it also serves as a warning. Despite ten years of successful employment growth and poverty reduction in urban areas, success in rural areas has been far less impressive. Urban poverty has dropped from 66 to 36 per cent but the amount of jobs created has lagged behind labour force growth. This could turn into a burden for development. To reduce poverty further, rural areas cannot be ignored in future development strategies.

Source: ILO, Global Employment Trends (Geneva, ILO, 2004).

Africa). The poverty rate is particularly high in Nepal, Bangladesh and India. In the Pacific, although data reliability remains a concern, more than 25 per cent of the population is believed to be living in poverty in Fiji, Kiribati, Micronesia, Papua New Guinea, the Solomon Islands, the Democratic Republic of Timor-Leste and Vanuatu.

The working poor: poverty is linked to low productivity

In addition to poverty among the population at large, it is important to examine poverty among those working to earn an income. In developing Asia, as in other developing regions where efficient social protection systems and social safety nets might not provide adequate coverage and indeed might not exist, the poor cannot afford to be unemployed and must work in order to survive and support their families. This means the problem is not so much the absence of economic activity, but rather the low productive nature of that activity and low earnings. Most poor people are working (and most working very hard and long hours) but are in low productivity jobs and are not earning enough to lift themselves and their families out of poverty. If people working in poverty were able to be more productive and earn more, then poverty would decline. This is why access to decent and productive employment is essential as a sustainable route out of poverty.

The working poor are defined as the proportion of employed persons living in a household whose members are estimated to be below the poverty line.[2] In 2005, of the

[2] ILO, Key Indicators of the Labour Market, Third Edition (Geneva, ILO, 2003), p. 722. Also Nomaan Majid, "The size of the working poor in developing countries", Employment Paper No. 16 (Geneva, ILO, 2001).

over 1.71 billion workers in Asia and the Pacific, more than 1 billion still did not earn enough to lift themselves and their families above the US$2 a day poverty line. Among these working poor, 336 million lived with their families in extreme poverty on less than US$1 a day. Even though this is less than fifteen years ago, it still means that more than every fifth worker in Asia and the Pacific has to face the difficult situation of surviving with less than US$1 a day for each family member.

In 2005, the share of workers living on one dollar a day out of total employment was 11.4 per cent in South-East Asia and the Pacific, 13.4 per cent in East Asia and 34.2 per cent in South Asia (Table 6.2). Taking the two dollar a day poverty line, 83.9 per cent of the workers in South Asia did not earn enough to lift themselves and their families out of poverty. The corresponding figures are 57.6 per cent in South-East Asia and the Pacific and 46.5 per cent in East Asia.

Table 6.2: Working poor indicators, 1995 and 2005

	1995	2005	1995	2005
	(million)	(million)	share in total employment (%)	share in total employment (%)
US$1 a day working poor				
East Asia	174.8	104.0	24.7	13.4
South-East Asia and the Pacific	39.8	29.7	18.6	11.4
South Asia	252.9	202.3	55.1	34.2
US$2 a day working poor				
East Asia	452.5	361.4	63.9	46.5
South-East Asia and the Pacific	143.6	150.0	67.2	57.6
South Asia	421.1	496.4	88.5	83.9

Source: ILO, Trends Working Poverty Model. For more information on estimation methodology, see S. Kapsos, "Estimating growth requirements for reducing working poverty: Can the world halve working poverty by 2015?", Employment Strategy Paper, 2004/14 (Geneva, ILO, 2004); available on website: http://www.ilo.org/public/english/employment/strat/download/esp14.pdf.

Whether measured on the basis of population or employment, poverty is predominantly a rural phenomenon for two reasons. First, even though developing Asia is becoming more and more urbanized, the majority of the population is still living in rural areas where agriculture is the main source of employment. Second, the poverty rate is higher in rural areas than in urban settings. The analysis of 17 countries for which data are available shows that the ratio of rural to urban poverty rates is two times higher in Cambodia, Malaysia, Papua New Guinea, the Philippines, Thailand and Viet Nam, and is between 1.2 and 2.0 times greater in Bangladesh, India, Lao People's Democratic Republic, Nepal, Pakistan, Sri Lanka and the Democratic Republic of Timor-Leste. Countries where the rural rate is somewhat lower than the urban one are Fiji, Mongolia and Myanmar. Therefore, any serious effort to reduce poverty must acknowledge that there is both a geographical and a sectoral component to address.[3]

[3] For a detailed discussion of the policy implications, see ILO, World Employment Report 2004-05 (Geneva, ILO, 2005), pp. 127-182.

6.2 Child labour

In May 2006, the ILO released its global report on child labour, which provides new estimates on the problem, along with a review of national and international action and the key challenges ahead. The report concludes with a proposed global action for the ILO and its member States. The report provides a picture of progress: child work is declining and the more harmful the work and the more vulnerable the children involved, the more rapid the decline has been. The report projects that if the current pace of reducing child labour is maintained and if the necessary technical cooperation support is available, the worst forms of child labour could be eliminated in the next 10 years. While this positive outlook rightly raises hopes, the report also clearly demonstrates that much additional work is required in order to meet this ambitious goal.

This is certainly the case in the Asia-Pacific region, which has the largest number of child workers aged 5-14 years in the world – some 122.3 million – about 64 per cent of working children worldwide.[4] Between 2000 and 2004, Asia and the Pacific registered declines in both the child population and in the number of economically active children[5], but only a very small decrease in activity rates (Table 6.3). Surveys in developing countries have shown that 70 per cent of children work in the agricultural sector and the remaining 30 per cent are found in manufacturing, wholesale and retail trade, restaurants and hotels, community, social and personal service (including domestic work), transport, storage and communication, construction and mining and quarrying.[6] At too young an age, many of these children work long hours, in hazardous conditions and in unhealthy environments.[7] The worst forms of child labour found in this region include slavery, trafficking into exploitative situations, debt bondage and other forms of forced labour, forced recruitment into armed conflict, prostitution, pornography and other illicit activities.

Table 6.3: Children's economic activity in Asia and the Pacific, 2000 and 2004 (5-14 age group)

	2000	2004
Child population (millions)	655.1	650.0
Economically active children (millions)	127.3	122.3
Activity rate (%)	19.4	18.8

Source: ILO, The end of child labour: Within reach, Global report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work 2006, Geneva, 2006, p. 8.

[4] ILO, The end of child labour: Within reach, Global Report under the Follow-up to the ILO Declaration on Fundamental Principles and Rights at Work 2006, (Geneva, ILO, 2006).

[5] "Economic activity" is a statistical concept that encompasses most productive activities undertaken by children, whether for the market or not, paid or unpaid, for a few hours or full time, on a casual or regular basis, legal or illegal; and it excludes chores undertaken in the child's own household. To be economically active, a child must have worked for at least one hour on any day during a seven-day reference period.

[6] ILO, A future without child labour, Global report under the follow-up to the ILO Declaration on Fujndamental Principles and Rights at Work 2002 (Geneva, ILO, 2002) p. 22.

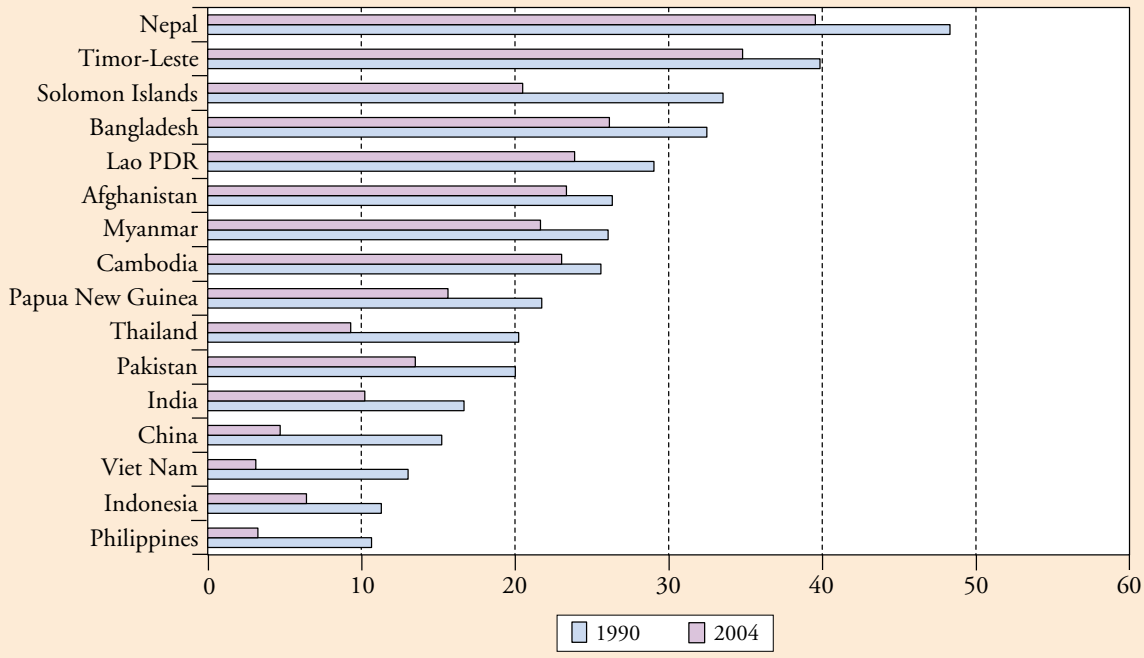
[7] For a detailed discussion, see: ILO, Combating child labour in Asia and the Pacific: Progress made and challenges (Bangkok, ILO Regional Office for Asia and the Pacific, 2005).

Poverty is both a cause and consequence of child labour and improved access to quality education is crucial to breaking this vicious cycle. Social attitudes, inadequate legislation, weak labour markets, inadequate health and social policies and the overal macroeconomic environment also contribute to the prevalence of child labour. Political volatility and conflict and recent natural disasters have increased the vulnerability of children to being forced to work for their survival.

Uneven decline in child labour

World Bank data on child labour provide country level trends over a longer period of time. However, these data cover only children aged 10-14. According to the data, the proportion of children in the labour force in 2004 was 4.6 per cent in East Asia, 7.6 per cent in South-East Asia and the Pacific and 12.5 per cent in South Asia. These rates are much lower than in 1990, especially in East Asia and South-East Asia and the Pacific. Countries with declines of greater than 10 percentage points include China, the Solomon Islands, Thailand and Viet Nam (Figure 6.1). But the changes were relatively modest in other countries. In Nepal nearly 40 per cent of the children aged 10 to 14 are still in the labour force and in the Democratic Republic of Timor-Leste nearly 35 per cent are working. In several other countries – Afghanistan, Bangladesh, Cambodia, Lao People's Democratic Republic, Myanmar and the Solomon Islands – more than 20 per cent of children aged 10 to 14 are in the labour force.

Figure 6.1: Percentage of children (aged 10-14) in the labour force, 1990 and 2004, selected countries (%)



Source: World Bank, World Development Indicators 2005.

While the above statistics tend to underestimate the real number of child workers, they do reveal an unmistakable trend: the declining proportion of children in the labour force. The uneven decline across subregions and countries mirrors the uneven reduction in poverty. Poverty and child labour are closely interlinked since poor families on the margin of survival have to weigh the cost of educating children against the value to the

household of the work that a child might do. The importance of the cost of education to poor families is clearly shown by the 2005 ILO Baseline Survey on Attitudes to Child Labour and Education in Indonesia – the first of its kind in the region.[8] While parents are highly committed to the idea of educating their children, they cited the costs of education as the main reason why their children were out of school. In addition, where the curriculum is not matched to the needs of the local labour market, and where school facilities are not repaired for years, poor families often think twice before sending their children to school. However, children's education is an increasingly attractive option to parents when they see their children acquiring the necessary skills to obtain decent work and to be able to support them in their old age.

At the same time, reducing the demand for child labour is essential. Small firms and informal sector operators hire children because they cannot afford to pay adult workers. Improving work performance and other aspects of small business operations by raising profitability helps move such enterprises from the margins of the market to a more secure position in which the higher productivity of better paid adults is more beneficial than the low wage costs of less productive children. Equally important is the effective enforcement of child labour and education legislation, as well as the mobilization of governments, workers, employers, civil society organizations and the children and families themselves, to acknowledge the risks of child labour and the importance of basic education and skills development for long-term economic and social development.

Considering the often hidden nature of child labour, it is very important to ensure that statistical capacity is strengthened so that progress and problem areas can be accurately tracked. Domestic work, along with trafficking of children into labour and commercial sexual exploitation and the use of children in armed conflict have grown in prominence, and yet are not sufficiently captured in the available statistics. Therefore, it is crucial that statistical data gathering and analysis be intensified in this field. SIMPOC is the statistics and monitoring unit of the ILO's International Programme on the Elimination of Child Labour and provides technical assistance to ILO member States to generate reliable, comparable and comprehensive data on child labour in all it forms (Box 6.2).

Education data can also be an important proxy for measuring the incidence of child labour, since the majority of out-of-school children are working. In this regard, the coordination of data collection on child labour and education is crucial.

The progressive elimination of child labour is inextricably linked to MDG 2 to achieve universal primary education by 2015. Despite the progress in enrolment made throughout the 1990s, in 2002, nearly 100 million children of primary school age were not enrolled in school globally. Of these out-of-school children, 44 million are in Asia and the Pacific. Of these, 36 million are in South Asia, and the majority are working.[9] There has been remarkable progress in reducing the proportion of girls among out-of-

[8] The study was conducted by the ILO in collaboration with a leading market research company, Taylor Nelson Soffres (TNS), from January to March 2005. The survey looked at 1212 households across six provinces of Indonesia: Greater Jakarta, East Java, West Java, North Sumatra, East Kalimantan and South Sulawesi. The target group was poorer households with children of junior secondary school age, as it is these children who are most likely to become child labourers. See also Box 4.2 in Chapter 4.

[9] UNESCO, Education for All: Literacy for Life: EFA Global Monitoring Report 2006 (Paris, UNESCO, 2005), pp. 46-47.

Box 6.2: Statistical Information and Monitoring Programme on Child Labour

The Statistical Information and Monitoring Programme on Child Labour (SIMPOC) was launched in 1998 in response to the growing need for more comprehensive statistics on child labour. SIMPOC has refined the quantitative methods and survey questionnaires used in national child labour surveys and vastly extended its coverage to all major world regions. SIMPOC has also collaborated with UNICEF on the development of a new qualitative approach, the Rapid Assessment Methodology, with a view to gathering information on the less visible forms of child labour, which are not easily captured by national child labour surveys.

The legal and policy framework for all ILO work on child labour is provided in two fundamental ILO Conventions: The Minimum Age Convention, 1973 (No. 138) and the Worst Forms of Child Labour Convention, 1999 (No. 182). With the rapid rise in the number of ratifications of Convention No. 182, the demand for SIMPOC technical support has increased strongly. For countries that have ratified this Convention, data collection is one of the necessary first steps in fulfilling the Convention's provisions in preventing and combating the worst forms of child labour. There are six basic methods of data collection that have been applied to generate child labour statistics and information including national child labour surveys, rapid assessment methodology, baseline surveys, establishment-based surveys, street children surveys and school-based surveys. These child labour survey methodologies are not mutually exclusive and can be applied in a combined and complementary way.

school children in the East Asia and South-East Asia and Pacific subregions from 71 per cent in 1990 to 50 per cent in 2002, While the situation has improved in South Asia, the proportion of out-of-school girls in the subregion is still 58 per cent.[10] Girls' work constitutes a major obstacle to achieving progress in girls' education. Their work, which often includes household chores, domestic servitude, agricultural activities and home-based work, is largely hidden. Often, when faced with limited resources, parents prefer to invest in the education of their sons. Efforts to increase girls' education must go hand-in-hand with efforts to progressively eliminate child labour.[11]

[10] UNESCO, Gender and Education For All: The Leap to Equality: EFA Global Monitoring Report 2003/4 (Paris, UNESCO, 2003), p. 50 and UNESCO, Education For All: Literacy for Life: EFA Global Monitoring Report 2006 (Paris, UNESCO, 2005) pp. 46-47.

[11] U. Sarkar, Combating Child Labour through Education, ILO-IPEC (Geneva 2004) p. 16.

7

Labour market governance

In the context of global production systems, intensified competition and changing patterns of work and employment relationships, it is crucial to adapt and modernize labour market governance. "Governance" refers 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. The mechanisms of governance cover informal but often powerful social norms, private contracts, laws and regulations, collective agreements and international standards.[1]

Labour market reforms in the focus

Labour market reforms have become a major policy focus in most Asia-Pacific countries for at least two reasons. First, in many countries, there is a trend towards strengthening national policies vis-à-vis the fundamental principles and rights at work, particularly concerning the fight against discrimination at work, child labour and forced labour. However, recent events in some countries reflect serious threats to freedom of association and freedom of expression and the absence of a climate in which people may exercise their basic rights without intimidation or fear. Some countries have changed their labour laws in favour of economic and trade objectives with little regard for the potential implications for workers. In others, some groups of workers, namely those engaged in agricultural activities, working in export processing zones, civil servants, migrants and domestic and informal economy workers continue to face difficulties in exercising the right to freedom of association and collective bargaining. But in an increasingly open and interdependent world, countries need to carefully balance economic and development objectives with decent work goals. Success in this regard is critical to the longer term viability of their labour markets and social fabric.

The second main reason is to accommodate the concern of employers. To keep pace with the most innovative competitors, employers are looking for ways to increase the flexibility of working arrangements, both through internal reorganization (functional flexibility) and through easing of rules on hiring and firing (numerical flexibility). Labour law reform is driven by efforts to accommodate the increasing diversity of working arrangements and to review established legal definitions of an employment relationship; to make "atypical contracts" (for a fixed term, temporary, part-time or covering a training period) more available to employers; to extend legislation to cover private employment agencies and temporary work; and to ease legislative protection concerning dismissals.

[1] ILO, "Realizing decent work in Asia", Report of the Director-General, Fourteenth Asian Regional Meeting, Busan, Republic of Korea, August/September 2006.

At the same time, many employers also realize that having a committed and skilled labour force is essential for productivity and success and that this requires a degree of stability in the employment relationship. The capacity of workers to react flexibly is based on trust that the outcome will not be disproportionately adverse to them – that if the employment relationship has to end, it can be terminated fairly and with a good chance of quickly securing a new job.

Many countries in the region have attempted to introduce flexible working arrangements and simultaneously strengthen the protection of workers. For example, most countries in East Asia are in different stages of change with regard to their labour laws. Viet Nam and the Republic of Korea have been working to bring their legislative frameworks for industrial relations into line with international labour standards. In Indonesia, dismissal regulations, severance allowances and the use of contract workers are the most contentious issues. Other countries, such as China and Japan, tend to focus on new regulations for individual contracts and strengthened protection for workers in non-standard forms of employment.

In other words, many countries are seeking to find an effective balance between flexibility, stability and security – a balance conditioned by respect for rights and negotiated solutions in dynamic labour markets. This balance cannot be found only through labour law reform; labour market governance structures and institutions are also crucial. Very importantly, in the Asian context, the balance between flexibility, stability and security to improve labour market governance must directly address the issues of the urban and rural informal economy. Breaking out of the cycle of informality is perhaps the single biggest governance challenge for developing countries in Asia.

Need for better information, monitoring and assessment of labour laws

Presenting and analysing trends in labour market governance is a challenging task. Several data-related problems typically arise. First, data do not exist on many informal but often powerful social norms that are parts of the mechanisms of governance. Second, measuring the often complex legal provisions of labour laws and regulations is also difficult. To overcome this problem, some studies use component indices and their aggregates. However, these types of analyses often fail to capture the complex ways in which labour laws are designed, reformed and executed.

Third and more fundamentally, measuring the provisions of labour laws and regulations says little about their impact. Many countries exhibit a distinction between the formal (de jure) nature of laws regulating employment and collective labour relations and the actual (de facto) impact of those laws and regulations on working conditions, industrial relations and labour market outcomes.[2] Some countries in Asia-Pacific struggle to enforce labour laws. Others have gradually relaxed enforcement practices, which has changed the impact of labour laws without changing the laws themselves.

Fourth, data collection is limited even in areas where measurement issues are less problematic, such as membership in trade unions and employers' organizations. Improving national statistical capacity would help governments, trade unions and employers' organizations to better monitor the economic and social effects of labour

[2] The 2004 Global Labour Survey provides some useful indications of the 'de facto' functioning of labour market institutions across regions. See, Chor, D. and Freeman, R.: The 2004 Global Labour Survey: Workplace institutions and practices around the world, Working Paper 11598, National Bureau of Economic Research, Cambridge, August, 2005. http://www.nber.org.papers/w/11598.

laws, regulations and institutions and to design and implement labour market reforms that better suit national circumstances.

7.1 Ratification of ILO Conventions

No one can prescribe how exactly labour markets reforms should be dealt with or what exactly the institutions for good governance should be. Nevertheless, the ILO's international labour standards (ILS) serve as points of reference for improvements in labour market governance mechanisms. These standards may be either Conventions, which are legally binding international treaties that may be ratified by member States, or Recommendations, which serve as non-binding guidelines. ILS can be used by governments, in consultation with employers and workers, to draft and implement labour laws and social policies that conform with internationally accepted standards; to provide guidance for developing national and local policies, such as employment and work and family policies; to improve various administrative structures such as labour administration, labour inspection, social security administration, employment services and the like; and to foster good industrial relations in terms of labour dispute resolutions and tripartite consultations for collective agreements.

Ratification has grown but Asia still lags behind other regions

Although ratification has gone up in Asia and the Pacific in recent years, the region still has the lowest average number of ratifications per country.[3] Within Asia, the number of ratifications per country is highest in the industrialized economies and in some South Asian countries. Countries with the highest number of ratifications include New Zealand (59), Australia (54) and Japan (47); followed by India and Sri Lanka (each with 40); and Pakistan (34), Bangladesh (33) and the Philippines (32).

Fundamental labour standards

The ILO Declaration on Fundamental Principles and Rights at Work, which was unanimously adopted by ILO constituents in 1998, represents basic principles for markets and democracy. The Declaration refers to the principles concerning the fundamental rights that are the subject of the conventions on freedom of association and the recognition of the right to collective bargaining; the elimination of forced labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. Taken together, these principles constitute a global social floor for governance of the world of work. Each of the four areas is articulated through two ILO Conventions.

Ratification by the member States of the ILO's eight fundamental Conventions has increased. However, the situation in the field of freedom of association remains problematic. As of the end of May 2006, only 13 out of 29 countries in Asia and the Pacific had ratified the Freedom of Association and Protection of the Right to Organize Convention, 1948, (No. 87) and 16 out of 29 countries had ratified the Right to Organize and Collective Bargaining Convention, 1949 (No. 98). Among the countries that have not ratified either of these two Conventions are some of the most populous ones in the region (China, India, the Islamic Republic of Iran, the Republic of Korea, Thailand and Viet Nam) (see Table IV.4.1 in the Statistical Annex). Moreover, there are a number of active cases from Asia and the Pacific pending before the

[3] ILO, Labour and Social Trends in Asia and the Pacific 2005, Bangkok, 2005, p. 31.

Committee of Freedom of Association. This indicates that freedom of association and the right to organize and collective bargaining are still problematic in some countries. This is particularly significant given the importance of these Conventions as building blocks for effective labour market governance.

On the positive side, the two Conventions concerning the elimination of discrimination (Equal Remuneration Convention, 1930 (No. 100) and Discrimination (Employment and Occupation) Convention, 1958 (No. 111) have the largest number of ratifications among the four areas of fundamental labour standards. The ratification and implementation of these Conventions makes a valuable contribution to achieving Millennium Development Goal 3 of promoting gender equality and empowering women. The two conventions concerning the elimination of forced and compulsory labour (Forced Labour Convention, 1930 (No. 290) and Abolition of Forced Labour Convention, 1957 (No. 105) have also been ratified by a number of countries.

In addition, recognizing the importance of giving children the proper start in life and investing in the human resources of the future, ratifications of the Minimum Age Convention, 1973 (No. 138) and particularly the Worst Forms of Child Labour Convention, 1999 (No. 182) have rapidly increased in the region since 1999. Out of 29 countries in Asia and the Pacific, 16 have ratified both ILO child labour Conventions and 20 countries ratified Convention No. 138. Nevertheless, more than half the population of children under the age of 18 in Asia-Pacific is not yet covered by these Conventions. The reason for this is that neither Convention has been ratified by India, which has the biggest child population in the world.[4]

It is important to note that a country's ratification of ILO Conventions provides only an indication of its commitment to international labour standards. The number of ILO Conventions ratified cannot be used as an indicator of a country's labour market governance. Yet, ratification is a first step towards establishing an effective social floor. Bringing national law and practice in line with ratified Conventions and monitoring the proper observance of standards are all critical.

7.2 Trade unions and employers' organizations

Unions represent a cornerstone of labour market institutions and play a vital role in promoting decent work conditions. But regardless of the workplace and the country, unions are facing the same sorts of challenges relating to globalization, restructuring, privatization and informalization. Traditional forms of action are losing their effectiveness, past gains have been renegotiated, and it is increasingly difficult for workers to make their voice heard. The ability of unions to represent and defend the interest of workers is also constrained by the shortcomings of union structures in some countries and by restrictive labour regulations and laws in others. In addition, unions in countries undergoing a transition from authoritarian regimes to democratic societies face the difficult task of adjusting to new circumstances.

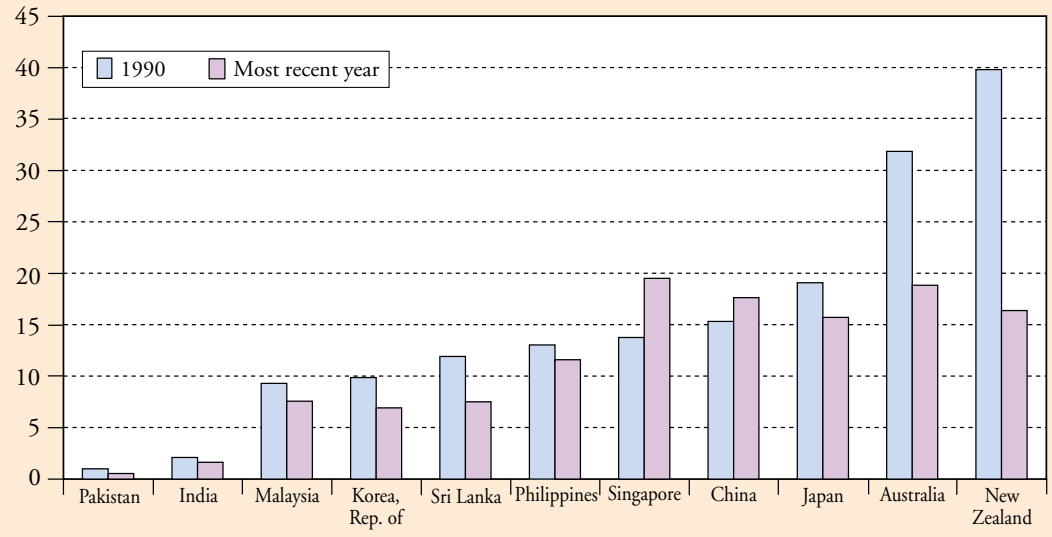
[4] ILO, The end of child labour: Within reach, Global report under the Follow-up to the ILO Declaration on Fundamental Principles and Rights at Work 2006, (Geneva, ILO, 2006) p. 16.

Unionization is low and declining

The level of unionization in Asia and the Pacific is declining from already low levels in many countries. Trade union density (membership as a proportion of the labour force)[5] in Malaysia, Sri Lanka and the Republic of Korea is less than 8 per cent. This compares to around 11 per cent in the Philippines and 17 per cent in China. Union density is the highest in developed (industrialized) economies, around 16 per cent in Japan and New Zealand and over 18 per cent in Australia and Singapore. Trade union density is very low in India (1.6 per cent in 2000) and in Pakistan (0.6 per cent in 2001).[6]

Since the early 1990s, union density has declined in many Asia-Pacific countries, including the Republic of Korea, Malaysia, the Philippines, and Sri Lanka, as well as in the three industrialized economies of Australia, Japan and New Zealand (Figure 7.1). The most marked declines in union density figures have been in Australia and New Zealand, where traditionally there was relatively high union coverage. The share of the labour force belonging to a trade union in Australia declined from 31.8 per cent in 1990 to 18.8 per cent in 2003, and in New Zealand fell from 39.8 per cent in 1990 to 16.4 per cent in 2004. On the other hand, trade union density figures have risen in both China and Singapore. China's union density rose from 15.3 per cent in 1990 to 17.6 per cent in 2002, while Singapore's rose from 13.8 per cent in 1990 to 19.5 per cent in 2003.

Figure 7.1: Trade union density (union membership as a proportion of labour force), by country, 1990 and the latest year available (%)



Source: Statistical Annex.

[5] Union density expresses union membership as a proportion of the eligible workforce. The eligibility criteria to join unions, however, shift over time and across countries, and data on the eligible workforce are not readily available. For this reason, union density is typically calculated on the basis of wage and salary earners – the group that is regarded as the main domain of the unions. Yet, it is also useful to look at the number of trade union members as a percentage of the total labour force, especially because labour force data are available for more countries than for wage and salary earners. The denominator can, of course, make a very large difference in measures of trade union density, depending on the structure of employment in a country. Nonetheless, one finds that an assessment of change over time is very similar using either wage and salary earners or labour force participants as the denominator.

[6] See Statistical Annex for further information.

Unions are facing tough challenges

The main reasons behind the broad trend toward declining union density include the fall in employment in previously highly organized sectors (such as manufacturing and public services), the rise in employment in small- and medium-sized enterprises (often in the service sector) and an increase in flexible types of work contracts. Moreover, the combination of growth of foreign direct investment, rapid technological changes and increasing competition across borders have shifted the balance between capital and labour and have made traditional forms of labour representation less efficient. Therefore, a pressing task facing the union movement is to address the power and influence of multinational companies and to develop new strategies that will enable them to organize and represent workers along value chains.

In Australia and New Zealand, changes in labour laws have played a crucial role in the decline in union membership. Industrial restructuring and the resulting changes in work organization have also been important. The changing structure of the Japanese economy has contributed to the decline in union density in that country. In particular, the decline of the lifetime employment system, which covered workers in larger Japanese firms, has resulted in a more fragmented and stratified labour force that, in turn, has weakened the influence of trade unions.[7]

In assessing trends in union membership, it is important to note that union influence and power cannot be measured merely in terms of the number of members. The level of trade union membership is an important factor in the power of unions; but it is not the only one. This can be seen from the influence of unions in some countries to call for action, despite very low unionization rates.

Employers' organizations must adapt too

Asian employers' organizations have also been experiencing formidable challenges. They have to deal with an increasing diversity of companies: the growing presence of multinational enterprises, which typically remain outside national federations, as well as the increasing diversity of national firms. Their main task is to represent the interests and provide services for this diverse business community.

7.3 Collective bargaining coverage

Collective bargaining and social dialogue systems in Asia-Pacific are very diverse, influenced by national history, regulations and economic factors. Despite diversity, a trend throughout the region has been a significant and growing representation gap.

Collective bargaining on the decline

Satisfactory data on collective bargaining coverage is scarce because of the lack of standardised information throughout the region and in developing Asia in particular.[8]

[7] Kuruvilla, S., Das, S., Kwon, H., and Kwon, S. (2002) 'Trade Union Growth and Decline in Asia', British Journal of Industrial Relations, 40:3 September, pp. 431-461.

[8] The ILO's Social Dialogue Indicators Project is designed to address this problem, seeking to establish a common framework and reporting guidelines on union density and collective bargaining coverage. See, Ishikawa, J. and Lawrence, S. (2005) 'Social Dialogue Indicators: Trade Union Membership and Collective Bargaining Coverage: Statistical Concepts, Methods and Findings', ILO Report No. 10, ILO, Geneva, 2006. http://www.ilo.org/public/english/dialogue/ifpdial/index.htm.

However, available data suggest that the institution of collective bargaining is relatively weak in most countries in Asia and the Pacific. As might be expected, low and declining union density rates in the region are reflected in limited and diminishing collective bargaining coverage. In 2003, for example, 13.4 per cent of employees in New Zealand were covered by collective agreements, compared with 12 per cent in Singapore, 3.3 per cent in Malaysia, 0.9 per cent in the Philippines and 0.5 per cent in Thailand.[9]

While collective bargaining coverage in Australia remains high in comparison with the region as a whole, there has been a significant decline in the percentage of workers who are represented by a union in negotiations and have their wages and conditions determined collectively. Estimates from the early 1990s suggest that up to 80 per cent of workers in the federal jurisdiction had their wages and conditions set by arbitration awards, many of which reflected the outcomes of bargaining between unions and employer representatives. By the mid 1990s, however, the coverage of awards had declined to less than 25 per cent of the workforce. While a further 35 per cent had their wages and conditions set by enterprise-based negotiations largely conducted by unions, more than 40 per cent of the Australian workforce had wages and conditions determined individually without union involvement.[10] It is expected that recent changes in labour legislation will further accelerate the erosion of collective bargaining as an institution and hasten the individualization of bargaining in the country (Box 7.1).

Box 7.1: Australia's Workplace Relations (Work Choices) Act 2005

The Workplace Relations (Work Choices) Act, which became effective in March 2006, overturned the award system that had been the basis of the Australian industrial relations model for over a century. Workplace awards stipulated basic conditions underpinning workplace agreements. They were especially important for lower-income workers, guaranteeing a 'safety net' of minimum pay and conditions. The Work Choices Act has created a more flexible and simpler system of industrial relations. Under the new system, individual employees have the option of 'trading away' previously guaranteed working conditions such as paid leave and weekend allowances. Furthermore, the Act changes laws relating to industrial action, making it more difficult for unions to enter workplaces, organize workers and bargain collectively. Among others, the Act exempts businesses with 100 employees or more from unfair dismissal laws and increases the potential penalties of unlawful industrial action.

Source: Ellem, B., Baird, M., Cooper, R. and Lansbury, R. (2005) 'Workchoices: Mythmaking at Work', Journal of Australian Political Economy, Number 56, December, pp. 13-32.

In China, the official collective bargaining coverage is growing. At end of 2003, an estimated 103.5 million Chinese workers were covered by collective agreements, with the All China Federation of Trade Unions targeting a bargaining coverage rate of 60 per cent by 2008. The catalyst for the growth of collective bargaining coverage is the Chinese Government's promotion of Tripartite Consultative Committees (TCCs) at national and district levels. These committees have been established in all provinces and

[9] See Ishikawa, J. and Lawrence, S. (2005) 'Social Dialogue Indicators: Trade Union Membership and Collective Bargaining Coverage: Statistical Concepts, Methods and Findings', ILO Report No. 10, ILO, Geneva, pp. 176-178.

[10] Lansbury, R. and Wailes, N. (2004) 'Employment Relations in Australia' in Bamber, G., Lansbury, R. and Wailes, N. (eds.) International and Comparative Employment Relations: Globalization and the Developed Market Economies, Sage Publications, London.

most municipalities, and are increasingly being set up at the district level. While this is an encouraging trend, as with union density, there is a need to improve the process of collective bargaining and the quality of collective agreements, so that the collective bargaining machinery can function as a genuine dialogue and negotiation, accommodating the interests of both workers and employers. One obstacle to effective collective bargaining at the local level appears to be the organizational and technical shortcomings of both trade unions and employers' organizations at the municipality and district levels.[11]

Social dialogue remains important

The strength of tripartite mechanisms of consultation and negotiations varies across countries. In a few Asian economies, governments emphasize tripartism as a means of coordinating policies with the needs of unions and employers where the decisions of social partners can have a major impact on competitiveness of the economy. In other countries, tripartism serves for information sharing and consultation on a variety of employment and social issues. As social dialogue provides a potentially useful mechanism for consensus building and strengthening social cohesion, information on the scope, agenda and outcome of social dialogue as well as on other aspects of national industrial relations system is useful (Box 7.2).

Box 7.2: The East Asian IR Net

In the past decade, industrial relations in East Asia have undergone a significant transformation, influenced by democratization, market-oriented reforms and the deeper integration of countries into global trading and production systems. Yet, very little is known about the diversity and experiences of industrial relations systems in the subregion. In a bid to generate better knowledge in the region on national industrial relations systems, the ILO has initiated the establishment of an East Asian industrial relations website, called East Asian IR Net. The website will cover ten ASEAN countries plus China, Japan and the Republic of Korea – countries with deepening economic relations through trade agreements.

With support from the Government of Japan, the East Asia IR Net will gather and present information on national frameworks for collective bargaining, social dialogue and dispute settlement. It will also establish a database on union density and collective bargaining coverage, including information on the level and topic of collective negotiations, the agenda and outcome of national tripartite dialogues, and news on major labour disputes and the way they have been resolved. Furthermore, the website will publish thematic reports on wages, productivity and other relevant issues. Once established, the East Asian IR Net could become a powerful tool for mutual learning on industrial relations in the region.

7.4 Industrial action

Considerable variation across the region

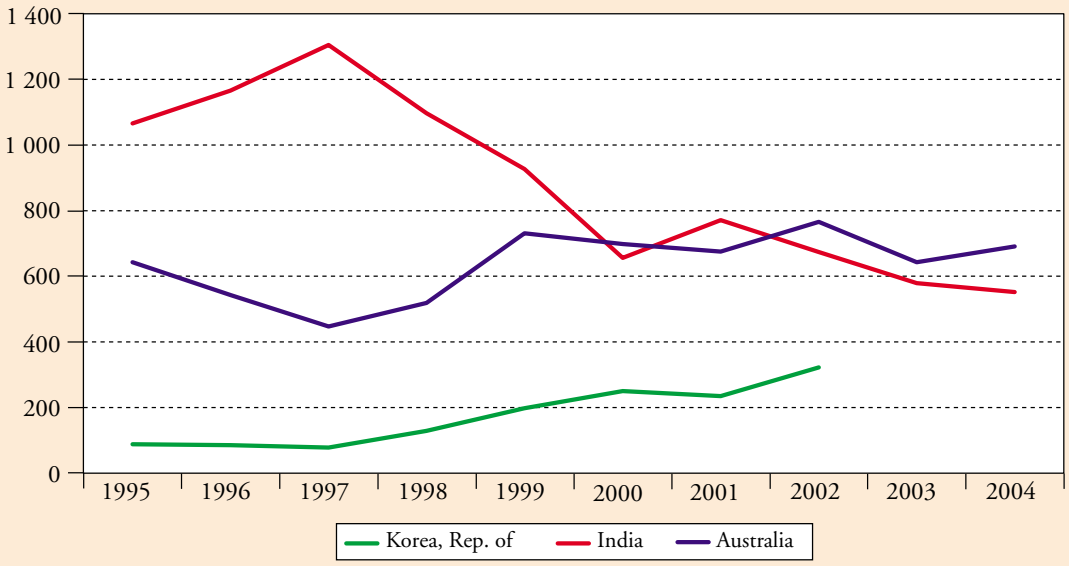
Industrial action is an indicator of the performance of labour market institutions. According to available data, there is considerable variation in the frequency of registered strikes and lockouts across the region.[12] Three countries have significant rates of

[11] Lee, C.H. (2006) "Recent Industrial Relations Developments in China and Viet Nam", Journal of Industrial Relations (forthcoming).

[12] Statistical Annex.

industrial action – Australia, India and the Republic of Korea. While the general trend across the region has been toward fewer strikes and lockouts, industrial action has been increasing at a considerable rate in the Republic of Korea: the number of registered strikes and lockouts increased more than three-fold from 1995 to 2002. On the other hand, the incidence of industrial action in India has been declining since 1997 (Figure 7.2). In Australia, the comparatively high rate of industrial action has remained relatively stable over the past decade.

Figure 7.2: Registered strikes and lockouts in Australia, India and the Republic of Korea, 1995-2004



Source: Statistical Annex.

Some countries, such as Cambodia, Japan, New Zealand, the Philippines and Sri Lanka, have moderate to low levels of industrial action. In the latter four countries, rates of industrial action have been declining since the mid-1990s. Cambodia is the only exception to this trend: the number of strikes and lockouts per year rose from zero in 1996 to almost 100 by 2001.

Other economies have very low rates of industrial conflict. Registered strikes and lockouts are virtually unheard of in Hong Kong (China), Malaysia, Singapore, Thailand, Bangladesh and Nepal. In Thailand and Nepal, recent figures reveal declines from traditionally moderate levels of industrial action in the 1990s.

Asia is less prone to strikes

Findings of the 2004 Global Labour Survey are broadly consistent with the above patterns. The survey also provides some indications of the gap between reported industrial action and actual practice. It shows that the Philippines has a higher level of industrial action than the registered strikes and lockouts data suggest.[13] Furthermore, the survey findings suggest that Asia and the Pacific is markedly less prone to industrial

[13] See, Chor, D. and Freeman, R.: The 2004 Global Labour Survey: Workplace institutions and practices around the world, Working Paper 11598, National Bureau of Economic Research, Cambridge, August, 2005. http://www.nber.org.papers/w/11598.

action than other regions. All surveyed Asia-Pacific economies are in or near the bottom half of the industrial action 'league table', while China, Malaysia, Sri Lanka, Taiwan (China) and Singapore are all in the bottom third.

The reasons for the relatively low incidence of industrial action in Asia-Pacific are manifold and country specific. In some countries, the main reason is rapid economic growth and its positive impact on jobs, incomes and working conditions. In others, effective mechanisms for social dialogue help mitigate the need for overt industrial conflict. However, in some countries, it may be that the low incidence of industrial action is a reflection of a representation gap and the constraints placed on workers and their representatives.

It is interesting to note that while the incidence of industrial action is low, the number of individual disputes is on the rise. In China, the number of individual disputes submitted to arbitration increased from 17,616 in 1994 to 215,568 in 2003.[14] In Japan, since the introduction of a new system of individual labour dispute settlement in 2001, the number of individual disputes referred to labour bureaus for counselling jumped from 251,545 in 2001 to 907,869 in 2005. This steep increase in the number of individual disputes reflects the growing diversity of employment contracts and work arrangements, and, in some countries, the declining influence of collective labour relations.

[14] Lee, C.H. (2006) "Recent Industrial Relations Developments in China and Viet Nam", Journal of Industrial Relations (forthcoming).

Annex I

Decent work indicators for Asia and the Pacific

Improving data on decent work

To promote decent work, countries need to identify decent work deficits, set targets and measure progress made in the different dimensions of decent work. Reliable statistical information is vital to achieve this. However, most countries in the region lack such information. This is mainly because the traditional focus of data collection has been on employment and unemployment, while information on rights at work, social protection, and voice and representation are very limited. The ILO has therefore launched an initiative to identify and measure a set of Decent Work Indicators (DWI).

A Task Force on Decent Work Indicators was set up in the Asia-Pacific region to assess the availability of basic information for the construction of DWI for the countries in the region; establish a regional DWI database; and provide technical advice and support to countries to develop national data compilation capacity. The DWI is neither intended nor possible to be used as cross-country comparative indices. It is a tool for each of the countries to promote decent work, as defined within their specific economic and social contexts.

The Task Force identified an initial core set of 23 DWI that would be developed for the region, and also selected an initial list of countries for technical assistance to develop and compile DWI. The list includes: Bangladesh, China, India, Indonesia, the Islamic Republic of Iran, Pakistan, Papua New Guinea, Sri Lanka, Thailand and Viet Nam. The Task Force also suggested a second-tier of DWI that can be collected at a later stage.

The DWI is grouped under the four aspects of decent work, which are rights at work, employment, social protection and social dialogue.

List of Decent Work Indicators

Initial DWI set (1st tier)	Expanded DWI set (2nd tier)
I. Rights at work	
1. Child school non-enrolment rate 5-14 years (UNESCO data) 2. Female share of employment in ISCO 1 3. Complaints/cases brought to labour courts or ILO	1. Ratification of ILO core labour standards 2. Forced labour 3. Existence of written work contracts
II. Employment	
4. Labour force participation rate 5. Employment-population ratio 6. Informal employment 7. Number and wages of casual/daily workers (labourers) 8. Youth unemployment rate 9. Youth non-activity rate	4. Employment in informal sector 5. Place of work 6. Working poor

Initial DWI set (1st tier)	Expanded DWI set (2nd tier)
II. Employment (continued)	
10. Unemployment rate 11. Employment by status of employment, and branch of economic activity 12. Share of female wage employment in agriculture, industry and services sector 13. Labour productivity 14. Real per capita earnings (from national accounts)	
III. Social protection	
15. Social security coverage (for wage and salary earners) 16. Public social security expenditure (as per cent of GDP) 17. Indicator of occupational injury (fatal/non-fatal) 18. Excessive hours of work (≥49 hrs/week) 19. Low hourly pay rate	7. Occupational wages 8. Unpaid care work (from time use surveys) 9. Uninsured unemployment
IV. Social dialogue	
20. Trade union membership 21. Number of enterprises belonging to employer organization 22. Collective bargaining coverage rate 23. Strikes and lockouts	10. Membership of organizations in informal economy 11. New forms of interaction 12. Women in leadership of trade unions

In addition to information on the different aspects of decent work, it is also important to have statistics providing supplementary information on the social context of countries such as migration, poverty, income inequality, participation in micro-insurance and income support schemes, depending on the availability and relevance of the data in each country.

Each country involved in the DWI programme is preparing an inventory of data sources for DWI. This will be followed by data compilation from available statistical sources such as surveys, publications, reports, and administrative records. In addition, some countries have decided to collect parts of the data for DWI through redesigned labour force surveys.

Annex II

Understanding employment elasticities[1]

The most basic definition of employment elasticity is the percentage point change in the number of employed persons in an economy or region associated with a 1-percentage point change in economic output, measured by gross domestic product. Employment elasticities can be calculated for the total economy as well as for different subsets of the economy, such as by economic sector (agriculture, industry or services). An employment elasticity of 1 implies that every 1-percentage point of GDP growth is associated with a 1-percentage point increase in employment. An elasticity of 0.4 implies that every 1-percentage point of GDP growth is associated with employment growth of 0.4 percentage points, and so forth. The employment elasticity is a useful indicator for examining how growth in economic output, employment and labour productivity evolve together over time.

There is a fundamental arithmetic identity that links economic output with labour productivity and employment growth:

$$Y = E + P \qquad (1)$$

where Y and E are, respectively, output and employment, and P is equal to labour productivity (output per worker). Equation 1 implies that for small changes in output, the following holds:

$$\Delta Y = \Delta E + \Delta P \qquad (2)$$

That is, for a given level of output growth, ΔY, any increase in the rate of employment growth must be met by an equal and opposite decrease in labour productivity growth. In the context of utilizing employment elasticities as an analytical tool, the significance of this employment elasticity-productivity relationship is great: in formulating conclusions about elasticities, one must necessarily consider the productivity side of the relationship. If we divide equation 2 by output growth, ΔY, we derive the following:

$$\varepsilon = 1 - \frac{\Delta P}{\Delta Y} \text{ , where } \varepsilon = \frac{\Delta E}{\Delta Y} \qquad (3)$$

Using equation 3 with different GDP growth scenarios clarifies the relationship between employment elasticities, ε, and actual employment growth and productivity growth. A summary of this relationship is provided in Table X.

The cells of the table can be interpreted as follows:

- The upper left box shows that in countries with positive GDP growth, negative employment elasticities correspond with negative employment growth and positive productivity growth. For instance, in an economy growing at 2 per cent per annum with an employment elasticity of -0.2, the average rate of employment growth is approximately -0.4 per cent, while the average rate of productivity growth is 2.4 per cent.

[1] Source: Kapsos, S. 2005. "The employment intensity of growth: Trends and macroeconomic determinants". ILO, Employment Strategy Paper 2005/12.

Table X. Interpreting employment elasticities[2]

Employment elasticity	GDP growth	
	Positive GDP growth	Negative GDP growth
$\varepsilon < 0$	(–) employment growth (+) productivity growth	(+) employment growth (–) productivity growth
$0 \leq \varepsilon \leq 1$	(+) employment growth (+) productivity growth	(–) employment growth (–) productivity growth
$\varepsilon > 1$	(+) employment growth (–) productivity growth	(–) employment growth (+) productivity growth

- The middle left box shows that in economies with positive GDP growth, employment elasticities between 0 and 1 correspond with positive employment and productivity growth and higher elasticities within this range correspond to more employment-intensive (lower productivity) growth. Hence, an economy growing at 2 per cent per annum with an employment elasticity of 0.6 is experiencing average annual employment growth of about 1.2 per cent and average annual productivity growth of 0.8 per cent. This box typically represents the ideal, whereby job growth is occurring hand-in-hand with gains in productivity.
- The lower left box shows that in economies with positive GDP growth, elasticities greater than 1 correspond with positive employment growth and negative productivity growth.
- The three boxes in the right column indicate that the interpretation of employment elasticities vis-à-vis employment growth and productivity growth is exactly the opposite in cases in which the corresponding GDP growth rate is negative.

[2] This table corresponds to interpretations that can be made when output exactly corresponds with employment (e.g. total output and total employment, or agriculture value added and employment in agriculture). The relationships between productivity, employment and output may not hold in cases in which employment corresponds to a population subgroup (such as youth or women) and where total output is used instead of output for the population subgroup.

Annex III

Statistical Annex – List of tables

Annex III (continued)

Statistical Annex – List of tables

Table I.1.1. Labour force – Total 1990, 1995, 2000-2005

(thousand)

	1990	1995	2000	2001	2002	2003	2004	2005
East Asia								
China	661 448	708 783	745 715	752 590	759 559	766 430	775 430	782 782
Korea, Rep. of	19 128	21 300	22 501	22 790	23 213	23 209	23 889	24 121
Mongolia	884	994	1 101	1 129	1 158	1 188	1 215	1 245
South-East Asia								
Cambodia	4 381	4 948	5 848	6 035	6 223	6 395	6 615	6 814
Indonesia	76 615	86 182	98 742	100 897	102 655	104 453	106 278	108 361
Lao PDR	1 544	1 771	2 023	2 088	2 155	2 225	2 286	2 355
Malaysia	7 122	8 227	9 684	9 963	10 206	10 422	10 735	11 013
Myanmar	20 000	22 249	24 832	25 376	25 874	26 361	26 900	27 427
Philippines	23 439	27 399	30 761	32 888	33 767	34 622	35 916	37 093
Singapore	1 541	1 740	2 059	2 082	2 111	2 139	2 176	2 207
Thailand	30 442	31 501	33 586	34 100	34 416	34 713	35 293	35 715
Timor-Leste	284	317	256	267	291	324	351	383
Viet Nam	31 284	35 409	39 770	40 678	41 641	42 561	43 603	44 608
South Asia								
Afghanistan	5 007	6 998	8 001	8 353	8 774	9 249	9 724	10 221
Bangladesh	46 940	51 173	57 239	58 663	60 109	61 558	62 399	63 845
India	329 794	363 303	398 363	406 655	415 047	423 617	430 445	438 766
Iran, Islamic Rep. of	16 264	18 315	22 787	23 837	24 861	25 924	26 952	28 040
Nepal	7 122	7 999	9 178	9 436	9 705	9 981	10 227	10 526
Pakistan	36 469	40 519	48 238	50 044	51 880	53 588	55 413	57 340
Sri Lanka	7 591	7 515	8 374	8 452	8 526	8 595	8 769	8 873
Pacific Islands								
Fiji	289	318	354	359	363	367	380	387
Kiribati	...	...	...	...	...	...	...	...
Papua New Guinea	1 771	1 958	2 244	2 311	2 370	2 422	2 504	2 575
Solomon Islands	118	141	166	172	177	183	189	195
Vanuatu	71	81	92	95	98	101	104	107
Developed (Industrialized) Economies								
Australia	8 353	8 879	9 498	9 650	9 788	9 910	10 107	10 261
Japan	63 905	66 903	67 705	67 628	67 143	66 985	67 020	66 702
New Zealand	1 658	1 813	1 909	1 954	2 003	2 025	2 079	2 117

Source: ILO, Labour sta, Economically Active Population Estimates and Projections (Version 5); ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 1a.

Table I.1.2. Labour force – Male 1990, 1995, 2000-2005

(thousand)

	1990	1995	2000	2001	2002	2003	2004	2005
East Asia								
China	364 815	391 038	412 052	416 134	420 360	424 532	429 834	434 307
Korea, Rep. of	11 606	12 897	13 433	13 533	13 781	13 853	14 151	14 264
Mongolia	521	591	658	674	692	710	727	745
South-East Asia								
Cambodia	2 080	2 390	2 816	2 910	3 005	3 093	3 210	3 315
Indonesia	47 153	53 590	61 467	62 802	63 900	65 013	66 098	67 292
Lao PDR	907	1 039	1 197	1 236	1 276	1 317	1 356	1 398
Malaysia	4 642	5 391	6 261	6 444	6 604	6 749	6 911	7 064
Myanmar	11 076	12 300	13 711	14 006	14 275	14 534	14 817	15 097
Philippines	14 871	17 204	19 257	20 160	20 694	21 219	21 777	22 334
Singapore	944	1 066	1 236	1 270	1 277	1 300	1 310	1 326
Thailand	16 256	17 386	18 311	18 684	18 824	18 952	19 064	19 229
Timor-Leste	179	201	166	173	186	205	221	239
Viet Nam	16 156	18 248	20 467	20 936	21 433	21 904	22 442	22 970
South Asia								
Afghanistan	3 586	5 021	5 725	5 961	6 245	6 567	6 907	7 231
Bangladesh	28 096	31 885	35 735	36 577	37 436	38 292	39 313	40 260
India	235 100	260 143	286 968	292 050	297 250	302 482	308 728	314 475
Iran, Islamic Rep. of	12 971	13 771	16 068	16 616	17 169	17 734	18 053	18 563
Nepal	4 426	4 859	5 497	5 624	5 756	5 890	6 096	6 265
Pakistan	27 968	30 662	36 288	37 366	38 437	39 362	40 716	41 881
Sri Lanka	4 952	5 165	5 737	5 811	5 881	5 950	6 095	6 171
Pacific Islands								
Fiji	181	198	220	223	226	229	234	238
Kiribati	…	…	…	…	…	…	…	…
Papua New Guinea	950	1 026	1 171	1 208	1 239	1 265	1 313	1 351
Solomon Islands	72	86	102	105	109	112	116	119
Vanuatu	38	43	49	51	52	54	55	57
Developed (Industrialized) Economies								
Australia	4 906	5 043	5 278	5 341	5 403	5 456	5 533	5 595
Japan	37 943	39 840	40 238	40 059	39 797	39 580	39 561	39 302
New Zealand	943	1 012	1 042	1 062	1 087	1 092	1 115	1 132

Source: ILO, Laboursta, Economically Active Population Estimates and Projections (Version 5); ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 1a.

Table I.1.3. Labour force – Female 1990, 1995, 2000-2005

(thousand)

	1990	1995	2000	2001	2002	2003	2004	2005
East Asia								
China	296 633	317 746	333 663	336 456	339 199	341 899	345 595	348 474
Korea, Rep. of	7 522	8 403	9 068	9 257	9 431	9 357	9 738	9 857
Mongolia	362	402	444	454	466	477	488	500
South-East Asia								
Cambodia	2 301	2 557	3 031	3 126	3 218	3 302	3 405	3 499
Indonesia	29 462	32 591	37 276	38 095	38 755	39 440	40 180	41 069
Lao PDR	638	732	826	853	880	908	931	958
Malaysia	2 480	2 836	3 422	3 519	3 602	3 673	3 824	3 949
Myanmar	8 925	9 949	11 120	11 370	11 599	11 827	12 083	12 330
Philippines	8 568	10 195	11 504	12 729	13 073	13 402	14 139	14 759
Singapore	597	674	823	812	834	839	866	881
Thailand	14 186	14 115	15 275	15 416	15 592	15 762	16 229	16 486
Timor-Leste	105	116	89	94	104	119	130	144
Viet Nam	15 128	17 160	19 302	19 743	20 207	20 658	21 161	21 638
South Asia								
Afghanistan	1 422	1 976	2 276	2 392	2 529	2 682	2 817	2 990
Bangladesh	18 844	19 289	21 504	22 086	22 673	23 266	23 086	23 585
India	94 694	103 160	111 395	114 606	117 797	121 135	121 717	124 291
Iran, Islamic Rep. of	3 293	4 543	6 720	7 221	7 692	8 190	8 899	9 476
Nepal	2 696	3 140	3 681	3 811	3 949	4 090	4 130	4 261
Pakistan	8 501	9 856	11 949	12 678	13 443	14 226	14 697	15 458
Sri Lanka	2 639	2 350	2 636	2 641	2 645	2 646	2 674	2 702
Pacific Islands								
Fiji	109	120	135	136	137	138	145	149
Kiribati	…	…	…	…	…	…	…	…
Papua New Guinea	821	933	1 073	1 103	1 131	1 157	1 191	1 224
Solomon Islands	46	55	65	67	69	71	73	75
Vanuatu	33	38	43	44	46	47	48	50
Developed (Industrialized) Economies								
Australia	3 446	3 836	4 220	4 309	4 384	4 454	4 574	4 666
Japan	25 962	27 063	27 467	27 569	27 346	27 405	27 459	27 399
New Zealand	715	801	867	892	916	932	964	986

Source: ILO, Labour sta, Economically Active Population Estimates and Projections (Version 5); ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 1a.

Table I.2.1. Employment – Total 1990, 1995, 2000-2004

(thousand)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	639 090	680 650	720 850	730 250	737 400	744 320	752 000
Korea, Rep. of	18 085	20 416	21 158	21 572	22 170	22 139	22 557
Mongolia	784	768	809	832	871	927	951
South-East Asia							
Cambodia	…	4 932	5 275	6 243	6 400	…	…
Indonesia	75 851	80 110	89 838	90 807	91 647	92 811	…
Lao PDR	…	…	…	…	…	…	…
Malaysia	6 685	7 645	9 322	9 357	9 543	9 870	9 987
Myanmar	15 740	17 590	…	…	…	…	…
Philippines	22 532	25 698	27 775	30 085	30 251	31 553	31 733
Singapore	1 537	1 702	2 095	2 047	2 017	2 034	2 067
Thailand	30 842	32 573	33 001	33 484	34 263	34 677	35 711
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	30 286	34 590	38 368	39 000	40 162	41 176	41 600
South Asia							
Afghanistan	5 914	…	…	7 300	7 400	7 600	7 700
Bangladesh	50 159	…	51 764	…	…	…	…
India	…	290 048	331 383	…	…	…	…
Iran, Islamic Rep. of	…	14 571	…	…	…	…	…
Nepal	…	…	9 463	…	…	…	…
Pakistan	29 797	31 407	36 847	37 481	38 882	39 900	41 750
Sri Lanka	5 964	5 316	6 308	6 212	6 663	6 943	7 349
Pacific Islands							
Fiji	92	110	112	…	…	…	…
Kiribati	31	38	40	…	…	…	…
Papua New Guinea	…	…	…	…	…	…	…
Solomon Islands	26	33	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	7 808	8 219	8 991	9 062	9 244	9 396	9 578
Japan	62 610	64 560	64 430	64 130	63 310	63 130	63 300
New Zealand	1 543	1 696	1 809	1 854	1 908	1 951	2 017

Note: India: 1995 column shows data for 1994, Iran, Islamic Republic of: 1995 column shows data for 1994, Fiji: 1995 column shows data for 1996, Nepal: 2000 column shows data for 1999.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 2; ADB, Key Indicators 2005.

Table I.2.2. Employment – Male 1990, 1995, 2000-2004

(thousand)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	…	…	…	…	…	…	…
Korea, Rep. of	10 710	12 149	12 388	12 579	12 944	13 030	13 193
Mongolia	…	407	417	425	440	469	…
South-East Asia							
Cambodia	…	…	2 475	2 838	…	…	…
Indonesia	46 428	51 686	55 439	57 131	58 583	…	…
Lao PDR	…	…	…	…	…	…	…
Malaysia	4 311	5 057	6 086	6 056	6 142	6 324	…
Myanmar	…	…	…	…	…	…	…
Philippines	14 347	16 193	17 258	18 334	…	…	…
Singapore	917	1 044	1 271	1 149	1 137	1 123	…
Thailand	16 456	17 778	18 165	18 471	18 872	19 082	…
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	…	19 292	19 744	20 356	20 959	…
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	30 443	…	32 369	…	…	…	…
India	…	205 834	236 189	…	…	…	…
Iran, Islamic Rep. of	…	…	…	…	…	…	…
Nepal	…	…	…	…	…	…	…
Pakistan	26 324	27 591	31 688	32 233	33 189	…	…
Sri Lanka	3 977	3 661	4 256	4 278	4 431	4 746	…
Pacific Islands							
Fiji	…	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	4 562	4 671	5 004	5 026	5 123	5 206	5 288
Japan	37 230	38 440	38 150	37 840	37 370	37 170	37 130
New Zealand	868	945	986	1 007	1 038	1 057	1 095

Note: India: 1995 column shows data for 1994.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 2.

Table I.2.3. Employment – Female 1990, 1995, 2000-2004

(thousand)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	…	…	…	…	…	…	…
Korea, Rep. of	7 375	8 267	8 770	8 993	9 226	9 109	9 364
Mongolia	…	361	392	408	431	458	…
South-East Asia							
Cambodia	…	…	2 671	3 065	…	…	…
Indonesia	29 423	28 424	34 399	33 676	33 064	…	…
Lao PDR	…	…	…	…	…	…	…
Malaysia	2 374	2 588	3 236	3 301	3 401	3 546	…
Myanmar	…	…	…	…	…	…	…
Philippines	8 185	9 505	10 516	11 751	…	…	…
Singapore	620	658	824	898	880	911	…
Thailand	14 386	14 795	14 836	15 013	15 391	15 596	…
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	…	19 076	19 257	19 807	20 217	…
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	19 716	…	19 395	…	…	…	…
India	…	84 214	95 193	…	…	…	…
Iran, Islamic Rep. of	…	…	…	…	…	…	…
Nepal	…	…	…	…	…	…	…
Pakistan	3 473	3 816	5 159	5 248	5 693	…	…
Sri Lanka	1 987	1 655	2 052	1 934	2 231	2 197	…
Pacific Islands							
Fiji	…	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	3 246	3 548	3 987	4 036	4 122	4 191	4 290
Japan	25 380	26 120	26 280	26 290	25 940	25 960	26 170
New Zealand	675	751	823	848	870	894	922

Note: India: 1995 column shows data for 1994.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 2.

Table II.1.1. Labour force participation rate (ages 15-64) – 1990, 1995, 2000-2005, 2010, 2015, 2020

(per cent)

	Total							Male							Female						
	1990	1995	2000	2005	2010p	2015p	2020p	1990	1995	2000	2005	2010p	2015p	2020p	1990	1995	2000	2005	2010p	2015p	2020p
East Asia																					
China	84.2	84.5	83.8	82.0	81.3	80.5	79.9	88.9	89.6	89.3	87.8	87.8	87.7	87.8	79.1	79.0	78.0	75.8	74.3	72.8	71.6
Korea, Rep. of	62.6	64.5	63.9	65.9	65.6	65.7	66.3	75.3	77.4	75.7	77.3	76.6	76.7	77.4	49.7	51.4	51.9	54.2	54.2	54.3	54.8
Mongolia	71.5	70.6	70.3	69.7	70.9	71.6	71.5	83.7	83.6	83.6	83.3	84.9	86.2	86.4	59.3	57.6	57.0	56.2	57.0	56.9	56.6
South-East Asia																					
Cambodia	83.6	84.1	80.1	79.6	80.2	81.1	81.3	86.7	87.7	81.8	81.4	82.3	83.7	84.1	81.0	81.0	78.6	78.0	78.3	78.6	78.7
Indonesia	67.5	67.6	69.7	70.1	71.1	71.8	72.3	82.9	83.8	86.7	87.1	87.7	87.9	87.8	52.1	51.3	52.7	53.0	54.5	55.7	56.8
Lao PDR	68.7	69.5	68.9	69.3	69.7	70.1	70.4	81.6	82.2	82.0	82.3	82.8	83.4	83.8	56.3	57.3	56.1	56.4	56.6	56.8	56.9
Malaysia	64.2	64.3	65.1	66.2	66.4	67.8	69.5	82.7	83.3	83.0	83.7	82.6	82.7	83.1	45.3	44.7	46.6	48.1	49.6	52.4	55.5
Myanmar	80.2	79.1	78.8	78.8	78.6	79.2	79.7	89.2	88.1	87.8	87.7	87.4	88.0	88.5	71.2	70.3	70.0	70.0	70.1	70.6	71.2
Philippines	66.3	67.5	66.4	70.7	73.3	75.2	76.4	83.7	84.4	82.8	84.7	84.8	85.0	85.2	48.7	50.4	49.8	56.5	61.7	65.3	67.5
Singapore	69.1	69.0	71.1	69.9	68.3	69.1	70.6	83.9	83.6	84.2	82.8	79.8	79.2	79.6	54.2	54.2	57.7	56.7	56.6	58.7	61.3
Thailand	84.9	78.4	77.2	77.6	78.2	78.5	78.4	90.6	86.9	84.9	84.5	84.2	84.1	83.8	79.2	70.0	69.7	71.0	72.4	73.1	73.1
Timor-Leste	65.8	64.4	65.7	70.5	73.9	75.1	73.8	81.0	79.8	78.3	82.9	87.1	88.7	86.8	49.8	48.1	50.4	56.6	59.9	60.7	60.1
Viet Nam	82.5	81.8	81.0	79.9	79.4	79.5	78.8	85.5	84.6	83.6	82.4	82.2	82.8	82.3	79.4	79.1	78.5	77.4	76.6	76.2	75.3
South Asia																					
Afghanistan	64.3	64.3	64.5	65.1	66.2	67.3	68.6	88.7	88.9	89.0	88.8	88.8	88.8	89.1	38.2	37.9	38.2	39.6	42.0	44.2	46.8
Bangladesh	77.5	74.2	73.0	72.0	71.7	71.6	71.6	89.8	89.4	88.3	88.1	88.0	88.3	88.7	64.5	58.0	57.0	55.2	54.6	54.2	53.8
India	63.2	62.7	61.5	60.9	60.5	60.4	60.4	86.6	86.2	85.3	84.3	83.7	83.5	83.5	38.1	37.3	36.0	36.0	36.0	36.1	36.2
Iran, Islamic Rep. of	53.1	52.4	54.4	58.2	61.8	65.1	65.6	82.3	77.4	75.4	75.5	76.5	78.4	77.7	22.5	26.9	33.1	40.5	46.7	51.5	53.2
Nepal	66.4	65.9	66.1	66.2	66.7	67.5	68.6	82.5	81.7	80.9	80.6	80.4	80.9	81.8	50.4	50.7	52.0	52.5	53.5	54.6	55.8
Pakistan	59.4	58.6	59.2	60.6	62.7	65.3	67.6	88.1	85.8	86.2	85.7	85.3	84.5	83.0	28.8	29.6	30.3	33.7	38.5	44.9	51.1
Sri Lanka	66.1	59.8	61.1	60.8	60.7	60.6	60.2	82.9	79.1	80.8	81.9	82.0	82.2	81.8	48.2	39.2	40.1	38.5	38.2	37.9	37.6
Pacific Islands																					
Fiji	66.6	66.5	67.9	69.5	71.0	72.3	73.2	81.7	81.4	82.4	83.4	84.1	84.5	85.2	51.1	51.3	52.9	55.0	57.5	59.5	60.7
Kiribati	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Papua New Guinea	74.2	72.6	73.2	74.0	74.0	74.2	74.7	75.9	73.6	74.1	75.2	75.5	75.7	76.3	72.3	71.4	72.2	72.8	72.4	72.6	73.0
Solomon Islands	70.3	70.5	70.1	69.8	70.2	70.1	70.2	82.6	83.5	83.2	83.2	83.8	83.7	83.9	57.4	56.8	56.4	55.7	55.8	55.7	55.8
Vanuatu	85.3	83.8	84.0	84.8	85.3	85.6	85.8	90.0	88.3	88.5	89.2	89.6	89.9	90.1	80.5	79.2	79.5	80.3	80.8	81.2	81.6
Developed (Industrialized) Economies																					
Australia	73.1	73.4	73.6	74.1	74.5	75.1	75.4	84.4	83.2	81.9	80.8	79.6	79.1	78.5	61.5	63.7	65.5	67.4	69.4	71.2	72.3
Japan	70.1	71.6	72.5	72.7	72.5	72.7	72.9	83.1	84.6	85.3	84.8	83.8	83.0	82.4	57.1	58.5	59.5	60.5	61.1	62.2	63.2
New Zealand	73.1	74.8	75.3	77.1	78.4	79.3	79.6	83.0	84.0	83.3	83.3	83.2	83.1	82.9	63.2	65.9	67.5	71.2	73.8	75.5	76.3

Note: "p" denotes projection.

Source: ILO, Laboursta, Economically Active Population Estimates and Projections (Version 5); ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 1a.

Table II.2.1. Employment-to-population ratio – Total 1990, 1995, 2000-2004

(per cent)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	76.5	75.9	75.2	75.1	74.6	74.1	73.7
Korea, Rep. of	56.9	59.2	57.1	57.6	58.6	58.0	58.5
Mongolia	60.6	52.6	49.9	50.1	51.1	52.9	52.9
South-East Asia							
Cambodia	…	81.0	69.8	79.7	79.0	…	…
Indonesia	65.2	61.1	61.5	61.0	60.4	60.1	…
Lao PDR	…	…	…	…	…	…	…
Malaysia	59.0	58.5	61.2	59.9	59.6	60.3	59.7
Myanmar	61.6	61.1	…	…	…	…	…
Philippines	62.4	62.0	58.7	61.9	60.6	61.6	60.4
Singapore	64.9	63.0	66.7	63.6	61.4	60.8	60.6
Thailand	82.9	77.9	72.2	72.2	72.8	72.7	73.9
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	74.9	75.1	73.3	72.6	72.9	72.9	71.8
South Asia							
Afghanistan	74.5	…	…	55.5	53.6	52.3	50.5
Bangladesh	81.5	…	64.3	…	…	…	…
India	…	48.3	49.3	…	…	…	…
Iran, Islamic Rep. of	…	40.7	…	…	…	…	…
Nepal	…	…	65.6	…	…	…	…
Pakistan	47.3	44.2	44.0	43.3	43.6	43.4	44.1
Sri Lanka	49.4	39.9	43.0	41.7	44.1	45.3	47.3
Pacific Islands							
Fiji	20.5	22.3	20.7	…	…	…	…
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	…	…	…
Solomon Islands	15.1	16.2	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	59.2	58.7	59.8	59.4	59.7	59.8	60.0
Japan	62.1	61.2	59.4	58.9	57.9	57.6	57.6
New Zealand	59.0	60.2	61.4	62.2	63.0	63.4	64.6

Source: Employment: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 2; Population 15+: UN Population Division, World Population Prospects 2004 Revision Database.

Table II.2.2. Employment-to-population ratio – Male 1990, 1995, 2000-2004

(per cent)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	…	…	…	…	…	…	…
Korea, Rep. of	67.8	70.8	67.4	67.7	69.0	68.8	69.0
Mongolia	…	56.3	51.9	51.5	52.0	53.9	…
South-East Asia							
Cambodia	…	…	70.6	77.9	…	…	…
Indonesia	80.2	79.2	76.5	77.3	77.9	…	…
Lao PDR	…	…	…	…	…	…	…
Malaysia	75.5	76.7	79.1	76.7	76.0	76.5	…
Myanmar	…	…	…	…	…	…	…
Philippines	79.6	78.3	73.0	75.6	…	…	…
Singapore	77.5	77.3	80.9	71.5	69.3	67.1	…
Thailand	89.4	86.4	81.3	81.5	82.2	82.1	…
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	…	74.5	74.3	74.7	74.9	…
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	95.9	…	78.4	…	…	…	…
India	…	66.5	68.3	…	…	…	…
Iran, Islamic Rep. of	…	…	…	…	…	…	…
Nepal	…	…	…	…	…	…	…
Pakistan	81.0	75.4	73.4	72.4	72.3	…	…
Sri Lanka	63.9	53.6	56.9	56.3	57.5	60.8	…
Pacific Islands							
Fiji	…	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	69.8	68.1	68.2	67.5	67.7	67.7	67.7
Japan	76.0	75.0	72.5	71.6	70.5	69.9	69.7
New Zealand	68.1	69.0	69.3	69.8	70.9	71.0	72.3

Source: Employment: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 2; Population 15+: UN Population Division, World Population Prospects 2004 Revision Database.

Table II.2.3. Employment-to-population ratio – Female 1990, 1995, 2000-2004

(per cent)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	…	…	…	…	…	…	…
Korea, Rep. of	46.1	47.7	47.0	47.7	48.4	47.3	48.2
Mongolia	…	49.0	48.0	48.7	50.1	51.9	…
South-East Asia							
Cambodia	…	…	66.0	73.2	…	…	…
Indonesia	50.3	43.1	46.8	44.9	43.3	…	…
Lao PDR	…	…	…	…	…	…	…
Malaysia	42.3	39.9	42.9	42.7	42.9	43.8	…
Myanmar	…	…	…	…	…	…	…
Philippines	45.3	45.8	44.4	48.3	…	…	…
Singapore	52.3	48.6	52.4	55.8	53.6	54.4	…
Thailand	76.5	69.7	63.5	63.2	63.9	63.8	…
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	…	72.1	70.9	71.2	70.8	…
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	66.2	…	49.4	…	…	…	…
India	…	28.9	29.1	…	…	…	…
Iran, Islamic Rep. of	…	…	…	…	…	…	…
Nepal	…	…	…	…	…	…	…
Pakistan	11.4	11.1	12.7	12.5	13.2	…	…
Sri Lanka	33.9	25.5	28.6	26.5	30.1	29.2	…
Pacific Islands							
Fiji	…	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	48.8	49.6	51.8	51.7	52.0	52.1	52.6
Japan	49.0	48.2	47.1	46.9	46.1	46.0	46.2
New Zealand	50.4	51.9	54.0	55.0	55.6	56.3	57.3

Source: Employment: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 2; Population 15+: UN Population Division, World Population Prospects 2004 Revision Database.

Table II.3.1. Unemployment – Total 1990, 1995, 2000-2004

(per cent of total labour force)

	1990	1995	2000	2001	2002	2003	2004	2005
East Asia								
China	2.5	2.9	3.1	3.6	4.0	4.3	4.2	…
Korea, Rep. of	2.5	2.1	4.1	3.8	3.1	3.6	3.7	3.7
Mongolia	…	…	17.5	…	…	14.2	…	…
South-East Asia								
Cambodia	…	…	2.5	2.8	3.0	3.5	3.1	…
Indonesia	2.5	7.2	6.1	8.1	9.1	9.9	9.9	10.3
Lao PDR	…	2.6	…	…	…	…	…	…
Malaysia	5.1	3.1	3.0	3.5	3.5	3.6	3.5	3.5
Myanmar	4.2	4.1	…	…	…	…	…	…
Philippines	8.1	8.4	10.1	9.8	10.2	10.1	10.9	…
Singapore	1.7	2.7	4.4	3.4	5.2	5.4	…	…
Thailand	2.2	1.1	2.4	2.6	1.8	1.5	1.5	…
Timor-Leste	…	…	…	…	…	…	…	…
Viet Nam	…	…	2.3	2.8	2.1	2.3	2.1	…
South Asia								
Afghanistan	3.0	…	…	3.9	3.9	3.8	3.8	…
Bangladesh	…	…	3.3	…	…	…	…	…
India	…	3.7	4.3	…	…	…	5.0	…
Iran, Islamic Rep. of	…	…	14.3	14.2	12.8	11.6	…	…
Nepal	…	…	…	…	…	…	…	…
Pakistan	3.1	5.0	7.2	7.8	7.8	8.1	7.7	7.7
Sri Lanka	14.5	12.4	7.4	7.7	8.7	9.0	…	…
Pacific Islands								
Fiji	6.4	5.4	…	…	…	…	…	…
Kiribati	2.8	…	1.6	…	…	…	…	…
Papua New Guinea	7.7	…	2.8	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…	…
Developed (Industrialized) Economies								
Australia	7.0	8.1	5.9	6.7	6.1	6.1	5.5	5.1
Japan	2.1	3.2	4.8	5.0	5.4	5.3	4.7	4.4
New Zealand	7.8	6.3	6.0	5.3	5.2	4.6	3.9	3.7

Note: India: 1995 column shows data for 1994.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 8a; ADB, Key Indicators 2005.

Table II.3.2. Unemployment – Male 1990, 1995, 2000-2004

(per cent of male labour force)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	…	…	…	…	…	…	…
Korea, Rep. of	2.9	2.3	4.7	4.3	3.5	3.6	3.7
Mongolia	…	…	18.2	…	…	14.3	…
South-East Asia							
Cambodia	…	…	2.1	…	…	…	…
Indonesia	…	…	…	…	…	…	…
Lao PDR	…	2.6	…	…	…	…	…
Malaysia	…	2.8	2.9	3.4	3.3	3.6	…
Myanmar	…	…	…	…	…	…	…
Philippines	7.1	7.7	10.3	9.4	…	…	…
Singapore	1.9	2.7	4.0	3.5	5.4	5.5	…
Thailand	2.0	0.9	2.4	2.7	2.0	1.6	1.6
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	…	2.4	2.3	1.9	…	1.9
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	…	…	3.2	…	…	…	…
India	…	3.6	4.4	…	…	…	…
Iran, Islamic Rep. of	…	…	13.8	13.2	11.2	10.1	…
Nepal	…	…	…	…	…	…	…
Pakistan	3.4	3.7	5.5	6.1	6.2	…	…
Sri Lanka	9.1	8.7	5.4	5.8	6.5	6.2	…
Pacific Islands							
Fiji	…	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	9.0	…	4.3	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	6.9	8.5	6.3	6.9	6.2	5.6	5.3
Japan	2.0	3.1	5.0	5.2	5.6	5.5	4.9
New Zealand	8.1	6.2	6.1	5.3	5.0	4.3	3.5

Note: India: 1995 column shows data for 1994.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 8a.

Table II.3.3. Unemployment – Female 1990, 1995, 2000-2004

(per cent of female labour force)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	…	…	…	…	…	…	…
Korea, Rep. of	1.8	1.7	3.3	3.1	2.5	3.1	3.1
Mongolia	…	…	16.6	…	…	14.1	…
South-East Asia							
Cambodia	…	…	2.8	…	…	…	…
Indonesia	…	…	…	…	…	…	…
Lao PDR	…	2.6	…	…	…	…	…
Malaysia	…	3.8	3.1	3.8	3.8	3.6	…
Myanmar	…	…	…	…	…	…	…
Philippines	9.8	9.4	9.9	10.3	…	…	…
Singapore	1.3	2.8	5.1	3.4	5.0	5.3	…
Thailand	2.4	1.4	2.3	2.5	1.6	1.4	1.4
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	…	2.1	3.2	2.3	…	2.4
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	…	…	3.3	…	…	…	…
India	…	3.9	4.1	…	…	…	…
Iran, Islamic Rep. of	…	…	16.5	19.9	22.4	20.4	…
Nepal	…	…	…	…	…	…	…
Pakistan	0.9	14.0	15.8	17.3	16.4	…	…
Sri Lanka	23.6	19.9	11.4	11.7	12.8	14.7	…
Pacific Islands							
Fiji	…	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	5.9	…	1.3	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	7.1	7.5	5.5	6.3	5.9	5.8	5.5
Japan	2.2	3.3	4.5	4.8	5.1	4.9	4.4
New Zealand	7.3	6.3	5.8	5.3	5.3	5.0	4.4

Note: India: 1995 column shows data for 1994.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 8a.

Table II.4.1. Youth unemployment – 1990, 1995, 2000, 2002-2004

	1990		1995		2000		2002		2003		2004	
	Youth unemployed ('000s)	Youth unemployment rate (%)	Youth unemployed ('000s)	Youth unemployment rate (%)	Youth unemployed ('000s)	Youth unemployment rate (%)	Youth unemployed ('000s)	Youth unemployment rate (%)	Youth unemployed ('000s)	Youth unemployment rate (%)	Youth unemployed ('000s)	Youth unemployment rate (%)
East Asia												
China	3 127	…	…	…	5 950	3.1	…	…	…	…	…	…
Korea, Rep. of	185	7.0	173	6.3	232	10.2	184	8.1	213	9.6	220	10
Mongolia	…	…	…	…	61	22.8	40	20.0	…	…	…	…
South-East Asia												
Cambodia	…	…	…	…	81	…	…	…	…	…	…	…
Indonesia	…	…	2 628	13.4	…	…	…	…	…	…	…	…
Lao PDR	…	…	30	5.0	…	…	…	…	…	…	…	…
Malaysia	…	…	180	…	186	8.3	228	…	241	…	…	…
Myanmar	…	…	…	…	…	…	…	…	…	…	…	…
Philippines	947	15.4	1 086	16.1	1 480	21.2	…	…	…	…	…	…
Singapore	12	4.3	14	5.0	15	…	21	8.6	20	7.8	…	…
Thailand	404	4.3	173	2.5	401	6.6	339	…	290	5.0	265	4.5
Timor-Leste	…	…	…	…	…	…	…	…	…	…	…	…
Viet Nam	…	…	…	…	409	4.8	396	4.4	434	4.8	428	4.6
South Asia												
Afghanistan	…	…	…	…	…	…	…	…	…	…	…	…
Bangladesh	…	…	…	…	1 388	10.7	…	…	…	…	…	…
India	…	…	5 921	8.3	7 793	10.1	…	…	…	…	…	…
Iran, Islamic Rep. of	…	…	…	…	871	…	896	…	…	…	…	…
Nepal	…	…	…	…	…	…	…	…	…	…	…	…
Pakistan	419	…	729	8.9	1 357	13.3	1 609	13.4	…	…	…	…
Sri Lanka	592	33.3	415	32.8	330	23.6	387	…	437	27.2	…	…
Pacific Islands												
Fiji	…	…	…	…	…	…	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	32	5.3	…	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…	…	…	…	…	…
Developed (Industrialized) Economies												
Australia	254	13.2	269	14.4	212	11.8	233	12.7	215	11.6	222	11.7
Japan	360	4.3	540	6.1	700	9.2	700	10.1	680	10.1	610	9.5
New Zealand	55	14.1	44	11.9	43	13.2	40	11.5	37	10.2	34	9.3

Note: India: 1995 column shows data for 1994. Indonesia and Thailand: 1995 column shows data for 1996. Singapore: 1990 column shows data for 1989.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 9.

Table II.4.2. Ratio of youth to adult unemployment rates, most recent year

	Total	Male	Female
East Asia			
China	…	…	…
Korea, Rep. of	3.6	3.7	4.0
Mongolia	1.6	1.5	1.6
South-East Asia			
Cambodia	…	…	…
Indonesia	10.3	12.2	8.3
Lao PDR	5.6	6.4	4.9
Malaysia	…	…	…
Myanmar	…	…	…
Philippines	3.5	3.0	4.4
Singapore	1.5	1.0	2.2
Thailand	4.8	4.6	5.1
Timor-Leste	…	…	…
Viet Nam	3.2	3.8	2.7
South Asia			
Afghanistan	…	…	…
Bangladesh	11.9	11.0	14.7
India	3.9	3.7	4.3
Iran, Islamic Rep. of	…	…	…
Nepal	…	…	…
Pakistan	2.4	3.2	1.4
Sri Lanka	6.3	9.1	4.4
Pacific Islands			
Fiji	…	…	…
Kiribati	…	…	…
Papua New Guinea	2.5	…	…
Solomon Islands	…	…	…
Vanuatu	…	…	…
Developed (Industrialized) Economies			
Australia	2.9	3.1	2.7
Japan	2.3	2.5	2.1
New Zealand	3.3	3.6	3.2

Note: Years represented include: (2004) Australia, Japan, Republic of Korea, New Zealand, Thailand, Viet Nam; (2003) Philippines, Singapore, Sri Lanka; (2002) Mongolia, Pakistan; (2000) Bangladesh, India; (1996) Indonesia; (1995) Lao People's Democratic Republic.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 9.

Table II.5.1. Employment by major economic sector – Agriculture 1990, 1995, 2000-2004

(per cent)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	61.9	57.0	58.2	57.6	56.5	55.3	…
Korea, Rep. of	17.9	11.8	10.6	10.0	9.3	8.8	…
Mongolia	…	46.1	48.6	48.3	44.9	41.8	…
South-East Asia							
Cambodia	…	…	73.7	70.2	…	…	…
Indonesia	55.9	46.1	45.3	43.8	44.3	…	…
Lao PDR	…	85.4	…	…	…	…	…
Malaysia	26.0	20.0	18.4	15.1	14.9	14.3	14.8
Myanmar	69.7	…	…	…	…	…	…
Philippines	45.2	44.1	37.4	37.4	…	…	…
Singapore	…	0.2	0.2	0.3	0.3	0.2	…
Thailand	63.3	51.6	48.5	46.0	46.1	44.9	…
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	69.7	65.3	64.0	62.0	59.7	…
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	66.4	…	62.1	…	…	…	…
India	69.1	66.7	…	…	…	…	…
Iran, Islamic Rep. of	26.4	22.1	…	…	…	…	…
Nepal	83.3	78.5	…	…	…	…	…
Pakistan	51.1	46.8	48.4	48.4	42.1	…	…
Sri Lanka	47.8	37.3	…	…	35.1	34.3	…
Pacific Islands							
Fiji	2.6	2.4	…	…	…	…	…
Kiribati	13.0	6.2	…	…	…	…	…
Papua New Guinea	…	…	72.3	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	5.5	4.9	5.0	5.0	4.3	4.0	…
Japan	7.2	5.7	5.1	4.9	4.7	4.6	…
New Zealand	10.6	9.7	8.7	9.1	8.8	8.2	…

Note: In order to harmonize definitions across countries, official data for China have been adjusted by ILO.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 4a; China: ILO Global Employment Trends Model (2005).

Table II.5.2. Employment by major economic sector – Industry 1990, 1995, 2000-2004

(per cent)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	22.4	25.0	22.0	22.2	22.8	23.5	…
Korea, Rep. of	35.4	33.4	28.1	27.5	27.3	27.6	…
Mongolia	…	18.0	14.1	13.7	14.3	15.6	…
South-East Asia							
Cambodia	…	…	8.4	10.5	…	…	…
Indonesia	13.7	18.7	16.9	17.5	18.8	…	…
Lao PDR	…	3.5	…	…	…	…	…
Malaysia	27.5	32.3	32.2	33.1	32.0	32.0	30.1
Myanmar	9.2	…	…	…	…	…	…
Philippines	15.0	15.6	16.0	15.6	…	…	…
Singapore	…	31.0	34.2	25.4	24.6	24.1	…
Thailand	13.6	18.9	17.9	18.8	19.8	19.7	…
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	13.2	12.4	13.9	14.7	16.4	…
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	13.0	…	10.3	…	…	…	…
India	13.6	12.9	…	…	…	…	…
Iran, Islamic Rep. of	28.3	31.4	…	…	…	…	…
Nepal	2.3	5.5	…	…	…	…	…
Pakistan	19.8	18.5	18.0	18.0	20.8	…	…
Sri Lanka	20.6	23.4	…	…	23.8	23.4	…
Pacific Islands							
Fiji	34.5	38.1	…	…	…	…	…
Kiribati	21.3	6.4	…	…	…	…	…
Papua New Guinea	…	…	3.6	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	25.0	22.8	21.8	20.8	20.8	21.2	…
Japan	34.1	33.6	31.2	30.5	29.7	28.8	…
New Zealand	24.6	25.2	23.2	22.8	22.7	22.3	…

Note: In order to harmonize definitions across countries, official data for China have been adjusted by ILO.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 4a; China: ILO Global Employment Trends Model (2005).

Table II.5.3. Employment by major economic sector – Services 1990, 1995, 2000-2004

(per cent)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	15.7	18.0	19.9	20.1	20.7	21.2	…
Korea, Rep. of	46.7	54.7	61.2	62.5	63.3	63.5	…
Mongolia	…	35.9	37.2	38.0	40.7	42.6	…
South-East Asia							
Cambodia	…	…	17.7	19.1	…	…	…
Indonesia	30.2	35.0	37.3	37.5	36.9	…	…
Lao PDR	…	11.1	…	…	…	…	…
Malaysia	46.5	47.7	49.4	51.7	53.1	53.7	55.1
Myanmar	21.1	…	…	…	…	…	…
Philippines	39.7	40.3	46.5	47.0	…	…	…
Singapore	…	67.9	65.4	74.2	75.0	75.6	…
Thailand	23.0	29.4	33.5	35.1	34.0	35.3	…
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	17.0	22.3	22.1	23.3	23.9	…
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	16.2	…	23.5	…	…	…	…
India	17.3	20.3	…	…	…	…	…
Iran, Islamic Rep. of	45.3	46.5	…	…	…	…	…
Nepal	13.7	16.0	…	…	…	…	…
Pakistan	28.9	34.6	33.5	33.5	37.1	…	…
Sri Lanka	30.0	33.6	…	…	36.7	38.7	…
Pacific Islands							
Fiji	62.9	59.5	…	…	…	…	…
Kiribati	65.6	87.4	…	…	…	…	…
Papua New Guinea	…	…	22.7	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	69.5	72.3	73.2	74.2	74.8	74.8	…
Japan	58.2	60.4	63.1	63.9	64.8	65.6	…
New Zealand	64.5	65.0	67.6	67.9	68.4	69.3	…

Note: In order to harmonize definitions across countries, official data for China have been adjusted by ILO.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 4a; China: ILO Global Employment Trends Model (2005).

Table II.6.1. Self-employed as per cent of non-agricultural employment 1990-2000

	1990-2000		
	Both sexes	Male	Female
East Asia			
China	15	…	…
Korea, Rep. of	30	29	32
Mongolia	…	…	…
South-East Asia			
Cambodia	49	39	66
Indonesia	51	…	60
Lao PDR	…	…	…
Malaysia	17	17	17
Myanmar	…	…	…
Philippines	34	28	41
Singapore	13	13	14
Thailand	36	…	40
Timor-Leste	…	…	…
Viet Nam	…	…	…
South Asia			
Afghanistan	…	…	…
Bangladesh	75	73	83
India	37	38	41
Iran, Islamic Rep. of	37	37	39
Nepal	…	…	…
Pakistan	43	44	34
Sri Lanka	…	…	…
Pacific Islands			
Fiji	…	…	…
Kiribati	…	…	…
Papua New Guinea	…	…	…
Solomon Islands	…	…	…
Vanuatu	…	…	…
Developed (Industrialized) Economies			
Australia	9	11	7
Japan	14	12	16
New Zealand	16	21	11

Note: Data is provided for one year for which it was available in the period 1990-2000.

Source: Women and men in the informal economy: a statistical picture, Annexe 2, Working paper – Employment sector, ILO, Geneva 2002.

Table II.7.1. Employment elasticities, total economy, 1991-1995, 1995-1999 and 1999-2003

	Elasticity of employment to total GDP, 1991-1995	Elasticity of employment to total GDP, 1995-1999	Elasticity of employment to total GDP, 1999-2003	Average annual GDP growth, 1991-1995	Average annual GDP growth, 1995-1999	Average annual GDP growth, 1999-2003
East Asia						
China	0.14	0.14	0.17	12.7	8.3	8.1
Korea, Rep. of	0.30	0.17	0.38	7.4	3.4	5.6
Mongolia	-0.40	0.48	1.18	-1.1	3.3	2.8
South-East Asia						
Cambodia	0.52	0.59	0.00	7.9	6.6	6.5
Indonesia	0.37	-0.08	0.43	7.6	-0.3	4.1
Lao PDR	0.06	0.08	0.61	7.0	6.4	5.2
Malaysia	0.31	0.51	0.67	9.5	3.7	4.6
Myanmar	0.35	0.36	0.21	7.5	7.2	11.7
Philippines	0.99	0.69	0.76	2.8	3.4	4.4
Singapore	0.21	0.54	0.62	9.6	5.4	2.8
Thailand	0.09	0.14	0.38	8.6	-0.6	4.8
Timor-Leste	…	…	…	…	…	…
Viet Nam	0.24	0.26	0.35	8.8	6.9	7.0
South Asia						
Afghanistan	…	…	…	…	…	…
Bangladesh	0.38	0.48	0.06	4.6	5.0	5.3
India	0.40	0.43	0.36	6.3	6.3	5.3
Iran, Islamic Rep. of	0.85	1.22	0.62	3.0	3.4	6.0
Nepal	0.35	0.46	0.64	4.9	4.5	3.5
Pakistan	0.49	0.96	0.63	4.5	3.0	3.9
Sri Lanka	0.14	0.82	0.19	5.6	4.8	3.4
Pacific Islands						
Fiji	0.64	0.50	0.65	4.9	2.1	2.3
Kiribati	…	…	…	…	…	…
Papua New Guinea	0.24	0.41	-1.46	8.4	1.7	-0.4
Solomon Islands	0.69	0.16	-0.44	5.9	0.2	-5.8
Vanuatu	…	…	…	…	…	…
Developed (Industrialized) Economies						
Australia	0.52	0.37	0.56	4.0	4.4	2.7
Japan	0.34	0.20	-0.24	1.1	1.0	1.6
New Zealand	0.71	0.25	0.60	4.2	2.7	3.2

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 19a.

Table II.7.2. Sector employment elasticities, 1991-2003

	Agriculture employment to value added elasticity	Industry employment to value added elasticity	Services employment to value added elasticity	Agriculture value added growth	Industry value added growth	Services value added growth	Average annual GDP growth (%)
East Asia							
China	0.23	0.06	0.5	3.7	12.5	8.8	9.7
Korea, Rep. of	…	…	…	…	…	…	…
Mongolia	1.25	-0.60	1.51	3.8	-0.2	0.9	1.6
South-East Asia							
Cambodia	…	…	…	…	…	…	…
Indonesia	0.23	0.91	1.04	2.2	4.5	3.5	3.7
Lao PDR	0.00	-0.03	0.64	5.3	10.1	5.9	6.2
Malaysia	1.01	0.47	0.59	1.0	7.2	5.9	5.9
Myanmar	…	…	…	…	…	…	…
Philippines	0.34	0.69	1.14	2.3	3.4	4.3	3.6
Singapore	-2.29	-0.29	0.65	-3.1	5.9	6.0	5.9
Thailand	-0.12	0.70	0.87	1.6	5.2	3.9	4.2
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	0.23	0.06	0.98	4.3	11.4	7.0	7.6
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	0.35	0.51	0.03	3.0	7.2	4.9	4.9
India	0.78	0.27	0.41	2.8	6.0	7.7	6.0
Iran, Islamic Rep. of	1.53	-0.33	0.22	4.7	0.3	7.3	4.1
Nepal	-0.64	3.05	1.60	2.6	5.5	5.3	4.3
Pakistan	0.69	0.65	0.37	3.4	4.2	4.5	3.8
Sri Lanka	2.67	0.04	-0.16	1.7	5.6	5.2	4.6
Pacific Islands							
Fiji	-0.24	0.56	0.76	0.3	3.6	3.6	3.1
Kiribati							
Papua New Guinea	0.53	-0.05	0.65	3.6	3.7	2.5	3.2
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	0.22	0.27	0.55	3.9	2.9	4.3	3.7
Japan	0.95	-0.14	0.49	-2.1	-0.4	2.1	1.2
New Zealand	-0.10	0.83	0.63	2.6	2.3	3.8	3.4

Note: All data correspond to 1991-2003 period.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 19b.

Table II.8.1. Estimated number of migrants at mid-year, 1990, 1995, 2000, 2005

(thousands)

	1990	1995	2000	2005
East Asia				
China	380	441	513	596
Korea, Rep. of	572	584	568	551
Mongolia	7	7	8	9
South-East Asia				
Cambodia	38	116	237	304
Indonesia	466	219	330	160
Lao PDR	23	23	24	25
Malaysia	1 014	1 135	1 392	1 639
Myanmar	101	112	115	117
Philippines	164	214	322	374
Singapore	727	992	1 352	1 843
Thailand	391	568	844	1 050
Timor-Leste	5	6	5	6
Viet Nam	28	27	28	21
South Asia				
Afghanistan	29	35	38	43
Bangladesh	882	1 006	988	1 032
India	7 493	6 951	6 271	5 700
Iran, Islamic Rep. of	3 809	2 478	2 321	1 959
Nepal	413	625	718	819
Pakistan	6 556	4 077	4 243	3 254
Sri Lanka	461	428	397	368
Pacific Islands				
Fiji	14	15	16	17
Kiribati	2	2	2	3
Papua New Guinea	33	32	26	25
Solomon Islands	4	4	4	3
Vanuatu	2	2	1	1
Developed (Industrialized) Economies				
Australia	3 984	4 068	4 072	4 097
Japan	877	1 261	1 620	2 048
New Zealand	529	732	708	642

Source: UN Population Division, Trends in the World Migrant Stock: 2005 Revision.

Table II.8.2. International migrants as percentage of population, 1990, 1995, 2000, 2005

(per cent)

	1990	1995	2000	2005
East Asia				
China	0.0	0.0	0.0	0.0
Korea, Rep. of	1.3	1.3	1.2	1.2
Mongolia	0.3	0.3	0.3	0.3
South-East Asia				
Cambodia	0.4	1.0	1.9	2.2
Indonesia	0.3	0.1	0.2	0.1
Lao PDR	0.6	0.5	0.5	0.4
Malaysia	5.7	5.6	6.1	6.5
Myanmar	0.2	0.3	0.2	0.2
Philippines	0.3	0.3	0.4	0.5
Singapore	24.1	28.5	33.6	42.6
Thailand	0.7	1.0	1.4	1.6
Timor-Leste	0.7	0.7	0.7	0.6
Viet Nam	0.0	0.0	0.0	0.0
South Asia				
Afghanistan	0.2	0.2	0.2	0.1
Bangladesh	0.8	0.9	0.8	0.7
India	0.9	0.7	0.6	0.5
Iran, Islamic Rep. of	6.7	4.0	3.5	2.8
Nepal	2.2	2.9	2.9	3.0
Pakistan	5.9	3.2	3.0	2.1
Sri Lanka	2.6	2.3	2.0	1.8
Pacific Islands				
Fiji	1.9	1.9	2.0	2.0
Kiribati	3.0	2.9	2.7	2.6
Papua New Guinea	0.8	0.7	0.5	0.4
Solomon Islands	1.3	1.0	0.8	0.7
Vanuatu	1.4	1.0	0.7	0.5
Developed (Industrialized) Economies				
Australia	23.6	22.7	21.4	20.3
Japan	0.7	1.0	1.3	1.6
New Zealand	15.5	20.0	18.5	15.9

Source: UN Population Division, Trends in the World Migrant Stock: 2005 Revision.

Table II.8.3. Female migrants as percentage of total migrants, 1990, 1995, 2000, 2005

(per cent)

	1990	1995	2000	2005
East Asia				
China	49.1	49.1	49.1	49.1
Korea, Rep. of	46.3	47.0	50.1	53.5
Mongolia	49.1	50.7	53.2	54.0
South-East Asia				
Cambodia	50.3	50.6	51.0	51.3
Indonesia	50.6	49.1	47.6	46.0
Lao PDR	48.2	48.2	48.2	48.2
Malaysia	44.7	43.6	42.6	41.6
Myanmar	46.1	46.1	46.1	46.1
Philippines	49.1	49.1	49.1	49.1
Singapore	50.3	50.3	50.3	50.3
Thailand	35.2	42.1	50.4	56.8
Timor-Leste	46.1	46.3	47.5	47.6
Viet Nam	46.2	46.2	46.2	46.2
South Asia				
Afghanistan	45.0	45.2	45.0	44.8
Bangladesh	13.9	13.9	13.9	13.9
India	46.9	47.1	47.2	47.4
Iran, Islamic Rep. of	42.8	41.7	40.7	39.7
Nepal	71.6	71.1	70.1	69.1
Pakistan	45.0	45.2	45.0	44.8
Sri Lanka	51.0	51.8	52.6	53.4
Pacific Islands				
Fiji	48.5	48.3	48.1	47.9
Kiribati	48.8	48.7	48.7	48.8
Papua New Guinea	42.6	42.2	42.0	41.8
Solomon Islands	44.0	43.3	42.6	41.9
Vanuatu	45.1	45.6	46.1	46.6
Developed (Industrialized) Economies				
Australia	49.3	50.0	50.8	51.6
Japan	49.7	50.2	52.9	53.8
New Zealand	50.2	50.3	51.3	52.5

Source: UN Population Division, Trends in the World Migrant Stock: 2005 Revision.

Table II.8.4. Refugees as percentage of total migrants 1990, 1995, 2000, 2005

(per cent)

	1990	1995	2000	2005
East Asia				
China	75.2	65.2	57.3	50.3
Korea, Rep. of	0.0	0.0	0.0	0.0
Mongolia	0.0	0.0	0.0	0.0
South-East Asia				
Cambodia	0.0	0.0	0.0	0.3
Indonesia	0.5	0.0	43.2	0.0
Lao PDR	0.0	0.0	0.0	0.0
Malaysia	6.2	0.5	3.6	2.8
Myanmar	0.0	0.0	0.0	0.1
Philippines	14.1	0.3	0.1	0.0
Singapore	0.0	0.0	0.0	0.0
Thailand	25.6	18.3	12.2	11.6
Timor-Leste	0.0	0.0	0.0	2.3
Viet Nam	79.3	72.6	55.8	4.4
South Asia				
Afghanistan	0.1	55.3	0.0	0.1
Bangladesh	0.0	8.3	2.2	2.0
India	1.5	3.5	2.8	2.8
Iran, Islamic Rep. of	92.2	86.9	79.8	55.0
Nepal	0.0	19.8	17.9	15.3
Pakistan	49.8	27.7	37.8	27.3
Sri Lanka	0.0	0.0	0.0	0.0
Pacific Islands				
Fiji	0.0	0.0	0.0	0.0
Kiribati	0.0	0.0	0.0	0.0
Papua New Guinea	22.4	28.5	23.8	30.3
Solomon Islands	0.0	26.5	0.0	0.0
Vanuatu	0.0	0.0	0.0	0.0
Developed (Industrialized) Economies				
Australia	2.5	1.5	1.5	1.6
Japan	0.8	0.5	0.2	0.1
New Zealand	0.9	0.5	0.7	0.8

Source: UN Population Division, Trends in the World Migrant Stock: 2005 Revision.

Table III.1.1. Manufacturing wage indices 1990, 1995, 2000-2003

(1995 = 100)

	1990	1995	2000	2001	2002	2003
East Asia						
China	77.4	100	155.3	172.2	195.4	…
Korea, Rep. of	71.0	100	117.3	119.8	130.6	137.3
Mongolia	…	…	100.0	…	97.0	111.1
South-East Asia						
Cambodia	…	…	…	78.7	…	…
Indonesia	…	100	109.9	130.0	…	…
Lao PDR	…	…	…	…	…	…
Malaysia	80.0	100	118.6	129.1	…	…
Myanmar	…	…	…	…	…	…
Philippines	108.4	100	…	…	…	…
Singapore	73.5	100	134.4	136.7	138.8	143.0
Thailand	85.0	100	…	…	…	…
Timor-Leste	…	…	…	…	…	…
Viet Nam	…	…	…	…	…	…
South Asia						
Afghanistan	…	…	…	…	…	…
Bangladesh	…	…	…	…	…	…
India	134.3	100	73.4	104.4	…	…
Iran, Islamic Rep. of	…	100	122.0	128.0	…	…
Nepal	…	…	…	…	…	…
Pakistan	99.3	100	70.7	69.0	90.9	…
Sri Lanka	93.7	100	97.4	93.0	100.1	97.9
Pacific Islands						
Fiji	87.4	…	…	…	…	…
Kiribati	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	…	…
Solomon Islands	113.9	100	…	…	…	…
Vanuatu	…	…	…	…	…	…
Developed (Industrialized) Economies						
Australia	93.6	100	106.0	…	110.9	…
Japan	…	100	103.6	105.9	106.4	106.8
New Zealand	…	100	107.1	106.8	107.6	110.6

Note: Mongolia: base year = 2000, Cambodia and Fiji: base year = 1996.

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 15.

Table III.2.1. Hours of work per week 1990, 1995, 2000-2004

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	…	…	…	…	…	…	…
Korea, Rep. of	48.2	47.7	47.5	47.0	46.2	45.9	45.7
Mongolia	…	…	…	…	…	…	…
South-East Asia							
Cambodia	…	…	…	…	…	…	…
Indonesia	…	…	…	…	…	…	…
Lao PDR	…	…	…	…	…	…	…
Malaysia	…	…	…	…	…	…	…
Myanmar	…	…	…	…	…	…	…
Philippines	47.6	42.0	42.1	40.5	40.8	41.6	41.6
Singapore	46.5	47.1	47.0	46.2	46.0	46.0	46.3
Thailand	49.1	49.6	50.1	…	…	…	…
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	…	…	…	…	…	…
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	…	…	…	…	…	…	…
India	…	…	…	…	…	…	…
Iran, Islamic Rep. of	…	…	…	…	…	…	…
Nepal	…	…	…	…	…	…	…
Pakistan	…	…	…	…	…	…	…
Sri Lanka	…	…	…	…	…	…	…
Pacific Islands							
Fiji	…	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	35.8	35.9	35.6	35.2	34.9	34.8	34.8
Japan	45.7	43.4	42.7	42.2	42.2	42.0	42.0
New Zealand	…	…	34.4	34.4	34.4	34.4	34.7

Source: ILO, Laborsta.

Table III.3.1. Excessive hours of work per week (≥50 hours) 1990, 1995, 1999-2003

	1990	1995	1999	2000	2001	2002	2003
East Asia							
China	…	…	…	…	…	…	…
Korea, Rep. of	51.9	47.2	42.2	42.5	42.1	40.1	38.1
Mongolia	…	…	…	…	…	…	36.1
South-East Asia							
Cambodia	…	…	…	…	43.0	…	…
Indonesia	…	…	16.0	15.9	17.2	15.8	15.4
Lao PDR	…	…	…	…	…	…	…
Malaysia	…	…	…	…	…	…	…
Myanmar	…	…	…	…	…	…	…
Philippines	…	…	21.6	24.0	21.5	22.2	…
Singapore	…	…	…	…	35.0	34.7	36.5
Thailand	56.2	53.8	48.6	50.1	38.1	37.2	39.6
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	…	28.8	34.3	25.6	23.5	23.8
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	…	…	…	31.7	…	…	…
India	…	…	…	…	…	…	…
Iran, Islamic Rep. of	…	…	…	…	…	…	…
Nepal	…	…	…	…	…	…	…
Pakistan	…	…	…	…	42.8	…	…
Sri Lanka	…	…	…	…	…	27.4	…
Pacific Islands							
Fiji	…	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	…	…	20.0	19.8	19.1	18.7	18.5
Japan	…	28.7	27.3	28.8	27.5	28.9	29.0
New Zealand	…	…	…	…	…	…	…

Note: Defined as employed persons working 50 hours or more per week as a percentage of total employment.

Source: Computed by Anne Chataignier (ILO/SDA, Geneva) from labour force surveys.

Table IV.1.1. Poverty and income distribution

	Population in poverty (national poverty line)				Population in poverty (international poverty line), and Gini index				Working poverty				
	Total	Urban	Rural	Year	US$1 poverty line	US$2 poverty line	Gini index	Year	Number of working poor at the US$1 a day level ('000)	Share of working poor at US$1 a day in total employment (%)	Number of working poor at the US$2 a day level ('000)	Share of working poor at US$2 a day in total employment (%)	Year
East Asia													
China	4.6	<2	4.6	1998	16.6	46.7	35.2	2001	140 252.2	19.7	402 636.1	56.5	2001
Korea, Rep. of	…	…	…	…	…	…	…	…	…	…	…	…	…
Mongolia	35.6	39.4	32.6	1998	27.0	74.9	30.3	1998	341.0	38.1	821.0	91.7	1998
South-East Asia													
Cambodia	35.9	13.9	40.1	1999	34.1	77.7	40.4	1997	1 978.8	38.4	4 495.7	87.2	1997
Indonesia	27.1	…	…	1999	7.5	52.4	34.3	2002	9 221.6	9.9	66 678.2	71.6	2002
Lao PDR	38.6	26.9	41.0	1997	26.3	73.2	37.0	1997	591.6	32.6	1 547.2	85.2	1997
Malaysia	…	…	…	…	0.2	9.3	49.2	1997	0.0	0.0	1 049.2	12.3	1997
Myanmar	…	…	…	…	…	…	…	…	…	…	…	…	…
Philippines	36.8	21.5	50.7	1997	15.5	47.5	46.1	2000	5 831.7	21.1	18 596.9	67.3	2000
Singapore	…	…	…	…	…	…	…	…	…	…	…	…	…
Thailand	…	…	…	…	1.9	32.5	43.2	2000	745.7	2.3	12 900.7	39.4	2000
Timor-Leste	…	…	…	…	…	…	…	…	…	…	…	…	…
Viet Nam	28.9	6.6	35.6	2002	2.0	33.4	37.1	2002	919.7	2.3	16 177.4	39.8	2002
South Asia													
Afghanistan	…	…	…	…	…	…	…	…	…	…	…	…	…
Bangladesh	49.8	36.6	53.0	2000	36.0	82.8	31.8	2000	24 123.1	43.6	50 024.4	90.4	2000
India	28.6	24.7	30.2	2000	36.0	81.3	29.9	1999	180 988.0	48.0	338 225.9	89.8	1999
Iran, Islamic Rep. of	…	…	…	…	0.3	7.2	44.1	1998	0.0	0.0	2 180.0	11.6	1998
Nepal	42.0	23.0	44.0	1996	39.1	80.9	36.7	1996	3 881.6	49.3	6 985.8	88.7	1996
Pakistan	32.6	24.2	35.9	1999	13.4	65.6	33.0	1999	7 861.5	18.6	34 883.6	82.4	1999
Sri Lanka	25.0	15.0	27.0	1996	6.6	45.4	34.4	1996	651.9	9.9	4 744.3	72.1	1996
Pacific Islands													
Fiji	…	…	…	…	…	…	…	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…	…	…	…	…	…	…	…
Papua New Guinea	37.5	16.1	41.3	1996	…	…	…	…	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…	…	…	…	…	…	…
Developed (Industrialized) Economies													
Australia	…	…	…	…	…	…	…	…	…	…	…	…	…
Japan	…	…	…	…	…	…	…	…	…	…	…	…	…
New Zealand	…	…	…	…	…	…	…	…	…	…	…	…	…

Source: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, Table 20, World Bank, PovcalNet (2005), World Bank, World Development Indicators (WDI) 2005.

Table IV.2.1. Economically active children (aged 10-14 years) 1990, 1995, 2000-2004

(per cent)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	15.2	11.6	7.9	7.1	6.3	5.5	4.7
Korea, Rep. of	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mongolia	2.5	1.9	1.4	1.2	1.1	0.9	0.8
South-East Asia							
Cambodia	25.6	24.7	23.7	23.6	23.4	23.2	23.0
Indonesia	11.3	9.6	7.8	7.5	7.1	6.8	6.4
Lao PDR	29.0	27.2	25.4	25.0	24.6	24.3	23.9
Malaysia	4.0	3.2	2.3	2.1	1.9	1.6	1.4
Myanmar	26.1	24.5	22.9	22.6	22.3	22.0	21.7
Philippines	10.7	8.1	5.4	4.9	4.4	3.8	3.3
Singapore	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Thailand	20.2	16.2	12.2	11.5	10.8	10.0	9.3
Timor-Leste	39.9	38.1	36.3	35.9	35.5	35.2	34.8
Viet Nam	13.0	9.1	5.2	4.7	4.2	3.7	3.1
South Asia							
Afghanistan	26.3	25.3	24.2	24.0	23.8	23.6	23.3
Bangladesh	32.5	30.1	27.8	27.3	26.9	26.5	26.1
India	16.7	14.4	12.1	11.6	11.1	10.7	10.2
Iran, Islamic Rep. of	6.8	4.7	2.6	2.3	2.1	1.8	1.5
Nepal	48.3	45.2	42.1	41.4	40.8	40.2	39.5
Pakistan	20.0	17.7	15.4	14.9	14.5	14.0	13.5
Sri Lanka	2.9	2.4	2.0	1.8	1.6	1.4	1.2
Pacific Islands							
Fiji	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kiribati							
Papua New Guinea	21.7	19.5	17.3	16.9	16.5	16.0	15.6
Solomon Islands	33.5	28.9	24.2	23.3	22.4	21.4	20.5
Vanuatu							
Developed (Industrialized) Economies							
Australia	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Japan	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: World Bank, World Development Indicators (WDI) 2005.

Table IV.3.1. Share of labour force belonging to a trade union 1990, 1995, 2000-2004

(per cent)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	15.3	14.7	13.9	16.1	17.6	…	…
Korea, Rep. of	9.9	7.6	6.8	6.9	6.9	…	…
Mongolia	…	…	…	…	…	…	…
South-East Asia							
Cambodia	…	…	…	…	…	…	…
Indonesia	…	…	…	…	…	…	…
Lao PDR	…	…	…	…	…	…	…
Malaysia		8.6	7.6	7.9	7.9	7.6	…
Myanmar	…	…	…	…	…	…	…
Philippines	13.0	13.1	12.3	11.7	11.6	…	…
Singapore	13.8	13.5	15.3	16.3	18.5	19.5	…
Thailand	…	…	…	…	…	…	…
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	…	…	…	…	…	…	…
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	…	…	…	…	…	…	…
India	2.1	1.8	1.6	…	…	…	…
Iran, Islamic Rep. of	…	…	…	…	…	…	…
Nepal	…	…	…	…	…	…	…
Pakistan	1.0	0.8	0.6	0.6	…	…	…
Sri Lanka	11.9	…	11.9	5.1	7.5	…	…
Pacific Islands							
Fiji	…	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	31.8	25.4	20.0	19.7	18.7	18.8	…
Japan	19.1	18.7	16.9	16.4	16.1	15.7	…
New Zealand	36.3	20.0	16.7	16.4	16.5	16.5	16.4

Note: India: 2000 column shows data for 1999. Pakistan: 2000 column is the average of 1999 and 2001. Australia: 1995 column is average of 1994 and 1996, 2000 column is average of 1999 and 2001.

Source: Union membership: ILO Bureau of Labour Statistics, Labour force: ILO, Key Indicators of the Labour Market (KILM) 4th Edition, 1a.

Table IV.4.1. Ratification of ILO Conventions

	Freedom of association and collective bargaining		Elimination of forced and compulsory labour		Elimination of discrimination in respect of employment and occupation		Abolition of child labour	
	C. 87[a]	C. 98[b]	C. 29[c]	C. 105[d]	C. 100[e]	C. 111[f]	C. 138[g]	C. 182[h]
Afghanistan				●	●	●		
Australia	●	●	●	●	●	●		
Bangladesh	●	●	●	●	●	●		●
Cambodia	●	●	●	●	●	●	●	●
China					●	●	●	●
Fiji	●	●	●	●	●	●	●	●
India			●	●	●	●		
Indonesia	●	●	●	●	●	●	●	●
Iran, Islamic Rep. of			●	●	●	●		●
Japan	●	●	●		●		●	●
Kiribati	●	●	●	●				
Korea, Rep. of					●	●	●	●
Lao PDR			●				●	●
Malaysia		●	●	◆	●		●	●
Mongolia	●	●	●	●	●	●	●	●
Myanmar	●		●					
Nepal		●	●		●	●	●	●
New Zealand		●	●	●	●	●		●
Pakistan	●	●	●	●	●	●		●
Papua New Guinea	●	●	●	●	●	●	●	●
Philippines	●	●	●	●	●	●	●	●
Samoa								
Singapore		●	●	◆	●		●	●
Solomon Islands			●					
Sri Lanka	●	●	●	●	●	●	●	●
Thailand			●	●	●		●	●
Timor-Leste								
Vanuatu								
Viet Nam					●	●	●	●
Asia: Total Ratifications	13	16	22	16	22	18	16	20

Note: ● Convention ratified ◆ Convention denounced

[a] Freedom of Association and Protection of the Right to Organize Convention (1948).
[b] Right to Organize and Collective Bargaining Convention (1949).
[c] Forced Labour Convention (1930).
[d] Abolition of Forced Labour Convention (1957).
[e] Equal Remuneration Convention (1951).
[f] Discrimination (Employment and Occupation) Convention (1958).
[g] Minimum Age Convention (1973).
[h] Worst Forms of Child Labour Convention (1999).

Source: ILO Database on International Labour Standards (ILOLEX). [http://www.ilo.org/ilolex/english/docs/declworld.htm]. 30 May 2006.

Table IV.5.1. Registered strikes and lockouts, Asia and the Pacific, 1995, 2000-2004

	1995	2000	2001	2002	2003	2004
East Asia						
China	…	…	…	…	…	…
Korea, Rep. of	88	250	235	322	…	…
Mongolia	…	…	…	…	…	…
South-East Asia						
Cambodia	0	76	95	…	…	…
Indonesia	276	…	…	…	…	…
Lao PDR	…	…	…	…	…	…
Malaysia[1]	13	11	13	4	2	…
Myanmar	…	…	…	…	…	…
Philippines[2]	94	60	43	36	38	25
Singapore	0	0	0	0	0	…
Thailand	39	13	5	3	5	2
Timor-Leste	…	…	…	…	…	…
Viet Nam	…	…	…	…	…	…
South Asia						
Afghanistan	…	…	…	…	…	…
Bangladesh	5	4	…	…	…	…
India[3, 4]	1 066	656	771	674	579	552
Iran, Islamic Rep. of	…	…	…	…	…	…
Nepal	24	4	4	4	17	…
Pakistan	…	…	…	…	…	…
Sri Lanka[5, 6, 7]	183	87	92	104	98	90
Pacific Islands						
Fiji	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…
Developed (Industrialized) Economies						
Australia[8]	643	698	675	766	643	691
Japan[9]	209	118	90	74	47	…
New Zealand[10, 11]	69	21	42	46	28	34

Source: ILO, Labor Statistics Database 2006, http://laborsta.ilo.org.

[1] Strikes only
[2] Excl. work stoppages lasting less than a full day or shift
[3] Excl. political and sympathetic strikes
[4] Excl. work stoppages involving fewer than 10 workers
[5] Excl. work stoppages involving fewer than 5 workers
[6] Incl. work stoppages lasting less than one day only if more than 50 workdays not worked
[7] Number of strikes that ended during the year; excl. political strikes
[8] Excl. work stoppages in which less than 10 workdays not worked
[9] Excl. work stoppages lasting less than half a day
[10] Excl. work stoppages in which less than 10 workdays not worked (from 2000, 5 workdays)
[11] Incl. partial strikes and lockouts

Table V.1.1. Gross domestic product (annual growth rate) 1990, 1995, 2000-2006

(per cent)

	1990	1995	2000	2001	2002	2003	2004	2005	2006p
East Asia									
China	3.8	10.5	8.0	7.5	8.3	9.5	9.5	9.0	8.2
Korea, Rep. of	9.2	9.2	8.5	3.8	7.0	3.1	4.6	3.8	5.0
Mongolia	-5.6	6.3	1.1	1.0	4.1	5.7	10.6	5.0	6.0
South-East Asia									
Cambodia	1.1	6.5	8.4	5.5	5.3	7.1	7.7	6.3	6.1
Indonesia	7.2	8.2	4.9	3.8	4.4	4.9	5.1	5.8	5.8
Lao PDR	6.7	7.0	5.8	5.8	5.9	5.8	6.4	7.3	7.0
Malaysia	9.0	9.8	8.9	0.3	4.4	5.4	7.1	5.5	6.0
Myanmar	2.8	7.2	13.7	11.3	12.0	13.8	5.0	4.5	3.5
Philippines	3.0	4.7	4.4	1.8	4.5	4.5	6.0	4.7	4.8
Singapore	9.0	8.0	9.6	-2.0	3.2	1.4	8.4	3.9	4.5
Thailand	11.6	9.2	4.8	2.2	5.3	6.9	6.1	3.5	5.0
Timor-Leste	-6.6	0.7	-6.9	-2.1	3.5	5.7	6.8	6.6	7.0
Viet Nam	5.1	9.5	6.8	6.9	7.1	7.3	7.7	7.5	7.0
South Asia									
Afghanistan	3.6	3.4	3.2	1.7	28.6	15.7	7.5	13.6	10.9
Bangladesh	4.6	4.8	5.6	4.8	4.8	5.8	5.8	5.7	6.0
India	6.0	7.6	5.4	3.9	4.7	7.4	7.3	7.2	6.3
Iran, Islamic Rep. of	16.9	2.7	5.1	3.7	7.5	6.7	5.6	5.7	5.4
Nepal	4.6	3.3	6.1	5.5	-0.6	3.4	3.4	2.5	4.0
Pakistan	5.0	4.9	3.0	2.6	4.1	5.7	7.1	7.4	6.5
Sri Lanka	6.2	5.5	6.0	-1.5	4.0	6.0	5.4	5.3	6.0
Pacific Islands									
Fiji	5.8	4.9	-2.8	2.7	4.3	4.8	4.1	1.2	2.5
Kiribati	…	…	…	…	…	…	…	…	…
Papua New Guinea	-3.0	-3.3	-1.2	-2.3	-0.8	2.7	2.5	2.8	2.8
Solomon Islands	2.2	8.2	-14.3	-9.0	-2.4	5.6	5.5	4.4	5.0
Vanuatu	…	…	…	…	…	…	…	…	…
Developed (Industrialized) Economies									
Australia	1.8	3.5	3.2	2.5	4.0	3.3	3.2	2.2	3.2
Japan	5.3	2.0	2.4	0.2	-0.3	1.4	2.7	2.0	2.0
New Zealand	0.0	4.3	3.5	2.6	4.7	3.4	4.8	2.5	2.5

Note: "p" denotes projection.

Source: IMF, World Economic Outlook Database, September 2005.

Table V.1.2. Gross domestic product per capita 1990, 1995, 2000-2004

(constant 2000 $US)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	364	603	856	913	983	1 067	1 162
Korea, Rep. of	6 618	9 164	10 890	11 228	11 936	12 236	12 743
Mongolia	608	362	395	395	406	424	462
South-East Asia							
Cambodia	…	232	283	293	304	314	328
Indonesia	612	827	800	820	844	874	906
Lao PDR	227	273	326	337	349	359	372
Malaysia	2 498	3 468	3 881	3 807	3 883	4 011	4 221
Myanmar	…	…	…	…	…	…	…
Philippines	921	916	991	998	1 008	1 035	1 079
Singapore	14 401	19 152	22 767	21 679	22 153	22 238	23 636
Thailand	1 427	2 048	2 021	2 049	2 144	2 276	2 399
Timor-Leste	…	…	406	466	413	368	355
Viet Nam	227	305	397	419	444	470	500
South Asia							
Afghanistan	…	…	…	…	…	…	…
Bangladesh	259	294	347	359	369	381	396
India	316	371	450	466	477	511	538
Iran, Islamic Rep. of	1 196	1 373	1 511	1 542	1 630	1 715	1 812
Nepal	185	212	238	246	239	241	245
Pakistan	461	510	531	528	532	545	566
Sri Lanka	604	739	884	858	880	921	965
Pacific Islands							
Fiji	1 788	1 950	2 036	2 078	2 150	2 184	2 232
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	538	715	667	636	616	619	622
Solomon Islands	814	921	714	632	605	617	621
Vanuatu							
Developed (Industrialized) Economies							
Australia	16 081	17 827	20 285	20 819	21 126	21 688	22 074
Japan	33 252	35 304	37 409	37 491	37 283	38 222	39 195
New Zealand	11 443	12 507	13 524	13 886	14 282	14 538	14 984

Source: World Bank, World Development Indicators (2005).

Table V.1.3. Foreign trade as per cent of gross domestic product 1990, 1995, 2000-2004

(per cent)

	1990	1995	2000	2001	2002	2003	2004
East Asia							
China	31.9	45.7	49.1	48.5	54.8	66.1	79.4
Korea, Rep. of	57.4	58.7	78.5	73.3	69.1	73.8	…
Mongolia	76.9	128.0	147.4	144.1	148.2	147.9	142.2
South-East Asia							
Cambodia	18.9	79.9	113.9	118.9	126.6	133.3	146.3
Indonesia	49.1	54.0	76.4	77.1	65.1	56.9	57.7
Lao PDR	35.8	60.6	65.4	62.2	54.3	50.8	…
Malaysia	147.0	192.1	228.9	214.4	211.3	207.6	221.0
Myanmar	7.5	3.1	…	…	…	…	…
Philippines	60.8	80.5	108.9	100.3	98.4	99.0	107.5
Singapore	…	…	…	…	…	…	…
Thailand	75.8	90.4	124.9	125.4	122.2	124.6	…
Timor-Leste	…	…	…	…	…	…	…
Viet Nam	81.3	74.7	112.5	111.6	114.5	127.3	…
South Asia							
Afghanistan	…	…	…	…	145.6	…	…
Bangladesh	19.7	28.2	33.2	36.9	33.3	34.2	34.6
India	15.7	23.2	28.5	27.6	30.8	30.5	32.6
Iran, Islamic Rep. of	45.5	35.8	44.0	39.1	52.1	48.2	45.8
Nepal	32.2	59.5	55.7	53.8	47.0	45.4	47.7
Pakistan	38.9	36.1	34.3	37.3	37.7	40.8	42.9
Sri Lanka	67.2	81.6	88.6	80.9	79.0	78.1	77.5
Pacific Islands							
Fiji	129.5	113.0	125.1	138.7	…	…	…
Kiribati	158.9	104.6	94.1	…	…	…	…
Papua New Guinea	89.6	105.6	…	…	…	…	…
Solomon Islands	119.6	135.5	98.6	70.6	64.8	…	…
Vanuatu	126.2	100.6	…	…	…	…	…
Developed (Industrialized) Economies							
Australia	33.5	39.8	45.8	43.1	41.9	…	…
Japan	19.9	16.8	20.2	20.2	21.1	22.0	…
New Zealand	53.8	57.8	70.2	67.5	63.1	…	…

Source: World Bank, World Development Indicators (2005).

Table V.1.4. Output per worker 1990, 1995, 2000, 2003-2005

(constant international $ 1990)

	1990	1995	2000	2003	2004	2005
East Asia						
China	3 258	5 057	5 903	7 603	8 240	…
Korea, Rep. of	20 633	26 624	31 826	34 827	35 769	36 676
Mongolia	…	…	…	…	…	…
South-East Asia						
Cambodia	…	…	…	…	…	…
Indonesia	5 945	8 205	7 588	8 348	8 666	…
Lao PDR	…	…	…	…	…	…
Malaysia	13 434	18 473	19 254	19 895	21 051	…
Myanmar	1 959	2 328	3 166	4 254	4 390	…
Philippines	6 348	6 195	6 952	6 802	7 180	…
Singapore	28 191	39 180	43 447	45 890	48 951	…
Thailand	8 291	11 871	11 984	13 117	13 507	…
Timor-Leste	…	…	…	…	…	…
Viet Nam	2 346	3 094	3 803	4 338	4 548	…
South Asia						
Afghanistan	…	…	…	…	…	…
Bangladesh	2 166	2 418	2 788	3 023	3 144	…
India	3 484	4 263	5 115	5 742	5 995	…
Iran, Islamic Rep. of	12 099	13 098	13 471	14 269	14 521	…
Nepal	…	…	…	…	…	…
Pakistan	6 033	7 246	7 448	7 677	7 806	…
Sri Lanka	8 339	10 208	11 078	10 817	10 921	…
Pacific Islands						
Fiji	…	…	…	…	…	…
Kiribati	…	…	…	…	…	…
Papua New Guinea	…	…	…	…	…	…
Solomon Islands	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…
Developed (Industrialized) Economies						
Australia	36 966	41 373	45 943	48 466	48 916	48 473
Japan	37 144	38 783	41 377	42 737	43 797	44 622
New Zealand	30 285	32 083	34 180	35 571	35 878	35 760

Source: The Conference Board and Groningen Growth and Development Centre Total Economy Database, January 2006, http://www.ggdc.net.

Table V.2.1. Population size 1990, 1995, 2000, 2005, 2010, 2015, 2020

(thousands)

	1990	1995	2000	2005	2010p	2015p	2020p
East Asia							
China	1 155 305	1 219 331	1 273 979	1 315 844	1 354 533	1 392 980	1 423 939
Korea, Rep. of	42 869	45 007	46 779	47 817	48 566	49 092	49 393
Mongolia	2 216	2 389	2 497	2 646	2 813	2 988	3 137
South-East Asia							
Cambodia	9 738	11 368	12 744	14 071	15 530	17 066	18 580
Indonesia	181 414	195 649	209 174	222 782	235 755	246 813	255 853
Lao PDR	4 132	4 686	5 279	5 924	6 604	7 306	8 014
Malaysia	17 845	20 362	22 997	25 347	27 532	29 558	31 474
Myanmar	40 753	44 500	47 724	50 519	52 801	54 971	57 054
Philippines	61 104	68 396	75 766	83 054	90 048	96 840	103 266
Singapore	3 016	3 478	4 017	4 326	4 590	4 815	4 986
Thailand	54 639	58 336	61 438	64 233	66 785	69 064	71 044
Timor-Leste	740	848	722	947	1 244	1 486	1 713
Viet Nam	66 206	73 163	78 671	84 238	89 718	95 029	99 928
South Asia							
Afghanistan	14 606	20 669	23 735	29 863	35 642	41 401	48 032
Bangladesh	104 047	116 455	128 916	141 822	154 960	168 158	181 180
India	849 415	935 572	1 021 084	1 103 371	1 183 293	1 260 366	1 332 032
Iran, Islamic Rep. of	56 674	62 324	66 365	69 515	74 283	79 917	85 036
Nepal	19 114	21 682	24 431	27 133	29 891	32 747	35 679
Pakistan	111 698	126 075	142 648	157 935	175 178	193 419	211 703
Sri Lanka	17 786	18 872	19 848	20 743	21 557	22 293	22 902
Pacific Islands							
Fiji	724	768	811	848	878	903	920
Kiribati	…	…	…	…	…	…	…
Papua New Guinea	4 114	4 687	5 299	5 887	6 450	7 013	7 602
Solomon Islands	317	364	419	478	537	596	653
Vanuatu	149	172	191	211	232	252	273
Developed (Industrialized) Economies							
Australia	16 873	17 941	19 071	20 155	21 201	22 250	23 317
Japan	123 537	125 472	127 034	128 085	128 457	127 993	126 713
New Zealand	3 411	3 658	3 818	4 028	4 172	4 302	4 425

Note: "p" denotes projection.

Source: UN Population Prospects 2004 Revision Database.

Table V.2.2. Population growth rate 1990, 1995, 2000-2005

(per cent)

	1990	1995	2000	2001	2002	2003	2004	2005
East Asia								
China	1.4	1.0	0.8	0.7	0.7	0.6	0.6	0.6
Korea, Rep. of	1.0	0.9	0.6	0.6	0.5	0.4	0.4	0.4
Mongolia	2.5	1.1	0.9	1.0	1.1	1.2	1.2	1.2
South-East Asia								
Cambodia	3.5	2.8	2.1	2.1	2.0	2.0	2.0	2.0
Indonesia	1.7	1.4	1.3	1.3	1.3	1.3	1.3	1.2
Lao PDR	2.6	2.5	2.4	2.4	2.4	2.3	2.3	2.3
Malaysia	2.7	2.6	2.3	2.2	2.0	1.9	1.9	1.8
Myanmar	1.8	1.7	1.3	1.2	1.2	1.2	1.1	1.0
Philippines	2.4	2.2	2.0	1.9	1.9	1.9	1.8	1.8
Singapore	2.4	3.1	2.4	2.0	1.6	1.4	1.3	1.2
Thailand	1.5	1.2	1.0	0.9	0.9	0.9	0.9	0.8
Timor-Leste	2.8	0.2	-1.1	2.2	5.0	6.7	7.2	6.8
Viet Nam	2.2	1.8	1.4	1.4	1.4	1.4	1.4	1.3
South Asia								
Afghanistan	4.3	5.6	3.2	4.2	4.8	5.1	4.9	4.5
Bangladesh	2.3	2.2	2.0	2.0	2.0	1.9	1.9	1.9
India	2.0	1.9	1.7	1.6	1.6	1.6	1.5	1.5
Iran, Islamic Rep. of	2.6	1.6	1.1	1.0	0.9	0.9	0.9	1.0
Nepal	2.5	2.5	2.3	2.2	2.2	2.1	2.1	2.0
Pakistan	3.0	2.4	2.3	2.2	2.1	2.0	2.0	2.0
Sri Lanka	1.5	1.1	1.0	0.9	0.9	0.9	0.9	0.8
Pacific Islands								
Fiji	0.5	1.3	1.0	1.0	0.9	0.9	0.9	0.8
Kiribati	…	…	…	…	…	…	…	…
Papua New Guinea	2.5	2.6	2.4	2.3	2.2	2.1	2.1	2.0
Solomon Islands	3.0	2.8	2.8	2.8	2.7	2.7	2.6	2.6
Vanuatu	2.7	2.6	2.0	2.0	2.0	2.0	2.0	1.9
Developed (Industrialized) Economies								
Australia	1.4	1.2	1.2	1.2	1.1	1.1	1.1	1.1
Japan	0.4	0.3	0.2	0.2	0.2	0.2	0.1	0.1
New Zealand	1.2	1.2	0.9	1.0	1.1	1.2	1.1	1.0

Source: UN Population Prospects 2004 Revision Database.

Table V.3.1. Adult literacy rate – 1990, 2000, latest year

(per cent)

	1990			2000			Latest (2000-2004)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
East Asia									
China	78.3	87.2	68.9	85.2	92.1	77.9	90.9	95.1	86.5
Korea, Rep. of	>95	>95	93.4	>95	>95	>95	>95	>95	>95
Mongolia	97.8	98.5	97.1	98.4	98.6	98.3	98.7	98.7	98.7
South-East Asia									
Cambodia	62.0	77.7	48.8	68.0	80.2	57.2	69.4	80.8	59.3
Indonesia	79.5	86.7	72.5	86.8	91.8	81.9	87.9	92.5	83.4
Lao PDR	56.5	70.3	42.8	64.8	76.2	53.4	66.4	77.4	55.5
Malaysia	80.7	86.9	74.4	87.4	91.4	83.4	88.7	92.0	85.4
Myanmar	80.7	87.4	74.2	84.7	88.9	80.5	85.3	89.2	81.4
Philippines	91.7	92.2	91.2	94.9	95.1	94.8	92.6	92.5	92.7
Singapore	88.8	94.4	83.2	91.3	95.9	86.8	92.5	96.6	88.6
Thailand	93.4	95.6	91.2	95.5	97.1	93.9	92.6	94.9	90.5
Timor-Leste	…	…	…	…	…	…	…	…	…
Viet Nam	90.6	94.0	87.1	92.5	94.5	90.7	90.3	93.9	86.9
South Asia									
Afghanistan	…	…	…	…	…	…	…	…	…
Bangladesh	34.2	44.3	23.7	40.0	49.4	30.2	41.1	50.3	31.4
India	49.3	61.9	35.9	57.2	68.4	45.4	…	…	…
Iran, Islamic Rep. of	63.2	72.2	54.0	76.0	83.0	68.9	77.0	83.5	70.4
Nepal	30.4	47.4	14.0	41.7	59.4	24.0	44.0	61.6	26.4
Pakistan	35.4	49.3	20.1	43.2	57.4	27.9	41.5	53.4	28.5
Sri Lanka	88.7	92.9	84.7	91.6	94.4	89.0	92.1	94.7	89.6
Pacific Islands									
Fiji	88.6	91.6	85.5	92.9	94.9	90.8	92.9	94.5	91.4
Kiribati	…	…	…	…	…	…	…	…	…
Papua New Guinea	56.6	64.4	48.2	63.9	70.6	56.8	…	…	…
Solomon Islands	…	…	…	…	…	…	…	…	…
Vanuatu	…	…	…	…	…	…	…	…	…
Developed (Industrialized) Economies									
Australia	>95	>95	>95	>95	>95	>95	>95	>95	>95
Japan	>95	>95	>95	>95	>95	>95	>95	>95	>95
New Zealand	>95	>95	>95	>95	>95	>95	>95	>95	>95

Source: UNESCO Institute for Statistics (August 2005).

Table V.4.1. Educational attainment of adult population 1985, 1990, 1995, 2000

(average years of schooling, population ages 15 and over)

	1985	1990	1995	2000
East Asia				
China	4.9	5.9	6.1	6.4
Korea, Rep. of	8.7	9.9	10.6	10.8
Mongolia	…	…	…	…
South-East Asia				
Cambodia	…	…	…	…
Indonesia	4.0	4.0	4.6	5.0
Lao PDR	…	…	…	…
Malaysia	5.5	6.0	6.5	6.8
Myanmar	2.4	2.5	2.6	2.8
Philippines	6.7	7.3	7.9	8.2
Singapore	6.1	6.0	6.7	7.1
Thailand	5.2	5.6	6.1	6.5
Timor-Leste	…	…	…	…
Viet Nam	…	3.8	…	…
South Asia				
Afghanistan	1.3	1.3	1.5	1.7
Bangladesh	2.1	2.2	2.4	2.6
India	3.6	4.1	4.5	5.1
Iran, Islamic Rep. of	3.4	4.0	4.7	5.3
Nepal	1.2	1.6	2.0	2.4
Pakistan	2.1	4.2	3.9	3.9
Sri Lanka	5.9	6.1	6.5	6.9
Pacific Islands				
Fiji	7.5	7.9	8.1	8.3
Kiribati	…	…	…	…
Papua New Guinea	2.0	2.3	2.6	2.9
Solomon Islands	…	…	…	…
Vanuatu	…	…	…	…
Developed (Industrialized) Economies				
Australia	10.3	10.4	10.7	10.9
Japan	8.7	9.0	9.2	9.5
New Zealand	11.5	11.3	11.5	11.7

Source: Barro, Robert J. and Jong-Wha Lee, International Data on Educational Attainment: Updates and Implications (CID Working Paper no. 42), Center for International Development at Harvard University, April 2000.