

## SUMMARY LABOR MARKET ASSESSMENT

1. The country poverty analysis should include a summary labor market assessment, to be reflected in the country strategy and program (CSP). Given that work is the main source of income for the poor and, as development proceeds, employment becomes the major source of economic support for workers and their families, a labor market assessment is critical to help identify the country's development options. A labor market assessment should recommend policies to ensure inclusive, labor-absorbing and efficient development patterns. Improving labor market operations is an important element of strategies to reduce poverty, assisting human capital development, addressing gender discrimination, allocating a country's human capital resources to their most productive uses, enhancing welfare and encouraging growth and development.

2. The summary labor market assessment should be brief and concise, focused on the determination of country priorities by revealing employment patterns. The size of the formal and informal sectors; sectoral distribution (population engaged in agriculture, industry, and services); rural and urban active population; evolution of real wages; the role of women in the labor force; working conditions; compliance with national and international labor laws and standards including the reported existence of child or bonded labor and violations to other Core Labor Standards—all will provide information to help determine country priorities. In some countries, the priority attention will be to assist unemployed or underemployed working age population to find employment opportunities; or to fight child labor. In others, the rural areas may have been forced to shoulder a disproportionate burden of the country's social problems, and strengthening rural systems may be a priority. Labor absorption is essential to avoid poverty: the country labor market assessment should evaluate which sectors/subsectors and geographical areas have a demand for labor and identify which areas may have an unmet supply of labor, to identify the right mix of public policies. Labor market assessment is thus a key element in the strategic link between economic growth and poverty reduction, and the assessment should provide recommendations to ensure efficient and inclusive development patterns.

3. The summary labor market assessment will be based on secondary sources. Institutions such as the International Labor Office (ILO) have comprehensive country studies; other organizations such as the World Bank also have selected country studies. The key information required for a labor market assessment includes the country's development pattern, the structure of the labor market (supply and demand); the institutional framework (labor market legislation, administrative structure, social stakeholders); and policy analysis. Some indicative, not prescriptive, notes are presented below.

### **A. The Country's Labor-Absorbing Development Pattern**

4. The assessment of the labor-absorbing development pattern of the country should be based on a comparison of the composition of economic growth (primary, secondary, tertiary sectors) and the sectors' labor intensity (labor force in primary, secondary and tertiary sectors), leading sectors of the economy, the size of the informal sector, domestic and foreign investment prospects, and growth projections in the medium and long term.

- ✓ What are the characteristics of growth and poverty? Has the poverty rate been reduced at the same speed as the rate of growth? Has growth been pro-poor, trickled down? Has growth been sufficient to employ all the population of working age?
- ✓ Which are the most dynamic sectors of the economy? Are they labor-intensive?
- ✓ What is the percentage of the population below 18? Will the economy be able to absorb all new entrants into the labor market?
- ✓ Which sector is the country's niche in the world economy? Is this leading sector labor-absorbing? If not, is it taxed? Do the tax revenues benefit those outside the labor market?
- ✓ Is the growth rate low? What are the barriers to investment by the private/public sector? What can be done to accelerate growth while ensuring pro-poor use of scarce public resources?
- ✓ Which sectors, in which geographical regions, should be promoted in the short/long term to secure employment and prosperity for all citizens?

## B. The Structure of the Labor Market

5. The main purpose of this analysis is to identify labor market imbalances. This can be done by analyzing the demand and supply for labor separately, and by identifying the major sources of imbalances such as geographical, skills, education or gender factors. Labor supply attends to the human capital available in the nation, while labor demand attends to the human capital needs. This allows the identification of imbalances and mismatches in the supply and demand of labor, which can be addressed in future development policies.

6. **Labor Supply:** The analysis of supply of labor starts with demographic data. Many Asian and Pacific countries have fast growing populations—on average, 40 percent of the population are children and youth below 19 years old. Their economies must therefore grow particularly fast if they are to develop employment in the formal sector. Without that development, employment is confined to the informal, normally subsistence economy, and these countries have an impossible task in reducing their poverty levels. The important consideration is labor force growth—and labor force growth is obviously linked to controlling population growth. The analysis of labor supply should also center on working age population, including the economically inactive. Especially during deep economic changes, substantial flows of workers occur between the economically active and economically inactive pools. Following a typical ILO classification of the population according to labor categories, the statistics below should provide a comprehensive picture of labor supply:

- ✓ Demographic structures by major age groups: children and youth (0-14 or 0-18); working age population (15-60/65 or 19-60-/65); elderly (60/65+); birth, death and natural growth rates;
- ✓ The size, structure (male/female; urban/rural; age; education) and projections of the working age population (WAP = Men 15-60/65 + Women 15-60/65);
- ✓ Employment (and, if available, underemployment) by economic activity, occupation, gender, age, education, urban/rural, formal/informal and public/private sectors
- ✓ Unemployment by gender, age, education and urban/rural sectors
- ✓ Economically inactive population by group (housewives, students, discouraged job-seekers and others), age, gender and education.
- ✓ Labor migration (internal and external) and impact on the structure of the labor force
- ✓ Literacy rates, average years of schooling and changes in the education system affecting school retention;
- ✓ If relevant, changes in the pension system affecting retirement age

7. **Labor Demand:** The basic characteristics of the labor demand that need to be assessed include

- ✓ Economic structure (national and regional, by sector)
- ✓ Wage levels and earnings
- ✓ Relationship between the formal and informal sectors
- ✓ Relationship between rural and urban sectors
- ✓ Size and structure of the public sector
- ✓ Size, structure and potential for private sector development

8. Countries with a significant shortfall between the economic growth rates and the population growth rates are bound to have substantial informal sectors. Assessing labor demand, especially on a detailed industry or occupation level, may be difficult to do except in general terms. For most policy prescriptions, this proxy may be sufficient. For example, quantification of the informal sector requires effort in terms of (i) its definition and, once a definition is agreed, (ii) estimating its size.<sup>1</sup>

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<sup>1</sup> The formal sector may be defined in terms of business registrations but this would not allow for employment estimates to be made; it could also be defined in terms of those responsible for paying social taxes; however, tax avoidance can be high so that the resulting figures may not be accurate. Another definition is based on the existence of contractual arrangements between workers and employers. Whatever estimates are finally made, they have to cover two elements of the informal sector: (i) rural informal employment (which affects the majority of the

9. The promotion of small and medium enterprises is normally a good practice to generate employment and economic growth. The development of a manufacturing sector, and the type and level of the sector, depends on a variety of factors such as accepted wage levels and the skills of the labor force. Typically, countries at the lower end of development gain immediate improvements in incomes as a result of direct foreign investment into manufacturing but the gains are limited unless there is a longer-term movement towards higher-level manufacturing involving greater skills. Services cover a wide range of sectors, notably tourism and commerce. These sectors are noted for numerous small enterprises and for informal employment in general. Tourism is usually seen as a growing industry [in developing member countries](#) (DMCs) of ADB, but a great deal depends on the nature of the country in question—on its openness, perceived levels of corruption, potential for civil unrest, natural or historical sites and quality of infrastructure.

10. The final stage of the analysis of the labor demand consists in identifying the major constraints for matching labor supply with existing demand.

### C. Existing Labor Market Policies

11. Labor market policies (LMPs) comprise active and passive labor market programs. **Active labor market programs** include:

- ✓ direct employment generation (promoting small and medium enterprises, public works);
- ✓ labor exchanges or employment services (job brokerage, counseling) linking supply of with demand for labor; and
- ✓ technical and vocational training, skills development programs (training and retraining of labor).

12. **Passive labor market policies** include unemployment insurance, income support, and a legislative framework that should strike a balance between economic efficiency and labor protection. An appropriate legislative framework will include provisions on issues such as minimum age, maximum hours and overtime, labor contracts, industrial relations, special protection appropriate for new mothers, and antidiscrimination provisions to protect women and minorities. Internationally recognized labor standards, when ratified, are also part of the legislative framework of a DMC. With regard to the Core Labor Standards, no explicit ratification is needed for them to be part of the legislative framework of a country.

#### The International Core Labor Standards

- The four Core Labor Standards are
- (i) *freedom of association* and the effective recognition of the right to collective bargaining,
  - (ii) *the abolition of all forms of forced or compulsory labor*,
  - (iii) *the elimination of discrimination* in respect of employment and occupation, and
  - (iv) *the elimination of child labor*.

All Asian and Pacific DMCs, by virtue of being members of the International Labour Organisation (ILO), are held to respect, promote, and realize the fundamental Core Labor Standards. The exceptions are the non-ILO members countries: Bhutan, Cook Islands, Maldives, Marshall Islands, Federated States of Micronesia, Nauru, Samoa, Tonga, Tuvalu and Vanuatu.

All ADB interventions must be designed and formulated in accordance with the Core Labor Standards. ADB should take all the necessary and appropriate steps to ensure that ADB-financed procurement of goods and services, contractors, subcontractors and consultants comply with the country's labor legislation (e.g., minimum wages, safe working conditions, social security contributions, etc.), as well as with the international Core Labor Standards.

Source: ADB. 2001. [Social Protection Strategy](#). Manila.

population in Asia) and (ii) informal employment in urban areas, growing due to migration processes, mostly service sectors, particularly transport (taxis, bicycles, rickshaws and the like), retail services (including itinerant trade), and tourism (restaurants, stalls and so on). The problems of these sectors relate to lack or limited access to a social protection program, which, more or less by definition, is confined to the formal sector.

13. The primary goal of looking at the labor legislation are the identification of (i) legislation that acts to restrict the operations of the labor market, and (ii) possible noncompliance with the international Core Labor Standards. All ADB interventions must be designed in accordance with national and international legislation—such as the Core Labor Standards. Specifically, the most relevant labor market legislation may include

- ✓ Legislation on core labor standards
- ✓ Wage policies, which include legislation on minimum wages
- ✓ Job security provisions, which cover the recruitment and separation of employees
- ✓ Working conditions, which cover issues such as working hours, leave provisions, and occupational health and safety
- ✓ Other relevant legislation could include regulations controlling labor mobility (for example, internal passports) and enterprise-based forms of social protection such as pensions or housing.

14. **Administrative Structures:** The analysis of existing labor market policies could include

- ✓ Enumeration of existing LMPs (number and types of policies/programs)
- ✓ Organizations responsible for implementing LMPs including coordination between organizations
- ✓ Sources of finance of LMPs, including flow of funds from central to local units and cost recovery procedures, if any<sup>2</sup>
- ✓ Target groups and the programs' effectiveness
- ✓ Capacity to adequately inspect working conditions

15. The analysis should avoid long narratives and statistical tables, but concisely evaluate the effectiveness of the country's LMPs and point out areas where development is needed.

#### D. Recommendations

16. Earlier sections should allow (i) a first assessment of the mismatch of the demand and supply of labor; and (ii) whether the current development pattern of the country and LMPs framework assist in matching the supply and demand of labor. This should allow recommendations on employment-generating policies, investments that may correct national or regional imbalances and address uncovered problems in the labor market.<sup>3</sup> The final objective is to ensure that ADB portfolio supports inclusive labor absorbing development patterns, enhances welfare, supports compliance with national and international labor standards, and helps to allocate human capital to their most productive uses.

17. Any proposed ADB labor or social protection intervention requires negotiation with many stakeholders, particularly the social partners. If any, proposed reforms should be discussed with all relevant players, normally with the National Commission for Social Protection or, in its absence, with counterpart ministries, employers and workers organizations, and other civil society partners and development institutions (e.g., ILO, the World Bank) present in the country.

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<sup>2</sup> Finance can come from four main sources: government budgets, special off-budget funds, cost-recovery, and donors; because of budgetary restraints, governments may well be inclined to favor the use of off-budget funds, typically financed by employers, payroll-based levies and employee levies. The capacity to finance labor market policies, whether through budget or off-budget funds, depends on a country's tax base. It is difficult to collect significant amounts of either income taxes or employer-based taxes in countries with large informal sectors. In many countries, cost-recovery procedures are used but with significant exemptions applied, given the low income levels and the opportunity cost of education for the unemployed.

<sup>3</sup> The recommendations should be careful not to address symptoms (e.g., unemployment) without recognizing the underlying causes. Retraining programs for the unemployed, for example, may be ineffective where the major cause of unemployment is lack of labor demand—which is the case in many transition economies.

## MITIGATION OF LABOR IMPACTS: RETRENCHMENT PLANS

1. All developing member countries (DMCs) of the Asian Development Bank (ADB),<sup>1</sup> by virtue of being a member of the International Labour Organisation (ILO), have an obligation from the fact of membership in the organization to respect, promote, and realize the principles concerning the fundamental Core Labor Standards: (i) freedom from forced labor, (ii) prohibition on child labor, (iii) freedom from discrimination at the workplace, and (iv) freedom of association and the right to collective bargaining. ADB can assist its DMCs in complying with these principles in a proactive manner; for example, by supporting programs to reduce child or bonded labor, or developing employment-generating projects for underprivileged groups. It can also do it in a passive manner, for instance, by ensuring nondiscriminatory practices and adequate health and safety standards for workers engaged under ADB projects. In case of public or private sector restructuring, ADB should make sure that workers, particularly low-income workers, regardless of race, skills, gender, or religious/political beliefs, are not unfairly disadvantaged as a result of a necessary development intervention intervention.

2. There are three major sources of mass layoffs: (i) market shifts (cyclical or structural); (ii) privatization and/or deregulation; and (iii) technological and/or organizational change, including enterprise restructuring. Necessary sector project and program lending in (ii) and (iii) may generate adverse impacts on labor that should be mitigated.

3. Unemployment and mass layoffs are problematic in any society, but present special challenges in developing countries because

- ✓ the number of affected workers is normally larger than in western societies;
- ✓ the political context may not be favorable to collective bargaining;
- ✓ often, the labor market is saturated and demand for labor low; and
- ✓ challenges increase in single-industry communities.

4. There are three major policy options to mitigate possible negative impacts of project and program lending on labor:

- (i) prevention of layoffs;
- (ii) compensation of laid-off workers; and
- (iii) redeployment of laid-off workers.

5. There is no best solution and each situation will require a tailored plan in which consultation between government, employers and labor representatives is essential. Optimally, employers can win on productivity/wage cost rationalization so as to enhance enterprise competitiveness, and workers benefit from alternative employment options. A thorough country, regional, and company labor market analysis, to understand the country/regional demand for labor and the skills supplied by the retrenched workers, is essential to evaluate options for the redundant employees. The available policies are based on (i) legal regulations, (ii) income support, (iii) skills development through retraining and employment services, and (iv) improved labor market information and counseling. Aspects such as age, gender and skills of the labor force, financial solvency of companies, fiscal impacts, the local labor market situation, income levels of employees, the existence of adequate social protection institutions (i.e., unemployment insurance, vocational/technical training centers, employment services) are critical elements when assessing a mitigation measure.

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<sup>1</sup> With the exception of Bhutan and some Pacific Islands: Cook Islands, Maldives, Marshall Islands, Federated States of Micronesia, Nauru, Samoa, Tonga, Tuvalu and Vanuatu.

**(i) Prevention**

6. Prevention of layoffs is an anticipatory intervention by identifying at-risk situations. Prevention requires good technical assessments and collective action by government, employers and workers to negotiate the absorption of losses and share the burden. There are two major policies to prevent layoffs:

- (a) Layoff restrictions: outright bans and regulations requiring due diligence to make layoffs expensive to firms; this can be combined with a reduction in wages to reduce the losses caused to companies;
- (b) Employment maintenance: work-sharing arrangements; alternatively, to compensate the reduction on salaries, the state could temporarily subsidize wages;
- (c) Enterprise agreements to absorb workers from other companies in the same sector;<sup>2</sup>
- (d) Enterprise development: adoption of a dynamic corporate strategy (developed in conjunction with labor representatives) designed to expand new markets, profitable new areas of business and employment opportunities to offset declining ones.

**(ii) Compensation**

7. Compensation and redeployment are the most frequently used labor mitigation measures. Compensation is preferred when (i) the anticipated disruption of employment is short; (ii) the labor force is aged, near retirement age; or (iii) when the institutional capacity is too low as to be able to offer redeployment policies.

- (a) Unemployment insurance: Ideally the labor force had been contributing to a financially solvent unemployment insurance fund. This, however, is not a regular situation in many developing countries. If contributions were made but the fund may not be able to comply with payments, the provision of enriched benefits or special provisions could be assessed.<sup>3</sup>
- (b) Severance payments: Severance payments are offered on the basis of years of service, position/rank at the time of leaving, and age; employees may accept an offered lump sum payment on voluntary basis.
- (c) Early retirement pensions: Earlier retirements require negotiation given that normally a no-penalty for advancing pension rights is sought by beneficiaries, and either the government or employers will have to absorb the costs, or the retirees accept a lesser pension. It is not advised to make the pension fund absorb the costs as this is a bad practice that promotes unacceptable distortions in the social protection system.

**(iii) Redeployment**

8. Redeployment is a preferred option and best practice always provided that: (i) the labor force is young and flexible, able to learn new skills and—in a worse scenario—capable of geographical mobility; (ii) the government is committed to improving labor market functioning and has the sufficient institutional capacity to support reforms. There are three major blocs of options:

- (a) Improving labor market functioning: Measures may include:

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<sup>2</sup> For example, Malaysia used such agreements in the construction sector during the financial crisis to prevent mass layoffs; industry level agreements were negotiated between trade unions and employers organizations.

<sup>3</sup> Unemployment insurance funds need to be established in situations of employment and economic growth; it is not advised to set them up in situations of economic stagnation and mass layoffs as they stimulate bad practices.

- A.1. *Advance layoff notice*—providing time to workers to search for alternative employment;
- A.2. *Eliminating rigidities* such as internal passports, police controls, licensing, or certification requirements;
- A.3. *Improve labor market information*—connecting supply and demand for labor through employment services.

- (b) Active labor market policies: Including:
  - B.1. *Retraining workers* in skills that have a demand in the labor market; for this, a thorough labor demand assessment needs to be done and a training plan (including subjects, trainers, available training centers or on-the-job-training positions, and estimated costs) identified;
  - B.2. *Counseling, job brokerage centers*: Employment offices normally play a significant role by providing information on job vacancies and assisting laid-off workers on personal presentation of their curriculum vitae, facilitating migration to areas where labor demand is high, etc.
  - B.3. *Promotion of self-employment*: Employment offices can also play a major role in providing support services (advice, training, credit, information about markets, etc.) for those interested in self-employment.
- (c) Stimulating job creation: In case of economic crisis or stagnation, such as the 1930s in the US, or 1998 in the Republic of Korea, direct job creation by means of public works may be a short-term solution to mitigate market fluctuations.

#### **(iv) Divestiture of Social Assets and Services Provided by Enterprises**

9. Social assets and services, such as health clinics, kindergartens/day care centers, schools, housing/accommodation, water, heating, meals/canteens, shopping facilities, transportation services, pensions, and recreation/social clubs, are often provided by large public and private firms. When enterprises are privatized, these social assets normally need to be divested; however, simple closure may result in a large social loss. There is no preferred method for divesting assets/services but simple transfer to local governments should be avoided unless demonstrated managerial and financial resources are earmarked to maintain services/operations. Other methods include privatizing the asset/service (i.e., make it a legal entity and proceed to its sale) and/or allow individuals or communities to operate it. A retrenchment plan should (i) identify and estimate the value/cash flow of the social assets/services; (ii) discuss with all stakeholders options to maintain the assets/services, bearing in mind the long-term sustainability of running the operation; and (iii) if privatization is a preferred option, arrange for legal work to convert facilities into commercial companies and schedule a timing for the open sale of each asset/service.

#### **(v) Choosing Policy Options**

10. Assessing policy options to mitigate possible negative impacts of project and program lending on labor requires a solid understanding of the interest of different stakeholders, available resources (human, fiscal) and knowledge of the country laws and idiosyncrasies. A mitigation program normally involves a combination of several of the mitigation measures described in earlier paragraphs, after careful consultation process. Optimally, there should be in place collective bargaining structures enabling employers (whether in the public or private sector) to negotiate a mutually acceptable package with a properly resourced independent trade union organization representing the employees. Such a package might, for example, incorporate (a) maximum emphasis on early retirement/natural wastage rather than compulsory layoffs of younger workers, (b) productivity/wage cost rationalization so as to enhance enterprise competitiveness, and (c) investment in product and market diversification so as to absorb surplus manpower. Selective government support/subsidy for such a package could be appropriate (possibly involving aid agency participation), provided that its sustainability was thoroughly appraised and it was not allowed to become an excuse for prolonged inefficiency and waste of scarce fiscal resources.

12. Mitigation options should always aim to adequately balance political fairness and economic sustainability. Table 9.2.1 lists the issues of the three stakeholders that have to be taken account in mitigation. A number of requirements should be considered:

- (i) Retrenchment as a result of private or public sector restructuring should be linked to sustainable productivity improvements in the enterprise and to a sound macro and sectoral policy framework in place. A sample retrenchment plan checklist is shown in Table 9.2.2.
- (ii) A socioeconomic analysis should be carried out, making the social and economic trade-offs transparent.
- (iii) The packages should be examined carefully to make sure that they are not unaffordable or collapsing other social expenditures, and that they do not lead to adverse selection problems.
- (iv) Mechanisms have to be put in place to prevent rehiring of workers taking packages.

13. Given the different rank, status, and degree of specialization of employees, redundancies do not affect employees in the same manner. Often, public servants in DMCs are engaged in private practice (i.e., as lawyers, doctors, accountants, teachers) in parallel to their public employment. As committed by ADB (1999) in its *Poverty Reduction Strategy*, priority should be given to low-income groups with no alternative livelihood options.

**Table 9.2.1. Issues by Stakeholders**

<b>Stakeholder</b>	<b>Responsibility</b>
<b>Labor Divestiture</b>	
Enterprise	Retrenchment plans Labor force analysis Cooperation at the work level Tripartite consultations and negotiations
Government	Regulations Labor market information Temporary income support programs Redeployment services Tripartite consultations and negotiations
Unions	Tripartite consultations and negotiations Agreements Cooperation at the work level Collaboration in new business plans and enhanced productivity
<b>Divested Social Assets</b>	
Enterprise	Divesting assets and activities
Delete line above	Selling or giving enterprises and social services away to capable private entities, government, employees, or communities
Government	Taking managerial and financial responsibility for selected public services such as schools and clinics, and supporting individuals or communities willing and capable of taking over social services
Unions	Assisting employees in purchasing social assets (e.g., housing, assets with commercial potential)

**Table 9.2.2. Retrenchment Plan Checklist**

- *Who?* Who is the affected workforce? The number of estimated affected employees should be surveyed, by functional responsibility, age, income, employment status (contract or temporary workers, for example), family responsibilities, geographical location, and social security and welfare coverage. To avoid gender discrimination, particular attention should be given to (i) the low-income groups with no alternative livelihood and (ii) the number of redundant women workers.
- *Where?* Understanding the country or regional labor market trends and applicable labor legislation is a prerequisite of retrenchment plans. Are there any areas where labor skills are in demand? Can the retrenchment plan assist employees to move to these areas or acquire these skills? How are industrial relations in the country or region? Are there relevant laws, regulations and collective agreements, both at the enterprise or industry level, and are they respected?
- *How?* Have companies defined the new business plans, markets, and products, and organized the utilization of labor necessary to reach competitive efficiency and productivity standards? Have firms analyzed the current employees' skills mix and new skills requirements? Are the enterprises divesting social assets? Is there a plan to privatize, subcontract, or transfer outlets so social services are operated in a sustainable manner?
- *How?* Is the process of retrenchment transparent? Is there an official, independent, and efficient institutional arrangement? Is there a committee overseeing the process? Are the retrenchment rules clear and understood by affected employees? Do employees get heard? Are workers' rights reflected or neglected in the process? Are there regular consultations with accredited workers' representatives? Have workers been given sufficient advance notice?
- *How?* Of what does the prevention and compensation package consist and is it adequate? Are there clear administrative and institutional arrangements? Are the timing and magnitude of the package adequate for the laid-off workers? Have adequate funds been identified for guidance, counseling, retraining, or any other program? Are those budget requirements collapsing other social sector expenditures and revenues?
- *With whom?* Is there any international in-country agency (i.e., the ILO, World Bank) that has experience in these topics? Has any other sector experienced a significant retrenchment plan? If retraining or job brokerage and counseling services are envisaged, which would be the best institutions to provide them?

**RETRENCHMENT PLAN – SAMPLE FORMATS**

**A. Sample Format for Workforce Analysis**

Name of company: .....
Phone: .....
Fax: .....
Date: .....
Contact person: .....

**Table 9.3.1. Total Number of Employees by Occupational Specialty According to Age and Sex**

Age	1 Workers			2 Service Personnel			3 Commercial Personnel			4 Administrative Personnel			Total
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
<35													
35-45													
45-50													
50-55													
>55													
Total %													
Total Male And Female													
Total													

Note: *Workers* are those directly involved in production. *Service personnel* handle cleaning, maintenance, catering, transportation, etc. *Commercial personnel* are in charge of sales and order handling. *Administrative personnel* include accountants, secretaries, supervisors, managers, etc.

**Table 9.3.2. Salary and Seniority: Years in the Company, Salary Range, and Social Security Coverage and Contribution**

Years	1 Workers			2 Service Personnel			3 Commercial Personnel			4 Administrative Personnel			Total
	No.	Salary	S.S.	No.	Salary	S.S.	No.	Salary	S.S.	No.	Salary	S.S.	
5-10													
10-15													
15-20													
20-25													
25-30													
30-35													
>35													

Note: S.S. = Social Security.

**Table 9.3.3. Number of Employees According to Age and Educational Background**

<b>Educational Background</b>	<b>&lt;35</b>	<b>35-45</b>	<b>45-50</b>	<b>50-55</b>	<b>&gt;55</b>	<b>Total</b>	<b>Percentage</b>
<b>a. Workers</b>							
Primary Education							
Technical/Vocational							
High School							
University							
<b>b. Service Personnel</b>							
Primary Education							
Technical/Vocational							
High School							
University							
<b>c. Commercial Personnel</b>							
Primary Education							
Technical/Vocational							
High School							
University							
<b>d. Administrative Personnel</b>							
Primary Education							
Technical/Vocational							
High School							
University							

**Table 9.3.4. Employment Status**

<b>Employee</b>	<b>Employees with Permanent Positions</b>	<b>Percentage</b>	<b>Short-Term Employment</b>	<b>Percentage</b>
Workers				
Service Personnel				
Commercial Personnel				
Administrative Personnel				

**Table 9.3.5. Family Responsibilities and Social Services Dependency**

<b>Employee</b>	<b>Number with 2 Children or More</b>	<b>Number Dependent on Social Services</b>
Workers		
Service Personnel		
Commercial Personnel		
Administrative Personnel		



**B. Sample Employee Survey**

**Table 9.3.8. Sample Employee Survey**

This survey is being undertaken to collect information about your job search and your ideas and expectations regarding the services and assistance you think will be of value to you as you seek new employment following your separation from X company. The information you provide will be kept strictly confidential and will be used only in generalized form to assist decision making on the kinds of services and assistance to be made available to facilitate the adjustment process.

**Part I. Personal data**

- Present job (department):.....
- Age: .....30 or less.....31-35.....36-40.....  
.....41-45.....46-54..... Over 55
- Family status: .....single.....married  
.....dependents.....no dependents
- Education: .....

**Part II. Job search status**

- Do you currently have another source of income? (Part-time job, occasional employment) .....
- Are your spouse/children/parents/close relatives employed/have their own business?  
spouse.....children.....parents.....close relatives .....
- Are you seeking a job/occupation?.....
- What is your present monthly/weekly/hourly wage?.....
- Are you interested in considering offers of employment in another area, which would require you to change your place of residence? Yes.....No.....
- If the answer is "yes," indicate how far away you would consider moving:  
..... To nearby communities  
..... Anywhere

**Part III. Retraining interests**

- Are you interested in some education or training/retraining?.....Yes.....No
- If the answer is "yes," check box below indicating your interests:  
..... Upgrade current professional qualifications.  
..... Acquire new professional qualifications as .....
- ..... Acquire new vocational skills to match appropriate demand in labor market.  
..... Improve basic literacy skills.

**Part IV. Services you think would be of value**

- ..... Job search assistance
- ..... Workshop in job search techniques
- ..... Family counseling and household budgeting
- ..... Relocation assistance
- ..... Workshop/training on starting your own business
- ..... Public work projects
- ..... Others. Please specify .....

**C. Sample Employee Retrenchment Action Plan**

**Table 9.3.9. Sample Employee Retrenchment Action Plan**

Name of region/enterprise/agency: ..... Contact person and telephone number: ..... Employee redundancy. Moderate.....Substantial.....Mass:..... (Director's classification)
<ul style="list-style-type: none"> <li>• Narrative summary of the size and the timing of the projected redundancy and the measures being initiated to respond to it, including consultations with workers' representatives</li> <li>• Narrative assessment of regional plans and specifications to ameliorate redundancies</li> <li>• Budget estimates for funding according to plans</li> <li>• A separate schedule for divestiture of social assets</li> </ul>

**Table 9.3.10. Budget Estimates**

Program Item (examples)	Estimated Beneficiaries	Local Funds Available	Supplementary Funds Needed	Total
Early Retirement				
Unemployment Benefits				
Job Counseling				
Vocational Training				
Relocation Assistance				
Public Works Projects				
Small Business Assistance				
Family Counseling				
Income Support				
Total				

..... Signature over name (Officer). Date.  ..... Signature over name (Director). Date.
---

**D. Sample Advance Notice of Employee Redundancy**

**Table 9.3.11. Sample Advance Notice of Employee Redundancy**

From: .....To: .....	
Enterprise Identification _____ _____ _____ Name and address Contact person Phone: _____	Employment Service _____ _____ _____ Name and address Contact person Phone: _____

Date of notice _____ Total number of employees in enterprise _____	Projected redundancy _____ Number of employees _____ Date to begin _____
--	--

<b>EMPLOYEES TO BE MADE REDUNDANT</b>		
<b>Occupational Category</b>	<b>Number</b>	<b>Date to Begin</b>

I certify that each affected employee is being properly notified of their pending loss of employment. .....Name and signature of authorized officer .....Signature of Director.....Date
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**Table 9.3.12. Attachment to Advance Notice of Employee Redundancy**

<b>EMPLOYEES TO BE MADE REDUNDANT</b>		
<b>Name</b>	<b>No. of Years Worked</b>	<b>Compensation Action (i.e., severance payment, etc.)</b>

I certify that each employee is being properly notified of their pending loss of employment.

Typed name.....

Signature of Director.....Date:.....