

APPENDIX

A New Dataset of Labor Market Rigidity and Reform Indexes for up to 145 Countries Since 1960 (LAMRIG)*

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ABSTRACT

This paper describes the construction and application of a new dataset containing indexes of labor market rigidity over countries and time from the 1960s. The indexes are designed to be consistent with the Employment Law Restriction indexes constructed by Botero et al 2004. As such, our analysis takes off from their seminal paper constructing an aggregate index of employment protection based on collective relations, social security, and employment laws in a sample of 85 countries in 1997. This work has influenced a large number of studies that have attempted to up-date similar indexes to the present day for a large sample of countries (e.g., World Bank's *Doing Business* project, the EU's LABREF). For going backwards in time, however, the available studies have been limited to two specific regions (OECD (Blanchard and Wolfers 2000) and Latin America (Heckman and Pages 2004)). The index developed is for Employment Law Rigidity (ELR), a (de jure) index. Our extension of the index backward over time for most OECD and Latin American countries is based on the aforementioned studies for these regions. For extending the countries not covered by the region-specific studies backward in time we make use of a number of sources including direct inspection and comparisons of the different national labor laws over time. The resulting dataset LAMRIG covers up to 145 countries in 5-year averages from 1960-64 to 1995-99 and reveals sizable variations across regions and over time.

In order to assess the usefulness of this index we conduct several exercises. First, we restrict our analysis to the cross-section for 1995-1999 a period coinciding with that in Botero et al. (2004) and repeat the analysis in that paper concerning the determinants of labor market regulatory rigidities. For this cross-section, we fully replicate their results, demonstrating the greater importance of legal origins than those of per capita GDP and/or political factors. Second, however, when we extend the analysis to the panel and to changes over time, our results diverge from those of Botero et al. (2004). For example, when we use a random-effects model with clustered standard-errors at the country level to explain labor market reform, the influence of legal origins is no longer significant. Third, we test for the relevance of other determinants of labor market reforms, such as economic and political crises and various institutional and structural factors. Some of these are found to be important, and indeed more important than legal origin.

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Special Data Sources Used for non-OECD and Non-LAC Countries

ARMENIA

New Labor Code 2005:

- minimum annual paid leave is now 24 days (compared to 15 days under old law)¹

2006 Amendment:

- provides that a labour contract cannot be cancelled while a woman is pregnant or during maternity leave unless medical consent is obtained²

Sources:

1. <http://www.state.gov/e/eeb/ifd/c9787.htm> (compare 2005 and 2006 reports)

2.

http://www.ilo.org/dyn/natlex/natlex_browse.details?p_lang=en&p_country=ARM&p_classification=01.02&p_origin=SUBJECT

3. Potential source: Hayk Hovhannisyan, Armenian Arbitration Reforms - EUROLAWYER. The Magazine of the European Young Bar Association, December 2001, issue 14 (in English).

BULGARIA

1992 Labor Code:

- recognizes the right to strike when other means of conflict resolution have been exhausted, but "political strikes" are forbidden. Workers in essential services (primarily the military and the police) also are subject to a blanket prohibition against striking, although such workers on occasion held an "effective strike" in which they stop or slow their activities for 1 or 2 hours.³

2004:⁴

- Provides that the following additional information shall be specified in an employment contract: place of work; title and character of the work position; date of signing and day of the beginning of the contract's implementation; duration of the contract; duration of annual leave; advanced notification required for termination by either party; main and additional wages and terms for their payment; the duration of the working day or working week.
- Also provides for rules protecting employees' rights in cases of mergers or change of enterprise owner. In such cases workers' representatives shall keep their functions up to one year.
- Provides for new requirements on mass dismissals. Employers intending to dismiss large numbers of workers are obliged to start consultations with workers' representatives no later than 45 days prior to the planned dismissal and to make efforts to meet an agreement or restrict its consequences. (previously?)
- When starting a job, an employee is entitled to an annual paid leave after eight months of work (previously six months).

2006:

- During the year the government approved and implemented an increase in the national minimum wage to approximately \$94 (150 leva) per month¹

2007:

- During the year the government approved and implemented an increase in the national minimum wage to approximately \$134 (180 leva) per month.²

Sources:

1. <http://www.state.gov/g/drl/rls/hrrpt/2006/78805.htm>
2. <http://www.state.gov/g/drl/rls/hrrpt/2007/100552.htm>
3. <http://www.state.gov/g/drl/rls/hrrpt/2000/eur/705.htm>

4. NATLEX

http://www.ilo.org/dyn/natlex/natlex_browse.details?p_lang=en&p_country=BGR&p_classification=01.02&p_origin=COUNTRY&p_sortby=SORTBY_COUNTRY

BURKINA FASO

2004:

- The right to strike is recognised. However the 2004 Labour Code contains a very restrictive definition of the right to strike, stating in article 351 that any stoppage of work that does not correspond to an occupational claim is illegal (bans solidarity strikes and political strikes.)¹

Sources:

1. Annual Survey of violations of trade union rights

<http://survey07.ituc-csi.org/getcountry.php?!DCountry=BFA&IDLang=EN>

CHINA

1975:⁴

- right to strike expressly recognized in constitution for the first time

Constitution change 1982:¹

- recognition of right to strike removed (but not declared illegal)

New labor law 1994:¹

- this is the first unified labor code adopted by China
- specifies minimum wage
- opens the way for collective bargaining (what in particular?)

Contract Labor Law 2007:^{2,3}

- Requires employment contracts for all workers; minimum terms implied by law or collective agreement if no written contract
- Reduces length of probationary periods
- Limits continuous “casual employment”; employee with contract renewed on two consecutive occasions entitled to indefinite contract duration
- Regulates labor staffing firms and treats as joint employer
- But, part-time workers who average less than 24 hours/week may be hired without contract and on at-will basis
- Employer required to enter into collective contract with union, or if not yet in existence, with representative of employees with assistance of regional union body
- Employer must consult with union before adopting or changing policies that have a “direct bearing” on matters of interest to employees

- Limits amount of damages an employer may claim for training costs
- Employer failure to pay wages as stipulated subject to 50% additional penalty

Sources:

1. Ying Zhu, Stephanie Fahey. *The Impact of Economic Reform on Industrial Labour Relations in China and Vietnam*. *Post-Communist Economies*, 11:2,1999

Link:

<http://proquest.umi.com.libproxy.usc.edu/pqdweb?RQT=569&curl=http%3A%2F%2Fproquest.umi.com%2Fpqdweb%3Fdid%3D43014245%26sid%3D2%26fmt%3D4%26clientId%3D5239%26RQT%3D309%26VName%3DPQD&TS=1216163770>

2. Link:

http://lawprofessors.typepad.com/laborprof_blog/files/summary_of_reforms_adopted_in_china.doc

3. China's New Labour Contract Law: Responding to the Growing Complexity of Labour Relations in the PRC

Link: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1115550

4. Legislation of Right to Strike in China. www.airroc.org.tw/ISLSSL2005/program/doc/II-3.doc

CROATIA*

new labor law 2004

EGYPT

Labor Code 2003:¹

- in general dramatically reduces state's role
- gives greater leeway to employers to hire and fire, set wages and benefits
 - o employers going out of business can lay off all workers
 - o employers can lay off workers/modify contracts for economic necessity
 - o all terminations must be approved by authorities
- legalizes strikes, which had been banned since 1952
 - o must go through negotiation and mediation process
 - o failing which, arbitration
 - o trade unions must notify employers and administrative authorities of intent to strike
 - o cannot strike if collective agreement is still valid, and during mediation and arbitration
- permits multiple renewals of temporary contracts (under old law, renewing a temporary contract means contract becomes indefinite)

Sources:

1. Marsha Pripstein. *Egypt's New Labor Law Removes Worker Provisions*, Middle East Report, May - Aug., 1995

Link: <http://www.jstor.org.libproxy.usc.edu/stable/3012793>

ETHIOPIA

Ethiopia - <http://www.hrw.org/reports/pdfs/e/ethiopia/ethiopia913.pdf>

GHANA

Industrial Relations Act 1958¹:

- gives official recognition to Trades Union Congress and 24 constituent unions
- makes collective negotiations compulsory
- strikes and lockouts effectively made illegal

1959 Amendment¹:

- every union that is not a member of the TUC within 2 months is to be dissolved
- Government may revoke union license at its discretion (previously worker membership had to be less than 40 percent for license to be revoked)

1960 Amendment¹:

- all Ghanaian workers MUST be union members

Industrial Relations Act 1965²:

- replaces the Act of 1958 (need specifics)

1991³:

- raised minimum wage by 25 percent in real terms (=100 percent in nominal terms)

Sources:

1. Lester Trachtman. Ghanaian *Labor Legislation Since Independence*. Labor Law Journal, 12:6

Link:

[http://pao.chadwyck.com.libproxy.usc.edu/articles/displayItem.do?QueryType=articles&QueryIndex=journal&ResultsID=11A78CDF6BB594D18&ItemNumber=8&BackTo=journalid&BackToParam=QueryType=journals|ItemID=1151|issue=12:6\(1961:June\)&journalID=1151](http://pao.chadwyck.com.libproxy.usc.edu/articles/displayItem.do?QueryType=articles&QueryIndex=journal&ResultsID=11A78CDF6BB594D18&ItemNumber=8&BackTo=journalid&BackToParam=QueryType=journals|ItemID=1151|issue=12:6(1961:June)&journalID=1151)

2. Wikipedia

3. Patricia Jones. *The impact of minimum wage legislation in developing countries where coverage is incomplete*. CSAE Working Paper Series.

Link: <http://www.csaе.ox.ac.uk/workingpapers/pdfs/9802text.pdf>

GUINEA

Guinea - <http://www.state.gov/e/eeb/ifd/2007/80670.htm> ; original labor code 1960 – new one created in 1988. Having difficulty finding information on the original labor code so tell whether 1988 increased

or decreased regulation.

1999- Code amended to increase employer rights to hire and fire

HONG KONG

1940:

- state empowered to set minimum wage, but never set minimum wage¹

1997:

- unfair dismissal ordinance passed (previously employers were free to hire and fire)

- repealed after handover to China¹

Sources

Chiu and Levin. *The Organization of Industrial Relations in Hong Kong: Economic, Political and Sociological Perspectives*. Organization Studies, Spring 1999.

1.

HUNGARY

1992

- workers can now form workers' councils¹
- Labour Minister may extend collective agreements to an entire sector

Two new laws allow workers an alternative, limited voice in corporate affairs. Workers have rights to appoint one-third of the members to the supervisory boards of specific Hungarian public companies

with 200 or more full-time workers. Workers' councils make the selections after consulting with unions. However, the law allows (over objections by Hungary's unions) a workers' council to exercise an opt out provision in agreement with a company. Companies with just one "unified" board may be exempt from any such worker appointments. In 2004, Hungary enacted a law to provide workers in large European companies with information and consultation rights. Workers' councils, not unions, have responsibility to appoint representatives. To date, the impact of this law has been minimal because only a handful of such councils have been created. Under both laws, representatives are protected against discrimination to the same extent as workers' council members.

Sources:

1. <http://www.legislationline.org/?tid=221&jid=24&less=false>

INDIA

From:

1976 amendment to Industrial Disputes Act¹:

- prohibits layoffs without prior approval of relevant authorities for firms with more than 300 workers

1982 amendment¹:

- prohibits layoffs without prior approval of relevant authorities for firms with more than 100 workers

Minimum Wages Act 1948²:

- minimum wage is introduced for the first time

Sources:

1. Pages and Ahsan. *Are all labor regulations equal ? Assessing the effects of job security, labor dispute, and contract labor laws in India*. World Bank Policy Research Working Paper Series

Link: http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2007/06/15/000016406_20070615150324/Rendered/PDF/wps4259.pdf

2. <http://www.amb-inde.fr/labour-laws.asp>

INDONESIA

Law 21 of 2000¹:

- registration of trade union no longer required (before this no new unions could be legally established)

Law 13 of 2003¹:

- restrictions on fixed term contracts eased
- restricted the right to strike to specific types of labor disputes
- gives authority to employers to terminate their workers for the alleged commission of a crime without the need to await a binding criminal conviction to be handed down by the relevant court of law
- legalized “out-sourcing” which would have the effect of reducing job security for Indonesian workers

Law No. 2 of 2004 on Industrial Relations Disputes Settlement¹:

- significantly changed the industrial relations disputes settlement framework
- required the parties to attempt to reach an amicable resolution to the dispute by entering into negotiations.
- If the parties cannot reach an amicable settlement the new regulatory framework requires them to enter into mediation or conciliation in an attempt to resolve the dispute.
- This alternative dispute resolution is a compulsory step that must be completed prior to the matter coming before the courts.
- Where the parties do not accept this decision the matter is to be resolved through
- traditional court-based mechanisms.
- For matters involving a conflict of interest or disputes between trade unions the Industrial Relations Court is a Court of First Instance and Appeal. This means that a right of appeal does not exist and the losing party cannot appeal to the Supreme Court.

- the parties can elect to undertake final and binding arbitration as the means of resolving their dispute. The decision of the arbitrator is final and binding. The parties are under an obligation to perform the decision of arbitrator.
- However, for matters relating to employment rights and termination of employment a right of appeal exists. This means that a losing party may appeal to the Supreme Court.
- However, **did not** drastically impact upon the length of time required to have a dispute resolved, the mechanism still took a considerable period of time to navigate.

Source:

1. Aloysius Uwiyono. *INDONESIAN LABOR LAW REFORM SINCE 1998*

Link: <http://www.ide.go.jp/English/Publish/Asedp/074.html>

ISRAEL

Statutory limitations on strikes did not exist until 1969. The only limitations were those agreed upon and contained in collective agreements. Then, the *Settlement of Labour Disputes Law* was amended, so as to require 15 days advance notice of a strike or lockout.

The *Minimum Wage Law, 1987* provides for a minimum wage,

The Advanced Notice of Discharge or Resignation Law, 2001, requires the employer and worker to give advanced notice of discharge and resignation.

<http://www.ilo.org/public/english/dialogue/ifpdial/info/national/is.htm>

JORDAN

1953:

- Trade Union Law 35, passed in 1953, confirmed workers' right to unionize and established unions' right to strike.¹

1956:

- civil service employees prohibited from forming unions and bargaining collectively¹

1960 Labor Law:

- the first in the country—reflected the weakness of the union movement.¹
- did facilitate collective bargaining, however.¹

1976 amendment to the 1960 Labor Law:

- limited the number of national unions to 17¹

1996 code loosened regulation to some extent (government approval no longer needed to fire workers), but it still provided that workers could appeal to government if they felt unduly fired.

http://www.allacademic.com//meta/p_mla_apa_research_citation/1/0/0/1/7/pages100174/p100174-1.php

Sources:

1. solidarity.timberlakepublishing.com/files/JordanFinal.pdf

KAZAKHSTAN

The minimum wage has increased every year since 1995, going from 200 tenge per month in January 1995 to 2,680 tenge per month in January 2000.¹

1999 law "On Labor in the Republic of Kazakhstan":¹

- for the first time, the law established the length of a normal work week – 40

hours; before it was 41 hours;

- strict compliance with the existing labour legislation by employers;
- the right to have a reduced work week and a shortened work day, or to have a flexible work schedule with a possibility to work at several places;
- compensation for overtime work in the amount of, as minimum, one and a half times the hourly wages;
- provisions on collective agreements and their content;
- clear determination of the duration of an individual labour contract;
- procedures for solving labour disputes through mutual agreements before filing court cases.

The Law introduced the minimal duration of labour vacations – 18 calendar days.²

Sources

1. www.ilo.org/public/russian/region/eurpro/moscow/areas/safety/docs/kaz_ohs_profileen.pdf
2. www.oecd.org/dataoecd/24/16/2422618.pdf

KENYA

THE NEW LABOUR LAWS - SOME KEY PROVISIONS¹

The Labour Institutions Act, 2007

- Establishes and strengthens institutions which deal with labour administration and management of labour relations; such as the National Labour Board, the National Labour Court, Wages Councils and Employment Agencies

- The National Labour Court will be decentralized to the Districts and Provinces

The Employment Act, 2007

- Strengthens minimum terms and conditions of employment
- Prohibits forced and child labour, sexual harassment and discrimination on the basis of disability, HIV/AIDS status, etc
- Provides for insurance scheme to benefit redundant employees
- Converts “casual employment” to “term contract”
- Raises age for definition of a “child” from 16 to 18 years. This harmonizes this definition with that in the Children’s Act
- Provides for 21 days’ annual leave for all employees; three(3) months’ maternity leave for female and 2 weeks’ paternity leave for male employees
- Safeguards workers’ dues in the event of employer’s insolvency
- Ensures that workers whose employers do not contribute to provident funds do not lose their benefits for years worked
- Migrant workers legally in Kenya will enjoy the same protection as indigenous workers

The Labour Relations Act, 2007

- Promotes protection of freedom of association for both employees and employers
- Streamlines registration of workers’ and employers’ organizations
- Promotes democratic practice in lawful collective groups
- Asserts individual and collective group rights

- Streamlines pre-Industrial Court trade dispute resolution machinery and gives specific time-frames for dispute disposal
- Minimizes room for interference with workers' right to go on strike by setting out clear guidelines on protected strikes and lock-outs
- Provides for Alternative Dispute Resolution machinery

Sources:

1. www.africanow.org/resource/doc/Overview%20&%20Key%20Provisions%20of%20New%20Labour%20Laws.doc

LATVIA

2001 labor code:¹

- provides more employment protection for employees than the previous 1972 Labour Code.
- for example, employers have less scope than before to dismiss employees who are sick for long periods.
 - extended failure to work due to sickness cannot be grounds for terminating an employment contract. Previously, an employer could terminate the employment contract if an employee did not work due to sickness for more than four consecutive months.

2003-2004:¹

- the sentencing of an employee to imprisonment for a period of more than 30 calendar days is now a valid grounds for termination of the employment relationship
- overtime work must not exceed 144 hours over a four-month period. Previously, overtime could not exceed 48 hours over a four-week period - ie 192 hours per four month period. However, at the same time a rule that overtime could not exceed 200 hours per year has been abolished

Sources:

1. <http://www.eurofound.europa.eu/eiro/2004/05/feature/lv0405103f.htm>

LITHUANIA

Until 1990 the legal regulation of labour relations in Lithuania was distinguished by imperativeness peculiar to the Soviet legal system. The basis of Lithuania's labour laws was the soviet Labour Code adopted in 1972.

Within a historically very short period of time, namely, several years, the most important labour laws were adopted:

- On 9 January 1991 – the [Law on Wages](#);
- On 4 April 1991 – the [Law on Collective Agreements](#);
- On 21 November 1991 – the [Law on Trade Unions](#);
- On 28 November 1991 – the [Law on Employment Contract](#);
- On 17 December 1991 – the [Law on Holidays](#);
- On 17 March 1992 – the [Law on the Regulation of Collective Disputes](#);
- On 7 October 1993 – the Law on Safety and Health of Employees and other laws.

These laws mostly kept the nature of a minimally corrected soviet regulation to correspond only to the basic market principles and to the changes of public life.

Until 2003, entire institutions of the labour law such as individual labour disputes, labour discipline, and pecuniary liability were exceptionally regulated by the Labour Code of 1972 which, of course, did not correspond to the new economic relations.

The Labour Code entered into force on 1 January 2003. Apart from the Law on Safety and Health of Employees of 7 October 1993 the Labour Code abolishes almost all labour laws adopted since 1990. The Labour Code as a unified act regulates collective as well as individual labour relations, in particular, the scope, tasks and principles of the application of labour laws, the rights of trade unions and representatives of employees in the sphere of labour, the conclusion and implementation of collective agreements as well as the liability of the parties, the solution of collective labour disputes including strikes, legal grounds of employment, conclusion, terms and termination of contract of employment, minimum wage as well as the conditions of remuneration for work, working time and rest periods, safety and health of employees, vocational training and in-service training, labour discipline, conditions and limits of pecuniary liability, supervision of and control over compliance with the main labour laws.

1991 Law on Trade Unions:

- seemingly embraced the idea of Western-style legal protection for trade unions.
- provided for 'the right to freely join trade unions and take part in their activities';
 - included under this protection were also police, armed forces and state security personnel.
- gave trade unions the right to conclude collective agreements on wages and conditions with employers

1992 law on collective disputes:

- 'in the event that a collective dispute has not been settled, or in the event that the employer does not carry out the decision of the reconciliation committee, a strike may be declared in accordance with the procedure set forth in Article 10 of this Law'.
- Employers must be informed in writing about the beginning of future strikes within seven calendar days of the strike
- It shall be prohibited to call a strike within the structures of internal affairs, national defence and national security as well as in enterprises of electric power, centralised supply of heating and gas, and services of immediate medical aid (revokes right to strike of e.g. police force in 1991 law)

Sources:

1. Charles Woolfson, Matthias Beck. *Remapping Labour Rights: The Case of Transitional Lithuania*. Europe-Asia Studies, Vol. 54, No. 5 (Jul., 2002), pp. 749-769

Link: <http://www.jstor.org/stable/826505>

2. <http://www.ilo.org/public/english/dialogue/ifpdial/info/national/li.htm>

MADAGASCAR

1995:¹

- the Constitution and the 1995 Labor Code provide workers in the public and private sectors with the legal right to establish and join labor unions of their choosing without prior authorization
- however, essential service workers, including police and military personnel, may not form unions.

Sources:

1. <http://www.state.gov/g/drl/rls/hrrpt/2000/af/848.htm>

MALAWI

Labor Relations Act 1996 (replaces old 1958 law):¹

- the Registrar of Trade Unions and Employer Organizations no longer has the discretion to refuse registration on extraneous grounds
- right to return to work or to reinstatement at the end of a legitimate strike or lockout
- restriction of the hiring of temporary employees during a legitimate strike or lockout to only those required for "minimum maintenance services"
- right of non-participating employees to refuse to do the work of employees involved in industrial action, "except in the case of an essential service"
- right to organize "peaceful picketing"
- strikes and lockouts are prohibited for "essential services": under the old law, essential services were predetermined; under the new law, any service can be deemed an essential service at the Minister's discretion

Employment Act 2000:¹

- dispenses with the need for notice for the termination of contracts for a specified period of time or for the performance of a specific task.
- states that severance pay for employees terminated because of employer insolvency shall take precedence over all other creditors

Sources:

1. CLEMENT NG'ONG'OLA (2002). RECENT LABOUR LAW REFORMS IN MALAWI: A REVIEW. *Journal of African Law*, **46**, pp 167-196

Link: <http://journals.cambridge.org/action/displayAbstract?fromPage=online&aid=129087>

MALAYSIA

1980 amendments to labor laws:

- unions in essential services now required to give three weeks' notice of intent to strike (previously two weeks)¹
- premium for overtime work increased¹
- unions in electronics sector banned

1988:

- premium for overtime work decreased¹
- ban on unions in electronics sector lifted

Sources:

1. Jomo K. S. and Patricia Todd. *Trade unions and the state in Peninsular Malaysia*.

MALI

Before 1991: military regime

1992:

- labor code allows workers to form and join unions¹
-

Sources

1. <http://survey07.ituc-csi.org/getcountry.php?IDCountry=MLI&IDLang=EN>
- 2.

MONGOLIA

Labor code established 1973

Labor Law 1999:¹

- The new labor law streamlines the process for dealing with labor conflicts.
- The Labor Dispute Settlement Commission resolves disputes involving an individual; disputes involving groups are referred to intermediaries and arbitrators for reconciliation.
- If an employer fails to comply with a recommendation, employees may exercise their right to strike.
- The law protects the workers' right to participate in trade union activities without discrimination.

Sources:

1. <http://www.state.gov/g/drl/rls/hrrpt/2000/eap/748.htm>

MOROCCO

1994:

- The minimum wage was raised ten percent to about \$168 a month. This was the first raise in the minimum wage in two years.¹

1996:

- 10 percent increase in the minimum wage²

2004 new labor law:³

- reduces the work week from 48 to 44 hours with overtime rates payable for additional hours
- guarantees rights of association and collective bargaining and prohibits workers from taking actions against workers because they are union members.
- calls for periodic review of the Moroccan minimum wage.
- minimum wage increased by ten percent this year

Sources:

1. http://dosfan.lib.uic.edu/ERC/economics/trade_reports/1994/Morocco.html

2. <http://www.state.gov/g/drl/rls/hrrpt/1999/422.htm>

3. fas.org/sgp/crs/mideast/RS21464.pdf

MOZAMBIQUE

1990:

- Collective bargaining introduced into law¹

Sources:

1. Edward Webster, Geoffrey Wood, Beata Mtyingizana, and Michael Brookes

Residual Unionism and Renewal: Organized Labour in Mozambique

Journal of Industrial Relations 2006 48: 257-278.

NIGERIA

1974:

- The 1974 Labor Decree set a minimum wage, which is reviewed on an ad hoc basis.¹

1978:

- Since 1978 the Government has mandated a single trade union structure with service and industrial unions grouped under the NLC. The trade union movement is composed of two groups consisting of junior and senior staff workers. The single trade union structure and segregation of junior from senior staff were intended to dilute the bargaining strength of workers.¹

2000

- In April the minimum wage was reviewed and increased¹

2005:

- The new Trade Union (Amendment) Act, passed on March 30, eliminated the previously mandated single-labor-federation structure for workers, organized under the Nigerian Labor Congress (NLC).¹
- While lifting some restrictions on freedom of association by allowing more labor centers, the new law weakened the NLC, the country's largest labor organization. The International Confederation of Free Trade Unions released its annual report in October and named the country as one of several that suffered from increased abuses of workers' rights by of government during the year.¹

Sources:

1. <http://www.state.gov/g/drl/rls/hrrpt/2000/af/700.htm>

PAKISTAN

Industrial Relations Ordinance 2002:¹

- replaces original 1969 law (gives industrial workers the right to form trade unions, but union organizers are subject to a variety of restrictions that hinder their activities and effectiveness ← this is not new)
- provides further clarification as to when Registrar may move to cancel a trade union's registration, i.e. in the case of multiple trade unions in a sector, Registrar may cancel registration of a particular union if:
 - o it has not been a contestant in a referendum for the determination of a collective bargaining agent; or
 - o it has not applied for determination of collective bargaining agent
 - o it has secured less than 15% of polled votes per final list of voters, during a referendum for the determination of collective bargaining agent.
- caps the membership in a company's Works Council at 10 members: 40 percent workers and 60 percent employers
 - o in the previous law, there was no cap specified, and proportion of workers had to be greater than employers.
- workers and employers MUST go through in order: bilateral negotiation, mediation and arbitration before serving notice of strike or lock-out (notice period: one week)
 - o in the previous law, parties in a dispute may serve notice of strike/lock-out immediately following failure of bilateral negotiation, i.e. concurrent with mediation proceedings (notice period: 2 weeks)
 - o interpretation: more restrictions placed on ability to strike

Sources:

1. Compare

2002: <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/35385/64904/E97PAK02.htm>

1969: <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/62636/65260/E02PAK01.htm>

PHILIPPINES

1972:

- Martial law declared¹
- strikes illegal¹

1974 new labor code:

- compulsory arbitration introduced²

1986:

- return to democracy¹

1. digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1001&context=cbpubs

2. Sarosh Kuruvilla. *Linkages between Industrialization Strategies and Industrial Relations/Human Resource Policies: Singapore, Malaysia, the Philippines, and India*. *Industrial and Labor Relations Review*, Vol. 49, No. 4 (Jul., 1996)

<http://www.jstor.org.libproxy.usc.edu/stable/2524514?seq=13>

ROMANIA

Employers do not have the right to lock out

1991:

- in contrast to the previous Constitution, the new Constitution grants the freedom of association and the right to collective negotiations.
- Since 1991 the legislation provided that the observance of the clauses of collective labor agreements is compulsory for the parties.¹
- Settlement of collective labour conflicts:¹
 - o All conflicts between the employer and his employees or the majority of his employees that result from the labour relationships represented collective labor conflicts.
 - o The parties were obliged to observe a direct conciliation procedure
 - o in the event of failing to settle the conflict, to pursue a conciliation procedure organised by the Ministry of Labour.
 - o If the parties could not reach an agreement on the settlement of the collective labour conflict, the employees were entitled to continue their strike action.
 - o In the event a strike was declared, the law provided the possibility to settle the conflict by means of a special arbitration procedure.

1996:

- Law no. 130/1996 made collective negotiation obligatory for the first time (only for employers having more than 21 employees)¹
- stipulates that collective agreements are to be renewed every year.²
- In 1997 the duration of such collective negotiations was limited to 60 days.¹

1999:

- Law no. 168/1999 restricted the possibility of taking strike action to only a limited number of situations.¹

2003 new labor code:¹

Fixed term contract:

- rules regarding the use of fixed-term contracts became more restrictive.
- situations where fixed-term contract is permissible:
 - o a) replacement of an employee in the event his/her labour contract being suspended, except when that employee participates in a strike;
 - o b) a temporary increase in the employer's activity;
 - o c) seasonal activities;
 - o d) based on legal provisions made with a view to temporarily favouring certain categories of unemployed persons;
 - o e) in other instances expressly stipulated by special laws.
- total duration of fixed-term contracts was limited to 18 months
- maximum number of extensions possible: two consecutive times at the most,
- also provided for the exceptional situations when the renewal of a fixed-term contract is possible.
 - o Previously, required that the individual employment contract be concluded for an indefinite term.

- Previously, fixed-term contracts was permissible only in the following situations: replacement of an employee in the event that his employment contract was suspended, as well as activities having seasonal or temporary character.
- Previously, the legislation did not provide for any other limits on the use of fixed-term employment contracts (such as a total maximum duration, a maximum number of renewals).

Sources:

1. ec.europa.eu/employment_social/labour_law/docs/2008/study_romania_en.pdf
2. <http://survey07.ituc-csi.org/getcountry.php?IDCountry=ROU&IDLang=EN>

RUSSIA

1971

- state's right to commandeer labor repealed¹

1986

- individual private activity liberalized¹

1987

- authorized establishment of private economic organizations¹

1989

- mandatory mediation in case of labor dispute (arbitration available but not mandatory)¹
- explicitly recognized the right to strike as means of last resort¹

1990

- right of workers to freely establish/join trade unions recognized¹

1992

- law on collective agreements enacted (details?) (previously, collective agreements could only be concluded at the enterprise level)¹
- fixed term contracts (max 5 years) now regulated, must meet requirements stipulated by law (previously, employers were free to use fixed term contracts at their discretion)²

1996

- registration of trade union only required if union wants to acquire a legal personality¹

2002 new labor code (passed in Dec 2001):

- Contract of employment:

- reassignment to a different job is subject to worker's written consent; stands in sharp contrast to the extremely restrictive provisions of the old law¹
- dismissal is allowed (previously, dismissal effectively disallowed):¹
 - o at initiative of employer
 - o in consultation with trade union when dismissal is due to downsizing
 - o termination of relationship for reasons beyond the parties' control
 - o because employer is incapacitated on medical grounds or forbidden to engage in a particular occupation

- Collective agreements:¹

- once signed, a "collective contract" applies to entire workforce of establishment concerned, even if workers are not members of the union that signed the contract
- "collective agreement" only applies to members of the signatory union

- trade unions now represent and defend the collective rights of employees independent of their trade union membership (since 1991 they only represented their members)²

- lockouts are banned for the first time²

- wildcat strikes given protection²

Sources:

1. Bronstein. *The New Labor Law of the Russian Federation*. International Labour Review, 144:3

<http://www.heinonline.org.libproxy.usc.edu/HOL/Page?collection=journals&handle=hein.journals/intlr144&id=328>

2. Ashwin and Clarke. *Russian Trade Unions and Industrial Relations in Transition*, 2003.

3. Sue Davis. *Trade Unions in Russia and Ukraine, 1985-1995*, 2003.

<http://www.jstor.org.libproxy.usc.edu/page/termsConfirm.jsp?redirectUri=/stable/pdfplus/2521681.pdf>

SENEGAL

1960:

- Legislation mandating a monthly minimum wage has been in force since the country's independence in 1960.¹

Sources:

1. <http://www.state.gov/g/drl/rls/hrrpt/2000/af/737.htm>

SINGAPORE

1968 Industrial Relations Act amendment:

- 14 day noticed period before stike
- political strikes banned

Sources:

1. Sarosh Kuruvilla. *Linkages between Industrialization Strategies and Industrial Relations/Human Resource Policies: Singapore, Malaysia, the Philippines, and India*. Industrial and Labor Relations Review, Vol. 49, No. 4 (Jul., 1996)

<http://www.jstor.org.libproxy.usc.edu/stable/2524514?seq=13>

SLOVAK REPUBLIC

1965

- first Labor Code¹

2001

- new Labor Code¹
- part-time workers now exempt from almost all benefits of full-time workers¹
- now allows workers' councils to function alongside trade unions¹

2003

- now employers may use fixed term contracts for any job that they want¹
- reduced the maximum weekly work hours from 58 (42.5 hours excluding overtime) to 48 (40 excluding overtime)²
- permits workers to hold multiple jobs, and allows employers to hire part-time workers for up to 20 hours per week.²

- severance pay of 2 months wage if terminated without any notice period, OR notice period of 3 months without severance pay (previously, termination requires both 3-month notice period + 2-month severance pay)³

Sources:

1. Helena Barancová. *EU Adhesion of the Slovak Republic and the Development of Employment Legislation*. *Transition Studies Review*, 13:1, 2006

<http://www.metapress.com.libproxy.usc.edu/content/u03084g24844/?p=b33678be79a84b72904a14f86e67b2a2&pi=6>

2. <http://www.state.gov/g/drl/rls/hrrpt/2003/27863.htm>

3. www.eu-employment-observatory.net/resources/reports/Slovakia-FlexicurityAR06.pdf

SLOVENIA

1991 constitution (due to independence from Yugoslavia)

Before 2002:

- Labour legislation in force up till December 2002 was characterised, inter alia, by the following: 1. it did not contain the definition of working time, 2. it stipulated that the full time working hours may not exceed 42 hours per week, 3. it also stipulated that a statute or a collective agreement may provide for full-time working hours less than 42 hours per week, but not less than 36 hours per week, 4. the flexibility in organisation of working time (work could be performed below or above the weekly limit, but could not exceed the average of weekly limit in the 12 months reference period).¹

2002:

- The statutory full-time working hours have been reduced to 40 hours per week.¹
- explicitly introduced the category of night worker, who is entitled to special guarantees and safety and health protection.¹
- Paid annual leave has been prolonged from at least 18 days to at least four weeks.¹

Sources:

1. http://ec.europa.eu/employment_social/labour_law/docs/2008/study_slovenia_en.pdf

SOUTH AFRICA

1979:

- trade unionism effectively legalized⁴

1981 Labor Relations Act:

- made strikes legal under very particular conditions⁴

1991:

The enactment of the 1991 Act contributed to the creation of the essential ambience for tripartite consultations in South Africa and eliminated the harsh conditions put on the labour movement by the 1988 Act.²

1993:

- extends the Labour Relations Act to agricultural workers, government employees and public sector teachers.²

1996:

- workers' right to form and join trade unions, strike, engage in collective bargaining recognized (previously, blacks were prohibited from forming trade unions, participating in collective agreements)¹

1997:

- defines services which shall be considered essential services for the purposes of the Labour Relations Act, 1995 (No. 66 of 1995).³

Sources:

1. Kumiko Makino. *The Changing Nature of Employment and the Reform of Labor and Social Security Legislation in Post-Apartheid South Africa*

Link: http://ir.ide.go.jp/dspace/bitstream/2344/730/1/ARRIDE_Discussion_No.140_makino.pdf

2. Peter Nanyenya Takirambudde, Protection of Labour Rights in the Age of Democratization and Economic Restructuring in Southern Africa, *Journal of African Law*, Vol. 39, No. 1 (1995), pp. 39-63

Link: <http://www.jstor.org.libproxy.usc.edu/stable/745606>

3. http://www.ilo.org/dyn/natlex/natlex_browse.details?p_lang=en&p_isn=48079

4. Freund, *Organized Labor in the Republic of South Africa*. In Kraus (ed.), *Trade Union and the Coming of Democracy in Africa*

SRI LANKA

Industrial Disputes Act amendment 1999:²

- made it unlawful to force a worker to join (withdraw from) or refrain from joining (withdrawing membership from) any trade union
- made it unlawful to dismiss a worker by reason only of membership in trade union
- made it unlawful to refuse to bargain with a recognized trade union (trade unions must have 40 percent membership level to be recognized)

Factories (Amendment) Bill 2002:¹

- drastically increases the working hours of female workers: allows employers to impose up to 60 hours of overtime per month on female employees and up to 50 hours of overtime on young workers between 16 and 18 years old.
 - o repeals a 1942 provision that limited total overtime hours for female and young workers to 100 hours per year

Sources:

1. <http://www.wsws.org/articles/2002/sep2002/sril-s04.shtml>

2. <http://www.solidaritycenter.org/files/SriLankaFinal.pdf>

TAIWAN

TAIWAN

1987

- strikes now legal (with lifting of martial law)¹
- prior to the mid-1980s, Taiwanese labor policies can be characterized as authoritarian and a form of state corporatism, with labor organizations controlled by the state¹

2001:

- maximum work week cut from 48 hours to 42 hours²

Sources:

1. Shyh-Jer Chen, Jyh-Jer Roger Ko, John Lawler. *Changing Patterns of Industrial Relations in Taiwan*. *Industrial Relations*, 42:3, 2003

<http://www3.interscience.wiley.com.libproxy.usc.edu/cgi-bin/fulltext/118831172/HTMLSTART>

2. http://findarticles.com/p/articles/mi_m0WDP/is_2000_June_19/ai_62835653

3. <http://www.lexadin.nl/wlg/legis/nofr/oeur/lxwetai.htm>

TANZANIA

Trade Dispute (Arbitration and Inquiry) Ordinance, No. 11 of 1947:¹

- Provided for a standing statutory machinery for tripartite conciliation and arbitration of trade disputes. This machinery had to have been fully utilised before any further industrial action could be taken.

Trade Disputes (Arbitration and Settlement) Ordinance, No. 43 of 1950:¹

- introduced the concept of 'essential service' for which a special procedure for settlement of their trade disputes was put in place.

Sources:

1. Law Reform Commission of Tanzania

Link: <http://www.lrct-tz.org/pdf/labour.pdf>

THAILAND

1965:

- strikes became legal, subject to mandatory dispute settlement procedures⁴

1971

- strikes became illegal (martial law)⁴

1972:

- minimum wage enacted¹

- trade unions became legal⁴

1973

- strikes became legal⁴
- provides for establishment of Workers' Councils

1975

- solidarity strikes disallowed

1976

- strikes became illegal (martial law)⁴

1981

- strikes became legal⁴

1998

- regular work hours limited to 48 hours per week (overtime/holiday work max 33 hours per week) (previously, ??)⁵
- workers given statutory rights to severance pay⁶
- In an effort to bring its laws into accordance with International Labour Organisation (ILO) standards, Thailand enacted a new labor law that came into force on August 19, which included prohibitions of child labor and sex discrimination, outlawed sexual harassment, and regulated working hours, overtime, and benefits.³

1975:

The 1975 act grants Thai workers the right to organize unions and employee associations without outside interference and to bargain collectively over wages, benefits and working

conditions.²

1998:

Sources:

1. http://www.cityu.edu.hk/searc/WP27_02_Thailand_Labour.pdf

2. http://dosfan.lib.uic.edu/ERC/economics/trade_reports/1993/Thailand.html

3. <http://www.hrw.org/worldreport99/asia/thailand.html>

4. # Bevars D. Mabry, Kundhol Srisermbhok. *Labor Relations under Martial Law: The Thailand Experience*. Asian Survey, Vol. 25, No. 6, Jun., 1985

Link: <http://www.jstor.org/stable/2644378>

5.

http://www.ilo.org/dyn/natlex/natlex_browse.details?p_lang=en&p_country=THA&p_classification=13&p_origin=COUNTRY&p_sortby=SORTBY_COUNTRY

6. coombs.anu.edu.au/SpecialProj/ASAA/biennial-conference/2004/Kaur-A2-ASAA2004.pdf

TUNISIA

TUNISIA

Labor Code 1966 still in effect, amended a number of times

UGANDA

2001:

- Ministry of Gender, Labor and Community Development banned all trade union meetings and elections.²

2003:

- 2001 trade union ban lifted²

2007:

Uganda was the only African country to positively reform its labor law in 2007.

The new laws make working hours more flexible, provide clarity on overtime, and require that the employer notify the labor union's representative and the commissioner in specific dismissal¹

Sources:

1. http://www.mofep.gov.gh/documents/doing_business.pdf
2. <http://siteresources.worldbank.org/INTLM/214578-1103299692977/20296092/UgandaTU-PRSP.doc>

UKRAINE

2003:

- Since 2003 unions no longer need prior approval from the Ministry of Justice to be established. But in order to function as an organization for all practical purposes, a union must obtain proof of registration as a legal entity. Unions report this registration process is extremely burdensome, entailing visiting up to 10 different offices, submitting extensive documentation, and paying a number of fees.³

1999:

- A new trade union law designed to replace Soviet-era legislation was adopted by Parliament and signed into law by the President in 1999: unions must register with the Ministry of Justice and have a certain level of membership and regional representation in order to qualify for national status.¹

1998:

- 1998 Law on Labor Disputes Resolution extends the right to strike to employees of "continuing process plants," for example, metallurgical factories, provided that they give 15 days' advance notice²

-

1992:

- The 1992 Law on Citizens' Organizations (which includes trade unions) stipulates noninterference by public authorities in the activities of these organizations, which have the right to establish and join federations on a voluntary basis.¹

Sources:

1. <http://www.state.gov/g/drl/rls/hrrpt/2000/eur/854.htm>
2. <http://www.state.gov/g/drl/rls/hrrpt/1999/367.htm>
3. <http://www.state.gov/g/drl/rls/hrrpt/2005/61682.htm>

VIETNAM

Labor Code 1994:

- recognizes worker's right to strike¹
- specifies minimum wage²
- specifies overtime pay²

2001 revisions:

- collective agreements take effect immediately (previously, had to be approved by local authorities¹)

Sources:

1. Vietnam's Labor Rights Regime: An Assessment

Link:

https://www.policyarchive.org/bitstream/handle/10207/1173/RL30896_20020314.pdf?sequence=2

2. Ying Zhu, Stephanie Fahey. *The Impact of Economic Reform on Industrial Labour Relations in China and Vietnam*. *Post-Communist Economies*, 11:2,1999

Link:

<http://proquest.umi.com.libproxy.usc.edu/pqdweb?RQT=569&curl=http%3A%2F%2Fproquest.umi.com%2Fpqdweb%3Fdid%3D43014245%26sid%3D2%26fmt%3D4%26clientid%3D5239%26RQT%3D309%26VName%3DPQD&TS=1216163770>

ZAMBIA

The Minimum Wages and Conditions of Employment 1982:

- empowers the state to prescribe minimum wage where collective bargaining is not possible or effective.¹

Sources:

1. <http://www.fes.org.zm/publications/tradeunionrep.pdf>

ZIMBABWE

Prior to the enactment of the 1992 Labour Relations (Amendment) Act, the government had exercised broad powers under the 1985 Act to impose tight control over industrial relations. The 1985 Act

extensively regulated minimum wages, maximum hours of work and imposed an unwieldy structure of industrial conciliation procedures under which the right to undertake industrial action was practically banned. The 1992 Amendment Act enhanced the mechanism of collective bargaining between workers and employers and coincidentally reduced the role of the state.¹

- banned strikes in essential services, which the government defined so broadly that the vast majority of workers were included³

Labour Amendment Act 2005:

- removes trade union rights for public sector workers: removes right to form and belong to trade unions, collective bargaining, strikes, or alternative dispute resolution mechanisms²

Sources:

1. Peter Nanyenya Takirambudde, Protection of Labour Rights in the Age of Democratization and Economic Restructuring in Southern Africa, *Journal of African Law*, Vol. 39, No. 1 (1995), pp. 39-63

Link: <http://www.jstor.org.libproxy.usc.edu/stable/745606>

2. Annual Survey of violations of trade union rights

Link: <http://survey07.ituc-csi.org/getcountry.php?IDCountry=ZWE&IDLang=EN>

3. Saunders. *Trade Union Struggles for Autonomy and Democracy in Zimbabwe*. In Kraus (ed.), *Trade Union and the Coming of Democracy in Africa*