**PGD in Human Resource Management**

**Final examination**

**1. What is human resource management?**

Human resource management is “a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques”; or a strategic and coherent approach to the management of organizations’ most valued assets – the people working there who individually and collectively contribute to the achievement of business objectives (Armstrong 1995: 42); while Byars & Rue (2004) see HRM as “activities designed to provide for and coordinate the human resource of an organization.” In addition, Boxall & Purcell (2000) argues that “HRM includes anything and everything associated with the management of employment relationships in a firm.” The word anything and everything in the definition explains the wider range of issues comprising policies such as employment contract and ways in which employees may be involved and participate in areas not directly covered by the employment contract thus ensuring suitable work life. Further, it goes beyond employment relations or industrial relations, which personnel management would not have been able to render in organizations.

Human Resource Management (HRM) has been argued to be a replacement of the term personnel management in organizations. Experts like Armstrong (1987) see HRM as ‘old wine in a new bottle’; while Guest (1987) argues that human resource management is not a replacement but somehow differs from personnel management. Practically, it suggest that Human Resource (HR) tasks are majorly concern with the administrative activities such as recruitment, reward systems, promotions, and so on. However it does not make HR administrators ‘having a seat at the table’ meaning that HR administrators is not regarded as a strategic business partner, therefore does not contribute to the success of the business. An efficiently run human resources department can provide an organization with structure and the ability to meet business needs through managing the company's most valuable resources - its employees.

**2. List the four (4) key dimensions to Human Resource Management.**

1. Encourage the commitment of employees to increase their performance and also be loyal to the organization as a whole;
2. Emphasis on the quality of employees engaged in organizations goes a long way in producing quality goods and services, which is of great benefit both to the customers and the organization;
3. Ensuring flexibility plays an important part in the way employees are organized, this makes them to be adaptive and receptive to all forms of changes in all aspects of their jobs such as work hours; working methods and;
4. Integrating organizational goals into strategic planning in order to make these policies cut across ranks and files of organization and ensuring that they are gladly accepted and implemented on daily routine by line managers.
5. **List the roles and purpose of Human resource in organizations.**

Roles of HR Practitioners:

* Human Bureaucrat: Setting up formal systems of recruitment, selection, appraisal, discipline and grievance handling.
* Consensus Negotiator: Bargaining with unions, creating systems of involvement and participation.
* Manpower Analyst: Providing a longer-term plan for employment numbers, together with programmes for skills, competence and career development.
* Organization Man: Working strategically with top management to create organization structures and management development systems.

However, these roles are summarized into three (3) types by Mathis & Jackson (2006):

* Administrative role
* Operational and Employee Advocate role
* Strategic role

1. **Enumerate human resource management activities in organizations.**

Establishment of the organizational structure: This involves establishing the organization structure in a way that will enable the realization of the intended mission, vision, goals, objectives, strategies and tasks. It is like an African saying that ‘you scratch your back where your hand can reach’. A personnel officer who is fundamentally responsible for effective manning levels in the organization has the mandate to become part of the organizational structure design team.

Human resourcing: It involves a process of enabling the organization to have the right people, doing the right jobs at the right time. This is in line with the challenges facing managers in staffing organizations. It is about planning for the number and quality of employees required under different job categories and to make sure that staffing process such as recruitment, selection, placement, promotions, transfers and downsizing are effective.

Managing performance appraisal: The personnel department has to initiate the system, process, techniques and tools of individual, teams and organizational performance measurement. It has to ensure that performance targets for individuals, teams, sections and departments are set and agreed upon and measures to address performance gaps are in place and are working. This is not an easy task because it requires a value judgment about employees. Indeed, there are no other areas of personnel management that make personnel officers more uncomfortable and unpopular than the appraisal function. This is because whatever process or tool is used to appraise staff and reward them accordingly, there is always tacit or explicit dissatisfaction from staff based on the feelings that such decisions were biased.

Personnel training and development: Since the performance of the organization depends on the competence of the workforce, training and development are important, not only for the present job but also for the future job and organization. The head of the personnel department has to design tools for assessing the need for training that will be used to identify training and development gaps and develop effective strategies and programs for training and developing staff. In most large organizations and more so in government ministries, there are departments and officers responsible for ensuring that personnel training and development functions are carried out effectively.

Compensation/Rewards management: Employees need different types of compensations or rewards for the effort they expend on the job and enable the organization function. It is the duty of the human resource department through the responsible officers to evaluate different types and levels of jobs in order to develop appropriate compensations or rewards in terms of pay and other incentive packages.

Personnel relations: Relationships between an employer and employee and among employees in the workplace need to be nurtured to avoid conflicts and disputes which will ultimately lead to unproductive behavior. The personnel department is well placed for this job as it has staff trained in people management particularly in industrial legislation, labour laws and conflict management. Some industrial organizations employ lawyers as industrial relations officers, but qualified personnel officers should be able to perform this role. However, other experts such as lawyers and professional counselors may be consulted where necessary.

Other routine personnel administration functions: There are a myriad of other personnel functions, which are basically routine work and constitute day-to-day administrative activities performed by personnel officers depending on the size and scope of the organization. These functions include but not limited to, health, transport, security and safety, pensions, deaths, and personnel information system.

1. **List the barriers that may hinder high performances in organizations.**

According to Kim and Mauborgne (2003) there are four distinct barriers restraining HR managers from achieving their primary goal namely;

1. Cognitive hurdle – managers cannot see that radical change is required.
2. Resource hurdle – insufficient resources available to implement the practice successfully.
3. Motivational hurdle – that discourages and demoralizes staff.
4. Political hurdle – that brings internal and external resistance to change.
5. **Distinguish Human Resource Management from Personnel Management. To what extent are the differences practical?**

According to Legge (1992) human resource management is similar to personnel management, or a different way of referring to an advanced form of personnel management. The few areas of skepticism, which makes personnel management (PM) seem similar to human resource management (HRM) is shown below.

|  |  |  |
| --- | --- | --- |
| Item | PM | HRM |
| Integration of PM/HRM policies with organisational goals |  |  |
| Line management involvement in employee management |  |  |
| Employee motivation and commitment |  |  |
| Adding value |  |  |

The difference between personnel management and human resource management is summarised in the table below.

|  |  |  |
| --- | --- | --- |
| Item | PM | HRM |
| Goals and values | Incremental interventions in attracting, retaining, motivating workers | Strategic focus, competitiveness, profitability, survival, competitive advantage and workforce flexibility |
| Professionalism | Personnel managers are accountable for employees’ matter (for which they are trained) | Line managers are accountable for their staff (they are multi-skilled) |
| Relations | Limited trust, conflict and differentiation, control oriented | Harmony, mutuality of interests, active employee involvement |
| Employee management | Narrow in focus, individualised | Broad and team focused |
| Information & communication | Control information and communication, bureaucratic, secretive | Transparency, objectivity, honesty, trust and commitment |

1. **Identify and examine key contributions to the development of human resource management.**

**Change to human resource management**: From the late 1970s and early 80s we witnessed many developments and challenges which disturbed the stability of economic, political, technological and academic environment experienced in the 1960s. These challenges have had enormous impacts on people management in organizations perhaps more than at any time in human history.

**Shift in global macro policy framework:** The late 1970s and early 80s was an era of neo liberalism in which market forces were a driver of institutional frameworks of nation states and organizations. This was a period when we witnessed strong arguments against direct state involvement in the economy. It is not clear what was the ‘chicken’ or ‘egg’ between politicians and academics or who these people, often referred to as ‘experts’ of the World Bank and the International Monetary Fund are, and what their role in the architecture and birth of neo liberalism and marginalization of the role of government in economic development is. However, whatever the case may be, both politicians and consultants were important in the doctrine of neo liberalism. One of the foremost advocates of neo liberalism was the former conservative British Prime Minister Margaret Thatcher and her counterpart conservative president of the United States of America Ronald Reagan whose philosophies were known by their names, that is, Thatcherism and Reaganism respectively. They brutally blamed earlier liberal governments for causing the economic crisis of the 70s through excessive government control of economies and overprotection of employees. The privatization of state owned organizations, relaxation of legislation in favour of the private sector and the urge for profit maximization became the new agenda and both the desired and required framework for managing organizations and the workforce. Therefore, costs consciousness and the pressure to justify the role of employees in developing and sustaining organizations in the market became a challenge. Failure to respond to these challenges through proper personnel management strategies was seen as a slippery slope towards the collapse of companies that had long historical roots of successful business.

**Business competition**: The 1980s and early 90s witnessed an uncertain, chaotic and often turbulent business environment. Increased competition from Japan, and other international companies with cheaper but high quality goods was a challenge to American and European organizations. In reaction to the new competition and as a strategy for coping with the crisis, a substantial number of organizations experienced takeovers, mergers, and business closures. These were also accompanied by heavy losses of work, working on part time, the need for individuals to become multi skilled, and the contracting out of some work. Partly as a way of addressing these challenges the role of the personnel specialist had to change from reactive to proactive and from routine to strategic approach to the management of personnel functions so as to be able to match the unpredictable environment.

**Change in customer needs and expectations**: A change in customer taste, fashion and quality of goods to reflect their purchase price put more pressure on the organizations to get the best out of their production systems, processes, and employees. This could only be achieved by getting the best people from the labour market, develop, reward, and ensure that they are committed to high quality service to the organization. In order to achieve these objectives, an enabling environment for employee creativity and innovation became a necessity. This new demand had an impact on recruitment and selection criteria, staff development and reward systems as well as the roles of personnel specialist’s vis-à-vis line managers in personnel management functions. The role of personnel had to change from that of a doer of personnel functions to that of partner in providing support services to other departments to perform personnel functions.

**Technological change**: Competition was also intensified by the organizations that could adopt and adapt flexible specialization technologies to meet customer needs and expectations. The implications were that organizations had fewer, but better trained people, flexible to cope with rapid technological changes. Continuous learning and adaptation based on teams became a natural area of focus on people management. Information technology destroyed knowledge monopoly. The power of knowledge became how best to use it, rather than who owns it.

**Change of philosophy of employee relations**: The power of employees was through legislated trade unions where thousands of employees under the industrial production system held power. Therefore, the power of individual employees in the employment relationship was vested in a collective solidarity. Mass redundancies, less protective role of the state as well as the declining role of trade unions made life more individualistic than collective. The change of employee relations from collectivism to individualism was an automatic consequence of the above changes. Employment relations became more based on arrangements and agreements between the employee and employer as opposed to the use of trade unions and labour legislation.

**Developments in the academia**: Building on the knowledge accumulated in previous decades and research that was being conducted particularly in the 1980s and early 1990s, it appeared that organizational strategy, and strategic approach to managing employees was the best option for responding to challenges facing organizations (Hendry 1995). The Human Resource Management School, advanced by academics from America and Europe, which spearheaded the concept of ‘strategic approach’ to managing people, became the Centre of debates and development of human resource management as a philosophy distinct from personnel management. The Excellence School propounded by Peters & Waterman and their followers on the role of strong organizational cultures and commitment to excellence also has had a remarkable influence on the development of human resource management (Storey 1989). Some areas of corporate management including the size, structure, strategy, culture, product, and organizational life cycle were now included in human resource management (Schuler 2000).

The major issue was how personnel management functions could make an impact on the functional level, as part of supporting other departments, as well as being part of business strategy. Personnel managers had to become partners in the business. As part of improving employees’ utilization, a more rigorous method of assessing the performance of employees in relation to rewards was also developed. The introduction of performance management systems and reward systems based on performance was an indication of changes in personnel management practices.

In conclusion within these changes, personnel management was redefined and the concept of ‘human resource ‘vis-à-vis ‘personnel’ was adopted, although the debate concerning the differences continues (Storey 1989). However, as may appear in the literature, the difference between ‘human resource’ and ‘personnel’ may be clear or unclear (Armstrong 1995). This difference depends on the taste, or on the taste and fashion rather than on what managers do, this is notwithstanding the fact that most academics and managers in organizations use the term human resource management as opposed to personnel management when referring to people management even without making conscious effort to distinguish between the two.

1. **By using specific examples, discuss the relevance of Human Resource Management functions in the situation of a developing country.**

It is difficult to say with certainty the extent to which the concepts, theories, principles and practices learned in scholarly human resource management are applicable in the third world environment. First, the concept of ‘third world’ or developing country is becoming more and more irrelevant because countries are not homogenous and are therefore difficult to compare. For example, Sri Lanka and Botswana are classified as third world countries but Botswana may have more characteristics featuring in a European or American environment and hence create a better environment for the adoption of more advanced aspects of human resource management than Sri Lanka or than even in a medium sized company in Canada.

Second, organizations in the third world countries are not homogenous either e.g. a public enterprise, government department or agency will by definition have common features of a bureaucratic system where a purely private company will be able to learn faster and adapt to the emerging challenges in human resource management and hence adopting more proactive measures as would any other organization in a more developed country. Also there are organizations operating in developing countries that are branches of multinational corporations and have adapted very advanced forms of human resource management comparable to other branches worldwide. Therefore, the fundamentals of human resource management remain intact For example in Tanzania we have Heidelberg Cement Company Ltd, Tanzania Breweries Ltd, Tanzania Leaf Tobacco Limited and Price Waterhouse Coopers.

Third, some concepts in human resource management may be more theoretical than practical and may only be useful for academic purposes. Therefore, they may not even be applicable in some big organizations in Japan, China or Australia. Such cases will be similar to the subject of debate on the differences between personnel and human resource management or on whether employees are a capital or a resource.

There is abundant literature which has confirmed the common knowledge that there is no theory, policy, or management style which may sufficiently guarantee success in people (Adesky 1998; Shivani 2002; Akosa-Saprong 2008). In fact, the idea of being right or wrong in theory or management practice is contentious because there is no universal truth on the best way to achieve results through people. Despite the limitations, it is also well established that the cultural environment which promotes thriftiness, industriousness, discipline, education, harmony, respect for elders, and collective solidarity creates a good environment for the management of human resource functions. However, while that has proven to be correct in some countries in Asia, there are also studies which show that Africa is rich in these values and yet they have not worked well in the continent’s favour. Beugre & Offodile (2001) and Khan & Ackers (2004) have examined the Eurocentric assumptions about management and the cultural working environment in organizations in Africa and concluded as follows.

The first Eurocentric assumption is that government and private sector institutions in Africa, like those in Europe or America, can be effectively managed with minimum influence from the external relationships such as family, friends, and political affiliation. This is misleading. African culture promotes family values, patronage and has serious implications on decision-making, choice of management strategy and implementation. For example, in Eritrea, politicization of the civil service has negatively affected decisions taken by civil servants (Tessema & Soeters 2008). Even regarding the management of private organizations, the separation of business and family life has been proven to be extremely difficult and has negatively affected business performance (Arthur 2007).

The second assumption is that collectivism is bad for organizational performance. The most striking feature of African culture is collectivism. Sharing work and good fortune is part of African culture and goes against individualism and the pursuance of individual interests. In Malawi there is a saying that: Ubuntu ungamtu mgambunye abantu! Which means: You do not live for yourself; you live for others (Afro-centric Alliance 2001). Collectivism could be strength if people work together and realize a common vision as it is commonly experienced in East Asian countries. However, in Malawi, high performers were ridiculed by colleagues, while it has helped China to be a super power. Third, is that respect for elders and obedience is not as important as meritocracy. Research by Beugre & Offodile (2001) has found that respect for elders due to their age and ability to reward or punish is common in Africa. However, those who respect also expect favours from the elders. Accordingly, pleasing the boss is preferable to performance. Contrary to this, while this has worked positively in Asia by promoting performance, respect for elders and obedience often work to the detriment of performance in African countries because individual workers feel ‘protected’ through patronage.

It has also been observed that the African way of thinking and the nature of employment create a dislike of employment which makes employees’ close supervision important. Ahiauzu (1999) has linked the African perception of work as torture, as a result of a long history of colonial forced labour and alienation from natural African systems of production. According to Ahiauzu, working for long hours in a controlled environment and strong supervision is incompatible with African culture of freedom and social interaction during work. These are some of the areas that make it necessary to develop an innovative and proactive model for developing human resource management competencies for building organizations in Africa.

Therefore, the most important single factor that determines the success or failure of the adoption of western based philosophy of people management is culture (Hofstede 1980). Resultantly, as a general rule, human resource management principles are modified to suit local conditions or in some extreme cases some organizations are trapped in a personnel administration era.

1. **What is the importance of labour economics**

Labour economics is the branch of economics which studies the workings and outcomes of the market for labour services. Labour economics deals with the behaviour of employers and employees to the pecuniary (wages, prices, profits) and non-pecuniary (working conditions, work environmental) aspects of the employment relationship and firms operate in these markets as they pursue their objectives of profit maximization; “the labour markets, the capital market and the product market”.

The importance of labour economics are;

* Helps economists to understand labour related problems. For example issues on fair wage or salaries, workers, welfare of workers, labour productivity, workers safety, gender related matters, job security and job satisfaction.
* Secondly the study is important in providing data for economic planning and policy e.g. it helps economists to know the contribution of labour services to peoples income (wages and salaries). There is evidence that in most economy, labour input is the most important economic resource.
* Lastly the study of labour economics helps us to understand the nature of the market in which labour services are bought and sold.

1. **What is the nature of the labour problem in developing economies**

Labour problem can be defined as the problem of improving the conditions of employment of the wage-earning classes. It encompasses the difficulties faced by wage-earners and employers who began to cut wages for various reasons including increased technology, desire for lower costs or to stay in business at all cost. The wage-earning classes responded with strikes, by unionizing and by committing acts of outright violence. It was a nationwide problem that spanned nearly all industries and helped contribute to modern business conditions still seen today. Possible causes include the failure to account for the negative externality of reproduction in the face of finite natural resources which results in over-supply of labour and falling living standards for wage-labourers, depersonalization by machines and poor working conditions.

Most developing economies have labour related problems namely:

* Shortage of labour – many developing countries lack skilled labour. The reasons are because majority of the population are not skilled or semiskilled labour. For that reason they use expertise (foreigner) in productions that need high level skilled manpower.
* Most people who are working receive low wage payments which are common among employees who have no skills or are semi-skilled. That is those who have little or no education.
* Labour is abundant for agriculture, while there is less labour for industries, commerce and services.
* Government is the chief employer of labour. While the employment by the organize private sector is minimal in such economy.
* Labour force problem is not a characteristic of many self-employed artisans who are not organized nor have anything to do with government, government institutions or the organized private sector.
* The problems of child Labour exist throughout the world. It is however common in developing countries, particularly rural areas where the capacity to enforce minimum age requirements for schooling and work does not exist. Here children are being exploited and forced into child labour. They have little or no chance of receiving formal education. Children in this category are working objects of extreme exploitation with minimal wage.
* The conditions under which these children work in most developing countries are very severe. They are often not provided the sanitation for proper physical and mental development. In most countries of the world there are restrictions on child labour but not followed in many developing countries. Most state leaves these children vulnerable to exploitation. Child labours are the worst paid categories in the world. They face health hazards and potential abuse. Most employers take undue advantage of child labour knowing that they cannot legally form unions to change their conditions of employment. This manipulation stifles the development of youths in the society. The working conditions of these children do not provide the stimulation for proper physical and mental development. Consequently, these children are deprived of the simple joy of childhood. There is no uniform international law or agreement that defines child labour. Many countries have different minimum age for work restrictions.

1. **What are the causes of child labour and as a Human Resource personnel how will you mitigate the same in your organization?**

The problems of child Labour exist throughout the world. It is however common in developing countries, particularly rural areas where the capacity to enforce minimum age requirements for schooling and work does not exist. Here children are being exploited and forced into child labour. They have little or no chance of receiving formal education. Children in this category are working objects of extreme exploitation with minimal wage.

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Many countries have different minimum age for work restrictions. The following are the causes of Child Labour:

* Poverty: Children in the child labour category work for many reasons. The most important is poverty. Children work to ensure the survival of their family and themselves. Children are paid far less than adults. The income they earn is of benefit to their poor families.
* Schooling Problems: The school problems contribute to child labour. Many times children seek employment because they don’t have access to schools or good education. Even when there is access to education, the low quality of education often makes attendance a waste of time for most students.
* Traditional Factors: In Africa most female children, based on cultural believe and traditional believe that women will not fit into native roles if they become educated. They believe that educated women will not get married or have children. Therefore many families prefer their female children to take over household duties. The intended purpose is to release mothers for paid employment in many developing countries. Such cultural practices eventually restrict the education of females and promote child employment in many developing countries. This make certain siblings going to school while others work.
* Rapid Rural Urban-Migration: This is another reason for the increasing rate of child labour in urban areas of developing countries. Families leave the severity of agricultural working conditions for cities in order to search for economic opportunities that often do not exist. Such increases coupled with worsening economic trends, force children and their families into urban poverty. Thus children are forced into child labour or required to work.

The ways of tackling the Problem of Child Labour include the following:

* Improved quality education: If the governments improve the quality of education, the value will increase to children and parents. School represents the most important means of drawing children away from the labour market. School provides children with guidance and opportunity to understand their role in the society. Therefore there is need to adequately fund all levels of education in developing countries.
* Provision of Subsidies: Poor families should be provided with subsidies prone to having children. This will enable them afford their children’s school fees and other fees associated with attendance. The issue of poverty should be addressed so as to reduce the level of child labour.
* Establishing partnership with International Organizations: These organizations should include united nation (UN), the International Labour Organization (ILO), the World Bank, the International Monetary Fund (IMF) and other international agencies should be encouraged to assist government of developing countries in the area of financial aid, public enlightenment campaigns and the establishment of a world labour court. The court should be charged with handling matters relating to the problems of child labour throughout the globe.

1. **Discuss the factors that determine the size and composition of a labour force?**

The factors that determine the size and composition of a labour force include population, income, educational attainment, home ownership, number of industries and government policies. Economic Online reveals that a 1 percent growth in state population causes a 0.74 percent growth in the size of the labour force. Additionally, an increase in minimum wage causes an increase in the size of a labour force.

According to Economic Online, home ownership has many benefits to the society, but it reduces employee mobility, decreasing the size of a labour force. An increase in the wage rate reduces the demand for labour, reducing the size of a labour force. On the other hand, high productivity increases the demand for labour and the size of a labour force.

The supply of labour also affects the size of a labour force. Immigration increases the size of a labour force while migration reduces it. Preference for work also affects the size of a labour force because the benefits of working motivate people to seek employment. Trade unions prevent a decrease in the size of a labour forceby protecting the rights of workers.

The cost of living has no impact on the size of a labour force. Labour force includes the unemployed because of their potential for employment within formal and informal sectors

Population size - Labour force is part of the population, the relationship between the population and labour force depends on birth rate, death rate and net immigration. Other demographic factors include:-

a. Age composition of the population – This helps to determine the labour force. For example in Nigeria age eligible population that can participate in labour force is within 15-64 years. Because they are qualified to belong to the labour force. The more we have people within this range the more the size of the labour force.

b. Sex composition of the population – in any economy where the population skew favour any particular sex, for instance more men, it mean that more members of the population will be available for work whether skilled or unskilled.

Labour force participation rate of the population:

Participation rate means the percentage of the working age population which is actually working or seeking for work. Labour force participation rate is determined by compiling the actual with the potential labour force or what is called the age eligible population.

I. Potential labour force – The potential labour force or age eligible population is defined as the entire population less (i) young peoples under 15 years of age and the (ii) peoples who are institutionalized, children under 15 years of age are excluded on the assumption that in some countries schooling and child labour laws keep most of them out of the labour force.

II. Actual labour force – It consists of those people who are either employed or unemployed but actively seeking a job. In percentage form labour force participation rate is expressed as actual labour force divided by potential labour force multiply by 100. i.e. actual labour force x 100 Potential labour force.

The average number of hours worked weekly and annually: By this the labour force minus the total amount of labour supplied in the economy does not depend only on the number of labour force that participates but also on the average no of hours worked per week and per year by those participants. Experience show that work week decline on weekly basis as follows:-

a. Workers income – leisure preferences

b. Non-wage income – if non-wage income increases, the no of working hours will reduce.

c. Assumption that leisure is a normal goods

People attitude to work: General attitude of people in a particular society will affect the size of the labour force. In countries where those who belong to the labour force do not depend on the unemployment effort or any form of it (Social allowance or Benefit). The size of labour force would be large. In such a situation people will be willing to provide labour services for their up keep.

Quality of labour: A qualitative or superior labour force is one that is more experienced, more educated and better trained. Productivity of labour may be considering an investment in human capital. Human capital investment includes expenditures on:-

a. Formal education

b. On the job training

c. Health and migration

Worker can become more productive by;

• Improving their physical and mental health

• By moving from locations and jobs where their productivity is relatively low to where their productivity is relatively high.

Legal requirement on women participation in the labour force: In some countries as a result of religious influence, women are excluded from the labour force, for that reason the size of the labour force in such a country will be limited to the no of men who are willing to work. If it happens in a country where the population of women exceeds that of men, it could mean that the greater no of the labour force is excluded from the labour market.

1. **With an aid of doctrines, discuss unemployment?**

KEYNES stressed that under investment is the main cause of unemployment in an economy. According KEYNES the national income has two components, that part saved and that part consumed (Y=C+S) he emphasized that the entire amount saved must find its way to investment; if this is not so, it will result to chronic unemployment.

However the liquidity preference of individual who desire to hold fund in the form of cash as impediment. The amount of employment in an economy will depend on the volume of the national income. In order to maintain a high level of employment as previously, the amount of investment should be kept as high in the present period.

This has to be followed in some instance with the interest rate low enough to encourage saving and investment. Keynes said that even though it is possible saving and investment to be equal a level high enough to achieve full employment equilibrium is more likely to be reached at a lower point and demand for labour will not be enough at that point to ensure employment to those who desire job.

Some later followers of Keynes laid emphasis on interest rate as a method of inducing investment. They said that the decision of businessmen is more influenced by profit expectation and also by any cost reduction, which might be obtained from theological invention. General unemployment shows that if the government fails to generate adequate level of aggregate monetary demand there will be general unemployment in the economy. Government can influence the level of aggregate monetary demand by the manipulation of tax rates and public sector expenditures, so as to maintain full or nearly full employment.

1. **In your own view, what are the causes of unemployment in developing countries? Discuss briefly.**

The other causes of unemployment in developing countries include but not limited to;

Poor education: This is the major cause of unemployment in most countries that do not take serious care of their education sector. Nations who do not backup what the students are taught in their individual institutions of higher learning with practical background are likely to 'vomit' graduates yearly who cannot make good impact to the society. When the graduates that are given out every year cannot defend what they studied, the only thing they do is to add to the unemployment level of the country. For example Democratic Republic of Congo has one of the lowest education enrolments in Africa Continent. This poor education contributes seriously to unemployment in that country as many of their institutions were destroyed during the nation’s Civil wars. So, the poorer the educations sector of any country, the higher the increase in unemployment rate of the country.

The question is: how many of these graduates secure jobs after their graduation? The answer is that very little number of them secure jobs after years of their graduation. The reason is because there are little facilities and poorly trained teachers who rendered poor services to the graduates when they were in their institutions.

Lack of Skills: It is hard to see any person who is full of skills and still suffer from unemployment. A skillful person can adapt in many environments and feed appropriately to the fullness. One of the principal causes of unemployment among adults of different locations of the world is because good skills which can give them good self-employment are lacking in them. There are many importance of skill acquisition. In many nations of the world, undergraduates are seriously working hard to acquire material certificates without putting into consideration the importance of skill acquisition. A skillful human being can stand at any point of test.

When paper certificates are supported with skills their strengths are increased. It is not a crime for someone who is studying mechanical engineering to go to a road-side mechanic (technician) and learn how to repair vehicles.

When he learns this, it lessens insult which may be added to his injury (worsen the situation of unemployment) after his graduation. Many who have graduated from mechanical engineering department most especially in African Continent are unable to defend their certificates when they are called for practical interview. They may perform well in theoretical examination but failed when they were called to show their skills from what they learnt by repairing faulty vehicles. So to avoid worsening of the situation, they should learn skills necessary to see them through and can help them get their dream jobs even immediately after their graduation. When they have the necessary skills on their area of specialization, unemployment will be reduced as they will be employed; but contrary to that, there will be consistence rise in unemployment level. It is shameful to hear that those who graduated from electronics and computer engineering in most developing or underdeveloped countries cannot produce or repair any electrical appliance. The major reason for that is because the skills needed are lacking. Youths, adults, and even the young are to go for skills to back themselves up.

Poor moral: One may ask: how can poor moral behaviour be a cause of unemployment? It is a cause of unemployment because many citizens have lost their jobs because their moral actions are too bad and negates the ethics of most structured organizations. Ladies wear some offensive clothes to their places of work and after advices by their boss get fired as a result of their stubbornness. They get sacked because their top banana (boss) could not take that from the poor morally trained ladies. Furthermore, some workers do not have good manner of approach. As a result of consistence complains received by the managers from their customers, the managers have no other option than to sack the workers before the misbehaved workers first 'sack' the customers. When the weak morally trained are given their walking papers (sacked), their numbers add to the number of those who have been 'swimming in the ocean of unemployment'.

There are those who suffer laziness the way patients suffer from diseases. They cannot attend work in a week without being late in at least two work days. This cankerworm that has eaten deep into their bodies became difficult for them to stop. After some time of lateness to duties, the Chief Executive Officer gets tired of them and decides to 'give run to them'. In order words, the CEO has to get the late comers sacked.

Poor government planning: A government that fails in her duty to help minimize unemployment in any country is as bad as a shepherd that does not care for his flock. Some top government officials are after their selfish interest without considering the importance of making provisions for her citizens. Due to the government's weakness, unemployment becomes the major problem in the country. Selfish governments does not work hard in creating production companies where citizens of the country can get employed to reduce unemployment; rather, they keep on stealing and embezzling the public fund. When the funds that are supposed to be used by the government to provide employment for the masses is not used, the next that follows is persistence rise in unemployment status.

Corruption: What is corruption? How can corruption be a cause of unemployment? Corruption can be defined as immoral action which could involve bribery and embezzlement (misuse) of public fund for personal use. A corrupt government can be said to be a government which makes use of public fund for their (the government officials) personal and selfish use. Corruption is a cause of unemployment because when those in government who are to use public money for building more manufacturing industries are busy embezzling the funds for their selfish use, the next is massive increase in unemployment rate.

According to 2008 census calculation in Liberia, 68 per cent of Liberians were unemployed in that year. In the same year, 2008, Liberia ranked 138 on the scale of 180 countries surveyed by Transparency International, which is a watchdog that fights corruptions in countries and keep the records. This means that when 138 is subtracted from the 180, Liberia is known to be the 42nd most corrupt in the world in 2008 and that is still high when it comes to corruption. When unemployment is connected to corruption, Liberia was the world most corrupt nation in 2013. It is clear evidence that corruption is also the major cause of unemployment. Without going too far, Nigeria is the 8th most corrupt country in the world and this country also have high unemployment rate. The corruption in Nigeria government makes government of the country to spend less on the welfare of the citizens of the country.

When corruption is taken as normal routine, functions which are to be done by three persons is being taken up by one person alone and that same one person collects salaries made for three persons.

1. **Discuss the types of unemployment**

**Structural unemployment**: Structural unemployment comes about through technological advances, when people lose their jobs because their skills are outdated. These are people who are laid off from sectors that are in decline and are in the process of making a transition to sectors that are expanding. For example, if the textile industry is shrinking while the health care industry is expanding, workers have to retrain and retool for the new opportunities. It occurs when production structure changes from labour intensive method to capital intensive method. This type of change leads to job losses and unemployment. Structural unemployment is due to changes in demand. This unemployment is cause by changes in the country’s industrial structure through the switching of production from one kind of work to another. Such a change produces unemployment only because of the immobility of factor of production. The features of Structural Unemployment are:

• It results from a mismatch between skills needed for available jobs and the skills possessed by those seeking job.

• It may occur because of geographical mismatch between the location of job openers and job seekers.

**Frictional unemployment**: Frictional unemployment arises when a person is in-between jobs. After a person leaves a company, it naturally takes time to find another job, making this type of unemployment short-lived. It is also the least problematic from an economic standpoint. The feature of this unemployment involves a short term unemployment which follows workers strikes, natural disasters, layoff or the conscious action of workers who quit their job that are low paying in search of high paying ones. Frictional unemployment occurs because not all active job seekers would have found job or accepted employment and not all employers would have filled their job vacancies in this case. Unemployment rate always remains positive for the following reasons;

• People continually quit their present job to search for new jobs.

• People enter the labour force to seek work or job for the first time.

• People re-enter the labour force after periods of absence

• People move from one job to another within the 30 days.

Similarly employers consciously;

• Search for replacement for workers who quit or retire

• They discharge some employment in hope of finding better ones.

• Employers seek new workers to fill jobs created by expansion of their firms.

**Demand deficient or cyclical unemployment**: Cyclical unemployment comes around due to the business cycle itself. Cyclical unemployment rises during recessionary periods and declines during periods of economic growth. It is as a result of decline in the aggregate demand when the aggregate demand for a product fall. For example, if sales are low, which leads to low profit as demand falls, there would be unsold inventories as a result, profits will drop and as a result, workers will be laid off their jobs which will lead to unemployment.

**Seasonal unemployment**: This is a situation in which particular workers chances of being employed are subjected to the dictates of the seasons. There is a high incidence of seasonal unemployment and it is usually associated with labour fluctuation or changes in the agricultural and construction industries. There are many workers who are employed to work in cocoa plantations, rice mills, field and maize farms during planting and harvesting periods. These often have little or nothing to do during the slack period and if they cannot find other job these periods, they remain unemployed, albeit seasonally. The causes of unemployment:

• One reason for unemployment is voluntary. Some of the unemployed have saved enough money so they can quit unfulfilling jobs. They have the luxury to search until they find just the right opportunity.

• The second cause is when workers must move for unrelated reasons. They are unemployed until they find a position in the new town.

• The third reason is when new workers enter the workforce. That includes students who graduate from high school, college, or any higher degree program. They have more skills than if they didn't go to school. That's a big primary reason for youth unemployment.

• The fourth reason is when job seekers re-enter the workforce. They went through a period in their lives when they stopped looking for work.

• These include mothers who are re-joining the workforce after their children are old enough. Other re-entrants got married and set up the household while their spouses worked. Others had to care for elderly relatives before returning to the labour force.

• The fifth cause is technology advances. That's when computers or robots replace worker tasks. Most of these workers need retraining before they can get a new job in their field.

• The sixth cause is job outsourcing. That's when a company moves its manufacturing or call centers to another country. Labour costs are cheaper in countries with a lower cost of living. That occurred in many states in 1994. Many manufacturing jobs moved to Mexico from USA. It also occurred once when workers in China and India gained the skills needed by American companies.

• The seventh reason for unemployment is when there are fewer jobs than applicants. The technical term is demand-deficient unemployment. When it happens during the recession phase of the business cycle, it's called cyclical unemployment.

1. **What are the factors that affect demand for labour?**

There are 3 basic factors among others affecting the demand for Labour, they include; the wage rate, product demand and technological changes.

1. The wage rate is perhaps the most important factor affecting demand for labour. This is because wages defines the income level of employed household.
2. Product demand could necessitate an increase in the demand for labour while wage rate and technology remains unchanged thus leading to a shift of the labour demand curve either to the right of to the left as the case maybe.
3. Product demand (The Price of the Firm’s Output): The higher the price of a firm’s output, the greater is the firm’s demand for labour. The price of output affects the demand for labour through its influence on the value of marginal product of labour. If the price of the firm’s output increases, the demand for labour increases and the demand for labour curve shifts rightward.
4. Technological Changes:

New technologies decrease the demand for some types of labour and increase the demand for other types. For example, if a new automated bread-making machine becomes available, a bakery might install one of these machines and fire most of its workforce which will lead to a decrease in the demand for bakery workers. But the firms that manufacture and service automated bread making machines hire more labour, so there is an increase in the demand for this type of labour. On the other hand Technological changes also lead to a shift in the labour demand curve. If the wage rate remains constant and the product remain unchanged but a new technology which ultimately reduced the cost of production is purchased, this could lead to a sustaining effect with the entire labour demand curve shifting either to the right or to the left.

1. The Price of Other Factors of Production:

If the price of using capital decreases relative to the wage rate, a firm substitutes capital for labour and increases the quantity of capital it uses. Usually, the demand for labour will decrease when the price of using capital falls.

1. **What are the main determinants of elasticity of demand for labour**

Elasticity of labour demand measures the responsiveness of demand for labour when there is a change in the ruling market wage rate. The elasticity of demand for labour depends on these factors:

a) Labour costs as a % of total costs: When labour expenses are a high proportion of total costs, then labour demand is more elastic than a business where fixed costs of capital are the dominant business expense. In many service jobs such as customer service centres or gas boiler repairs, labour costs are a high proportion of the total costs of a business.

b) The ease and cost of factor substitution: Labour demand will be more elastic when a firm can substitute quickly and easily between labour and capital inputs. When specialised labour or capital is needed, then the demand for labour will be more inelastic with respect to the wage rate. For example it might be fairly easy and cheap to replace security guards with cameras but a hotel would find it almost impossible to replace hotel cleaning staff with machinery!

c) The price elasticity of demand for the final output produced by a business: If a firm is operating in a highly competitive market where final demand for the product is price elastic, they may have little market power to pass on higher wage costs to consumers through a higher price. The demand for labour may therefore be more elastic as a consequence. In contrast, a firm that sells a product where final demand is inelastic will be better placed to pass on higher costs to consumers.

Some of the main determinants of elasticity of demand for labour are as follows:

i. The proportion of labour costs in total costs:

If labour costs form a large proportion of total costs, a change in wages would have a significant impact on costs and hence demand would be elastic.

ii. The ease with which labour can be substituted by capital:

If it is easy to replace workers with machines, demand would again be elastic.

iii. The elasticity of demand for the product produced:

A rise in wages increases costs of production which, in turn, raise the price of the product. This causes demand for the product to contract and demand for labour to fall. The more elastic the demand for the product is, the greater the fall in demand for it and hence for workers – making demand for labour elastic.

iv. The time period:

Demand for labour is usually more elastic in the long run as there is more time for firms to change their methods of production.

v. The qualifications and skills required:

The more qualifications and skills needed, the more inelastic supply will be. For instance, a large increase in the wage paid to brain surgeons will not have much effect on the supply of labour. This is especially true in the short run, as it will take years to gain the requisite qualifications and experience.

vi. The length of training period:

A long period of training may put some people off the occupation. It will also mean that there will be a delay before those who are willing to take it up are fully qualified to join the labour force. Both effects make the supply of labour inelastic.

vii. The level of employment:

If most workers are employed already, the supply of labour to any particular occupation is likely to be inelastic. An employer may have to raise the wage rate quite significantly to attract more workers and encourage the workers employed in other occupations to switch jobs.

viii. The mobility of labour:

The easier workers find it easy to change jobs or to move from one area to another. The easier it will be for an employer to recruit more labour by raising the wage rate. Thus, higher mobility makes the supply elastic.

ix. The degree of vocation:

The stronger the attachment of workers to their jobs, the more inelastic supply tends to be in case of a decrease in wage rate.

x. The time period:

As with demand, supply of labour tends to become more elastic over time. This is because it gives workers more time to notice wage changes and to gain any qualifications or undertake any training needed for a new job.

1. **Discuss the labour market theories learnt giving examples**

Neo classical labour market theory – This is otherwise known as the orthodox labour market theory States that employers act to maximize their profit by paying low wages for the workers skill they need as they can, workers also want to maximize their gain by insisting on the highest pay for the job for which they have the required essential or dispensable skill.

Labour Market Segmentation Theory – This theory state that labour market consist of various subgroup with little or no capability to cross over from one group to another. It describes a situation where different groups or individuals receive different wages or compensations for the same work. The theory explains economic marginalization due to racial, ethnic or political reason. Segmentation can result in different groups, for example men and women, receiving different wages.

Labour Market Theory of Poverty – This state that because wages are sticky downwards most rigid firms that want to remain in business have the only option of laying off workers during economic down-turns such action adversely affect employment and income distribution and increase the number of households in the poverty bracket.

The Dual Labour Market Theory – The theory states that there are two groups within the labour market, the primary market and the secondary market characterized by high income, fringe benefits, job security and a high prosper of upward mobility. However, as the word "dual" implies, a DLM usually refers to two parallel markets. The labour market consists of two tiers. Workers in the upper tier enjoy high wages, good benefits, and employment security, and they are often unionized. Workers in the lower tier experience low wages, high turnover, job insecurity, and little chance of promotion. Until now, dual labour market theory has focused mainly on microeconomic factors such as discrimination, poverty, and public welfare.

Dual Labour Markets considers the macroeconomic implications of the dual market. Theoretical models from research of over six years were used to analyse such policy issues as; the level and persistence of unemployment, the level of real wages, the accumulation of human capital, and the political viability of labour market reform.

There are two key sectors of Dual labour market: primary and secondary sector.

a. In a primary sector the workforce as a whole is motivated to serve their employer because of wages, health benefit, pension and job security. The job market consists of a majority of blue collar and white collar jobs. The primary sector generally contains the higher-grade, higher-status, and better-paid jobs, with employers who offer the best terms and conditions.

These jobs are usually considered to be the occupational labour-markets and some industrial labour-markets. The primary sector is sometimes sub-divided into an upper and lower level. The primary workers are trying to prove themselves to their employers by portraying their skills and educational credentials.

b. In a secondary sector, job management is entitled to complete control because there is a larger turnout. Many in this job type either leave or are replaced quickly. These jobs give low emphasis on job morale and their workers lack motivation. The secondary jobs are mostly low-skilled, they require relatively little training, and can be learned relatively quickly on the job.

There are few barriers to job mobility within the secondary sector. This is because the jobs are unattractive, there is little incentive to stay, and there are high levels of labour turnover, with workers moving on to other jobs or employers. Wages are low, and the terms and conditions of the job are poor.

Human Capital Theory – This theory state that human capital is the stock of competency (knowledge, skill) and attribute (creativity, ingenuity) contained in the ability of a worker to perform labour services so as to produce expected economic value. This theory actually defined what labour is all about.

Theory of Labour Discrimination – Discrimination in the labour market exists if individuals who have identical productive characteristics are treated differently because of the demographic groups to which they belong. This is the valuation, in the market place, of personal characteristics of workers that are unrelated to workers’ productivity such as colour, race, gender/sex, marital status, generation, Ethnic, etc.

Types of discrimination in the Labour Market:

• Wage discrimination: Present if prices paid by employers for given productive characteristics are systematically different for different demographic groups, e.g. men and women.

• Occupational discrimination: Present if individuals with same education and productive potential are working in lower-paying occupations or with lower levels of responsibility than similar individuals from another demographic group, e.g. natives and immigrants, men and women etc.

• Occupational segregation is present if the distribution of occupation differs between demographic groups, e.g. men and women (female or male dominated occupations). It can be difficult to distinguish between occupational segregation and occupational discrimination.

Split labour market theory, originally proposed by sociologist Edna Bonacich in the early 1970s, is an attempt to explain racial/ethnic tensions and labour market segmentation by race/ethnicity in terms of social structure and political power rather than individual-level prejudice.

1. **Explain what would happen if the government outlaw Trade Unions.**

Outlawing trade union by government will lead to serious violation of the four core labours standards:

• Freedom of Association and the Right to Collective Bargaining.

• Discrimination and Equal Remuneration

• Child Labour

• Forced Labour

This would make the labour force of a Country vulnerable and subject to exploitation by employers and governments. For example according to a report delivered to the World Trade Organisation’s (WTO) regarding a review of the Gulf Kingdom’s trade policies on 25th January 2012, it was found that Saudi Arabia is in violation of all core labour standards and that there is not a single trade union in Saudi Arabia, as the law does not allow them to exist.

In regard to freedom of association and the right to collective bargaining, Saudi Arabia did not allow workers the right to form unions and prescribes penalties for those who try to undertake organising. Workers are allowed to have workers’ committees in enterprises with more than 100 workers, but the employer and the Ministry have the right to participate in the committee and receive the minutes of every meeting. The many foreign workers in Saudi Arabia are barred from serving in such committees. Only one committee is allowed per workplace and the government must approve their statutes and membership lists. The competences of workers' committees are limited to working conditions, health and safety issues and productivity. The Ministry of Labour can dissolve a workers’ committee for violating regulations or threatening public security. The law does not provide for collective bargaining or strikes. Public demonstrations are also prohibited. The ban on organising is enforced strictly in practice too and collective bargaining does not take place.

What has happened is that despite the strike ban, some unauthorised strikes did take place, frequently as a result of non-payment of wages. Among other such reports, on March 23 2010 approximately 80 workers of the Habona General Hospital went on strike protesting at a four-month non-payment of their wages. Migrant workers have also staged strikes, however the government responded ruthlessly in such cases. In May 2010, approximately 30 Nepalese cleaners at the King Abdulaziz international airport were deported after they went on strike over the non-payment of salaries and substandard accommodation conditions. In October 2012, 16 Chinese workers were arrested for participating in a strike involving at least 100 Chinese workers in a rail construction project. The strikers demanded a salary increase and improved working and living conditions.

Discrimination and Equal Remuneration. Saudi Arabian law discriminates against women and women are deprived even of their basic rights. In September 2010 a Ministerial Order provided that “any discrimination in wages shall be prohibited between male and female workers for work of equal value” but there is no information on the Order's application in practice. There are no laws criminalising violence against women nor prohibiting sexual harassment at the workplace. Women are not discriminated against as employers as well as employees: discriminatory provisions provide different obligations for owning or running a business and investing, depending on sex. Women must seek permission of their guardian in order to perform work that is not “deemed appropriate for a woman”. This provision is interpreted broadly. Partly because of this, Saudi women account for only 4 per cent of the total workforce and 10.7 per cent of the national Saudi workforce. Women have difficulty finding employment but some women are employed in education and health-care, and in recent years also in ministries and social services. However, women are disproportionally concentrated in low skilled, low paid jobs. The labour market is segregated and the average working woman earns only 16 per cent of what a working man earns. Moreover, women and men are often kept in separate departments at the workplace. Women are essentially barred from a wide spectrum of professions, such as legal services and engineering, because they are not allowed to enrol in schools of those academic disciplines.

Other prohibitions that women face affect their employability. For example, women are not allowed to drive and many public transportation companies, including those with the largest network and range in Riyadh and Jeddah, do not allow women in their buses: consequently, every employer has to pay for personal transportation costs of female employees.

There is limited information on sexual harassment at the workplace. Raising a complaint is also problematic. In rape cases, the courts routinely punish both the victim and the perpetrator and the approach is similar for sexual harassment at the workplace or elsewhere. In January 2010, a court sentenced a woman to severe flogging and two years’ imprisonment for filing “spurious” harassment complaints against court officials and for “visiting government offices without a male guardian”. One of the two judges was the alleged perpetrator.

There is no law prohibiting discrimination against disabilities and building accessibility is not required by law. The Labour Code provides that enterprises with more than 25 workers allocate at least 4 per cent of their positions to persons with disabilities. However, information on the application of this provision in practice is limited.

The law prohibits racial discrimination. However, reports show that persons of non-Arab African and Asian origin were often victims of violence including at the workplace. In most of the cases, domestic workers were victims of exploitation in conditions akin to slavery. Similar conditions are faced by many migrant workers in other sectors (see part IV on Forced Labour). The Shia minority also face discrimination in various aspects of life, including in employment. The ILO Committee of Experts on Application of Conventions (CEACR) and Recommendations has identified weaknesses in the existing system: “lack of effective inspection, complaints mechanisms and enforcement regarding issues of discrimination, linked to lack of physical access, lack of awareness among judges and members of the commissions of discrimination issues, and the absence of women on the courts and commissions.” In practice, the violations are numerous and the CEACR has previously noted the potential for the Human Rights Commission to take a leading role in this area.

Homosexuality is punishable by death or flogging. Reporting discrimination against lesbian, gay, bisexual or transgender workers to the authorities could threaten their lives.

The law stipulates the deportation of every migrant worker who is found to be HIV positive at the test upon arrival or when hospitalised for other reasons. There are no recorded HIV/AIDS workplace programmes.

The law discriminates against women, and women face difficulties in finding employment. Those who work earn disproportionally little income. There are also extreme cases of abuses of migrant workers' rights, especially female migrant domestic workers.

Child Labour. The Labour Code sets the minimum age for admission to work at 15 years of age but it excludes agricultural workers and domestic workers. Children are allowed to be employed in family enterprises as well as family farms and herds. The Code stipulates that children younger than 18 years old may not perform hazardous work such as mining. It is not clear whether this provision, as well as the Ministerial Order of 2003 which identifies the types of hazardous work in which the employment of young persons is not authorised, apply to children employed as domestic workers and in agriculture. Moreover, CEACR has criticised the fact that the laws do not impose “sufficiently effective and dissuasive penalties for the offence of hiring children for the purpose of begging.” The laws also prohibit trafficking, including for the purpose of forced labour, but not forced child labour. According to CEACR, the laws also fail to sufficiently protect children from camel jockeying.

Child labour occurs in Saudi Arabia. The 2007 UNICEF Trafficking Report estimated that in Saudi Arabia there are over 83,000 children selling small goods and begging on the streets. Moreover, it is also reported that children from Asian countries like Cambodia, trafficked with forged age documents, work as domestic workers. The UNESCO Trafficking Statistics Project estimates that approximately 10 per cent of female prostitutes are under 18 years of age. The majority of these girls were trafficked from Indonesia to Saudi Arabia for the purpose of sexual exploitation. Furthermore, reports show that child labour is on the rise.

The Ministry of Justice has prosecuted few cases of alleged child labour violations. Special centres in big cities deal with the problem of beggary.

Forced Labour. The Labour Code prohibits forced labour and prescribes penalties for offenders. The 2009 Suppression of the Trafficking in Persons Act criminalises all forms of human trafficking providing for up to 15 years’ imprisonment and fines of up to USD 266,000. The law is supplemented by a decision of the Council of Ministers which prohibits the practice of withholding workers' travel documents and establishes the right of trafficking victims to remain in Saudi Arabia during an investigation while providing incentives to participate in the prosecution procedure. However a 2005 Royal Decree excludes all domestic workers, depriving them of rights granted to other workers including a weekly day off and maximum working hours.

Approximately 8.3 million migrants, who make up 90 to 95 per cent of the private sector workforce, are legally employed in Saudi Arabia. There are 1.5 million female domestic servants mainly from Asian countries, especially Indonesia and Philippines. Many reports show extreme use of violence, intimidation, confinement and threats against many migrant workers, especially female domestic workers. Migrant workers are forced to work long hours, often all day long with little to no time for rest. They do not enjoy a rest day and when they fall ill it is up to their employer to decide if they should adapt their tasks. Domestic workers' accommodation is usually poor as they are often given only a parking place or a storage room to sleep. Moreover, they lack access to medical services due to the limitations imposed on their mobility.

The HRW reports documented several cases of physical and psychological abuse by employers, and in some cases by agents. Examples of abuse included beatings, deliberate burnings with hot irons, threats, insults, and forms of humiliation such as shaving a domestic worker’s head. Food deprivation was a common abuse. We interviewed women who reported rape, attempted rape, and sexual harassment, typically by male employers or their sons, and in some instances, by other foreign workers whom they had approached for assistance.”

With regards to migrants’ work permits a “sponsor” system, also known as kafala system, ties migrant workers to particular employers, limiting their options and freedom. A migrant worker is not allowed to change employer or leave the country without written consent of the employer. Workers cannot leave their job and in case a worker escapes the employer, then she/he cannot search for a new job, nor leave the country. This system in conjunction with the practice of confiscating travel documents and withholding wages puts workers under conditions akin to slavery. In case of a violation of the Labour Code's provisions on forced labour, the law prescribes fines and the banning of an employer from being a “sponsor”.

The Labour Code does not apply to domestic employees, many of whom are practically slaves, and agricultural workers. Such workers may have to seek assistance from their Embassies to be returned. Indeed, Human Rights Watch has documented numerous cases where workers were unable to escape from abusive conditions or even to return home upon completion of their contracts because their employer denied them permission to leave the country.

The workers are recruited, usually in Asia, by labour brokers and recruitment companies which send them to recruiters in Saudi Arabia. According to the Human Rights Watch (HRW) report “As If I Am Not Human”, commissioned especially concerning the problems domestic workers face in Saudi Arabia, “[t]he business of recruiting workers in Asia and placing them with employers in the Middle East has thrived as migration flows grew exponentially in the past few decades. In labour-sending countries, recruiters may charge exorbitant fees, provide incomplete or misleading information about working conditions, and, in Indonesia, subject women and girls to forced confinement for months and other pre-departure abuses in training centres.” Similar cases of confinement to “training centres” have been reported recently by the ITUC in Cambodia.

The authorities repeatedly discourage complaints by not showing interest, refusing to start prosecution and even deporting victims of torture without further investigations. Saudi authorities frequently prosecuted sexually abused victims who endeavoured to file complaints against their employers and employers' sons under allegations of adultery, fornication, or other moral “misconduct.”

Courts have routinely failed to protect workers who became victims of cruel torture. Indeed, a Saudi court awarded a tortured Indonesian domestic worker a mere US$670 in compensation for being severely beaten and confined in a cellar with little food for a month in 2005. The victim developed gangrene resulting in amputations. In practice, reports of torture of domestic workers being unfairly treated by the Saudi authorities are numerous. After Saudi Arabia beheaded a 54-year old Indonesian grandmother in June 2011, for stabbing her Saudi employer to death, Indonesia declared a moratorium on the migration of its nationals for domestic employment. However, Saudi Arabia stopped issuing work visas for domestic workers from the Philippines and Indonesia because of increased tensions between the sending countries and Saudi Arabia.

The authorities have often failed to protect victims and redress the violations by providing complaints procedures and immediate investigations and prosecutions. For example, in August 2010, a 49 year old Sri-Lankan domestic worker was repatriated after being tortured by her employers who had driven nails into her arms, legs and forehead because she had complained about her long working hours. The authorities denied her medical services and she was operated on only in Sri Lanka. In November 2010, a 23 year old Indonesian woman was admitted to hospital in Medina suffering from scissor incisions to her face, burns and a broken finger. She reported being tortured by her employers since her first day at work. The same month, the corpse of another tortured Indonesian worker was discovered. After international outrage her torturers and murderers were arrested.

In 2010, the authorities processed just 23 cases of trafficking which resulted in 13 investigations and 10 prosecutions and one conviction. This was the case of a 54-year old Saudi woman who tortured her Indonesian domestic servant. The court sentenced the perpetrator to three years’ imprisonment but denied to award compensation.

The CEACR has urged the government to launch an investigation into the foreign sponsorship system, to follow up issues relating to discrimination and the abuses of migrant workers, particularly the situation of female domestic workers, in a systematic manner and to put discrimination issues at the heart of national equality policy.

1. **Under the common law, employees owe specific duties to their employers. Outline SIX such duties.**

These may be explained in the contract of employment, but the law also says that there are certain obligations and duties owed by an employee to their employer, even if the contract does not mention them. These include:

* 1. To do what a reasonable employee would do in any situation.
  2. Duty to be honest.
  3. Not to disrupt business, for example, taking part in industrial action.
  4. Disclose wrongdoing (does not include "spent" convictions). But, the employee must disclose wrongdoing by other employees, even if this will incriminate them.
  5. Carry out and follow orders of the employer, (as long as they are legal).
  6. Not to disclose the employer's confidential information.