

Community-Based Programs

In addition to programs operated directly by the Government, Indonesia has undertaken a number of new initiatives designed to extend and solidify community-based support programs. The *Kecamatan (sub-district) Development Programme*, the *Urban Poverty Programme*, and the *Community Recovery Programme* allow resources to be directly transferred to community organisations to be distributed. For example, the *Urban Poverty Programme* provides capital for community-selected basic infrastructure and related activities designed to generate employment in low-income urban areas. The *Community Recovery Programme* will serve to channel resources to support community-based organisations that desire to implement assistance programs.

4. Workplace Practices: Programs to Improve Productivity, Ease Restructuring, and Enhance the Ability to Respond to Uncertainty

Several APEC economies reported making efforts to institute workplace practices which improve productivity, ease the restructuring process, and enhance employers' and employees' ability to respond to economic uncertainty. The focus of these efforts have generally included:

- 1) improving the flow of information between affected firms and workers;
- 2) improving employer/employee relations;
- 3) making firms aware of alternatives to retrenchment; and
- 4) promoting exit policies designed to smooth the transition of retrenched workers back into unemployment.

Information Sharing

The Philippines has initiated two projects designed to improve information and raise productivity. Specifically, the *Work Improvement for Small Enterprises (WISE)* programme assists workers and employers in small enterprises in finding ways to improve productivity. Additionally, a national programme was launched in 1998 to instil productivity consciousness among workers and their employers.

Human Resources Development Canada (HRDC) has over the past decade been evaluating human resource development programs and policies. This information is then shared with a wide range of people through the *Lessons Learned* series. The *Lessons Learned* series incorporates documents and supporting videos synthesising the results of evaluation studies that assess the outcomes of human resource policy initiatives.

In Chile, the *Forum for Productive Development* is a relatively new institution (established in 1994) that encourages the discussion and exchange of ideas among workers, employers and government representatives. The goal is to promote Chile's productive development. It operates in each of the economy's 13 regions and has been an important mechanism for achieving basic consensus on economic, labour, and social issues. Subsequently, in 1995, the *National Productivity Quality Center* was established in Chile. It also encompasses workers, employers, and government officials and is concerned primarily with the diffusion of experiences, information and methods for enabling companies to increase productivity and enhance the quality of products and services. In addition, it conducts training programs that are specific to product development.

Finally, Hong Kong, China, created a *Task Force on Employment* (TFE) in June of 1998 which is composed of employer representatives, employees, academics, representatives of training institutions, and government officials. The goal is to use the collective wisdom from various sectors of society to formulate feasible, effective, pragmatic initiatives to tackle the unemployment problem and create job opportunities.

Employer/Employee Relations

Social accords between labour and employer organisations are being encouraged in the Philippines in an effort to maintain employment levels. These accords ask that strikes on the part of workers and layoffs on the part of firms be used only as a last resort. The objective is to encourage a dialog between management and workers in an effort to pursue common goals.

The principal objective of Australia's *Workplace Relations Act 1996* is to provide a framework for more cooperative workplace relations. The legislation ensures that primary responsibility for determining the relationship between employer and employees rests with the employer and employees at the workplace or enterprise level.

Canada's *Labour-Management Partnerships Program* (LMPP) promotes effective labour-management relations at the workplace and sector level by providing funding assistance and advice for joint labour-management initiatives that address workplace issues. The LMPP provides funding for pilot projects that are outside the scope of normal day-to-day operations, experiment with new approaches to work-related issues, and which might otherwise not be undertaken. The LMPP funding covers 50 per cent of the cost of the project and is available to union-only, employer-only, or joint labour-management committees.

In a similar vein, in April of 1998 the Labour Department in Hong Kong, China set up the *Workplace Consultation Promotion Unit* (WCPU) to promote effective communication, consultation, and voluntary negotiation between employers and employees at the enterprise level. The WCPU also organises promotional activities such as seminars, workshops, talks, and training courses for a larger number of employers, employees, management executives, and human resource managers. Through these activities, the WCPU seeks to promote effective communication between employers and employees in order to minimise conflicts and misunderstandings.

Employment Alternatives to Retrenchment

Firms needing to reduce the size of their workforces in the face of demand shocks have several alternatives to retrenchment. These include pay cuts, increased part-time work, job sharing, early retirement, and temporary or permanent lay-offs. Such measures may have advantages for both firms and workers relative to retrenchment, particularly if the downturn in aggregate demand is expected to be reversed in the near future. Malaysia through its Department of Labour has issued a *Guidelines on Retrenchment* in an effort to make firms aware of the alternatives. The Labour Department in Hong Kong, China, produces a similar publication entitled *Guidelines on What to Do If Wage Reductions and Retrenchments are Unavoidable*.

Korea provides assistance to employers who do not dismiss redundant workers. Through its “*support system for sustaining employment*”, wage and training subsidies are provided for six months to employers who retain workers made redundant as a result of downsizing, production decreases, or a fall in sales. In this way employers are encouraged to maintain full employment through the use of workforce redeployment, cuts in hours, vocational training, temporary leave, etc. Similarly, some firms in Viet Nam have been able to avoid making workers redundant by moving them to part-time employment.

Firm Exit Policies and Retrenched Workers

Retrenchment can be made somewhat easier for workers if firms adopt sensible exit policies. Policies such as advanced warning of retrenchment, financial, psychological, and career counselling, skills assessment, and job search assistance can smooth the transition into unemployment and leave workers better able to deal with economic uncertainty. Through the *Guidelines on Retrenchment* and *Guidelines on What to Do If Wage Reductions and Retrenchments are Unavoidable* both Malaysia and Hong Kong, China, encourage firms to adopt these types of policies when retrenchments must occur.

5. Conclusions

Because the economic crisis has not affected all labour market groups equally, APEC economies have adopted a variety of strategies for assisting dislocated workers and increasing employment, providing a social safety net for affected individuals, and improving productivity and easing the restructuring process. Various policy responses have been developed to meet the needs of many different individuals across a number of labour market sectors. In particular, it has been important to address the needs of new labour market entrants or others outside the labour market as well as those of retrenched workers.

Some of the interesting developments observed are:

- 1) the “bundling” of employment services—such as skills assessment, counselling, and job and training information—so that these are available to the unemployed at “one stop shops”;
- 2) the use of the Internet to create databases on job vacancies and the unemployed that are easily available to employees and employers; and
- 3) the focus on the problems of particular categories of the unemployed, for example, long-term, unskilled youth, older workers, and workers in particular regions.

Bibliography

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