



International
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Building an inclusive future with decent work: Towards sustainable development in Asia and the Pacific

REPORT OF THE DIRECTOR-GENERAL • 16th Asia and the Pacific Regional Meeting • Bali, Indonesia • 6-9 December 2016

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Acronyms

ACFTU	All-China Federation of Trade Unions
ACT/EMP	Bureau for Employers' Activities
ACTRAV	Bureau for Workers' Activities
ADB	Asian Development Bank
AEC	ASEAN Economic Community
APEC	Asia–Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ATUC	ASEAN Trade Union Council
CSO	civil society organization
DTF	direct trust fund
DWCP	Decent Work Country Programme
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
GCC	Cooperation Council for the Arab States of the Gulf
GDP	gross domestic product
GSP	Generalized System of Preferences
IFC	International Finance Corporation
ILO	International Labour Organization
INGO	international non-governmental organization
IOM	International Organization for Migration
IPEC	International Programme on the Elimination of Child Labour
LMI	labour market institution
MENA	Middle East and North Africa
MoU	Memorandum of Understanding

NGO	non-governmental organization
OSH	occupational safety and health
PPP	Public–private partnership
RMG	ready-made garment
SAARC	South Asian Association for Regional Cooperation
SAIEVAC	South Asia Initiative to End Violence Against Children
SCORE	Sustainable, Competitive and Responsible Enterprise
SDG	Sustainable Development Goal
SMEs	small and medium-sized enterprises
TPP	Trans-Pacific Partnership
TVET	technical and vocational education and training
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNICEF	United Nations Children’s Fund

Part I. Building an inclusive future with decent work: Towards sustainable development in Asia and the Pacific

1. Introduction

1. The 16th Asia and the Pacific Regional Meeting brings together governments, employers' organizations and trade unions in this large, dynamic and diverse region. Henceforth referred to as "Asia and the Pacific", the region includes 47 countries across all income levels, from East, South-East and South Asia to the Pacific Island States and the Arab States of West Asia.¹

2. At this 16th Asia and the Pacific Regional Meeting, it is my pleasure to present a Report that highlights the significant progress made in this region and the challenges that remain, articulates the centrality of decent work to the 2030 Agenda for Sustainable Development and reflects on future changes in the nature of work and the way forward.

3. Asia and the Pacific, which accounts for 60 per cent of the global labour force, has made remarkable economic progress over the last decade and its dynamism has sustained growth in the global economy, including during the years of economic crisis. The region is becoming steadily more influential in the global economic and political order, but if it is to play this leadership role effectively and fulfil its potential, a commitment to achieving greater convergence between its economic and social progress and to ensuring environmental sustainability is paramount.

4. This Asia and the Pacific Regional Meeting offers us an opportunity to reflect on the lessons from the past, renew our commitment and put forth a programme of action for the future we want – an inclusive and prosperous region that will realize decent work for all women and men.

Overall economic context

5. This Meeting comes at a time of global uncertainty. Following the 2008 financial and economic crisis, the world economy has continued to show signs of weakness and volatility. Asia and the Pacific has generally been more resilient, though there are country differences, as shown by the consistently high growth rates in China and India.² However, the high economic growth rates of the past decade are unlikely to continue, particularly since China is entering a "new normal" of lower growth that will reduce overall growth in

¹ The Asia and the Pacific region also includes the Occupied Palestinian Territory. See Part II for detailed information on the implementation of the Asia-Pacific Decent Work Decade.

² All regional economic and employment figures are based on the ILO Research Department's Trends Econometric Models, November 2015. Asia and the Pacific includes the entire region and the Arab States.

developing Asia.³ The region's annual growth slowed from 8.6 per cent in 2007, just prior to the crisis, to 5 per cent in 2015, and this year it is projected to grow by 5.2 per cent. This is still higher than the global average of 3.6 per cent, but the slowdown is worrying given the importance of economic growth, along with labour and social policies, in creating higher-quality jobs.

6. Growth in oil-exporting countries, particularly the Arab States, is still threatened by the precipitous fall in oil prices experienced since mid-2014, with corresponding job losses already under way.⁴ This has significant repercussions for countries that rely heavily on oil revenues for national budgets and aggregate demand, with ongoing spillover effects for other countries in the region. Moreover, in some countries, socio-economic development is hindered by political instability and conflict.

7. In 2015, countries in Asia and the Pacific faced capital outflows and volatility in financial markets on the back of further easing in United States monetary policy, leading to a decline in foreign direct investment.⁵

Progress and challenges in the Decent Work Agenda

8. Over the past decade, the region has achieved significant increases in average wages and incomes. The number of extreme poor has dropped rapidly, from 21 per cent of total employment in 2006 to 10 per cent in 2015.⁶ About half of the region's workers and their families are now middle class or above.⁷ Labour productivity has grown annually at about twice the global rate. This is partly a reflection of rapid structural change. In the developing countries of Asia and the Pacific, workers are moving from agriculture into higher-value manufacturing and services, and many more are engaged in wage employment than in the past. Trade has also played a key role in the region's growth, with Asia now accounting for over a third of global trade and often referred to as the "world's factory". The growth of modern industries and a more educated labour force have been accompanied by rapid urbanization. There has also been progress in social protection, with greater public investment and wider coverage. In countries across the region there are good examples of

³ F. Zhai and P. Morgan find that a growth slowdown of 1.6 percentage points in China could bring about a growth deceleration of 0.26 percentage points in developing Asia as a whole. See F. Zhai and P. Morgan: *Impact of the People's Republic of China's growth slowdown on emerging Asia: A general equilibrium analysis*, Asian Development Bank Institute (ADBI) Working Paper Series, No. 560 (Tokyo, 2016).

⁴ The fall in oil export earnings in 2015 was estimated at \$287 billion (21 per cent of GDP) for Gulf Cooperation Council (GCC) countries and \$90 billion (11 per cent of GDP) for non-GCC countries. See ILO: *World Employment and Social Outlook: Trends 2016* (January).

⁵ *ibid.*

⁶ The definition of "extreme poverty" is based on per capita expenditure of \$1.90 or less per day at purchasing power parity.

⁷ October 2015 update of the model in S. Kapsos and E. Bourmpoula: *Employment and economic class in the developing world*, ILO Research Paper No. 6 (Geneva, ILO, 2013). The definition of "middle class" is based on per capita expenditure of \$5 or more per day at purchasing power parity.

innovative policies and measures which strengthen the Decent Work Agenda and contributed to notable achievements during the Asia–Pacific Decent Work Decade.⁸

9. Nonetheless, the task is unfinished. Many workers across the region are still vulnerable and decent employment remains a challenge. Nearly 192 million workers – one in ten – still live in extreme poverty on less than \$1.90 per day.⁹ More than 1 billion are in vulnerable employment, including own-account and contributing family workers, who are often employed informally without access to social or legal protection. Even the formal sector is becoming increasingly informal and precarious, recruiting people in various non-standard forms of work – temporary, part-time, dispatch or contract. While social protection expenditure in the region has been rising, it remains relatively low – 5.3 per cent of gross domestic product (GDP) – compared to the world average of 8.6 per cent.¹⁰

10. Some groups are especially vulnerable. Young people in particular struggle to find decent work: one young person in eight in the labour force is unemployed. This is more pronounced in the Arab States, where one in four young men is unemployed, while for young women the rate is much higher – almost one in two. In the region as a whole, women face various challenges including discrimination: their labour force participation rate stands at 47 per cent, which is 32 percentage points below that of men for the region on average. These disparities, based on gender and age, not only deprive individuals and groups of opportunities, they also represent an enormous untapped source of creativity and innovation, and a potential loss of GDP.

11. Millions of women and men from this diverse region, particularly from South-East Asia and South Asia, migrate across borders for better job opportunities, to neighbouring countries as well as to countries of the Cooperation Council for the Arab States of the Gulf (GCC). While they contribute to the economic dynamism of their destination countries and support families in their countries of origin, these workers often have little protection and remain unacknowledged.¹¹ In addition to economic migrants, the numbers of internally displaced persons and refugees have soared in the last few years, especially after the crisis in the Syrian Arab Republic and to some extent owing to the conflict in Afghanistan.¹² The migration crisis in the Bay of Bengal over the past three years has also

⁸ This is further elaborated in Part II of this Report.

⁹ October 2015 (long-term) update of the model in: S. Kapsos and E. Bourmpoula: *Employment and economic class in the developing world*, op. cit.; ILO: Long-term Trends Econometric Models, Oct. 2015.

¹⁰ ILO: *World Social Protection Report 2014–15: Building economic recovery, inclusive development and social justice* (Geneva, 2014).

¹¹ United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), ILO et al.: *Asia–Pacific Migration Report 2015: Migrants' contributions to development* (2016).

¹² As of April 2016, there were 1,055,984 Syrian refugees registered in Lebanon, approximately 640,000 in Jordan and 246,123 in Iraq. In Turkey, 2,749,140 have been registered and in the coming months the numbers will increase. Since 2012, a total of 704,670 Syrian refugees have requested asylum in one of the European Union countries; United Nations High Commissioner for Refugees (UNHCR) and Eurostat databases [accessed 20 Apr. 2016].

seen flows of refugees and migrants leaving Bangladesh and Myanmar by sea in search of work and a better life in Malaysia and Thailand.¹³

12. Ratification of International Labour Organization (ILO) core Conventions is particularly low – only 14 of 47 Asia and the Pacific member States have ratified all eight, and progress towards fundamental principles and rights at work is also slow, as described in Part II of this Report.

13. A common shortfall is weak labour market governance, especially in the implementation and enforcement of rights and standards. The region has witnessed some severe cases of workplace accidents, a notable example being the Rana Plaza tragedy in Bangladesh. Widespread forced labour in the region, estimated to affect 11.5 million people, spans traditional sectors and industries as well as modern supply chains in sectors such as fishing, electronics, construction and domestic work. Asia and the Pacific is also home to 78 million child workers aged 5 to 17 years.¹⁴

14. Partly because of these labour market developments, income and social inequality in the region has persisted and even widened. Thus, while the more populous countries of China, India and Indonesia have experienced impressive economic growth in the past decade, they have also seen widening gaps between rich and poor. In some countries, particularly among the Arab States, rising inequality combined with the slow pace of social change have contributed to unrest. Disparities also persist between urban and rural areas, women and men, young people and older workers and adults, and migrants and locals, among others.

The Sustainable Development Agenda

15. The 16th Asia and the Pacific Regional Meeting is also taking place at the beginning of the implementation of the 2030 Agenda for Sustainable Development. The 17 Sustainable Development Goals (SDGs), agreed by 193 countries worldwide, respond to a range of social, economic and environmental challenges and recognize the importance of decent work – an objective that is integrated into many of the Goals. The SDG framework will guide policies and spending and provide a benchmark against which to assess chosen national development paths. This represents an opportunity for the ILO tripartite constituents to prioritize decent work and ensure that economic growth goes hand in hand with shared prosperity and environmental sustainability.

Trends that will affect the future of work

16. In addition, the world of work in Asia and the Pacific is affected by certain so-called “megatrends”. These include major demographic shifts: while some countries are ageing rapidly and will need to counter labour shortages and the burden of care, others have

¹³ As many as 1,100 may have died at sea since 2014. See Kapsos and Bourmpoula, *Employment and economic class in the developing world*, op. cit.

¹⁴ See: “At the front of the back office”, in *The Economist* (June 2012), at: <http://www.economist.com/node/21557350>; and *ILO book sheds light on working conditions in the remote work industry*, ILO press release (July 2010), at: http://www.ilo.org/global/about-the-ilo/media-centre/press-releases/WCMS_142686/lang--en/index.htm [accessed 13 May 2016].

expanding youth populations and are struggling to create sufficient quality jobs. Another critical factor is rapid technological innovation. Major advances in Internet technologies, machine learning, robotics and artificial intelligence are reshaping many jobs or replacing them altogether. At the same time, efforts to move towards a “green” society will mean removing polluting industries and altering production patterns. These and other changes in production and consumption require adjustments in labour markets and could increase productivity, but could also exacerbate social inequality, with particularly serious implications for women workers and low-paid or less-educated workers.¹⁵

17. Asia and the Pacific is becoming more integrated as a region as well as with the global economy. Intraregional trade, including with the Arab States, accounts for over half of total trade. At the end of 2015, the ten member States of the Association of South-East Asian Nations (ASEAN) formed an economic community that accounted for more than 600 million people and a regional economy of \$2.4 trillion.¹⁶ In October 2015, a number of Asia-Pacific countries became part of the Trans-Pacific Partnership (TPP).¹⁷ These regional integration initiatives could create new jobs, including as part of global supply chains, but the gains are likely to be uneven. To ensure that all workers benefit, countries will need to invest in skills, increase productivity and wages, diversify economic structures, expand domestic demand and uphold labour standards. They will also need to help small and medium-sized enterprises (SMEs) participate in these changes.

18. With continuing uncertainty in the global economy and slower growth in China, the Asia and the Pacific economies will also need to move away from over-reliance on external demand, rebalance their drivers of growth, and harness the potential of domestic consumption.

The way forward

19. As noted in my Report to the International Labour Conference in 2015, the world of work is changing – and creating new opportunities and challenges. There is uncertainty and insecurity about the direction of these changes and about the risk that they might lead us away from the achievement of social justice. This is partly due to often high and growing inequality, which is a concern in this region too.¹⁸ Yet, it is also true that for many workers in Asia and the Pacific the world of work is not changing fast enough, as they continue to face deficits in decent work.

¹⁵ ILO: *ASEAN in transformation: The future of jobs at risk of automation* (Bangkok, 2016).

¹⁶ Asian Development Bank (ADB) and ILO: *ASEAN Community 2015: Managing integration for better jobs and shared prosperity* (Bangkok, 2014). The ASEAN member States are: Brunei Darussalam, Cambodia, Indonesia, Lao People’s Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam.

¹⁷ TPP text has been agreed but has not come into effect. This will happen when at least six countries representing 85 per cent of the GDP of signatory countries ratify the agreement, usually through national parliaments.

¹⁸ ILO: *The future of work centenary initiative*, Report I, Report of the Director-General, International Labour Conference, 104th Session, Geneva, 2015.

20. Sustainable and equitable development will depend on a decent work paradigm that promotes inclusive, socially just and job-rich growth, by adapting current labour market institutions or creating new ones. A future that offers decent work for all women and men in the region is attainable, but there are challenges, so this will require vision, political will and commitment. More than ever, this will call for coordinated policies, robust labour market institutions and a strong commitment to tripartism.

2. Decent work and the 2030 Sustainable Development Goals

21. In the framework of the SDGs, decent work is not only an objective in itself – in Goal 8 – but is also present throughout the whole suite of Goals and indicators as a major driver of sustainable development. In particular, Goal 1 on ending poverty, Goal 2 on ending hunger and improving food security, Goal 5 on achieving gender equality and Goal 10 on tackling inequalities, are crucial to fulfilling the ILO's mandate and countries' aspirations for sustainable development that ensures full and productive employment and decent work for all. Ensuring that no one is left behind will require comprehensive and inclusive national agendas that would benefit from cooperation among ILO tripartite constituents.

22. For ILO member States, much will depend on the extent to which our constituents embrace this transformative Agenda and make its achievement a priority in the Decent Work Country Programmes (DWCPs), as noted by the delegates at the 105th Session of the International Labour Conference in 2016 in the *Evaluation of the impact of the ILO Declaration on Social Justice for a Fair Globalization*.

23. How is the Asia and the Pacific region placed in relation to the SDGs and relevant decent work goals? It is instructive to examine baselines and current trends and to reflect on 2030 scenarios based on projections of selected variables where possible and relevant, assuming no policy changes. The objectives are to identify possible gaps in relation to the decent work indicators in the SDGs requiring particular policy attention, stimulate debate and draw attention to the strengths and challenges of the region. However, these projections could be derailed by factors including geopolitical tensions and conflicts, environmental hazards and major shifts in energy prices or exchange rates.

24. Labour market issues are also reflected in Goal 4 in relation to inclusive and equitable quality education and learning opportunities for all, in Goal 9 in relation to building resilient infrastructure and sustainable industrialization, in Goal 12 in relation to sustainable production and consumption where green jobs are a critical issue, and in Goal 16, in relation to inclusive societies, which concerns the prevention of human trafficking and violence against trade unions and the creation of opportunities for persons with disabilities. However, for these SDGs there is no comparable data in the Asia and the Pacific region. Improving the capacity and resources of national statistical offices to monitor these SDGs will therefore be critical for the region.

Full and productive employment and decent work

25. Goal 8 seeks to promote full and productive employment and decent work for all, especially for young people. By 2030, the Asia and the Pacific labour force is projected to

be 2.2 billion.¹⁹ To accommodate this expansion, the region will need to create 249 million additional jobs in the next 15 years. Based on present trends, this is unlikely. Over the past 15 years, overall employment growth was 1.0 per cent per year, and over the next 15 years it is projected to slow to 0.8 per cent per year. As a result, between 2015 and 2030 baseline projections suggest that there may be a rise in the absolute numbers of unemployed from 90 million to 94 million, although the unemployment rate is likely to remain stable at 4.2 per cent.

26. If the trends continue, the greatest difficulties could be faced by young people if their unemployment rate remains about three times that of the overall workforce. A decline in the absolute numbers of unemployed young people is likely to take place in most subregions between 2015 and 2030, although in the Pacific Island countries and the Arab States youth unemployment could increase, in both incidence and numbers. In the Arab States the pressure could be felt most in the non-GCC countries as well as by women. Moreover, although young people will generally have higher levels of education, persistent skill mismatches are expected.²⁰

27. Over the next 15 years, productivity growth, another Goal 8 indicator, is expected to show varying trends across subregions. Compared with the previous decade, East Asia's annual expansion is forecast to slow from 5.9 to 5.4 per cent. This is expected to be offset by gains in other regions: in South-East Asia from 3.2 to 4.2 per cent and in South Asia from 4.8 to 5.3 per cent. Productivity growth will rise from 0.1 to 1.8 per cent in the Arab States and from 1.0 to 1.6 per cent in the Pacific Islands. These increases in productivity imply potential for poverty reduction, if accompanied by an increase in employment and by measures to ensure sharing of productivity gains.

28. ILO projections indicate that a reduction in the proportion of people in vulnerable employment, measured by own-account self-employed workers and contributing family workers, is likely. However, given the comparably high rates of vulnerable employment it will remain a concern. In South Asia, where vulnerable employment rates are highest, there is likely to be some decline by 2030, from 74 to 66 per cent. In South-East Asia, the fall is projected to be from 56 to 49 per cent. In the Arab States, the incidence of vulnerable employment is expected to remain relatively low and unchanged at around 18 per cent.

29. The share of wage work, on the other hand, is expected to increase from 44.6 to 48.6 per cent, but in the Arab States it will decline slightly from its current much higher level of 79.4 to 78.9 per cent. However, there are concerns about working conditions and health and safety standards among wage workers in sectors such as construction, agriculture, mining, fishing, domestic work and garments. In addition, non-standard forms of employment are likely to persist, posing a significant challenge to the Decent Work Agenda and the realization of Goal 8.

30. An important element of Goal 8 is labour rights in the context of freedom of association and collective bargaining, which is a current challenge in the region (see box 1).

¹⁹ Employment-related projections until 2030 in this section and elsewhere are based on current economic conditions and are therefore subject to future adjustments.

²⁰ ILO: *ASEAN employers' survey – The role of employers' organizations in matching skills and increasing mobility across the ASEAN region* (Bangkok, 2014).

Box 1

SDG target relating to the protection of labour rights and promotion of safe and secure work environments

Goal 8 on decent work and economic growth refers to protection of labour rights and promotion of a safe and secure working environment for all workers, including migrant workers, and those in precarious employment (target 8.8).

An important element of labour rights is compliance in relation to freedom of association and the right to collective bargaining, based on both international standards and existing national legislation, though measurement of this remains an issue.

Nonetheless, freedom of association is a major concern in most countries of the region. As of 2015, 27 out of 47 countries in Asia and the Pacific had not ratified the ILO Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and 20 countries had not ratified the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). Despite campaigning by trade unions in respect of both these Conventions, little has changed and the situation in the Arab States is of particular concern. Furthermore, in the 2006–15 period, about 80 complaints were filed with the ILO's Committee on Freedom of Association by trade unions in the region, which illustrates serious problems in the implementation of these core Conventions even in the countries ratifying the Convention.

Addressing the concerns of migrant workers in this case is particularly paramount as very often they do not enjoy these fundamental labour rights.¹

¹ ILO: *Freedom of association in practice: Lessons learned*, Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, Report I(B), Report of the Director-General, International Labour Conference, 97th Session, Geneva, 2008.

Ending poverty

31. The aim of Goal 1 is to end poverty in all its forms everywhere. One of the measures employed is “working poverty”, namely the proportion of those in employment living on less than \$1.90 per day and therefore unable to lift themselves and their families above the poverty line. Over the next 15 years, over 70 million workers across the region are expected to move out of this extreme poverty.²¹ Despite the positive trends, working poverty in the region is projected to remain a significant challenge in 2030.

32. One means of reaching this Goal is better social protection. Coverage in the region has expanded, as reflected by governments’ increasing commitment to social protection floors, but remains a weakness. For instance, only 17 per cent of the labour force in Asia and the Pacific is potentially eligible for unemployment benefits; in fact, only seven Asia and the Pacific countries have at least one programme in each social security policy

²¹ In absolute numbers, the largest shifts would happen in South, East and South-East Asia, where 69 million workers would move out of extreme poverty. The remainder would overcome extreme poverty in the Arab States and the Pacific; in the latter, the incidence of working poverty at \$1.90 per day would halve. Working poverty estimates exclude: Australia, French Polynesia, Guam, Japan, Kiribati, Marshall Islands, New Caledonia, New Zealand, Palau, Samoa, Tonga, Tuvalu and Vanuatu. They include Macau (China) and the Republic of Korea. Source: October 2015 (long-term) update of the model in: Kapsos and Bourmpoula: *Employment and economic class in the developing world*, op. cit.; ILO: Long-term Trends Econometric Models, October 2015.

area.²² There are also significant differences between countries. Analysis of social protection coverage is hampered by the shortage of comparable cross-country data.

Reducing inequalities between and within countries

33. Goal 10 aims to reduce inequality within and between countries. In the larger Asia and the Pacific member States, inequality has been increasing. In China and India, for example, during the six years following the mid-2000s overall incomes grew by 0.5 or 0.6 percentage points more than for the bottom 40 per cent of the population – a Goal 10 indicator.²³ In Viet Nam, the difference was even greater at 1.6 percentage points. In some countries, the bottom 40 per cent made gains: Nepal, Philippines, Sri Lanka and Thailand.

34. A similar picture emerges from the Gini index. Since the early 2000s, the Gini coefficient has been high – over 40 – in China, Fiji, Malaysia, Papua New Guinea, Philippines, Thailand, Samoa and Solomon Islands.²⁴ In India, Indonesia, Lao People's Democratic Republic, Mongolia, Occupied Palestinian Territory and Viet Nam, the Gini has been less than 40 but is increasing. Conversely, in Cambodia, Islamic Republic of Iran, Jordan, Republic of Maldives, Nepal, Sri Lanka, Thailand and Timor-Leste it has fallen, though from relatively high levels.

35. Inequality has been rising with greater wage inequality and a delinking of productivity and wage growth. This is reflected in a falling labour share of national income, another Goal 10 indicator. In China, for example, between 2000 and 2013 this share fell from 53 to 51 per cent.²⁵ The labour shares are low in India (34 per cent in 2014), Malaysia (34 per cent in 2013), Philippines (35 per cent in 2014), Qatar (19 per cent in 2014) and the United Arab Emirates (24 per cent in 2010).²⁶ The labour share has stagnated in some countries (Thailand and Republic of Korea) or even decreased (the Philippines), despite rising wage work.²⁷ The labour share in the manufacturing sector, in particular, is decreasing in most Asia and the Pacific economies and is below 20 per cent in most countries for which there is data. Manufacturing productivity is rising sharply while real wages have been stagnating or growing slowly. This low labour share is comparable to that in countries with

²² Policy areas include: sickness, maternity, old age, employment injury, invalidity, survivors, family allowances and unemployment. See: ILO: *World Social Protection Report 2014–15: Building economic recovery, inclusive development and social justice* (Geneva, 2014).

²³ World Bank: Global Database of Shared Prosperity, <http://www.worldbank.org/en/topic/poverty/brief/global-database-of-shared-prosperity> [accessed 16 Feb. 2016].

²⁴ All Gini figures reflect the most recent year available. World Bank: Poverty and Equity Database, available at: <http://databank.worldbank.org/data/reports.aspx?source=poverty-and-equity-database#> [accessed 16 Feb. 2016].

²⁵ ILO calculations based on the National Bureau of Statistics of China: *China Statistical Yearbook*, various years.

²⁶ Labour share data from ILO: Global Wage Database 2014–15.

²⁷ B. Jetin: *Declining labour income share in Asian export-led growth economies: The role of wage-productivity de-linking in industry* (ILO, forthcoming).

oil production – a very capital-intensive activity. In many Asia and the Pacific countries, however, where production is labour intensive the labour share still remains low.²⁸

36. The relatively high incidence of self-employed own-account work in Asia and the Pacific and the Arab States, at around 43 per cent of total employment, is a contributing factor to widening income inequality. This is due in part to the greater reliance by own-account workers on labour income as opposed to other forms such as capital income, and particularly on social transfers.²⁹

37. Apart from the income aspect, inequality remains a concern in other economic dimensions. Like income, wealth tends to be concentrated at the top, and disparities of opportunity remain a key issue, limiting the potential of individuals from birth, on the sole basis of extraneous characteristics (such as gender or parental education) and often of a self-sustaining intergenerational cycle.³⁰ In addition to economic inequalities, there are marked disparities between urban and rural areas, between young people and adults, and men and women. Reducing gender equality is at the core of Goal 5.

Achieving gender equality

38. Gender equality and women's empowerment have implications for growth and development. ILO estimates, based on economic modelling, suggest that a move towards greater gender equality in the labour market by 2030, as compared to the baseline in 2015, could increase the GDP in Asia and the Pacific in 2030 by between 2.7 and 4.7 per cent.³¹ The largest potential gains are in South Asia where the increase could range from 8.0 to 12.5 per cent, and in the Arab States where it could range from 7.3 to 11.4 per cent.

39. However, throughout Asia and the Pacific, women continue to trail behind men in the labour market.³² Between 2015 and 2030, the gap between the labour force participation rates for men and women is projected to increase from 31.8 to 32.7 percentage points, mainly driven by an increase in the gap in East Asia. The gap is expected to decline slightly in South Asia from 51.1 to 49.7 percentage points, and in the Arab States from 55.5 to 52.9 percentage points, but is likely to remain wide in these regions. Moreover, the

²⁸ ILO: *Global Wage Report 2014–15* (Geneva, 2015).

²⁹ ILO: *World Employment and Social Outlook 2015: The changing nature of jobs* (Geneva, 2015).

³⁰ ILO, the International Monetary Fund, the Organisation for Economic Co-operation and Development (OECD) and the World Bank: *Income inequality and labour income share in G20 countries: Trends, impacts and causes*, paper prepared for the G20 Labour and Employment Ministers Meeting and Joint Meeting with the G20 Finance Ministers, Ankara, Turkey, 3–4 Sep. 2015.

³¹ To assess the potential impact, two scenarios were constructed in which, by 2030, the difference between each country's gender participation gap (i.e. the difference between the labour force participation rates of men and women) in 2015 and the average gap across the world's high-income economies in 2015 halves (16 percentage points). Lower labour productivity (0.512 in the first scenario and 0.8 in the second) was assumed for the additionally employed women who enter the labour force, due to diminishing returns, sectoral segregation and gender differences in part-time employment.

³² S. Dasgupta and S. Verick (eds): *The transformation of women at work in Asia: An unfinished development agenda* (New Delhi, Sage Publications, forthcoming).

women's labour force participation rate for the region as a whole is projected to decline in the next 15 years from 46.7 to 43.7 per cent.

40. Women typically earn less than their male counterparts on average.³³ There is, nevertheless, variation across countries, with the gender wage gap ranging from 39 percentage points in Pakistan to -5.5 percentage points in the Philippines. In the Arab States, the gender wage gaps range from 0.4 per cent in Saudi Arabia to 30 per cent in the United Arab Emirates.³⁴ Some recent research has noted that in Asia and the Pacific the gap in disposable income between men and women has widened significantly, from 31 per cent in 2000 to 38 per cent in 2013.³⁵

41. There are also gender gaps in other labour market dimensions. Women are more likely to be concentrated in vulnerable forms of employment, particularly in unpaid family employment. Women also spend more time than men on unpaid household and care work, but measuring unpaid work remains a challenge. The implementation of the 2013 resolution concerning statistics of work, employment and labour underutilization from the 19th International Conference of Labour Statisticians (19th ICLS) and well-designed time-use surveys could provide more concrete information on this subject.

42. Moreover, large numbers of women work in informal employment, where they are exposed to exploitation and have less legal or social protection. Women often work from home under strenuous conditions. In 2015, for example, more than 30 per cent of home-based women workers in selected provinces in Indonesia were working more than 48 hours per week and earning less than 50 per cent of the average wage of comparable workers with formal contracts.³⁶ Women's work is also typically concentrated in lower-skilled occupations, many of which are vulnerable and insecure, for example domestic work.³⁷

43. These gender gaps have many underlying drivers, including the structure of the economy, differences in education levels, available employment opportunities and the extent of welfare provisions including maternity protection. In some countries, women find their employment opportunities restricted by socio-cultural norms or by discriminatory policy and institutional frameworks. To address these concerns and meet the gender equality targets in Goal 5 and decent work for all, as enshrined in Goal 8, concerted effort and action by all our social partners is needed.

³³ ILO: *Women at Work: Trends 2016* (Geneva, 2016), pp. 48–65.

³⁴ Data from labour force surveys of various countries.

³⁵ See: *In Focus: Income inequality between men and women to worsen in Asia Pacific*, Euromonitor International News and Resources, 27 July 2014, available at: <http://blog.euromonitor.com/2014/07/in-focus-income-inequality-between-men-and-women-to-worsen-in-asia-pacific.html> [accessed 6 June 2016]. Disposable income is net income after deductions for tax and social security. This estimate excludes the Arab countries.

³⁶ ILO: *Results from the homeworker mapping study in North Sumatra, West Java, Central Java, Yogyakarta, East Java and Banten*, ILO–Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) Project (Jakarta, 2015).

³⁷ F. Hegazy and G. Rynhart: *Enabling Environment for Sustainable Enterprises in Cambodia*, ILO–EESE (Geneva, ILO, 2014).

Box 2
Breaking the glass ceiling in Asia and the Pacific and achieving gender equality
(Goal 5)

One of the targets under Goal 5 on gender equality relates to equal opportunities for leadership at all levels of decision-making in the political, economic and social realms. In this regard, it is important to look at women in managerial positions.

In 2013, the ILO Bureau for Employers' Activities (ACT/EMP) surveyed 418 Asia and the Pacific enterprises across seven countries. The findings suggest that women remain an underused pool of talent, at a time when talent and skill shortages are restricting business growth.

In almost half of the companies (45 per cent) women represented 10 per cent or less of senior managers; little more than 5 per cent of chief executive officers of publicly listed companies were female. However, in much of Asia women are catching up with, and surpassing, men in educational attainment, representing an often untapped national resource. Increasingly, women's economic engagement is seen as smart economics, and gender diversity as necessary for competitive business performance. In this context, employers' and business organizations have a key role in creating greater awareness of the business case for a gender-balanced workforce, especially at senior decision-making levels. A similar survey was conducted in the Arab States, where some countries are encouraging more women to climb the ladder. In the United Arab Emirates 10 per cent of women are in managerial positions, in Qatar 12.2 per cent and in the Occupied Palestine Territory 15 per cent, yet the Arab subregion shows the lowest representation globally.¹

¹ ILO (ACT/EMP): *Women in business and management: Gaining momentum in Asia and the Pacific* (Bangkok, 2015); and ILO: *Women in business and management: Gaining momentum in the Middle East and North Africa* (Beirut, 2016).

3. Drivers affecting the future of work

44. The future of work lies at the centre of the centenary initiatives, and it has been actively embraced in Asia and the Pacific. Some 40 countries in the region have expressed their support for national tripartite dialogues on the future of work.

45. Progress towards the 2030 SDGs will also be dependent on how the world of work, and public policies and national legislation, respond to current megatrends and external drivers. These include demographic shifts, technological advances and integration through trade and investment, all of which have implications for skills and for labour supply and demand. The region will also have to adapt to more environmentally sustainable methods of production and consumption.

Demographic pressures

46. Between 2015 and 2030, the share of the 65-plus age group in the region's population is expected to increase from 8 to 12 per cent. People are living longer, and often choose, or have to, continue working, and governments are facilitating later retirement.³⁸ At the same time, a higher proportion of older workers will be female. An ageing workforce has typically been a characteristic of the region's high-income countries – Australia, Japan, New Zealand and Singapore – but it is also happening in middle-income countries such as China, Sri Lanka and Thailand, and even in lower-income countries such as Bangladesh and Myanmar. Indeed, many countries may become old before they become rich, which is particularly worrying for those with underdeveloped pension systems.

³⁸ Often with the added intent of alleviating pressures on pension systems.

47. In East Asia, ageing poses a risk of labour shortage as well as an increasing dependency burden, as there will be relatively fewer workers to support a rising dependent population. Over the period 2015–30, population growth will slow to 0.8 per cent per year while labour force growth will fall even faster, to 0.5 per cent per year.

48. Ageing societies across the region will demand new policy responses. One is to encourage wider labour force participation, particularly from women in the Arab States and in South Asia. Countries could capitalize on the contribution of older workers, through workplace adjustments and opportunities for lifelong learning. An older population needs to rely on effective pension, health and long-term care systems, with implications for the number of care workers. Another means of addressing labour shortage would be to promote a multilateral framework of migration.

49. Other parts of the region also show signs of an ageing population, but here the main challenge will be to create sufficient quality employment for an expanding workforce. Over the next 15 years, the working-age population (aged 15-plus) will increase by 1.6 per cent per year in South Asia and by 2.4 per cent per year in the Arab States, thus increasing the urgency to create more decent jobs.

50. The youth labour force will have the fastest average annual growth in the Arab States where, by 2030, young people will make up 24.8 per cent of the workforce. In the Pacific, they will be 18.4 per cent of the workforce. Countries where, in 2015, already over a quarter of the population comprised young people (Afghanistan, India, Iraq, Lao People's Democratic Republic, Philippines, Solomon Islands, Timor-Leste and Vanuatu) could capitalize on their young labour force and the demographic dividend by investing in skills and decent jobs creation, as the percentage of young people in the labour force will continue to be high for some time. Otherwise, young people may face a lifetime of low-skilled, low-paid employment, with the risk of perpetuating working poverty.

Workers on the move

51. Millions of Asian workers are moving across borders, mostly to neighbouring countries within the region. They also move from South and East Asia, particularly to the GCC countries. There is also considerable migration in the Arab region, which has 12 per cent of the world's migrant workers and where 36 per cent of the workforce are international labour migrants. Conflict in the Arab region has contributed to many Syrians moving to Iraq, and especially Lebanon and Jordan, for safety and employment. Lebanon and Jordan also have large migration rates to the GCC countries among their nationals, owing to their high rates of youth unemployment. Labour migration results in significant remittances: in 2014, migrant workers in the GCC States alone remitted \$92 billion.³⁹

52. Spurred by rural–urban disparities, workers are also moving within countries from rural to urban areas, sometimes on a time-bound and/or seasonal basis. Over the next 15 years, the share of the urban population in Asia and the Pacific is projected to rise from 48 to 56 per cent, though there will be differences between subregions.⁴⁰ Urbanization increases opportunities for workers and boosts overall productivity, but it can also result in

³⁹ World Bank: Migration and Remittances data, April 2016.

⁴⁰ Rising from a much lower starting point, the level of urbanization in South Asia will remain much lower, reaching 42 per cent in 2030.

joblessness and vulnerability. Many rural–urban migrants end up in the informal economy and in vulnerable forms of work, mainly as construction workers, street traders, waste pickers, transport workers, domestic workers or as home-based workers in industrial “putting-out” systems.⁴¹ Governments will need to promote inclusive urban development and facilitate the transition from the informal to the formal economy.

Technology will create new jobs, but destroy some existing jobs

53. Technological changes are occurring in many areas, including agriculture, energy efficiency, machine tools and information-related technologies. New technologies have far-ranging, as yet unrealized, potentials extending well beyond their direct impact on the labour market. Greater access to new technologies in a world in which technological advance has never been more rapid nor more diffused holds both promise and pitfalls for the world of work. At the very minimum, the Asia and the Pacific region can expect labour market changes as occupations (and skills) become obsolete and new ones are created.

54. Technological change enables growth and productivity, enhances product quality, creates potential for increased earnings and can improve occupational safety and health (OSH).⁴² In the process, it can also lead to job losses.

55. Technology will displace certain forms of labour in some sectors. In other instances, technology will complement existing jobs, improving the productivity of the jobholder. Whether technology complements or displaces a job depends strongly on the level of skill required. The higher the level of skill, the more likely it is that technology is a complement to the job, although this certainly does not exclude risks of replacement, for instance by rapid advances in artificial intelligence and “big data”. Studies show that some low-skilled manual tasks, especially routine and non-cognitive tasks, are being automated through new technologies.⁴³ This may lead to job losses in the short term. The extent of potential job losses will vary, depending on the current structure of production, policies and institutional frameworks, and could range from an estimated 27 per cent in Thailand and 23 per cent in Fiji to 5 per cent in India.⁴⁴ An ILO study on the ASEAN +5 economies found that the workers most at risk were women and the least educated.⁴⁵

⁴¹ ILO: *Statistical report of the Decent Work Decade 2006–15: Asia–Pacific and the Arab States* (Bangkok, 2016).

⁴² Information-related technologies merit a special mention. By enormously increasing the speed and capacity of information storage, analysis and dissemination, they not only accelerate further technological advances in all areas of economic activities, but also directly affect the way markets are organized by reducing transaction costs and increasing market efficiency.

⁴³ D. Campbell and P. Egger: *The future of work in Asia–Pacific: What do the disparate trends portend?* Background paper for the 16th Asia and the Pacific Regional Meeting 2016 (Bangkok, ILO, forthcoming).

⁴⁴ ADB: *Key Indicators for Asia and the Pacific 2015* (Manila, 2015). Available at: <http://www.adb.org/sites/default/files/publication/175162/ki2015.pdf> [accessed 13 May 2015].

⁴⁵ ILO: *ASEAN in transformation: The future of jobs at risk of automation*, op. cit.

56. Beyond substituting or complementing existing jobs, technological innovation is likely to create entirely new occupations. Realizing this potential is not frictionless, however, and other factors, such as lack of infrastructure, educational attainment, governance and institutional mechanisms, also shape the future of work. Unless these constraints are addressed, the positive potential of technological change may remain unrealized in the medium term.⁴⁶

57. A useful proxy for the uptake of digital technology is the proportion of the population with access to the Internet. People in countries with high levels of access are more likely to use information and communications technology in everyday business activities. In North America, for example, in 2014, access was 87 per cent, and in Europe 78 per cent. In Asia and the Pacific as a whole, the proportion was only 34 per cent, though this masks wide disparities, from Japan (91 per cent), New Zealand (86 per cent) and Australia (85 per cent) to around 16 per cent in South Asia.⁴⁷

58. However, the speed of adoption will be governed by relative prices, making, for example, investment in labour-saving robotics in manufacturing more economic in some settings than in others. Many countries in the region have an abundant supply of labour which remains cheaper than the technology that might displace it. However, robots are becoming less costly and therefore more accessible to smaller manufacturers.⁴⁸ Moreover, the economics of prices play out differently in other contexts – for example, the diffusion of mobile handheld devices, which in low-income countries is far-reaching, has indeed reshaped markets and employment relations. There is also an increasing trend towards the deployment of automation and robotic processes to raise the productivity of existing workers and not necessarily to replace them.⁴⁹

59. Another facet of technological change already observed in the region is the shift in employment relationships. New technologies could make it easier to employ people in non-standard forms of employment, including piece-rate and putting-out systems. In well-established private markets of for-hire transport, for example, the taxi driver is most often a wage earner. An Uber driver performing the same service is classified as self-employed.⁵⁰ A consequence of the existing market segmentation is that it will create winners and losers in the process of technological change. The challenges ahead, therefore, are not merely individual but institutional and political. Therefore, updating and upgrading labour market institutions to deal with the effects of the technologically-induced displacement of jobs, and ensuring decent work in new types of employment, will be critical. Equally important is laying the education and skills foundations to prepare for new occupations and changes when they happen.

⁴⁶ Campbell and Egger: *The future of work in Asia-Pacific: What do the disparate trends portend?*, op. cit.

⁴⁷ ILO calculations based on the World Bank's World Development Indicators.

⁴⁸ ILO: *ASEAN in transformation: The future of jobs at risk of automation*, op. cit.

⁴⁹ Campbell and Egger, op. cit.

⁵⁰ ILO: *Non-standard employment around the world: Understanding challenges, shaping prospects* (Geneva, 2016).

Box 3

Upgrading skills for future work in the ASEAN subregion

Recent technological innovations are transforming the workplace throughout the ASEAN subregion. Sectors critical for the economy and jobs in the automotive, electronics, garment and footwear industries and others, are witnessing continuous and incremental advances driven by the need to enhance efficiency and product quality and reduce operational cost.

ILO ACT/EMP and the Regional Office for Asia and the Pacific have conducted new research on how technology is affecting the ASEAN subregion. The findings indicate that automation is intensifying, resulting in improved productivity, safer working conditions and displacement of some low-skilled jobs.¹ For example, 60 per cent of automotive suppliers surveyed have seen significant increases in automation in recent years, primarily triggered by the need to reduce costs. However, enterprises still face two big barriers to technology uptake: high fixed capital cost and lack of skilled workers to operate new technology. In this regard, over 65 per cent of enterprises signalled the need for more highly-skilled workers.

The movement of the ASEAN subregion up the skills ladder must accelerate in order to take advantage of the numerous opportunities presented by these dynamics. More than ever, employers should work closely with educational and skills development institutions and governments to strengthen workforce skills and devise new ways to manage the skills pipeline. It is critical to promote core skills such as teamwork and creative thinking, and to foster technical competencies related to operating new technologies in order to enable the ASEAN subregion to harness the technological wave to sustain its economic dynamism.

¹ The research is based on in-depth sectoral case studies, interviews with senior industry leaders, more than 4,000 survey responses from enterprises in the manufacturing and service industries and nearly 3,000 survey responses from students at university and in technical vocational education and training. See: ILO: *ASEAN in transformation: How technology is changing jobs and enterprises* (Bangkok, 2016).

Regional trade agreements enhancing integration

60. The Asia and the Pacific region accounts for some 40 per cent of global exports and imports and is closely integrated into global and regional value chains. Yet, growth in both trade and investment has slowed significantly, leading to potential problems for this export-oriented region.

61. Trade-related employment is likely to increase nevertheless, as a result of regional agreements such as that establishing the ASEAN Economic Community (AEC). Talks are also under way for a Regional Economic Comprehensive Partnership involving ASEAN and six of its dialogue partners: Australia, China, India, Japan, Republic of Korea and New Zealand. In addition, there is the TPP, which includes countries such as Australia, Brunei Darussalam, Japan, Malaysia, New Zealand, Singapore and Viet Nam. Also under discussion are China's plans to negotiate bilateral free trade agreements with 65 countries under the One Belt, One Road Initiative.⁵¹

62. Regional agreements could facilitate labour mobility and create new jobs. Full implementation of the AEC over the period 2010–25, for example, could create around 14 million additional jobs.⁵² By 2030, potential job gains from full trade liberalization and

⁵¹ As of April 2016, China had concluded 12 free trade agreements, including with: Chile, Hong Kong (China), Taiwan (China), Costa Rica, Iceland, Pakistan, Peru, Singapore and Switzerland, and a further eight were under negotiation with Australia, Japan, Republic of Korea, Norway, Sri Lanka, the Regional Comprehensive Economic Partnership, ASEAN and the GCC.

⁵² ADB and ILO: *ASEAN Community 2015: Managing integration for better jobs and shared prosperity*, op. cit.

facilitation between all Asia and the Pacific countries and the Arab States could be substantial. For Asia and the Pacific this could result in an increase in GDP of 2.0 per cent and an increase in employment of 0.9 per cent. For the Arab States, the GDP increase would be 4.6 per cent and the employment increase 1.8 per cent.⁵³ The TPP could also create additional employment growth in the region of 1.1 per cent by 2030.⁵⁴

63. However, the benefits from these agreements will not be evenly spread across the workforce, nor will all new jobs be decent. An Asian Development Bank (ADB)–ILO study found that the gains from the AEC would be less for women. There would also be fewer benefits for low-skilled workers: the mutual recognition arrangements for migrant workers apply only to a subset of highly skilled professions which account for around 1 per cent of total employment. In general, unskilled workers could suffer if the trade agreements lead to competition that compromises job quality. The share of vulnerable employment of newly created jobs could be significant. Addressing these challenges will require tripartite commitment to improve working conditions and rights at work. Countries also need to develop systems and capacities to enforce these agreements, particularly for vulnerable groups, women and migrant workers.

64. Concerning the TPP agreement, the last chapter commits signatories to adhere to fundamental principles and rights at work. In addition, three Asia and the Pacific countries – Brunei Darussalam, Malaysia and Viet Nam – have signed bilateral “consistency plans” with the United States within the TPP framework which could be potentially far-reaching, should all of the agreements be fully adopted and implemented. Among other commitments, Viet Nam has agreed to allow the establishment of workers’ organizations that will not be required to affiliate with the current single trade union structure. Malaysia has agreed to reduce restrictions on union registration, collective bargaining and the right to strike, and the rights of migrants to assume union leadership positions. Brunei Darussalam has committed to changes in laws on union registration and protection against employer interference, to allowing collective bargaining and introducing a minimum wage for private sector workers, and to the right to strike.

65. Employment in the region will also be affected by other trade instruments. For instance, the European Union and the United States use the Generalized System of Preferences (GSP). This offers greater protection for workers, since tariff cuts are conditional on adherence to fundamental international labour standards. In addition, there are GSP+ enhanced preferences, which fully remove tariffs for countries that ratify and apply core international Conventions relating to human and labour rights, the environment and good governance. Mongolia and Pakistan are receiving ILO assistance in this regard.

66. Trade agreements, regional economic communities and infrastructure financing, including the newly established Asian Infrastructure Investment Bank, and the New Development Bank founded by the BRICS States (Brazil, Russian Federation, India, China and South Africa), also offer opportunities to improve workplace compliance by linking economic incentives, eligibility criteria and performance monitoring to ratified and

⁵³ *ibid.* This could result in an increase in GDP of 2.0 per cent and an increase in employment of 0.9 per cent. For the Arab States, the GDP increase would be 4.6 per cent and the employment increase 1.8 per cent.

⁵⁴ K. Kim and F. Zhai: *Economic and labour market impacts of economic integration in Asia–Pacific and the Arab States*, Technical brief for the ILO’s Asia and the Pacific Regional Meeting 2016 (Bangkok, ILO, forthcoming).

recognized international labour standards. In this respect, an important frame of reference is the ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Meanwhile, the Asia-Pacific Economic Cooperation (APEC) forum continues to serve as an important knowledge-sharing tool to facilitate regional dialogue and cooperation.

Upgrading global supply chains

67. Asia and the Pacific enterprises are major suppliers in global value chains – which account for 60 per cent of the region's jobs, typically in industries such as garments, electronics and automobiles, but also increasingly in agriculture and care-related services.⁵⁵ Major supplier bases can be found, for example, in Bangladesh, Cambodia, China, India, Indonesia, Jordan, Pakistan, Philippines, Sri Lanka, Thailand and Viet Nam. Historically, this has primarily involved labour-intensive, low value-added tasks, but there have been signs of upgrading. In China and India, for example, between 2000 and 2014 the proportion of manufacturing exports that were labour intensive fell significantly, with corresponding growth in high-skill and technology-intensive exports. There have been similar improvements in Viet Nam. In Bangladesh and Cambodia, however, labour-intensive work still accounts for roughly 95 per cent of exports.⁵⁶ In para

68. ILO studies have noted that the growth of global supply chains has created opportunities for employment but has been accompanied by a higher incidence of non-standard forms of work with insecure contractual arrangements.⁵⁷ In addition, workers in global supply chains may experience difficulty in joining trade unions or in acquiring coverage by collective bargaining agreements.⁵⁸

69. Nevertheless, initiatives exist in the region for improving governance in global supply chains, and these can be built upon. Following the Rana Plaza tragedy, the Government of Bangladesh and the European Union established a Sustainability Compact, which aims to promote continuous improvements in labour rights and factory safety in the ready-made garment (RMG) and knitwear industries. The ILO's Better Work Programmes in Cambodia, Indonesia, Jordan, Myanmar, Philippines and Viet Nam work with governments and factories to improve working conditions. In Thailand, exports of seafood products have come under scrutiny; a number of reports in recent years have highlighted unacceptable forms of work in the fishing and seafood industry.⁵⁹ Since then, there have been efforts to strengthen legislation and step up labour inspections, and a number of interventions have been initiated by the Government of Thailand, the private sector, workers'

⁵⁵ ILO: *World Employment and Social Outlook: Trends 2016*, op. cit.

⁵⁶ ILO staff calculations based on the United Nations Conference on Trade and Development (UNCTAD) trade statistics: <http://unctadstat.unctad.org/wds/TableView/tableView> [accessed 6 June 2016].

⁵⁷ ILO: *World Employment and Social Outlook: Trends 2016*, op. cit.; ILO: *Non-standard forms of employment*, Report for discussion at the Meeting of Experts on Non-Standard Forms of Employment (Geneva, 16–19 February 2015).

⁵⁸ ILO: *Decent work in global supply chains*, Report IV, International Labour Conference, 105th Session, Geneva, 2016.

⁵⁹ A 2013 ILO study of conditions of fishers found that 17 per cent of respondents were in forced labour.

organizations and non-governmental organizations (NGO). Many young people in countries including India and the Philippines are employed in supply chains in emerging industries such as business process services, and their working conditions will need to be monitored.⁶⁰ Lessons learned from these experiences have shown there is scope for wider interaction and synergies between the tripartite constituents, in order to improve governance and monitor working conditions in global supply chains.⁶¹ The conclusions of the International Labour Conference discussion on decent work in global supply chains also noted the need for appropriate governance systems and for measures by governments and social partners to achieve consistency between economic outcomes and decent work in global supply chains.⁶²

Greening production and jobs

70. Economic prosperity and social progress in this region are threatened by environmental degradation and climate change, bringing adverse effects for jobs and livelihoods. Much of the damage comes from extreme weather, as witnessed in Bangladesh, the Philippines and the Pacific.⁶³ Asia and the Pacific is the most vulnerable region globally with respect to such extreme weather events, accounting for more than 60 per cent of the world's fatalities from such events and 90 per cent of deaths from natural disasters during the past decade. It also accounts for half of the damage caused by natural disasters, dominated by hydrogeological disasters such as storms.⁶⁴ These are precisely the disasters that are estimated to increase under climate change scenarios. The economic damage has been especially strong in agriculture owing to the dominance of that sector in terms of livelihoods. Women are often heavily involved in agriculture and food production and are thus at the forefront of dealing with the impacts of climate change.

⁶⁰ See: "At the front of the back office", in *The Economist* (June 2012), at: <http://www.economist.com/node/21557350>; and *ILO book sheds light on working conditions in the remote work industry*, ILO press release (July 2010), at: http://www.ilo.org/global/about-the-ilo/media-centre/press-releases/WCMS_142686/lang--en/index.htm [accessed 12 May 2016].

⁶¹ ILO: *Decent work in global supply chains*, Report IV, International Labour Conference, 105th Session, Geneva, 2016.

⁶² ILO: *Reports of the Committee on Decent Work in Global Supply Chains: Resolution and conclusions submitted for adoption by the Conference*, Provisional Record No. 14-1, International Labour Conference, 105th Session, Geneva, 2016.

⁶³ In 2007, in Bangladesh, for example, cyclone Sidr disrupted several hundred thousand small businesses and adversely affected 567,000 jobs. In 2013, typhoon Yolanda devastated parts of central Philippines, affecting 6 million workers. This was followed by typhoon Hagupit, in December 2014, affecting approximately 800,000 workers. The Pacific subregion has also been affected repeatedly by cyclones, resulting in flooding in Fiji in 2012 and the Solomon Islands in 2013. A total of 504,050 workdays and VUV1.6 billion of personal income were lost when cyclone Pam hit Vanuatu in 2015. In February 2016, category 5 tropical cyclone Winston struck the Western and Northern Divisions of Fiji, where 55 per cent of the national workforce reside.

⁶⁴ United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP): *Statistical Yearbook for Asia and the Pacific 2013* (Bangkok, 2013). See: Did you know? F5. Natural disasters, p. xiii; and section F. Environment: F5. Natural disasters, pp. 207–214.

71. ILO studies show that over the next two decades the transition to a greener, low-carbon economy could generate up to 60 million additional jobs worldwide.⁶⁵ These may come from newer sectors such as renewable energy, recycling, green services and ecotourism, but also from the transformation of existing resource- and carbon-intensive sectors such as agriculture, fisheries and forestry, manufacturing, construction and transport. The Asia and the Pacific region, with its large emerging economies, is likely to account for many of these jobs should greener production methods be promoted.

72. The region has produced good examples of innovative initiatives that can be adapted by others, such as the Green New Deal of the Republic of Korea and China's policy of embedding environmental sustainability in national development policy. Many of these new jobs involve renewable energy. Another major source of green jobs is waste recycling. However, not all jobs in recycling or renewable energy are "decent" since these often involve informal employment in poor working conditions. In 2010–14 for a range of Asia and the Pacific countries – Bangladesh, India, Indonesia, Malaysia, Mongolia and Philippines – core environment-related jobs still accounted for less than 10 per cent of total employment, and green jobs ranged from 2 to 4 per cent of the total labour force.⁶⁶

73. There is, accordingly, much scope for creating jobs through more sustainable production and consumption. According to ILO estimates, by 2030 around 2 per cent of global jobs could be green. In the region, this could mean 50 million green jobs.⁶⁷ This is highly relevant in light of the Paris Agreement, a global accord adopted by the 2015 United Nations Climate Change Conference which stresses the importance of a "just transition" of the workforce as part of a shift towards a low-carbon and sustainable economy. Any such transition entails the creation of decent work and quality jobs. ILO guidelines on transitioning to a greener economy will be fundamental for shaping policy. Accordingly, it will be necessary to anticipate and mitigate job losses in emission- and resource-intensive sectors while anticipating the skills requirements for new and emerging jobs, and considering ways of financing green technologies and supporting infrastructure.

4. Building an inclusive future with decent work

74. Thus, both opportunities and challenges exist in the world of work in Asia and the Pacific, but the scenarios will depend on a number of contexts. One certainty is that there will be labour market changes. How well countries in the region are placed to deal with these changes will determine how much they are able to gain from the evolving labour market dynamics driven by technology, integration, demography and climate change. A key issue here is how the surpluses generated by productivity gains from technological change and integration can be used to promote overall inclusive growth in the region so that "no one is

⁶⁵ ILO: *Working towards sustainable development: Opportunities for decent work and social inclusion in a green economy* (Geneva, 2012). Available at: http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_181836/lang--en/index.htm [accessed 12 May 2016].

⁶⁶ ILO: *Green jobs mapping studies in Asia (2010–12)* (Bangkok, 2013); ILO and Economic Policy and Competitiveness Research Center: *Green jobs mapping in Mongolia* (Ulaanbaatar, 2014).

⁶⁷ ILO: *Global challenges for sustainable development: Strategies for green jobs* (Geneva, 2008); Asia Business Council: *Addressing Asia's new green jobs challenge*, ILO background paper for Green jobs for youth: An ILO knowledge sharing event on what works in youth employment in the transition to a green economy, Hong Kong, China, 2009.

left behind” – the goal of the 2030 Agenda for Sustainable Development. The role of public policy in addressing these challenges and creating inclusive labour markets is particularly critical.

75. There are indications that disparities could widen between different countries in the region as well as between different groups of workers in already segmented labour markets, such as the low skilled and the highly skilled, women and men, migrants and non-migrants, young or older workers and others, and rural and urban workers.

76. A trend that is likely to continue and take stronger hold is the use of non-standard forms of work, which includes temporary, part-time, dispatch or contract work. Based on current surveys by the ILO it is clear that these new forms of employment are on the rise and will probably continue to rise in the near future.⁶⁸ In China in 2010, 63 per cent of those employed were in non-standard forms of work.⁶⁹ In Cambodia (2012) and Pakistan (2008–09), the proportion was more than 50 per cent. In the Philippines (2009), one in four wage workers had non-standard jobs.⁷⁰ In India in 2011–12, contract work in the organized manufacturing sector accounted for 34.6 per cent of employed persons, up from 20.3 per cent in 2000–01.⁷¹ As they move away from the traditional employer/employee relationships, workers forego many of the associated benefits in terms of employment security, regular pay, social protection and supportive employment legislation. This can catalyse inequality.

77. Unless Asia and the Pacific countries take action, there could be a widening of disparities in already segmented labour markets. The solution, however, is not to stem the pace of change but to prepare for it, and to shape the desired future. This means striking a balance by creating decent jobs for the expanding workforce and ensuring that the emerging employment opportunities are decent and open to all, while protecting those who lose out. This will require innovative strategies and creative solutions for promoting decent employment, productivity and skills, for achieving effective labour market institutions that promote equity, and for strengthening social dialogue and tripartism.

4.1. Promoting decent employment, productivity and skills

78. The key question for countries in the region is: “Where will the new jobs come from?” Agricultural employment is shrinking, as expected, though in some countries in South Asia and East and South-East Asia the share still remains significant and there is

⁶⁸ ILO: *Non-standard employment around the world: Understanding challenges, shaping prospects*, op. cit.

⁶⁹ X. Zeng et al.: *The current situation and evolving process of non-standard forms of employment in China* (Beijing, ILO, forthcoming).

⁷⁰ H.C. Nguyen, T.T. Nguyen-Huu and T.T.L. Le: *Non-standard forms of employment in some Asian countries: A study of wages and working conditions of temporary workers*, Conditions of Work and Employment Series No. 69 (Geneva, ILO, 2016).

⁷¹ Annual Survey of Industries (ASI), Government of India, Ministry of Statistics and Programme Implementation. See: http://mospi.nic.in/Mospi_New/upload/asi/ASI_main.htm?status=1&menu_id=88 [accessed 12 May 2016].

potential for change.⁷² A recent study by the ILO showed that raising agricultural productivity is important for tackling poverty in the rural sector. Enhancing economic linkages from the rural sector to other parts of the economy and to outside markets is important in transforming jobs to end poverty.⁷³

79. On the other hand, there is “premature deindustrialization” in some developing countries in the region and industry’s capacity to absorb labour has fallen considerably.⁷⁴ Between 1991–2004 and 2005–13, the elasticity of employment in the industrial sector fell in all subregions except the Pacific.⁷⁵ Each percentage point increase in industrial output is thus generating less employment than previously. The service sector has expanded in several Asia and the Pacific countries, but much of that expansion remains in trade and transport in the informal sector. There has been growth in modern services too, especially in information and communications technology in countries such as India, China and the Philippines, but to what extent services can be the engine of growth in developing Asia remains a question.⁷⁶

80. The path of productive transformation for countries in the region is unlikely to be smooth. There are concerns about both the demand and supply sides: promoting growth in high productivity sectors and having a skills base and capabilities to do so, while ensuring decent jobs for the large numbers of less skilled. Avoiding the “middle-income trap” for countries that already have well-developed labour-intensive manufacturing, and moving into higher value-added or more technology-intensive activities, will require vision and coordinated macroeconomic, industrial, trade, employment and skills policies. Most middle-income countries will need to upgrade their skills and standards in order to remain competitive and move up the value chains.

81. The region has a high share of workers who are low skilled. Improving education and skills, especially for the large numbers of young workers, formalizing the informal, and raising rural productivity and incomes, will be increasingly critical in the near future. At the same time, the challenge will be to create a sufficient number of decent jobs in the formal sectors of economies, especially for the young. One sector with the potential for creating more jobs that can be decent, if regulated and monitored, is the care sector, as ageing

⁷² In China, Indonesia, Malaysia, Mongolia, Philippines, Sri Lanka, Thailand and Viet Nam, for example, by 2010 agriculture had shrunk to less than 40 per cent of employment. In many countries in the Arab States, agriculture has historically been a smaller share of total employment, by 2010 ranging from 1 per cent in Bahrain to 25 per cent in Yemen.

⁷³ ILO: *World Employment and Social Outlook 2016: Transforming jobs to end poverty* (Geneva, 2016).

⁷⁴ F. Tregenna: *Manufacturing productivity, deindustrialization and reindustrialization*, United Nations University–World Institute for Development Economics Research (UNU–WIDER), Working Paper No. 57/2011 (Helsinki, Sep. 2011).

⁷⁵ The elasticity of employment is the change in employment with respect to one unit change in output. This has been estimated using data from the UN ESCAP online statistical database on GDP, by activity in 2005, US\$ millions and employment by sector. Subregional estimates were used.

⁷⁶ S. Dasgupta and A. Singh: “Will services be the new engine of Indian economic growth?”, in *Development and Change*, Vol. 36, No. 6, pp. 1035–1057 (Oxford, Wiley-Blackwell, 2005); D. Kucera and L. Roncolato: “The manufacturing–services dynamic in economic development”, in *International Labour Review* (Geneva, ILO, 2015).

populations combined with women's participation in the labour market in this dynamic region will require more paid care givers.

82. Strong and inclusive growth will rely on well-functioning and up-to-date education and skills systems for all groups of workers. Secondary education is the starting point, as the prerequisite for most technical/vocational training. Here there are significant gaps. Even in middle-income countries such as India, Indonesia, Philippines, Sri Lanka, Thailand and Viet Nam, about seven out of ten workers have lower than secondary education.⁷⁷ Even among the educated, skills mismatch remains a concern.

83. Furthermore, in a region that has experienced several natural disasters and conflicts and remains fragile, support to jobs and livelihoods in the populations most affected by conflicts and disasters assumes great importance.

84. Coordinated policy-making for more and better jobs will require labour market information systems that collect good quality, regular and internationally comparable data that can be used to monitor labour market developments and analyse policy. At the same time, countries will need to strengthen their capacity to compile, analyse and use such data for policy implementation and adjust in a timely manner to labour market developments.

Coherent macroeconomic, trade, finance and labour market policies

85. Pushing economies up the income ladder requires coherent and comprehensive employment frameworks and economic policies that promote decent work for all (Goal 8). Building the technical capacity of governments to operate the necessary policy levers in a coordinated and coherent fashion with consideration for demand and supply sides will be increasingly critical. To improve policy-making for more and better jobs, a number of countries have created inter-ministerial bodies for promoting employment, including for young people and women, examples being Cambodia, China, India, Iraq, the regional government of Kurdistan and Sri Lanka, but improving coordination will need to be a priority. Furthermore, building the capacity of workers' and employers' organizations through coordinated policies is critical.

86. As the 2015 Addis Conference on Financing for Development also found, it is important to ensure effective linkages between decent work and policies on financing and development. At the national and global levels, recognition of how labour and social outcomes are shaped by employment-friendly macroeconomic and sectoral policies will be more and more important. Goal 8 could thus provide the basis for a virtuous cycle of development that promotes decent employment, boosts consumption, spurs demand and increases the savings needed to finance private and public investment. This will require mobilization of domestic resources through development of financial markets, and the fiscal space to invest in decent work and prioritize investments and infrastructure in favour of decent job creation.

⁷⁷ Data from the ILO's central statistical database (ILOSTAT) for India, data from the National Sample Survey 2009–10 (68th round).

Enhancing skills and improving productivity

87. Investing in skills is critical for fostering inclusive growth and reducing inequality and poverty.⁷⁸ Skills upgrading will need to accelerate across the region if member States wish to capitalize on trends in economic integration and technology innovation to boost productivity and job quality. For example, in the ASEAN subregion, demand for highly skilled employment is projected to increase by 41 per cent between 2010 and 2025, partly driven by the formation of the AEC.⁷⁹ Skills development will also facilitate the transition to a greener economy. Developing cognitive skills for green jobs can raise environmental awareness, increase resource efficiency, reduce waste and increase energy efficiency. Clearly, given the changes that are in store for the world of work, how governments and businesses prepare for the change by investing and developing the required skills and standards, and by investing in their young people, will determine to a large extent which countries gain from the changes.

88. Moreover, technological advances in the workplace can boost productivity and improve job quality if the right mix of skills is available in the workforce. While one study indicates that nearly three in five jobs in the ASEAN subregion could become automated in the next couple of decades, it also points out the types of occupation that are less prone to automation.⁸⁰ These less susceptible jobs require strong core skills, such as interpersonal communication, creative and analytical thinking, and the technical expertise to operate new technologies. Major efforts are needed to encourage more students to take science, technology, engineering and mathematics (STEM)-related courses and there is a particular need for greater efforts to ensure that female students study STEM subjects and pursue employment in these growth sectors.

89. Governments and businesses need to anticipate the skills needed, using sectoral bodies such as skills councils. In close consultation with industry and workers' groups, these councils can set standards, develop qualification frameworks, certify skills, improve the training provided by technical and vocational education and training (TVET) institutions and enhance connectivity between education and training institutions and employers. Achieving this will require coherent economic, employment and skills policies, with full engagement by different government ministries, the private sector, education and skills institutes, and workers. Singapore and the Republic of Korea, for example, have successfully integrated skills development into their national economic development strategies. Bahrain and Jordan have made skills an integral component of their sectoral development strategies.

90. Also important is formal skills recognition, particularly in sectors such as domestic work and construction, which are booming across the region. The Regional Model Competency Standards for Domestic Work developed by the Philippines are a good example, establishing key competencies for domestic work, valuing it accordingly and improving working conditions.

⁷⁸ OECD: *The G20 skills strategy for developing and using skills for the 21st century*, report prepared with inputs from the ILO for the third G20 Employment Working Group Meeting, 23–24 July 2015, Turkey.

⁷⁹ ADB and ILO: *ASEAN Community 2015: Managing integration for better jobs and shared prosperity*, op. cit.

⁸⁰ ILO: *ASEAN in transformation: The future of jobs at risk of automation*, op. cit.

91. Integrated skills recognition systems in, for example, the GCC, South Asian Association for Regional Cooperation (SAARC) or ASEAN countries, in particular covering occupations in migrant-intensive sectors such as construction and domestic work, would facilitate the recruitment and placement of migrant workers to the satisfaction of employers and increase migrant workers' earning opportunities, especially if such systems were to be synchronized with skills recognition systems in Asian countries of origin.

92. All these activities must be supported and complemented by well-designed active labour market policies. These include employment services, career guidance, job counselling, employment guarantee programmes, labour market information, and support for SMEs and micro-enterprises.

Supporting enterprise growth

93. SMEs are often the most important source of jobs in the region. Indeed, in Asia and the Pacific, over 70 per cent of job growth occurs in enterprises with five to 99 employees.⁸¹ In the case of South Asia, firms with fewer than 100 employees create most of the jobs, but many are unregistered and informal. In India, in 2007, for every registered/formal SME there were 17 unreported ones.⁸² Promoting decent work in SMEs in the region is key. Asia's SMEs will need business skills, systems and processes in order to aim for the "triple bottom line": competitiveness, good labour practices and reduced environmental impact.

94. Growth of SMEs and other enterprises will require improvements in the business environment to make it easier for businesses, particularly those headed by women, to operate and grow. In particular, enterprise growth requires access to credit. The ASEAN Business Advisory Council, for example, in November 2015, launched a financing programme for SMEs called the Growth Accelerator Exchange. These regional initiatives could create awareness and a willingness to support SMEs and facilitate market connections so as to link them better to global supply chains. The Banque du Liban-Kafalat loan guarantee for SMEs is another innovative example. Also critical is access to energy and good infrastructure, as well as support for property rights and the rule of law.

95. In 2007, the International Labour Conference provided guidance on how to promote enterprise development in a manner that aligns enterprise growth with sustainable development objectives and the creation of productive employment and decent work.⁸³ Employers' organizations in Asia and the Pacific have been promoting responsible and sustainable enterprises and decent work, and can further expand these initiatives, in particular by helping women, young people and vulnerable communities to pursue entrepreneurship.

⁸¹ ILO: *Small and medium-sized enterprises and decent and productive employment creation*, Report IV, International Labour Conference, 104th Session, Geneva, 2015.

⁸² K. Kushnir, M.L. Mirmulstein and R. Ramalho: *Micro-, small, and medium enterprises around the world: How many are there, and what affects the count?* World Bank-IFC Micro, Small and Medium Enterprise Country Indicators 2010.

⁸³ ILO: *Conclusions concerning the promotion of sustainable enterprises*, International Labour Conference, 96th Session, Geneva, 2007.

Promoting decent work in the rural economy

96. About half of the population of Asia and the Pacific work in rural areas where poverty is most pronounced, informality high and access to quality infrastructure and social protection low. In addition, production systems are less diversified, subject to seasonal volatilities and susceptible to multiple shocks such as natural disasters and commodity price fluctuations.

97. In recent years, as rural households have aimed to diversify their sources of income, younger family members have often migrated to urban areas or across national borders while others remained on the land to ensure income or food security. It has also been easier for men than women to move out of agriculture.⁸⁴ Women, less educated or skilled, find it harder to make the transition.⁸⁵ There is a need to create viable non-farm employment opportunities in rural areas for both men and women, while raising agricultural productivity through access to quality infrastructure, services, skills, cooperatives and markets.

98. Agriculture is likely to be profoundly affected by climate change. Higher temperatures and rising sea levels, saline intrusion, desertification and coastal erosion will have an impact on cultivable lands. Regional integration can also increase demand for agricultural products in specific countries. Workers need to prepare by developing their skills and diversifying their sources of income, including moving from sales of primary commodities to those of value-added products.

99. Promoting decent rural employment will demand an integrated strategy involving cooperation among the ministries responsible for labour, agriculture, health, infrastructure, education, and vocational, environmental and social services. Workers need access to stronger public services, such as universal social protection and the social protection floor, and to have a stronger voice and representation in decision-making. Rural employment guarantees for building labour-intensive public infrastructure have helped create employment for many marginalized rural workers in some countries of the region, such as India and Indonesia. At the same time, new types of employment relationships, including precarious ones in plantations and agricultural outsourcing, are emerging. There is a need for governments to consider effective coverage by, and enforcement of, labour law for rural workers and to extend OSH training and inspectorate systems to rural areas, along with social dialogue institutions that advocate workers' rights. Such an integrated strategy is reflected in the initiative by the Government of the Lao People's Democratic Republic to establish a national rural employment strategy.

100. Rural areas need to develop agricultural value chains. The ILO has been assisting rubber farmers in Indonesia, fruit growers and fishers in Sri Lanka, coffee producers in the Lao People's Democratic Republic, potato and leafy green producers in Lebanon, tomato and olive growers in Jordan, livestock producers in Indonesia and Timor-Leste, and homestay providers and tourism services in Sri Lanka and Viet Nam to enhance their incomes by linking to value chains. These initiatives are based on better market intelligence and on enhanced skills in value-adding technical processes, in understanding and negotiating contracts, and in formulating licensing and trading policies that facilitate enterprise and

⁸⁴ See for example: Dasgupta and Verick, *op. cit.*

⁸⁵ In India, for example, an estimated 69 per cent of rural women are either illiterate or have been educated only up to primary level. Source: National Sample Survey 2009–10 (68th round).

group formation and direct marketing. Initiatives such as these highlight the importance of partnerships with relevant private, government and community-based organizations.

Formalizing the informal economy

101. Informality is high in the region – on average 60 to 80 per cent.⁸⁶ The ILO Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), adopted by the International Labour Conference in 2015, encourages countries to design coherent and integrated strategies to facilitate such transition and to make, where appropriate, formalization of employment a central goal of national employment policy frameworks. This includes formulating appropriate macroeconomic and skills policies, simplifying registration procedures, extending the scope of, and compliance with, labour laws, improving access to credit and offering incentives, such as tax incentives, while extending social protection coverage to all categories of workers. Countries in the region, such as India and Nepal, have initiated strategies to formalize the informal economy in line with Recommendation No. 204.

102. There is an urgent need to strengthen capacity to facilitate transition to the formal economy among ILO constituents in the region, by gathering data on, and diagnosing the characteristics and drivers of, the informal economy so that relevant strategies are designed and progress towards formalization is monitored in accordance with Goal 8.3. In 2015, Jordan endorsed a national framework for regulating the informal economy. In Viet Nam, the new OSH law, which came into effect in July 2016, extends its coverage to workers in the informal sector. Much of the work done on this subject in the region has focused on providing training to informal economy workers, in skills, OSH and rights at work.

103. Experience shows that what works best to promote formalization is an integrated strategy that takes into account the diverse characteristics, circumstances and needs of workers and economic units in the informal economy, as well as the necessity to address such diversity with tailored approaches. In Nepal, for example, the ILO has been supporting formalization of the construction sector and identifying clear advantages for all three labour market partners. This is contributing to sustainable formalization of workers and enterprises as well as greater compliance with building codes, OSH regulations and labour law.⁸⁷

104. In view of the challenges presented by rural employment and informality in many ASEAN countries, in September 2016 ASEAN member States adopted the “Vientiane Declaration on Transition from Informal Employment to Formal Employment towards Decent Work Promotion in ASEAN”. This landmark declaration emphasizes the commitment of the ASEAN member States to promote formalization, including in rural areas where 30 to 50 per cent of ASEAN’s workforce is still employed, and to establish collaborative research and analysis and the sharing of best practices.

⁸⁶ ILO: Statistical update on employment in the informal economy, Department of Statistics (Geneva, 2012); ILO: *Women and men in the informal economy: A statistical picture*, second edition (Geneva, 2013).

⁸⁷ The ILO’s project on “Way out of informality: Facilitating formalization of the informal economy in South Asia”, see: http://www.ilo.org/newdelhi/whatwedo/projects/WCMS_211687/lang--en/index.htm [accessed 13 May 2016].

4.2. Achieving effective labour market institutions

105. The trends discussed in sections two and three indicate that Asia and the Pacific will need to upgrade existing labour market institutions as well as create new ones in order to promote inclusive sustainable growth. As noted in the 2008 ILO Declaration on Social Justice for a Fair Globalization, promoting equality and reducing poverty through decent work will require effective labour market institutions for improved labour market governance. Key labour market institutions (LMIs) include legislation and regulations on employment and social protection, anti-discrimination, occupational safety and health, unacceptable forms of work, minimum wages and collective bargaining. These LMIs are critical to the achievement of the SDGs on decent employment for all, as well as for eradicating poverty, achieving gender equality, reducing inequalities and promoting rights.

106. One concern is that these LMIs are often designed for formal and clearly defined standard employment relationships, which have always been less common in Asia and the Pacific developing countries, where a high proportion of the workforce is in the informal sector. In future, the region is also likely to see an extension of non-standard forms of employment. Moreover, in many countries these institutions do not adequately address the needs of formal sector workers, as is evident from the low union density and collective bargaining coverage across the region.

107. Adapting existing LMIs in Asia and the Pacific as well as creating new, relevant institutions that reflect the needs of employers, workers and society at large in an evolving labour market situation, can bring substantial benefits and ensure compliance with relevant laws and regulations.

108. A cross-cutting issue in this respect is the need for better data and monitoring, together with the necessity for the ILO to work with constituents to improve information and evidence on LMIs. Gathering better workplace compliance information will be critical, as well as improved data on social protection coverage and unpaid work, timely and comprehensive data on wages and migrant workers, and other relevant indicators on rights and voice.

Ratifying international labour standards and realizing fundamental principles and rights at work

109. Across the region there are restrictions on the exercise of fundamental rights at work, both in law and in practice. These are often widespread and systemic. Child labour and forced labour are still concerns. Approximately 10 per cent of children in Asia are labourers, and of this group over half are trapped in the worst forms of child labour, often hazardous work.⁸⁸ The Asia and the Pacific region also accounts for 56 per cent of global forced labour.⁸⁹ In some countries, labour legislation imposes considerable constraints on the rights of workers to organize, bargain collectively or strike. Finally, certain categories of workers (defined along lines of gender, caste, ethnicity and disability, for instance) continue

⁸⁸ International Programme on the Elimination of Child Labour (IPEC): *World Report on Child Labour 2015: Paving the way to decent work for young people* (Geneva, ILO, 2015).

⁸⁹ ILO: *Profits and poverty: The economics of forced labour* (Geneva, 2014).

to face systemic difficulties in obtaining, retaining or simply benefiting from educational and employment opportunities.⁹⁰

110. These deficits are reflected in the region's poor ratification record with respect to the ILO's fundamental human rights Conventions, with little progress made since the 15th Asia and the Pacific Regional Meeting.⁹¹ Globally, these eight Conventions enjoy near-universal ratification, but only half of the region's countries – covering about one quarter of the region's workforce – have ratified Conventions Nos 87 and 98 regarding freedom of association and the right to bargain collectively. Asia and the Pacific contain 20 of the 23 countries which have not ratified Convention No. 87, and 26 of the 34 countries which have not ratified Convention No. 98. The anchoring point for policies ensuring well-adapted and effective labour market institutions is ratification and implementation of international labour standards. The region's ratifications of the equality Conventions, the Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), are also among the lowest in the world. As to the forced labour Conventions, in all other world regions the Forced Labour Convention, 1930 (No. 29), and the Abolition of Forced Labour Convention, 1957 (No. 105), have been ratified by all countries, except that the United States has not ratified Convention No. 29; the remaining ratifications are to be found solely in Asia. In addition, the Asia and the Pacific countries that have ratified Convention No. 29 should move to ratify the Protocol of 2014 to the Forced Labour Convention (1930), a legally binding instrument adopted in 2014 that requires States to take measures regarding prevention, protection and remedy in giving effect to the obligations under Convention No. 29. A critical priority for the region is to guarantee the free exercise of fundamental rights at work, in particular by ratifying and fully applying the eight ILO fundamental human rights Conventions. Non-ratification and non-enforcement of these standards result in an uneven playing field that undermines the efforts of responsible, compliant businesses.

Better implementation and labour inspection

111. Even when countries have improved standards and regulations, these can be undermined by weak enforcement. In Asia and the Pacific, the consequence has been hazardous working conditions and recurring catastrophes that have, for example, resulted in the deaths of migrant construction workers in GCC countries, garment factory workers in Bangladesh, Pakistan and the Philippines, and chemical warehouse workers in China. These are only the most visible incidents; poor working conditions and countless accidents and illnesses go unreported.

112. Some of the problems lie in weak labour inspectorates. These are often understaffed and under-equipped, and their officers undertrained and underpaid. They also have to deal with multiple mandates and competing policy priorities. Moreover, either by

⁹⁰ Figures on participation rates of marginalized groups, apart from those cited elsewhere in the Report on the basis of gender, are difficult to come by and are therefore not cited. Also, discrimination against these groups is often manifested in the form of occupational segregation, rather than simple barriers to entry into the labour force.

⁹¹ The eight fundamental Conventions comprise: Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); and Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

legal design or practice, inspectorates limit their focus to formal workplaces, thus excluding vast numbers of workers in the informal economy as well as in agriculture and domestic work, which in Asia and the Pacific account for a large proportion of the working population.

113. If the Goals of the 2030 Agenda for Sustainable Development are to be realized and inequality addressed, labour inspectorates need to be stronger and better equipped to address non-compliance by providing advice, imposing sanctions and offering incentives. This includes the adoption of innovative methods and relying on improved data and a broader network of stakeholders. The new labour law compliance approach in the Philippines, for instance, emphasizes joint assessments (inspector, worker and employer) and compliance certification to encourage firms to respect the labour law. In Indonesia and Jordan, innovative systems to build capacity and promote compliance are being implemented.⁹² In Sri Lanka, a paperless labour inspection systems application has been operationalized across the country. Furthermore, efforts to make the most of limited inspection resources have shown promise by targeting specific sectors such as construction in Viet Nam, fishing in Indonesia and Thailand, or the garment sector in Bangladesh and the Lao People's Democratic Republic. If carried out in conjunction with related government agencies through labour courts and dispute resolution bodies, trade unions and employers' organizations, this can lead to significant improvements in working conditions. The labour inspectorate in the United Arab Emirates has developed the Smart Inspection System, which categorizes the workplaces liable to inspection, based on their level of risk, so that enterprises with the highest perceived risk, namely categories four and five, are prioritized for inspection.

114. Labour inspectorates also need to expand their activities in the informal economy, in line with Recommendation No. 204, by broadening the scope of legal coverage and policy action, as Viet Nam has recently done with its new OSH law.⁹³ Monitoring of recruitment and placement agencies would also be beneficial, as in the example of the ranking system and performance-based awards and sanctions established in Jordan.

Robust wage-setting institutions

115. Increasing wages, especially those of the low-paid, is a critical means of achieving Goal 10 in relation to reducing inequality and harnessing the potential of a consumption-based growth path, as well as Goal 8 in relation to sustainable and inclusive growth and decent work for all.

116. The past five years have seen wage increases across the region, notably in China. This has prompted some to suggest that Asia's competitiveness, based on low wages, is nearing its end. However, even in China and in other countries of the region that have had high or modest wage growth, the labour shares of GDP (or real unit labour cost) have until

⁹² In Indonesia, a system to train and certify labour norms experts has been pursued to build capacity in enterprises to understand and comply with the law. In Jordan, with the purpose of promoting voluntary compliance, the Ministry of Labour developed and applied the Golden List Scheme, with generous incentives for employers who meet its rigorous compliance criteria, which proved to be very successful in the export-oriented industries, particularly in the RMG sector.

⁹³ Recommendation No. 204, Paragraph 27, states: "Members should have an adequate and appropriate system of inspection, extend coverage of labour inspection to all workplaces in the informal economy in order to protect workers, and provide guidance for enforcement bodies, including on how to address working conditions in the informal economy."

recently been decreasing. Wage growth, therefore, has not kept pace with labour productivity growth.

117. Growth in the developing countries of East, South-East and South Asia in particular has largely been based on low-skill, low-wage industries such as garment manufacturing. Productivity growth in such industries will require upgrading of industry and skills, but there is a balance to be struck. Over the long run, if wages grow faster than productivity, this can erode competitiveness. On the other hand, low wages will erode consumer demand and purchasing power. Achieving the right balance will require inclusive, evidence-based development as well as wage policies and institutions.

118. Throughout much of the region, collective bargaining institutions remain weak. In many countries, workers and employers rely almost exclusively on the minimum wage for fixing average wages, whereas the minimum wage should serve as the floor. In middle-income Asia and the Pacific countries, where an increasing share of workers earn above the minimum wage, this poses additional concerns. The developed countries in the region have higher collective bargaining coverage, but over the past decade the rates have declined in Japan, the Republic of Korea and New Zealand. Developing Asian countries such as Malaysia, the Philippines and Thailand also have low coverage, but since 2000 the coverage by collective agreements in China has increased by more than 100 million.⁹⁴

119. Minimum wage setting mechanisms are in place in several countries, especially in East and South-East Asia. However, in some countries the process, evidence and mechanisms for minimum-wage fixing lead to conflict. In addition to opening space for bargaining, governments also need to strengthen minimum wage setting institutions and base their decisions on sound evidence and consultation with trade unions and employers. Several countries have taken steps in this direction. For instance, Jordan, Lebanon, Malaysia, Occupied Palestinian Territory and Viet Nam have set up tripartite bodies to review minimum wages, and Cambodia has committed to annual reviews of its minimum wage by its tripartite body.

Building social protection systems, including floors

120. Social protection expenditure in Asia and the Pacific is still below the global average, resulting in low levels of coverage and benefits. In a number of Arab States, the GCC countries, the rate is closer to the global average; however, a large proportion of workers in these countries are migrants who are not entitled to social protection coverage.⁹⁵ Given the high growth rates observed in East Asia, South-East Asia and South Asia, there is scope for improving social protection expenditure. Financing of social protection through a combination of taxation and expanded social insurance will be a priority for governments. Several contingencies are often still an employer liability and consequently do not offer

⁹⁴ See C.-H. Lee, W. Brown and X. Wen: “What sort of collective bargaining is emerging in China?”, in *British Journal of Industrial Relations* (2016, Vol. 54, No. 1, March), pp. 214–236.

⁹⁵ This refers to the regional average, weighted by total population, and thus may mask significant differences between countries.

adequate protection. Countries in Asia and the Pacific need to increase expenditure on social protection.⁹⁶

121. Systems of social protection will need to respond to trends in workplaces and societies, as highlighted in sections two and three of this Report. In the workplace, workers are being exposed to employment relationships that are more casual and precarious. Societies are being faced with rapidly ageing populations, bringing serious implications for pensions and for health and long-term care systems – as in China, Thailand and Viet Nam.

122. Many households no longer comprise a male breadwinner and a stay-at-home carer. As the stereotypical gender roles gradually undergo changes, countries will need to develop child- and family-centred transfers and, most importantly, maternity, paternity and parental care leave, taking into account the characteristics of informal sector and migrant workers.

123. With a view to reducing inequalities, Asia and the Pacific countries need to aim for at least a social protection floor for all, irrespective of gender, migration status, ethnic or social origin, religion or occupation. This implies a comprehensive package of benefits based on the guarantees of the Social Protection Floors Recommendation, 2012 (No. 202): access to essential health care and income security for children, persons in active age who are unable to earn sufficient income, and older persons. Future reforms, achieved through social dialogue and guided by ILO standards such as the Social Security (Minimum Standards) Convention, 1952 (No. 102), and Recommendation No. 202 are increasingly necessary. These must be based on the principle of pooling risks and establishing a balance between adequate provision and sustainability.

Tackling gender gaps

124. The 2030 Agenda for Sustainable Development establishes the Goal of gender equality. Countries across the region have to identify the blockages, and also the keys, to unlocking women's full potential. This will require policies and programmes, at both national and regional levels, to increase women's participation rates, eliminate occupational segregation and ensure women's representation in collective bargaining agreements. The aim is to reduce gender pay gaps and introduce policies and legislation that enable women and men to strike a better work–family balance. Increasing women's participation in the labour force will also mean reducing their burden of unpaid care work, by investing in good quality, affordable and accessible social care infrastructure and provisions, as well as promoting a culture of family-shared responsibilities. This frees many women to work outside the home, but there is a need to create decent jobs in the care sector.

125. Governments have been addressing the gender employment challenge through specific laws. Viet Nam, for example, enacted the Law on Gender Equality in 2006, ensuring equality in the field of employment and labour. By enacting the Workplace Gender Equality

⁹⁶ “Employer liability” refers to a situation in which the law establishes employer responsibility to cover the costs arising from a specific contingency, for instance providing paid maternity or sick leave during the period stipulated by the law. Under a social insurance mechanism, workers, employers and/or the government contributes to a funding pool that covers those costs, replacing the employer financial responsibility. The social insurance mechanism offers additional guarantees that an adequate provision is provided, as it reduces the dependency on employer compliance during the event. In addition, it also allows costs to be shared, depending on how the funding arrangements are established (with the exception of employment injury insurance which is usually fully funded by employers).

Act 2012, Australia modernized the Equal Opportunity for Women in the Workplace Act 1999 to support cultural change in workplaces and improve gender equality.

126. The agendas of the 2017 and 2018 sessions of the International Labour Conference will include a standard-setting item on “Violence against women and men in the world of work”. Those most vulnerable to violence are workers in low-skilled and precarious positions, especially those working in isolation such as live-in domestic workers. Women in particular should be able to work free from sexual harassment and violence. Women also face multiple risks when travelling to work, which may deter them from seeking employment or reduce their range of opportunities. When considering routes and fares for different forms of public transport planners thus need to take full account of gender equality. In South Asia, countries are focusing on creating safe and harassment-free workplaces, but more needs to be done. Bangladesh, India, Pakistan and Sri Lanka have introduced legislation to prevent and address sexual harassment in the workplace and public spaces and to remove barriers to women engaging in night work.⁹⁷

127. Gender-responsive budgeting is another area for consideration. Japan, for example, has demonstrated political commitment to gender equality by providing tax incentives to encourage women to work full-time, and by aiming to have women occupying 30 per cent of leadership positions by 2020 and to increase the number of child-care places by 2018.

128. National laws and policies on employment could also respond to lesbian, gay, bisexual and transgender concerns. In India, for example, in 2014 the Supreme Court passed a historic judgment according to which transwomen would be able to seek protection under laws for women. It also included directives to state and central governments to set up transgender welfare boards and formulate employment policies that favour transgender people.

129. Gender pay gaps persist, and tackling this will mean ensuring that wage-fixing processes are free from gender bias. A particular concern for women is piece-rate wages in home-based industries, which are generally very low and ad hoc. A more systematic approach to determining piece rates would involve converting daily wages on the basis of the normal quantum of work completed at a healthy pace, while considering home-based operating expenses.

130. A critical policy area is women’s entrepreneurship. Most countries have entrepreneurship policies and programmes but few address the specific and varied needs of male and female entrepreneurs. Viewing the existing entrepreneurship policies and programmes through a gender lens and developing policies and legislation to foster women’s entrepreneurship and address inequalities would ensure better returns.

Protecting migrants

131. International labour migration offers a triple win. It is a win for the destination countries that gain labour and skills which contribute to economic growth. It is a win for the countries of origin that consequentially have lower unemployment while gaining remittances

⁹⁷ In 2003, India ratified the Protocol of 1990 to the Night Work (Women) Convention (Revised), 1948, and the Lao People’s Democratic Republic ratified the Night Work Convention, 1990 (No. 171), in 2014. In Viet Nam, the private sector has taken the lead on an initiative on sexual harassment following its prohibition in the 2012 Labour Code.

and seeing their workers acquire skills abroad. Above all, it is a win for the migrant workers themselves if they can secure decent work that pays a decent salary. Currently these wins are not equitably distributed. Migrants often fail to receive a fair share of the prosperity they help to create.

132. Male migrants from Asia and the Pacific tend to work in fishing, agriculture and construction, while most women migrants are domestic workers in private households. At the outset these – mostly low-skilled – migrant workers can face high recruitment costs and fees, while similar costs and fees for higher-skilled workers tend to be paid by employers. At their destinations they may be poorly paid and afforded little protection by labour legislation and enforcement. Often, they are tied to employers and do not have the option of changing jobs.

133. What is needed is better cooperation and coordination among countries and social partners to build migration regimes that are fair to the countries of origin and destination, and to migrant workers, employers and nationals. The International Labour Conference in June 2014 called for “constructing an agenda for fair migration which not only respects the fundamental rights of migrant workers but also offers them real opportunities for decent work”.⁹⁸

134. To this end it is critical to ensure cooperation between source and destination countries, so as to establish skills standards and skills recognition systems. Potential migrants can thus be tested according to job requirements. This eases recruitment and can help migrants find the most appropriate jobs with better wages and working conditions. Skills recognition is also important when migrants return, so that they can make best use of skills acquired abroad. The United Arab Emirates, for example, is applying some of these principles, together with India and Sri Lanka, in a skills pilot programme in construction, which involves testing based on destination country requirements and the issuing of skills passports.

135. It is important to pay close attention to systems of recruitment to ensure they are fair. Private recruitment agencies need to be carefully regulated and their whole recruitment process is streamlined to eliminate layers of intermediation, reduce costs and better match the needs of employers and jobseekers. In particular, the costs of recruitment should not be borne by migrants but by employers. The Private Employment Agencies Convention, 1997 (No. 181), provides a starting point. However, it has been ratified by only two countries in the region.

136. The ILO’s global Fair Recruitment Initiative was established to address fair recruitment issues, including costs related to labour migration, prevention of human trafficking and forced labour, and protection of the rights of migrant workers. This includes enhancing global knowledge of recruitment practices, promoting fair business practices, empowering and protecting workers, and improving laws, policies and enforcement mechanisms so as to promote fair recruitment practices.

⁹⁸ ILO: *Fair migration: Setting an ILO agenda*, Report I(B), Report of the Director-General, International Labour Conference, 103rd Session, Geneva, 2014.

137. In destination countries, the migrant-intensive sectors that need to be governed by labour law include agriculture, construction and domestic work. It is necessary to enable strong worker representation through support for local workers' organizations and effective wage-setting processes.

138. In order to achieve decent work for all destination countries also need to allow migrant workers greater freedom to change jobs. In the Arab States, in particular, this will mean ending employers' control over migrant workers under the *kafala* (sponsorship) system which currently restricts the mobility of migrants, while also addressing restrictions on the labour market mobility of migrant workers.

139. Governments also need specifically to protect women migrants from abuse and discrimination (including pregnancy tests) and to reduce barriers and constraints to decent work. One milestone for women in domestic service was the adoption in 2011 of a comprehensive standard: the Domestic Workers Convention, 2011 (No. 189). However, ratification rates remain low and the Philippines is the only country in the region to have ratified this Convention.

140. Successful governance of international migration is inherently multilateral. The Asia and the Pacific region has many types of partnerships, including Memorandums of Understanding (MoUs), regional integration processes and different forms of cooperation among trade unions and civil society organizations (CSO). These need to be continually strengthened, on a tripartite basis.

141. The region is also home to significant numbers of refugees and internally displaced persons. As discussed at the 2016 ILO Tripartite Technical Meeting on Access of Refugees and other Forcibly Displaced Persons to the Labour Market (Geneva, 5–7 July 2016), national policies and action plans to ensure opportunities for decent employment, support for self-reliance and labour market institutions, and programmes to support refugees and internally displaced persons in the labour market will certainly come to assume increasing importance.

4.3. Strengthening representation and social dialogue

142. Improved labour market governance is key to realizing the SDGs and reducing inequality. The ILO's governance paradigm is based on social dialogue and tripartism for the promotion of social justice, fair workplace relations and decent work, so that social partners are involved in shaping the decisions that affect their operations. Sustaining constructive bi- and tripartite dialogue is particularly important in an era when many labour market institutions are facing challenges from the changes in technology, demography and integration that promote non-standard forms of work. This requires building the capacity of workers' and employers' organizations to represent and serve their members, enhance their own legitimacy, contribute to stable industrial relations and engage effectively in policy development at all levels – regional, subregional, national, industry and enterprise. In conflict-affected countries social dialogue can also help build stability and national reconciliation.

Box 4

Strengthening representation and social dialogue in Asia and the Pacific

In recent years, efforts in a number of countries of the region have shown movement towards stronger representation and social dialogue.

For example, in Myanmar, following a complaint and a Commission of Inquiry, the Government has amended the law, formally recognized unions and addressed issues in labour disputes.¹ Subsequently, hundreds of workers' unions have been formed. In the context of union multiplicity, several unions have agreed on how they will represent the country at International Labour Conferences.

In Viet Nam, in March 2016, through the Joint Tripartite Statement signed on 19 April at the First Tripartite Industrial Relations Forum, the Government reaffirmed its intention to consider ratifying Conventions Nos 87 and 98 and to introduce the possibility of setting up independent trade unions.²

¹ ILO: NATLEX database on national labour, social security and related human rights legislation.

² Viet Nam Industrial Relations Forum 2016: Tripartite Joint Statement of the Ministry of Labour, Invalids and Social Affairs, Viet Nam General Confederation of Labour and Viet Nam Chamber of Commerce and Industry concerning the renovation of Viet Nam's industrial relations in the process of international integration.

143. This is an area where data is a particular concern. National statistical offices will need to work with workers' and employers' organizations to produce timely and credible data on membership, membership rates and dispute resolution.

Freedom of association

144. Workers' and employers' organizations must be able to represent their members, free of interference from governments and from one another. This requires robust administrative and judicial systems that can protect independent and representative organizations, including effective bodies for labour inspection and dispute resolution. Adherence to international labour standards would facilitate the operations of social partners.

145. Some countries have a single, state-mandated trade union body to which all unions must affiliate. In such cases, the unions are typically organized in a top-down fashion, so that workers cannot freely choose their representatives, and enterprise-level union leaders are often appointed from within management ranks. Even when trade union organizations are independent, some governments deny union registration without recourse to judicial review. Employers' organizations may similarly receive their mandates by statute, rather than being freely chosen by members. All these constraints undermine the ability of workers' and employers' organizations to genuinely represent their constituencies.

146. While some countries in the region face issues related to trade union monopoly, in others the problem is union multiplicity and fragmentation. This can be a consequence of government and management interference. Governments may encourage the formation of new union federations in order to weaken the union movement. Where employers create "yellow unions" or offer financial incentives to union leaders, union multiplicity is a natural result. Lack of adequate protection from anti-union discrimination and employer interference in trade union formation may contribute to low levels of unionization. It is essential that governments put in place adequate machinery to identify, prevent and remedy such practices, in line with Conventions Nos 87 and 98.

Social dialogue in informal and non-standard employment

147. Informality and non-standard forms of employment not only restrict workers' basic rights and protections, they also limit government revenues and reduce the potential

for improving productivity. Such workers are vulnerable, as they have no legal protection. Moreover, if they attempt to organize they may face legal and practical barriers, or dismissal.

148. Many employers' organizations have supported initiatives to formalize informal enterprises. Employers in outsourcing/agency sectors have also formed associations or joined employers' organizations. On the workers' side, despite the obstacles, unions throughout Asia and the Pacific have tried to organize workers in the informal economy and in non-standard forms of employment. However, the evolving employer–employee relationship presents challenges.

149. Workers in the informal economy or in domestic service, or those with other non-standard forms of employment, also need to engage with other actors. To gain access to universal social protection, for example, they will need to deal with government departments. Home-based workers who require reliable and steady supplies of water, electricity and connectivity will need to engage with utility providers. Those who are working as street vendors have to talk to urban planning authorities to secure public spaces.

150. To remain relevant, social partners will need to continue adapting to these heterogeneous employment situations and to work with non-traditional partners, such as urban planning authorities, rural development authorities and government departments dealing with family welfare. They may also need to mobilize public support for necessary changes. In Thailand, for example, home-based workers successfully campaigned for the Universal Coverage Scheme and for the Home Workers Protection Act B.E. 2553 (2011), which is based on the Home Work Convention, 1996 (No. 177).

Regulatory reform and social dialogue

151. Many countries in Asia and the Pacific have outdated or inadequate labour legislation. Labour law touches all members of society, but workers and employers are the most directly affected and have most at stake. Social partners should be closely involved in developing legislation and policies based on adequate preparation, analysis and consultation. It is also important to regularly review and revise legislation and policies to ensure that they are in line with ILO standards and Conventions and reflect current economic and social conditions.

152. Legislation should guarantee minimum protections for all workers, including those who are not represented. It must also allow for workers and employers, at national, sectoral and enterprise levels, to negotiate wages and terms and conditions above statutory minima via collective bargaining mechanisms. Social dialogue and negotiations between social partners should be encouraged so as to improve the function of legislation and to advance working conditions above the legal minimum.

153. When considering new legislation, it is useful to set out clear objectives, purposes and rationales, and to consult with social partners and other stakeholders as well as the judicial and administrative bodies that will have to interpret and apply the legislation. Careful preparation and drafting, informed by comparable legislation in other countries, can make the law more relevant, increase its effective coverage and reduce textual ambiguities. In the Asia and the Pacific region in particular, there is scope for improving dialogue, regulations and enforcement.

Dialogue at a time of global integration

154. Progress in regional integration and developments in new technology will have profound implications for workers, employers and their organizations. In this context, the social partners have the opportunity to move beyond collective bargaining and engage more fully in policy discourse.

155. Workers and employers are usually unrepresented in regional and subregional bodies. ASEAN, for example, is becoming progressively more integrated, through free flows of investment, trade and skilled workers, which will have far-reaching implications for labour markets and LMIs. Dialogue with workers' and employers' organizations could enhance the social aspects of these measures, which so far have been rather limited. These organizations should be able to engage systematically with national governments and the secretariats of regional bodies to establish consultative mechanisms and strengthen their capacities to operate at regional and subregional levels.

156. The social partners will need to strengthen their own capacities and develop bottom-up consultation mechanisms to incorporate the views of diverse stakeholders. They will also need to establish indicators that capture the extent of social dialogue, along with robust systems for monitoring and evaluation.

5. A call for action

157. As noted in my Report to the International Labour Conference this year, decent work will be crucial if we are to achieve the targets set for us by the 2030 Agenda for Sustainable Development. As the countries of Asia and the Pacific gear up for the challenge set by the SDGs it will be particularly important to ensure the creation of more and better jobs through coordinated policies, meaningful social dialogue and support for robust labour market institutions that promote equity and better labour market governance.

158. The Asia-Pacific Decent Work Decade (2006–15) brought many achievements, but significant world of work challenges remain.⁹⁹ Furthermore, the factors that will drive and influence the future of work – technology, demography, integration, climate change – also create uncertainties and the risk of increasing inequality. Asia and the Pacific is a very diverse region. Each country has its own characteristics and realities, which require responses from individual national strategies. However, some challenges are common to all. The 2030 Agenda for Sustainable Development represents a call for action. Asia and the Pacific needs to answer that call with specific, region-wide strategies. Countries in the region will need to:

- focus on job-rich economic growth and prepare for the future with the skills needed to boost incomes and productivity;
- improve labour market governance to support better quality of work, stronger labour inspections and the realization of fundamental principles and rights at work;

⁹⁹ See Part II of this Report.

- support robust, relevant labour market institutions that promote equity and equality among different groups and between women and men, through universal social protection systems, effective labour legislation and investment in wage setting and collective bargaining;
- ensure fair labour migration;
- promote a culture of effective social dialogue and invest in building the capacities of workers and employers' organizations, so as to harness the power of tripartism;
- improve labour market information in order to monitor the progress and challenges of the 2030 Agenda for Sustainable Development.

159. Ultimately, whether the Asia–Pacific region finds a future that is inclusive and defined by decent work is a political decision. It will depend on the extent to which our constituents – governments, and employers' and workers' organizations – embrace and own the transformative 2030 Agenda for Sustainable Development that is on offer. The future we want will be shaped by the policies we adopt and the strategies that we implement to ensure that the world of work in Asia and the Pacific is inclusive and decent.

Part II. Progress in implementing the Decent Work Agenda in the Asia–Pacific Decent Work Decade

1. Introduction

160. At the conclusion of the Asia–Pacific Decent Work Decade, this 16th Asia and the Pacific Regional Meeting provides an opportunity to reflect on the achievements of the region’s constituents and on the ILO’s role and contribution to the progress made. With 47 member States in the region, including three new members that joined since the last Regional Meeting – **Palau** in 2012, the **Cook Islands** in 2015 and **Tonga** in 2016 – the ILO has implemented a diverse range of initiatives and activities.

161. This part of the Report presents some of the constituents’ key results to which the ILO has contributed. Section 2 outlines the progress made towards achieving the pillars of the Decent Work Agenda through ILO support to the region’s DWCPs. Section 3 reflects on ILO development cooperation and section 4 concludes by outlining key priorities for the continuing development of lasting partnerships to sustain and support the ILO’s role as the global reference for knowledge and expertise in the promotion of decent work under the SDGs.

2. ILO support to national priorities

162. DWCPs were established as a vehicle for the delivery of ILO support to member States in 2004, and have become the key programmatic tool in the Asia and the Pacific region since 2006.¹⁰⁰ At the beginning of the Asia–Pacific Decent Work Decade (2006–15) only one country was using the DWCP-type programmatic approach (Pakistan). By the end of the Decent Work Decade, as shown below, nearly all countries in the region had established at least one DWCP; many of these DWCPs have now been reviewed to assess effectiveness, relevance and efficiency.¹⁰¹

Table 1. Current and previous DWCPs in Asia and the Pacific
(including review of DWCPs if applicable)

Country	Current	Previous	Reviews
Asia			
Afghanistan		2010–15	2015 (internal)
Bangladesh		2006–10; 2012–15	2011 (internal)
Cambodia		2006–07; 2008–10; 2011–15	2007, 2011 and 2015 (internal)

¹⁰⁰ ILO: *Conclusions of the 15th Asia and the Pacific Regional Meeting* (Kyoto, Japan, 4–7 Dec. 2011).

¹⁰¹ Refers to the DWCPs formally appraised and approved by the regional director in line with the *DWCP Guidebook*. The full list is available at: <http://www.ilo.org/public/english/bureau/program/dwcp/countries/>.

Country	Current	Previous	Reviews
China		2006–10; 2013–15	2015 (internal)
India	2013–17	2007–12	2012 (independent evaluation)
Indonesia		2006–10; 2011–15	2009 (independent evaluation)
Lao People's Democratic Republic		2011–15	2011 (internal)
Mongolia		2006–10	2008 (internal)
Nepal	2013–17	2008–12	2007 and 2013 (internal)
Pakistan		2010–15	2015 (internal)
Philippines			2006 (independent evaluation of the country programme)
Sri Lanka	2013–17	2008–12	2013 (internal)
Timor-Leste		2008–13	2013 (internal)
Viet Nam	2012–16		
Pacific			
Fiji		2010–12	2007 (joint internal evaluation for all Pacific Island member States with DWCPs)
Samoa	2013–16	2009–12	
Papua New Guinea	2013–17	2009–12	“ “
Vanuatu	2013–17	2009–12	“ “
Solomon Islands		2009–12	“ “
Kiribati		2009–12	“ “
Arab States			
Jordan	Extension 2016–17	2002–07; 2012–15	2008 (independent); 2013 (independent cluster); 2014 (internal)
Oman	2014–16	2010–13	
Occupied Palestinian Territory	2013–16		2013 (independent cluster)
Syrian Arab Republic		2008–10	2011 (internal)
Bahrain		2010–13	
Yemen		2008–10	2010 (internal)

163. The experience and reviews highlight the fact that the core strength of DWCPs is their development in a partnership between constituents and the ILO and that they are organized around a limited number of country programme priorities and outcomes. Furthermore, DWCPs provide a framework for drawing together the diverse initiatives and needs of constituents, including regular budget and extra-budgetary development cooperation projects, under a holistic set of goals for achieving decent work. DWCPs also play a role in decentralizing the responsibility for implementing a coherent and integrated ILO programme of assistance to constituents in member States,¹⁰² thus making tripartite

¹⁰² J. Martin: *Meta analysis of lessons learned and good practices arising from nine Decent Work Country Programme evaluations* (Geneva, ILO Evaluation Unit, 2011).

constituents responsible joint partners in the Decent Work Agenda and promoting mutual accountability for achieving outcomes. Finally, DWCPs provide a vehicle for the ILO to manage its collaboration with other United Nations (UN) agencies and partners through United Nations Development Assistance Frameworks (UNDAFs) that also engage ILO constituents.

164. Many of the evaluations and reviews noted that progress had been made towards DWCP outcomes, although in some cases specific emerging issues or opportunities could have been better covered or could attract greater focus in future DWCPs, examples being the informal sector (particularly in **Bangladesh, Cambodia and India**) and South–South cooperation (**China and India**). The importance of adapting DWCPs to political and security circumstances was also noted. In **Nepal**, for example, rapid changes in the political climate, from violent conflict to a transitional period in 2006, created the need to change previous plans for the country in favour of a differentiated institutional strategy for crisis environments. Another example is that of **Jordan**, where the impact of the Syrian crisis created the need to adapt the ILO approach in the country to emerging challenges and changing national priorities.

165. The evaluations and reviews also pointed to the importance of making DWCPs genuinely results-based and of ensuring that there are clear baselines, indicators and targets in place which draw on existing national data.¹⁰³ Critically, the reviews also emphasized the importance of establishing a small number of strategic but flexible priorities, rather than a lengthy list of goals that are unlikely to be achieved within the DWCP time period. Indeed, several country reviews noted that successive DWCPs had often increased the number of their objectives and outcomes, and urged greater prioritization of issues to ensure that the outcomes covered in a DWCP were selected for their strategic importance.

166. Also critical is the ongoing challenge of strengthening the role and capacity of tripartite partners, particularly workers' representative organizations: a number of country reviews noted that activities and targets could be better balanced between the tripartite partners to ensure more equal ownership of the DWCP among governments, workers and employers. For example, the **China** country review referred to the need for workers' and employers' representatives to be more holistically responsible for ensuring achievement of DWCP outcomes, rather than being limited to specific activities.¹⁰⁴

167. The following sections of this chapter highlight the ILO's support to the region's DWCPs. For purposes of consistency and comparison these are structured according to the five regional clusters of priorities as reported to the 15th Asia and the Pacific Regional Meeting, namely:

- increasing competitiveness, productivity and jobs;
- improving labour market governance;
- extending social protection;
- eliminating child labour and creating opportunities for young people; and
- improving the management of labour migration.

¹⁰³ For example the *Report on the review of the Decent Work Country Programme: Bangladesh 2006–09* (Bangkok, ILO, 2010) noted that DWCP results could be more explicitly enumerated and then monitored and evaluated through collection of labour-related statistics.

¹⁰⁴ ILO: *China Decent Work Country Programme (2011–15) Review Report* (Bangkok, 2015).

2.1. Increasing competitiveness, productivity and jobs

168. Productivity growth, competitive economies and job creation are interconnected priorities for realizing decent work, reducing poverty, and promoting peace and security. A key aspect of connecting competitiveness and productivity with more and better jobs is the systematic improvement of workers' skills in a changing labour market, as well as ensuring a smooth transition from education to the workforce, particularly in countries seeking to move to higher-productivity sectors. Throughout the last decade, governments and employers' and workers' organizations have been seeking to improve the employability of workers, move young people into productive and decent work and increase the productivity of enterprises, through better quality and relevant training linked to current labour market needs.

ILO strategy

169. During the Asia-Pacific Decent Work Decade, the ILO strategy to assist constituents in their efforts to increase competitiveness, productivity and jobs focused on the following areas:

- making employment central to economic and social policies;
- creating an environment conducive to sustainable enterprises;
- encouraging the application of decent and productive workplace practices;
- addressing sector-specific challenges through value-chain and cluster upgrading;
- building human capital in basic education, as well as in technical and core skills;
- promoting environment-friendly technology and ways of doing businesses; and
- improving labour market information and analysis.

Key results

Integrating research and evidence into national employment strategies

170. The ILO's policy-oriented research on employment and labour markets has been influential in the development of employment policies and strategies in a number of countries in the region. Well-regarded research publications include a number of *Labour and Social Trends* reports, which present an update of key trends in employment and social conditions in the region. Other key publications have included *ASEAN Community 2015: Managing integration for better jobs and shared prosperity*, produced jointly with the ADB, as well as key publications on women's labour force trends in the region and on women in business and management in the Middle East and North Africa (MENA).

171. At country level, the ILO's research on the links between macroeconomic frameworks, productivity and employment outcomes, and sector-specific approaches, has often been incorporated into the development of national employment policies and strategies around the region to transform structural change into more and better jobs. This research and analysis has contributed to the development of a number of key employment policies including the following:

- In 2011 and 2012 respectively, **Iraq** and the **Kurdistan Regional Government** adopted national employment policies, and provincial economic strategies were also developed by seven governorates.¹⁰⁵
- In 2011, the **Philippines** formulated a development plan (2011–16), a midterm update and an employment projections model in order to monitor the progress of plans and carry out simulations for forecasting.
- In 2011, **Jordan** adopted a national employment strategy (2011–20) and established local development committees to formulate local economic development plans. In 2015, Jordan also adopted a national framework for regulating the informal economy.
- In 2012, **Viet Nam** adopted the National Strategy on Employment (2011–20), following its earlier ratification of the Employment Policy Convention, 1964 (No. 122).
- In 2012, **Sri Lanka** developed the National Human Resources and Employment Policy and its Master Plan of Implementation (2013–23), which paved the way for its ratification of Convention No. 122 in 2016.
- In 2013, **Saudi Arabia** published *Creating more and better jobs for Saudi nationals: A review of national policy measures* to address the employment challenge in the country.
- In 2015, **Cambodia** adopted its first national employment policy (2015–25), as well as the Rectangular Strategy Phase III and implementation framework under the National Strategic Development Plan (2013–18).
- In 2015, **Nepal** introduced a new national employment policy and drafted revised labour legislation which focuses on formalization of the informal sector.
- In 2015, **Indonesia** endorsed its second five-year medium-term development plan of the decade (2015–19) following on from the earlier plan for 2010–14.
- A number of other countries including **Fiji, Mongolia, Palau, Papua New Guinea** and **Samoa** were also supported in their development of national employment plans.

172. For policy-makers to design and evaluate policies and programmes to help boost competitiveness, productivity and job creation, they require sound labour market information and analysis, including data on employment and unemployment, jobseekers and vacancies, and skills and working conditions, as well as wages and salaries. The ILO has provided technical support and training for stakeholders to collect and analyse data for policy-making, including through national technical training workshops on labour market information and analysis (as in **Cambodia, Fiji, Oman** and **Viet Nam**) and regional training workshops and participation in courses related to labour market information and analysis at the International Training Centre of the ILO in Turin. Support to labour force surveys has also helped to establish a core of comparable data on labour market indicators, while school-to-work transition surveys have helped to articulate the specific issues faced by young people, women in particular, in moving into employment. The ILO's efforts to support collection and analysis of data have included the following activities:

¹⁰⁵ Anbar, Basra, Erbil, Babel, Missan, Thiqr and Sulyamnieh.

- In 2015, **Viet Nam** participated in the pilot testing of new model questionnaires based on the resolution of the 19th ICLS concerning statistics on work, employment and labour underutilization.
- In **China**, the design of the China Urban Labour Survey IV and the development of employment quality indicators helped to better measure progress and challenges in working conditions.
- The data from the labour market information and analysis and labour force surveys have been used in a number of key publications, including *Labour and Social Trends* reports and *Decent Work Country Profiles*, for example in **Bangladesh** (2013), **Cambodia** (2012), **Indonesia** (2011), **Philippines** (2012) and **Pakistan** (2014).
- An increasing number of countries are including labour market information and analysis in the design of national policy frameworks. **Indonesia** included key issues such as decent and productive employment for young people in its Medium-Term Development Plan (2010–15), while in **Cambodia** the National Employment Policy 2015–25 includes the specific policy objective of developing labour market information and analysis and annual implementation of labour force surveys.
- The delivery and analysis of school-to-work transition surveys in **Bangladesh, Cambodia, Fiji, Jordan, Lebanon, Nepal, Occupied Palestinian Territory, Samoa** and **Viet Nam** has also supported greater knowledge building in relation to issues faced by young people in accessing the labour market.

Supporting skills development, training and standards

173. The ILO's technical support has also focused on equipping the workforce, particularly young people, with the skills required for decent and productive employment, and on supporting mechanisms, institutions and social dialogue to sustain inter-ministerial coordination and improve the early identification of skill needs.

174. As part of vocational training systems, an increasing number of countries have also introduced competency standards and qualifications, thereby strengthening partnerships in TVET planning, design, delivery and assessment. This has included development of national skills standards in sectors such as construction, the automotive industry, tourism, and hospitality and food processing, based on analytical work as well as closer alignment with the private sector. Specific achievements following ILO support have included the following:

- In 2011–15, in **Bangladesh**, the ILO demonstrated how demand-driven skills training and the use of community-based training led to increased employability of disadvantaged groups, particularly poor women. The project contributed to a wider reform of TVET and led to the adoption of a national skills development policy, a national TVET qualifications framework and improved quality of training.
- In 2012, **Lebanon** developed community-based training curricula for eight occupations in the construction sector, as noted in box 5 below.
- In 2014, **India** amended its Apprenticeship Act through analysis of systems in relevant countries and the review of an options paper.

- In 2014, **Jordan** undertook two skills anticipation exercises for the food processing and pharmaceutical sectors, developing new competency-based curricula for machine operators and supporting the TVET Council to host a regional seminar on apprenticeship systems in the Arab region. The workshop in turn resulted in time-bound action plans to improve existing apprenticeship schemes developed in **Jordan, Lebanon, Occupied Palestinian Territory, Oman, Saudi Arabia, United Arab Emirates and Yemen**.

Box 5

Tangible outcomes for training participants in Lebanon

Through a participatory approach, 700 unemployed women and men benefited from short-term vocational training in the construction sector delivered by seven training providers, using upgraded standards and curricula. Seven vocational training institutions were supported through direct coaching provided during vocational training sessions. The ILO integrated the Know About Business (KAB) module as part of the curriculum on skills development and advocated KAB integration across the TVET system in **Lebanon**. The KAB module was piloted, related documents were produced in Arabic (for Lebanon and the Middle East) and a special effort was made to support the full inclusion of both women and persons with disabilities, resulting in 51 women graduating with qualifications in mosaics, 20 women in painting and seven women in electrical studies.

Improving compliance with labour standards and building competitiveness

175. Over 60 million workers across the developing world rely on the garment industry for employment. Better Work is a unique partnership programme between the ILO and the International Finance Corporation (IFC) that aims to improve both compliance with labour standards and competitiveness in global garment supply chains. Better Work in-factory services include compliance assessments, advice and training on workplace dialogue, effective problem solving and continuous improvement of working conditions. Better Work currently operates in seven countries (**Bangladesh, Cambodia, Haiti, Indonesia, Jordan, Nicaragua and Viet Nam**) covering 1,300 factories.

176. Through enterprise-level engagement, compliance with labour standards in Better Work by participating enterprises has improved, benefiting more than 1.5 million garment and footwear workers. For example, in **Viet Nam**, a study shows that compliance with sound safety and health management systems has improved by 26 per cent in participating factories, contributing directly to higher levels of well-being among workers. Other studies show that a 5 per cent improvement in overall compliance at a factory is associated with a 10 per cent increase in worker income, a 9 per cent increase in remittances that workers send home and a 3 per cent improvement in workers' health.¹⁰⁶ The results from independent impact assessments also indicate that greater compliance with labour standards is associated with increased profitability, driven by increased per capita productivity arising from better working conditions.¹⁰⁷

¹⁰⁶ ILO and IFC Better Work Programme: *Impact Brief: Better Work Viet Nam* (June 2013). Available at: http://betterwork.org/global/wp-content/uploads/Vietnam-Impact-Brief-Rnd5_LR.pdf.

¹⁰⁷ D. Brown et al: *Are sweatshops profit-maximizing? Answer: No – Evidence from Better Work Viet Nam*, Better Work Discussion Paper No. 17 (Geneva, ILO, 2015).

Box 6
Improving factory productivity and profitability
through the Better Work Programme

The Better Work Programme – a partnership between the ILO and the IFC – was launched in August 2006 in order to improve labour standards and competitiveness in global supply chains. The programme assists enterprises to improve practices, based on core ILO labour standards and national labour law and through strong emphasis on improving worker–management cooperation, working conditions and social dialogue. Independent research in Better Work factories has provided empirical evidence showing that good working conditions are linked closely with firm productivity and performance. Research conducted from 2010 to 2013 among 185 firms in **Viet Nam** established that greater compliance with labour standards and better working conditions as perceived by workers are associated with higher levels of profitability. The positive profitability impact was found to be driven by increased per worker productivity arising from better working conditions, rather than by forcing workers to accept a trade-off of better working conditions for lower wages. ¹ Targeted research in Better Work factories has shed further light on how poor conditions of work often associated with the garment industry, such as shouting at workers, can negatively affect productivity. In a study on the effects of shouting at the workplace, the average worker reported taking ten hours to reach the daily production target set by their supervisor. ² Workers who reported verbal abuse as a problem in their workplace, however, required almost one additional hour per day to reach this target compared with workers with similar education, training and experience. Additionally, investing in training aimed at improving workplace relations has positive productivity effects. Impact assessment research across seven Better Work country programmes has revealed an average productivity increase of 22 per cent for those workers whose female supervisors underwent Better Work’s supervisory skills training with support from their management. ³

¹ D. Brown et al: *Are sweatshops profit-maximizing? Answer: No – Evidence from Better Work Viet Nam*, Better Work Discussion Paper No. 17 (Geneva, ILO, 2015).

² E. Rourke: *Is there a business case for verbal abuse? Incentive structure, verbal abuse, productivity and profits in garment factories* (Geneva, ILO, 2014). Better Work discussion paper available at: <http://betterwork.org/global/?p=7086>.

³ Better Work discussion paper series (forthcoming).

Supporting job creation in the aftermath of disaster and conflict

177. Progress towards decent job creation has at times been hampered by crises, including natural disasters and conflict. For example, a post-disaster assessment in **Vanuatu** after cyclone Pam in 2015 estimated a loss of \$14.9 million in personal income and 64.1 per cent of GDP in the small island country. ¹⁰⁸ A post-disaster needs assessment in the aftermath of cyclone Winston in 2016 in **Fiji** estimated a loss of \$165 million in personal income as well as 12,450,129 workdays. In **Yemen**, where about half of the population of 26 million live in areas directly affected by conflict, a rapid employment survey conducted in December 2015 showed that total employment in three large governorates declined by 13 per cent between March and December 2015. ¹⁰⁹

178. The ILO has provided technical support to constituents to develop employment-centred response and recovery after disaster or conflict, which helps to provide an income to people caught in a disaster. In this context, the ILO’s work has contributed to the following outcomes:

¹⁰⁸ ILO: *Special coverage: ILO work in Vanuatu*, June 2015 update, available at: http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-suva/documents/publication/wcms_379149.pdf.

¹⁰⁹ ILO: *Yemen Rapid Employment Survey*, Dec. 2015.

- In 2013, following the devastating typhoon Haiyan that tore through parts of the **Philippines**, killing thousands of people and destroying the livelihoods of millions, the ILO began to work with the Philippines Department of Labor and Employment and humanitarian partners to ensure that livelihoods were placed at the forefront of the initial response. More than 67,000 workers and their families were assisted through the ILO's emergency employment programmes.
- Since 2014, the ILO has been responding to the Syrian refugee crisis in **Jordan** and **Lebanon** through continuous advocacy efforts and policy dialogue based on research and analytical work relating to the impact of the refugee crisis on the labour market, on working conditions and on the incidence of child labour. Local economic development and value-chain development initiatives in agricultural sectors, as well as targeted initiatives on women's economic empowerment, have helped to support both refugees and host communities. In **Lebanon**, the ILO has also supported trade union initiatives and action in response to the crisis, particularly in securing jobs and minimizing unemployment.
- The **Occupied Palestinian Territory** has launched its first local economic recovery initiative to support livelihoods and job opportunities in the fisheries sector in the Gaza Strip, with the ILO providing technical and financial assistance to constituents and other stakeholders.
- In 2015, in **Vanuatu**, the ILO worked with the UN system through the Pacific Humanitarian Team in coordinating and implementing technical assistance to support small-scale and community contractors in the recovery and reconstruction efforts, in order to maximize local job creation.
- In 2015, **Nepal** adopted its Rural Roads Emergency Routine Maintenance and Mason Training for Seismic-Resistant Building Construction programmes, following a devastating earthquake. More than 22,000 workdays were created and a total of 1,718 persons from local communities affected by the earthquakes directly benefited from road maintenance, debris management and local mason training activities. Trained masons now play a critical role in the reconstruction work and in guiding local communities. In 2016, the ILO demonstrated community-based emergency employment together with the National Employment Centre in **Fiji**, in order to support the local community's recovery from cyclone Winston, and extended support to cyclone victims through access to the National Provident Fund and registration for overseas seasonal workers' schemes, in addition to emergency employment programmes.

Box 7

Responding to the Syrian refugee crisis

In **Jordan** and **Lebanon**, the ILO has supported development-led and employment-driven interventions for refugees and host communities with the overarching goal of preserving social and economic stability. As part of this strategy, the ILO was actively engaged in the formulation and implementation of the UN Regional Refugee and Resilience Plan 2015–16, the Jordan Response Plan 2015 and the Lebanon Crisis Response Plan 2015–16, which address both humanitarian and development aspects in an integrated manner. The ILO established technical leadership on economic opportunities and jobs in the light of the Supporting Syria & the Region donor conference held in London in February 2016 and takes a leading role in policy dialogue.

The ILO's contribution to these plans has focused in particular on job creation and livelihoods, working conditions and elimination of the worst forms of child labour. An interregional dialogue on the labour market impact of the Syrian refugee crisis on host communities, convened by the ILO, has strengthened coordination among tripartite constituents from **Egypt, Iraq, Jordan, Lebanon** and **Turkey** with a view to achieving improved analysis and effective response to the crisis at the national and regional levels.

Strengthening the competitiveness and productivity of SMEs through specialized training programmes

179. SMEs make crucial contributions to job creation and income generation, accounting for about 99 per cent of all firms, 70 per cent of total employment and 50 per cent of GDP output in the Asia and the Pacific region. As an example, in the ASEAN Community, SMEs account for more than 96 per cent of all enterprises and 50–85 per cent of domestic employment. The ILO's consistent support to enhance SME development has included the following:

- The Start and Improve Your Business (SIYB) programme has now been rolled out in **Bangladesh, China, Fiji, India, Indonesia, Iraq, Jordan, Kiribati, Kurdistan, Myanmar, Pakistan, Papua New Guinea, Philippines, Qatar, Samoa, Solomon Islands, Sri Lanka, Timor-Leste and Viet Nam**. **China** had the largest SIYB outreach in the region – over 3 million trainees in 12 provinces – by the end of 2015 thanks to the Government's use of the programme as part of its employment generation efforts. Other countries have also been successful in training a large number of entrepreneurs. The programme has been integrated into government schemes in a number of other cases, including **Viet Nam** (the Million Farmers Programme) and **India** (through the Ministry of Micro, Small and Medium Enterprises and the state governments of Andhra Pradesh and Telangana).
- From 2013 to 2015, the ILO worked with the ASEAN SME Working Group to carry out the Small Business Competitiveness project, developing a set of training tools for various tourism subsectors commonly found across the region. This is available in eight languages.
- In 2015, the **Philippines** introduced Community-Based Enterprise Development (C-BED) as part of its post-disaster recovery intervention, revitalizing local economies and generating sustainable job opportunities through entrepreneurship development, while also training more than 1,600 entrepreneurs and supporting other development partners' uptake of C-BED to reach over 16,000 entrepreneurs.
- In 2015, in the **Solomon Islands**, C-BED was introduced to the Correctional Services to organize business training for soon-to-be released offenders. The ethnic conflict ten years previously resulted in an increased number of criminals, so the programme contributes to the peace-building process.
- In 2015, **Timor-Leste**, having identified tourism as a key sector for job creation, especially for young people, was able to establish tourism working groups and launch the first comprehensive website for a tourism location. The government agency has created a training package for tourism operators and will train people to start and grow small businesses in the tourism sector.

180. Raising productivity and working conditions in SMEs is an important factor in ensuring their sustainability and growth. The Sustainable, Competitive and Responsible Enterprise (SCORE) programme has been supporting constituents in **China, Indonesia, India and Viet Nam** to establish a training and in-factory counselling methodology to support improved working conditions in SMEs across a range of sectors, leading to the following results:

- In the last six years, SCORE has helped build the capacity of national partners to provide training in over 400 factories with over 125,000 employees and managers. On average, over 90 per cent of factories report significant cost savings due to SCORE training. Around 30 per cent of factories report significant improvements in areas such as injury reduction, absenteeism, labour turnover and worker complaints. Around 30 per cent of factories report significant reductions in waste produced and energy consumed.
- In **China**, the programme is generating interest among local authorities, business development services and, increasingly, safety inspectorates seeking to enhance their advisory outreach to traditionally underserved SMEs.
- In **Viet Nam**, factories have reported over 3,000 new jobs since taking SCORE training.

Ensuring targeted support to female entrepreneurs through business training and support

181. Ensuring that women are encouraged and supported to start their own businesses is an important element of economic empowerment. However, one-off support to start a business provides little guarantee of sustainability. Thus, other types of assistance, such as access by women-led businesses to markets through supply chains, and promotion of business formalization, are important elements of ensuring women's economic empowerment in the region. Some of the key achievements in this area include:

- In 2014, **Indonesia's** Migrant Workers Agency incorporated GET Ahead (Gender and Entrepreneurship Together) for Women in Enterprise as part of its migrant empowerment programme. This ILO training package aims to strengthen women's business and people management skills using participatory and action-oriented lessons and will now be funded through the national budget to empower 16,000 former migrant workers and their families.
- In 2014–15, **Timor-Leste** also implemented GET Ahead through the Institute for Business Support and offered follow-up training, including business counselling, business information and promotion services.

Supporting the creation of green jobs

182. The ILO promotes the creation of green jobs as a way of generating decent employment and income opportunities with a reduced environmental impact, and increased ability to cope with the challenges of climate change, resource scarcity and environmental degradation. Consistent with the International Labour Conference's "Conclusions concerning achieving decent work, green jobs and sustainable development" (2013) and the "Guidelines for a just transition towards environmentally sustainable economies and societies for all" (2015), the ILO has supported activities in countries including **Bangladesh, China, Fiji, India, Indonesia, Lebanon, Malaysia, Mongolia, Nepal, Occupied Palestinian Territory, Pakistan, Philippines, Sri Lanka and Thailand**. Relevant achievements have included:

- From 2010 to 2014, Green Jobs Mapping was conducted in eight countries to help identify which jobs can be considered "green jobs". An innovative Dynamic Social Accounting Matrix in **Indonesia** and **Malaysia** has also helped policy-making by simulating the employment and CO₂ emissions reduction implications of proposed policies.

- Between 2011 and 2013, ILO constituents were involved in green jobs assessments in **Lebanon** and the **Occupied Palestinian Territory** focusing on the energy, building and construction, agriculture and waste management sectors (**Lebanon**) and the construction sector in the Gaza Strip (**Occupied Palestinian Territory**).
- In 2014, the ILO and Mercy Corps supported **Timor-Leste** to develop a new course on alternative energy, “Improve Your Business for Alternative Energy”, which combined technical and business management training programmes for micro- and small enterprises offering alternative energy in urban and rural communities. The basic technical training helps entrepreneurs offer after-sales services, especially to rural communities.
- **China** and the **Philippines** have developed training regulations that incorporate green jobs competencies, environmental concerns and climate change issues into the TVET curricula.

2.2. Improving labour market governance

183. Labour market governance – the policies, norms, laws, regulations, institutions, machinery and processes by which authority is exercised over labour market transactions – is an integral part of the ILO’s work in the region. In order to ensure that labour markets operate in an efficient, equitable and fair way, it is critical to support active dialogue and negotiation between employers and workers, including their freedom to organize and to bargain collectively.

184. Ratification of fundamental ILO Conventions remains an issue in the region, with only 14 of the 47 member States having ratified all eight of the core ILO Conventions (less than 30 per cent of the target set by the ILO for universal ratification of the fundamental Conventions by 2015). Importantly, there is still a lag in the ratification of the Conventions on freedom of association and collective bargaining (Nos 87 and 98), particularly among countries with some of the largest workforces in the region. Furthermore, only 19 out of the 48 countries have ratified Convention No. 122, while about half have ratified the Labour Inspection Convention, 1947 (No. 81), and the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144).

185. While ratification remains a challenge in the region, there has been significant progress in the development of labour laws and regulations, as well as in establishing the government infrastructure and personnel needed to support implementation and enforcement of labour laws. A particular priority is the health and safety of workers, as every year more than 1.1 million people die from occupational accidents or work-related diseases in Asia and the Pacific. The poorest, least protected, least informed and least trained are often the most affected, including women, children, disabled workers, migrant workers and ethnic minorities.

ILO strategy

186. During the Asia-Pacific Decent Work Decade, the ILO’s strategy in robust labour market governance focused on supporting:

- ratification and implementation of standards, which leads to greater respect for workers’ rights;
- strengthening systems of labour administration and labour inspection;

- labour law reform and labour inspection, which increase institutional capacity to implement laws and standards; and
- improving collective bargaining and wage fixing.

Key results

Promotion of international labour standards

187. Relative to other regions of the world, this region's ratification of international labour standards continues to be low, particularly in the case of the Conventions on freedom of association and collective bargaining. However, there has been an increasing number of ratifications in other areas such as maritime standards, OSH and child labour.

188. In the area of maritime standards, the Maritime Labour Convention, 2006 (MLC, 2006), has been ratified by **Australia, Bangladesh, China, Fiji, Islamic Republic of Iran, India, Japan, Jordan, Kiribati, Marshall Islands, Republic of Korea, Malaysia, Republic of Maldives, Mongolia, Palau, Philippines, Samoa, Singapore, Thailand, Tuvalu and Viet Nam**, while the Seafarers' Identity Documents Convention, 2003 (No. 185), has been ratified by **Bangladesh, India, Kiribati and Republic of Maldives**.

189. In the area of OSH, the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), has been ratified by **Iraq, Indonesia, Malaysia, Singapore, Thailand and Viet Nam** and the Safety and Health in Mines Convention, 1995 (No. 176), by **Mongolia**.

190. In the area of child labour, the Minimum Age Convention, 1973 (No. 138), has been ratified by **Afghanistan, Bahrain, Republic of Maldives, Solomon Islands and Saudi Arabia** and the Worst Forms of Child Labour Convention, 1999 (No. 182), by **Afghanistan, Myanmar, Republic of Maldives and Solomon Islands**.

191. Other notable ratifications of international labour standards include:

- The **Philippines** was the second country in the world, and the only country in Asia and the Pacific, to ratify the Domestic Workers Convention, 2011 (No. 189).
- With minimum wage setting becoming increasingly important in the region (see below), **Malaysia** was the first ASEAN country to ratify the ILO Minimum Wage Fixing Convention, 1970 (No. 131).
- The **Republic of Maldives** and the **Solomon Islands** have ratified all eight fundamental Conventions.

Supporting alignment of national labour laws with international labour standards

192. There has been growing recognition of the importance of labour legislation as a fundamental institution of labour market governance and as a way to align existing legislation with the principles in ILO Conventions. In response to requests from a number of countries, the ILO has provided assistance on labour law reform to countries including **Cambodia, China, Kiribati, Lao People's Democratic Republic, Mongolia, Myanmar, Palau, Papua New Guinea, Samoa, Tonga, Tuvalu, Vanuatu and Viet Nam**. In part, through ILO support, the following results have been achieved by countries in the region:

- New labour laws have been adopted in **Myanmar** (Labour Organization Law 2011 and Settlement of Labour Disputes Law 2012), **Kiribati** (Occupational Safety and Health Act and Employment and Industrial Relations Code 2015), **Syrian Arab Republic** (2010), **Iraq** (2015) and **Viet Nam** (2012).
- A number of countries have enhanced their commitment to the elimination of forced labour and child labour, including the **Lao People's Democratic Republic**, which has adopted a revised labour law enhancing the legal framework on child labour, **India**, which has introduced new legislation on manual scavenging and revised its child labour legislation (currently before Parliament pending approval) and **Mongolia**, which criminalized forced labour in a revised Criminal Law adopted in 2015.
- **China** has revised a number of laws relating to work, including, in 2012, revising its Labour Contract Law to regulate the use of “dispatch work” (i.e. workers made available through intermediate employment agencies) and, in 2014, amendments to its Basic Work Safety Law to strengthen compliance with workplace safety standards. Also, in 2014, it renewed its commitment to the elimination of forced labour by ending its re-education through labour system.¹¹⁰

Improving collective bargaining through dialogue and an enabling environment

193. The international community recognizes the importance of strong, independent and representative organizations of workers and employers and their right to engage in collective bargaining. Higher levels of collective bargaining coverage are closely correlated with lower levels of inequality and lower incidence of low-paid work in many countries.¹¹¹ These effects are highly relevant in economies in Asia and the Pacific and Arab States characterized by high levels of inequality. ILO support in this regard has contributed to the following achievements:

- In 2014, the Guangdong Province of **China** introduced the Regulation on Collective Bargaining setting out procedures for collective bargaining, including the right of workers to bargain collectively and employer obligations to engage in procedures to promote workers' representation.
- From 2012 to 2015, in **Viet Nam**, unions successfully piloted new approaches to organization and to multi-employer collective bargaining, resulting in provincial or industrial zone agreements in tourism and manufacturing.
- In **Myanmar**, over 1,000 grassroots unions have been registered as part of a project on collective bargaining.
- In **Jordan**, collective bargaining mechanisms and regulations have been established in favour of sectoral collective agreements, mainly in food processing and beverage, construction, and printing and packaging sectors.
- In 2012, a tripartite agreement was signed in **Bahrain** enabling thousands of workers to return to their jobs following the 2011 uprising.

¹¹⁰ Support was also extended to review regulatory challenges for better protection of student interns as part of a process to develop a new regulatory document, and a new implementation regulation on labour dispatch was adopted in 2013.

¹¹¹ ILO: *Global Wage Report 2014–15: Wages and income inequality* (Geneva, 2015).

- **Oman** has established a national tripartite social dialogue committee. The ILO has signed a public–private partnership (PPP) with Petroleum Development Oman to engage with stakeholders to promote social dialogue and sound industrial relations in the oil sector.

Ensuring compliance with labour standards in global supply chains

194. The ILO, in partnership with other stakeholders, has been involved in development cooperation projects aimed at achieving sustainable and continuous improvement of labour standards in global supply chains, particularly in the RMG sector. This has included support for labour inspection and buildings safety, and the extension of activities aimed at better functioning of social dialogue. Much of the work has been undertaken through the Better Work Programme, as explained in further detail in box 6. Notable outcomes from ILO support have included the following:

- In 2013, in **Bangladesh**, international trade unions, Bangladeshi trade unions, and international brands and retailers signed a legally binding five-year commitment to improve safety in Bangladeshi RMG factories, on which the ILO acts as the independent chairperson.
- In 2013, **Jordan**’s two main apparel employer associations and the country’s garment union signed a groundbreaking collective bargaining agreement (extended in 2015), leading to improved working conditions for the sector’s 55,000 employees. A unified contract for migrant workers in the garment sector was also announced in 2015, intended to gradually eliminate discriminatory practices in the calculation of overtime and benefits for migrant workers in the sector over a three-year period.
- Building on the unique ILO–IFC Better Work database on factory working conditions in the apparel sector, in **Cambodia, Indonesia, Jordan and Viet Nam** a statistical analysis has been conducted to examine the relationship between worker welfare and respect for fundamental principles and rights at work, national OSH legislation, hours of work, wages, contracting procedures, violence at work, and how factory-level measures and national policies shape conditions of work.

Supporting effective wage-setting mechanisms

195. While wages in the region have continued to rise over the last decade, and at a faster rate than the rest of the world in terms of real wage growth, they have lagged behind productivity gains over the past decade. This, in part, is due to relatively weak wage-setting institutions in many of the countries in the region, such that the minimum wage is commonly used to serve as a reference point for fixing average wages, rather than as a floor. The ILO has provided support in wage fixing through a number of interventions, contributing to the following outcomes:

- In 2012, **Viet Nam** established a tripartite national wage council, which uses clear criteria for setting minimum wages.
- In 2013, **Myanmar** similarly created the legal framework for a tripartite minimum wage-fixing body and issued its first minimum wage decision in 2015 establishing the country’s first nationwide minimum wage.
- In 2013, **Cambodia**’s tripartite constituents reached an agreement on a regular annual review of the minimum wage in the garment, textiles and footwear industry, with adjustments made on the basis of agreed criteria and data.

- In 2012, the **Occupied Palestinian Territory** established a national wage committee tasked with producing the analysis, calculation and proposals for minimum wage fixing, resulting in the establishment of the first nationwide minimum wage.

Facilitating a robust labour inspection system

196. The ILO has conducted significant research into understanding the most effective mechanisms to ensure compliance with labour laws. For example, a recent comparative study looked at how national labour administrations in **Brazil, China, Colombia** and **Indonesia** have developed, implemented and evaluated new strategic approaches to workplace compliance.

197. Central to ensuring compliance with labour legislation is the existence of a comprehensive labour inspection framework. The ILO's work in this area has included, in particular, supporting OSH audits as diagnostic tools to highlight the weaknesses and main challenges facing national labour inspection and OSH systems and providing detailed recommendations for reforming them in line with relevant labour standards and good practices. Such assessments were carried out in **Oman** (2009), **Syrian Arab Republic** (2009), **Lebanon** (2010), **Yemen** (2010), **United Arab Emirates** (2010), **Occupied Palestinian Territory** (2011), **Saudi Arabia** (2011), **Jordan** (2012), **Bangladesh** (2013), **Afghanistan** (2013), **Nepal** (2014), **Pakistan** (2014) and **India** (2015). Sector-specific OSH standards have been promoted, including for mining and construction in **Mongolia** and the health-care sector in **China**.

198. The ILO has also continued to support the establishment and strengthening of tripartite labour inspection bodies, including in **Nepal** (National Tripartite Committee on OSH), **Occupied Palestinian Territory** (National Tripartite OSH Committee) and **China** (Committee on Labour Inspection).

199. In the **Pacific** subregion with support from the International Training Centre of the ILO in Turin, the ILO has provided technical support for the revitalization or establishment of new tripartite labour bodies. This includes technical support for a new regulation to establish a tripartite labour advisory board in the **Solomon Islands** (2012), the formalization of a tripartite labour advisory body in **Kiribati** (2015) and technical support to develop legislation to establish a Tripartite Labour Advisory Council in **Vanuatu** (2011). In 2015, **Papua New Guinea** and **Samoa** also received training on OSH and general labour inspection to support new or proposed legislation.

200. An important aspect of effective labour inspection is the use of technology and data collection, which the ILO has supported in the following ways:

- In 2012–13, **Jordan** introduced a comprehensive electronic labour inspection database and automated checklist for labour inspectors.
- In 2013, **Sri Lanka** launched a publicly accessible website and online system for labour inspection.
- In 2013, the **Philippines** introduced a system of data collection through mobile devices, whereby information is captured by a central database that generates statistics on workplace compliance for improved monitoring and planning.

- In 2016, **Viet Nam** launched a labour inspection website and an online system for reporting on inspection visits, with support from an ILO development cooperation project. The country adopted its first OSH law in 2015 helping to extend benefit coverage to 30 million informal economy workers, and launched a labour inspection campaign in the garment sector (2015) and the construction sector (2016) using targeted visits as a complement to more traditional enforcement approaches. **Viet Nam** has also received legislative drafting assistance for a team of lawyers and lawmakers, and has trained constituents in the implementation of a tripartite code of conduct on sexual harassment.

Box 8

Improved building safety and labour inspections in the wake of the Rana Plaza factory collapse

The RMG sector in **Bangladesh** accounts for over 80 per cent of the nation's export earnings and employs some 4.2 million workers, an estimated 60 per cent of whom are women.

Following the Rana Plaza tragedy which killed 1,136 people on 24 April 2013, the ILO provided significant technical and financial support, encouraging social dialogue and assisting with the compensation process for survivors and relatives, as well as with the building safety and labour inspection process. By 31 December 2015:

- (1) some 1,549 RMG factories had been assessed through government efforts supported by the ILO;
- (2) the ILO, in collaboration with GIZ (German Agency for International Cooperation) and Action Aid Bangladesh, had carried out an assessment of the needs of Rana Plaza victims and supported 300 injured workers to receive counselling and livelihoods training; and
- (3) the ILO had played a major role in providing income and health protection to the victims of Rana Plaza and their dependants by providing technical expertise on the design and operation of a compensation scheme in line with the ILO Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121), concerning benefits in the case of employment injury.¹

¹ http://www.ilo.org/dhaka/Whatwedo/Projects/WCMS_240343/lang-en/index.htm.

Establishing institutions to monitor equitable rights for women and disabled persons in the workplace

201. There is ample evidence that greater gender diversity in teams and leadership is conducive to stronger returns on productivity and investment as well as non-financial returns such as staff loyalty. Efforts to improve the work quality and increase the labour force participation of women are required in order to deliver on decent work and sustainable economic prosperity. However, women are commonly underrepresented in skilled jobs and overrepresented in “undervalued” occupations or sectors deemed “female-oriented” (such as care work, where women carry the bulk of responsibility), which often provide little or no social protection or safety nets. Women face occupational segregation, discrimination and lack of access to networking and social dialogue, which hampers their potential to access full and productive work and quality economic opportunities. The ILO's work in the region has supported the following outcomes:

- In 2011, **Jordan** established the National Committee for Pay Equity under the leadership of the Ministry of Labour and the Jordanian National Commission for Women, to promote fairer working conditions and women's economic empowerment.
- In 2012, the **Occupied Palestinian Territory** endorsed the establishment of the National Women's Employment Committee, to formulate and adopt a conceptual policy framework to reinforce the economic participation of women and end discrimination in the workplace.

- In 2012, **Thailand** introduced a new Ministerial Regulation to improve workplace rights for domestic workers, aligning legislation with Convention No. 189 and the Domestic Workers Recommendation, 2011 (No. 201).
- In 2013, **Indonesia** established three Equal Employment Opportunity Task Forces with the mandate to promote non-discrimination and equality in the workplace.

202. The ILO supports the inclusion of people with disabilities into mainstream skills development of TVET programmes, by promoting the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159), and the UN Convention on the Rights of Persons with Disabilities. The ILO has directly supported development cooperation projects in **Cambodia, China, Jordan, Lao People's Democratic Republic, Lebanon, Mongolia, Occupied Palestinian Territory, Thailand** and **Viet Nam**, including support for policy and legislative change and support and advice for government agencies, NGOs and international non-governmental organizations (INGOs) and disabled persons' organizations. Smaller support programmes have been managed in **Afghanistan, Fiji, Indonesia** and **Sri Lanka**.

2.3. Eliminating child labour and creating opportunities for young people

203. Despite a decline in child labour, the Asia and the Pacific region continues to have the highest number of child labourers in the world, estimated in 2013 to be around 78 million (5–17 age group), with over half (around 48 million) estimated to be in hazardous work. In the Arab States and North Africa there are estimated to be 9.2 million child labourers. The effects of the Syrian crisis are increasingly spilling over into the economic and social spheres of **Jordan** and **Lebanon**, leading many Syrian refugees to resort to child labour.

204. Child labour is closely linked to youth unemployment, affecting both the supply and demand sides of youth labour markets. On the supply side, poor youth employment prospects can serve as a disincentive to investment in children's education earlier in the lifecycle, as there are few skilled jobs and the returns for education are perceived to be limited. On the demand side, the entry of children into the labour market skews demand away from young people and towards children. Particularly disconcerting is the incidence of hazardous work, which appears especially high among adolescents employed in industry and agriculture.

205. Youth unemployment presents an unprecedented challenge in the region. Despite progress in job creation over the period of the Asia–Pacific Decent Work Decade, the youth unemployment rate was higher in most subregions in 2015 than it was at the start of the Decent Work Decade, averaging 12 per cent across the region. Youth unemployment is a particularly serious problem for males in urban areas, although it is generally unemployment among young females that tends to be higher in most other parts of the region.

ILO strategy

206. Overcoming the twin challenges of child labour and youth unemployment is critical for realizing the ILO's Decent Work Agenda. Guided by the resolution on "The youth employment crisis: A call for action", adopted at the 101st Session of the Conference in 2012, work in this area has focused on deepening the evidence base and disseminating

knowledge on “what works for youth employment”, including by strengthening constituents’ capacities to design and implement effective policies and programmes.

207. The ILO’s support has focused on national responses to child labour, particularly by integrating child labour concerns into development policy frameworks, thus helping to deepen and strengthen the worldwide movement in support of national action, and by integrating efforts to combat child labour more effectively within the ILO’s overall Decent Work Agenda. In supporting youth employment the ILO has established the global Youth Employment Programme, which cuts across its departments and other sectors, and in regard to child labour the ILO has expanded regional partnerships, including with the regional bodies. A global partnership which has remained prominent in combating child labour is the International Programme on the Elimination of Child Labour (IPEC). The ILO’s response therefore focuses on dialogue, advisory services and promoting coordination among the ministries and employers’ and workers’ organizations concerned.

Key results

Supporting an evidence-based approach to child labour

208. A fundamental element of the ILO’s strategy on child labour is to promote the application of statistically reliable estimate methodologies to measure child labour, as well as support countries to collect and analyse data. Outcomes of the ILO’s support in this area have included the following:

- National and regional child labour estimates have been produced, either through national surveys designed for child labour measurement or as a result of adding a child labour module to national household surveys, in **Bangladesh, Cambodia, Fiji, Indonesia, Jordan, Lao People’s Democratic Republic, Lebanon, Mongolia, Myanmar, Nepal, Occupied Palestinian Territory, Papua New Guinea, Philippines, Sri Lanka, Viet Nam and Yemen**. A seven-country regional report for South Asia has also been produced. In a number of cases, increased capacity has facilitated further child labour surveys utilizing ILO methodologies. For example, **Mongolia** undertook three national child labour surveys during the decade.
- A number of subregional and national studies have also been undertaken on specific sectors such as sugarcane and smallholder farms (**Cambodia**), sexual exploitation (**Bangladesh, Mongolia and the Philippines**), construction (**Mongolia**) and street children (**Fiji**). Thematic studies have been conducted on: child labour and youth employment in the Arab States (**Iraq, Jordan, Occupied Palestinian Territory and Yemen**); child labour among Syrian refugees (**Jordan and Lebanon**); child labour and educational marginalization in the East and Southeast Asia region (**Cambodia, Indonesia, Lao People’s Democratic Republic, Mongolia, Philippines, Thailand, Timor-Leste and Viet Nam**); and the effects of work on children’s health, based on ten occupational sectors (**Pakistan**).

209. Ensuring that data is used to develop evidence-based policies in tackling the problem has been another important priority for the ILO. Support towards developing national action plans on child labour has led to a number of such plans being established, including those in **Bangladesh, Cambodia, Fiji, Indonesia, Jordan, Lao People’s Democratic Republic, Lebanon, Mongolia, Nepal, Papua New Guinea, Philippines, Sri Lanka, Thailand and Viet Nam**.

210. At regional level, the ILO has also supported the tripartite development of an ASEAN roadmap on the elimination of the worst forms of child labour, including a self-assessment checklist for ASEAN member States to measure and report progress in tackling the worst forms of child labour. In 2012, the ILO and the South Asia Initiative to End Violence Against Children (SAIEVAC – an apex body of the SAARC) formed a partnership which is providing technical assistance to advance the agenda on children’s rights and the elimination of child labour in South Asia.

211. The elimination of the worst forms of child labour has been a particularly urgent priority, with a number of activities to build technical capacity conducted with constituents and other key stakeholders across the region, including in **Fiji, India, Iraq, Jordan, Lebanon, Myanmar, Occupied Palestinian Territory, Thailand** and **Yemen**. This work has also focused on aligning national laws with the ILO Conventions on child labour. In this regard, support has been provided for the development of hazardous work lists which prohibit hazardous work for young workers below the minimum age specified for such work. These have been enforced or updated in **Bahrain, Jordan, Kuwait, Lebanon, Qatar, Syrian Arab Republic, United Arab Emirates** and **Yemen**, as well as in **Cambodia, China, India, Indonesia, Islamic Republic of Iran, Japan, Republic of Korea, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand** and **Viet Nam**. Some key results are:

- In 2011, **Jordan** adopted a National Framework to Combat Child Labour in order to coordinate efforts to eradicate child labour. In 2013, the Ministry of Labour, in partnership with the ILO and the United Nations Children’s Fund (UNICEF), launched a series of activities to pilot the National Framework in three governorates.
- In 2011, **Fiji**’s Ministry of Employment, Productivity and Industrial Relations endorsed guidelines for inter-agency cooperation on child abuse and neglect, which includes the monitoring of child labour.
- In 2016, **Mongolia** revised its list of prohibited hazardous work for minors, banning the involvement of child jockeys in winter horse races.
- In **India**, the Government and the ILO have implemented a programme to combat the worst forms of child labour in six states.

212. A number of countries have focused on strategies to protect children in particularly hazardous sectors. These include: brick making in **Afghanistan, Bangladesh, Nepal** and **Pakistan**; children in street situations in **Lebanon**; bonded labour in **Nepal** and **Pakistan**; small-scale mining in the **Philippines**; domestic work in **Cambodia, Indonesia, Pakistan, Philippines** and **Thailand**; shrimp and seafood processing in **Thailand**; agriculture in **Fiji** and **Cambodia**; and the response to the earthquake in **Pakistan**. Through a focus on economic reintegration and support to families and communities, the **Philippines** and **Sri Lanka** were among the seven countries included in an interregional project that helped to develop and test approaches to the reintegration of child soldiers and the prevention of child recruitment. In garment factories in **Cambodia**, the Better Factories Cambodia organization has signed an agreement with the Garment Manufacturers Association of Cambodia to jointly address the issue of child labour in garment factories, resulting in a significant decrease in child labour.

213. The ILO has also helped governments to develop and implement a wide range of policy measures relevant to child labour, including conditional and unconditional cash transfers, public employment schemes, family allowances, school meal schemes, social health insurance, unemployment protection and old-age pensions. This included **Indonesia**’s national programme on conditional cash transfer, carried out through the Family Hope

Programme for the Elimination of Child Labour, which was highlighted in the Five-year National Mid-term Development Plan (2014–18).

Box 9

Local action towards child labour-free districts in Sri Lanka and Nepal

With the ILO's support, **Sri Lanka** and **Nepal** have begun implementing district mainstreaming strategy models which ensure that child labour issues and concerns are addressed in district and municipal budgets and programmes, and that local governments have the institutional structures and mechanisms to end and prevent child labour. Starting in Ratnapura, in **Sri Lanka**, and Kavre and Bhatkpur, in **Nepal**, the step-by-step, low-cost local models are now being replicated in other districts.

Creating tailored national policies to tackle youth unemployment

214. The ILO has been supporting governments and social partners in the region by developing and implementing specific policy responses to tackle the challenge of youth unemployment. These have contributed to the development of national action plans on youth employment in **Jordan, Philippines, Samoa, Sri Lanka** and **Yemen**.

215. Particularly relevant to this task is building a better understanding of young people's employment expectations and experiences, a process in which the ILO has, through school-to-work transition surveys, assisted **Bangladesh, Cambodia, Jordan, Lebanon, Nepal, Occupied Palestinian Territory, Samoa** and **Viet Nam**. This knowledge base also helps to tailor skills training packages that align TVET training with employers' skills needs and with the development of transition programmes such as internships, apprenticeships and other schemes. A number of outcomes have been achieved, including:

- In **Cambodia**, the National Employment Policy has been developed to integrate TVET policy priorities, outlining a sectoral approach on skills development for the light manufacturing and food processing sectors.
- In **Jordan**, the Government has improved access to skills training through the establishment of the "E-TVET fund" as well as a national apprenticeship scheme offering upgraded informal apprenticeship practices that benefit both young Jordanians and Syrian refugees.
- In **Mongolia**, a rapid assessment of skills and strategies for young herders has led to the establishment of community-based rural skills training programmes.
- In the **Occupied Palestinian Territory**, the National Authority has improved the matching of tertiary education to labour market needs and, in partnership with the ILO, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and private businesses, has developed a competency-based curriculum for selected occupations in the construction sector as well as structured apprenticeship programmes.
- **Viet Nam** has developed a specialized sectoral approach for the tourism and seafood sectors through its TVET Law.
- Representatives from **Cambodia, China, Fiji, Indonesia** and **Pakistan** met in 2015 for the regional workshop on "Quality Apprenticeships and Work Experience Measures to Improve the School-to-work Transition", which provided an opportunity to share information and experiences and plan for the future provision of quality apprenticeships.

Enabling effective public employment services for young jobseekers

216. The provision of quality public employment services can be critical for young people seeking career counselling and labour market information in rapidly changing labour markets. Without information on labour market conditions and skills and training needs, young people can find the transition to paid employment particularly challenging. ILO support in developing materials and undertaking analysis of labour market information has contributed to the following outcomes:

- Since 2009, **Cambodia**'s job centres run by the National Employment Agency have been supported in order to analyse which services are most effective for young people, leading to improved jobseeker and employer registration, employment counselling and other services. An extension project (three years) to continue improving job centres began in 2014 with funding from the Government of **China**.
- In 2013, the ILO published a career counselling guide for the **Pacific** subregion called *My guide to employment for young people*, which has been adopted by a number of governments and tripartite partners in the region as a way to help build core skills for school-leavers, including how to apply for a job or start a small business.
- In **Jordan**, the Ministry of Labour has trained its representatives to identify labour market needs and to use the information obtained to provide improved employment support services, such as career guidance and job matching.

217. Other key aspects of training and knowledge building that are important to young people include self-employment. This has been facilitated through an ILO training package in schools and vocational training centres called Know About Business (KAB), which has now been adopted in a number of countries, including **China, Fiji, Indonesia, Iraq, Jordan, Kiribati, Lao People's Democratic Republic, Occupied Palestinian Territory, Papua New Guinea, Philippines, Saudi Arabia, Syrian Arab Republic, Timor-Leste, Viet Nam** and **Yemen**. Also important as an area of knowledge building for young people is understanding their rights at work. A training package called "Rights@work" for young people, developed by the ILO, has been adapted by trade unions and used in **Indonesia**, as well as **China**.

218. The ILO has also supported youth employment promotion at the regional level with multilateral agencies, particularly in the **Pacific** subregion (see box 10 below). Cooperation with the United Nations Development Group (UNDG) Asia-Pacific enabled the publication of the report, *Switched on: Youth at the heart of sustainable development in Asia and the Pacific* (2016), containing recommendations for complementary approaches that countries in the region could consider in their efforts to ensure more effective and youth-inclusive strategies.

Box 10 **Supporting youth employment in the Pacific**

The Youth Employment Advocacy (YEA!) Initiative – a joint initiative of the ILO together with the Pacific Youth Council, the secretariat of the South Pacific, UNICEF, the Commonwealth Youth Programme and the Pacific Leadership Programme – produced several key materials for engaging young people in the Pacific on employment issues. The YEA! Initiative was later endorsed by Pacific Island leaders, who in 2011 prioritized youth employment and called for action on youth employment through the Pacific Island Forum Leaders Meeting Communiqué – the highest level of political endorsement in the Pacific.

The ILO has continued to support YEA!-associated activities including through the review of national youth employment policies, the roll-out of career counselling services and materials which have reached more than 5,000 young people, and the provision of entrepreneurship training to a similar number of young people across the Pacific Islands.

2.4. Improving the management of labour migration

219. The ILO recognizes that labour migration can make an important contribution to well-functioning labour markets, growth and development, yet abuse of migrant workers is all too common and a lack of local decent work opportunities can make migration more a necessity than a choice.

220. Data suggests that migrants continue to suffer problems in recruitment and employment, including high recruitment costs, the risk of exploitation and wage discrimination.¹¹² The cost of recruitment continues to remain high and often benefits unscrupulous recruiters. Results from standardized surveys, conducted by the ILO in partnership with the World Bank, suggest that migrants have to work for several months to repay their recruitment brokers. For example, Vietnamese migrant workers in **Malaysia** can take between 2.8 and 4.5 months to repay their migration cost. The surveys in **Pakistan** showed that the average cost to a Pakistani worker of finding a job and starting work in **Saudi Arabia** or the **United Arab Emirates** was \$3,489, with more than 80 per cent of the total investment used to secure a visa.

ILO strategy

221. The ILO's strategy is guided by the ILO Multilateral Framework on Labour Migration (2006) and related international labour standards. It focuses on the following: providing constituents with country-specific advisory services to design and promote fair and effective migration policies; technical assistance to implement policies and operational mechanisms to protect workers' rights; support for developing and facilitating harmonized labour migration data collection; improved governance of labour mobility at the regional level; tripartite dialogue; and support for the most vulnerable migrant workers in sectors with a strong foreign labour presence, such as agriculture, construction and domestic work.

222. The ILO's technical support has been provided in the form of research, the promotion of international labour standards and review of legislation and bilateral agreements, policy advice, training, development of tools and guides, facilitation of subregional and inter-country partnerships and sharing of good practices, and interregional dialogue based on the agenda for fair migration, taking into consideration the gender dimension of migration.¹¹³ A number of campaigns have been run to increase awareness of the rights of migrant workers, including domestic workers.

Key results

Technical support for labour migration data collection to ensure evidence-based policy-making

223. Ensuring accurate data on aspects of labour migration, including flows of migrants and the cost of recruitment and sending remittances, is an important mechanism

¹¹² ILO: *Analytical report on the international labour migration statistics database in ASEAN: Improving data collection for evidence-based policy-making* (Bangkok, ASEAN TRIANGLE Project, 2015).

¹¹³ ILO: *Fair migration: Setting an ILO agenda*, Report I(B), Report of the Director-General, International Labour Conference, 103rd Session, Geneva, 2014.

for devising and implementing targeted policies to protect the rights of migrant workers. The ILO's support in this area has included the following:

- The International Labour Migration Statistics (ILMS) database was launched in December 2014 in the ASEAN region; it gathers together all official government data sources on international migrant worker stocks and flows within the region, as well as on countries' nationals living or working abroad. In 2016 a similar database, using the same templates, was developed for the Arab States.
- **Jordan** has developed a labour force survey including questions relating to migrant workers and refugees.
- In 2014, **Nepal** published its first annual report on labour migration from Nepal.
- In 2016, **Pakistan** published its first yearly statistical report on migration.
- Technical support for both **ASEAN** and **Pacific** countries has helped to improve collaboration between national statistics offices and labour ministry staff.

Advisory services on migration-related standards help support legislative reform

224. Following ILO technical support to a number of Arab States, several have instituted partial reforms to bring them into better compliance with ILO Conventions on migration. Progress based on ILO support has included the following:

- In 2009, **Bahrain** adopted a regulation permitting migrant workers to change employment without their employer's consent and amended this in 2011 by permitting unilateral contract termination after the first year of employment. Furthermore, **Bahrain** covers the protection of domestic workers' rights in some articles of its Labour Law.
- In 2012, **Lebanon's** Syndicate of Owners of Recruitment Agencies adopted a mandatory code of conduct, although the monitoring mechanisms remain a challenge.
- In 2015, the **United Arab Emirates** issued three interrelated ministerial decrees to regulate the employer–migrant worker relationship through labour law and the development of a standard contract that would standardize the issues involved in renewal of stay, termination of contract and transfer of the worker to another employer, while also addressing contract substitution and passport confiscation.

225. In the Asia and the Pacific region, ILO technical support has facilitated government policies and planning on labour migration, helping to usher in significant legislative progress towards ensuring that migrant workers are protected by legislation. Examples include the following:

- In 2008, **Sri Lanka** adopted a national labour migration policy through an extensive consultative process involving a tripartite steering committee, focusing on the protection and empowerment of migrant workers and their families, and migration and development.
- In 2013, **Bangladesh** approved the Overseas Employment and Migrant Workers Act (2013), which brings significant improvements to the regulation of recruitment, support services to migrant workers and the situation of women, complaint mechanisms and access to justice. In 2014, the Ministry of Expatriates' Welfare and Overseas Employment and the Bureau of Manpower, Employment and Training introduced a classification system for the grading of recruitment agencies.

- In 2013, **Viet Nam** prepared several circulars (legislative instruments) under the labour migration framework, to protect migrant workers.
- In 2014, **Cambodia** launched its second National Policy on Labour Migration (2015–18), which builds on the achievements and gaps in the previous policy, and also issued ministerial orders concerned with the obligations of recruitment agencies and the establishment of a complaints mechanism.
- In 2014, **Thailand** adopted the Ministerial Regulation on Sea Fisheries Work, and improved inspection has helped identify violations of migrants' rights.
- In 2015, **Nepal** introduced a “free visa–free ticket” provision under which recruitment agencies are not permitted to send workers to the six GCC countries¹¹⁴ or **Malaysia** unless the employer has provided a free ticket and free visa for the workers.
- In 2015, **Kiribati** and **Tuvalu** approved national labour migration policies which set out protection principles for migrant workers and outlined the responsibilities of the government in ensuring effective training and support for migrants.

Box 11

Tackling exploitation of migrants on fishing vessels

Thailand's fishing industry is dominated by migrants, many of them with irregular legal status. ILO support to constituents contributed to the adoption in 2014 of a Ministerial Regulation that provides for application of the minimum wage, introduces minimum rest hours, requires a written contract and raises the minimum age for admission to employment for work to 18 years.

The ILO has also helped **Thailand** develop operational guidelines and tools for labour inspection of fishing vessels. Following an advisory mission from the Brazilian Labour Ministry on improving inspections in the fishing sector, a mobile inspection unit for the commercial fishing industry was established in **Thailand**. In just over a year, the Government carried out inspections on 713 vessels, finding 101 labour violations, including a number involving child labour; previous inspections had rarely identified any violations.

Supporting domestic workers

226. The Asia and the Pacific and Arab States regions have the highest numbers of domestic workers. Despite their crucial role in the economic functioning of societies, domestic workers, especially migrants, are particularly vulnerable to poor working conditions and human rights abuses. ILO support in this area has included both legislative and policy advisory services, leading to key results:

- In 2012, **Thailand** passed the Ministerial Regulation on Domestic Work. While not completely in line with the standards set in Convention No. 189, it does provide additional protections including one mandatory day off per week and paid sick leave and holidays.
- In 2013, in **India**, trade unions and domestic workers' organizations created the Delhi Domestic Workers Solidarity Platform. The platform aims to strengthen coordination mechanisms and works closely with the Delhi Government to improve working conditions and enhance protection of domestic workers.

¹¹⁴ Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.

- In 2015, **Jordan** adopted Regulation No. 12, aimed at affording more protection to migrant domestic workers through new benefits related to their mobility, insurance schemes, rating of recruitment agencies and the creation of a government safe house for victims.
- In 2015, the **Occupied Palestinian Territory** issued regulations on domestic workers, while **Kuwait** adopted a law on the labour rights of domestic workers.
- In 2014, **Lebanon**'s National Federation of Workers' and Employers' Unions developed a referral mechanism to better address domestic workers' grievances and the Committee for Migrant Domestic Workers in Lebanon – the first representative body for migrant domestic workers in the Arab region. Furthermore, the Ministry of Labour has created a hotline service for migrant domestic workers in despair and reactivated the National Steering Committee for Migrant Domestic Workers, which is developing a comprehensive migration strategy. A new union has been created to represent domestic workers.
- **Nepal** has issued a directive that reduces from 30 to 25 years the minimum age of employment for women wanting to work in the domestic work sector in the six GCC countries, **Lebanon** or **Malaysia**.

Supporting constituents' capacity to provide access to justice

227. The ILO's support to social dialogue has helped to ensure that migrants' voices are heard, and complaints effectively dealt with. Some of the outcomes of this work have included the following:

- In 2010, **Jordan** introduced amendments to the Labour Code, eliminating language strictly forbidding migrant workers from joining trade unions. Changes in 2015 in the garment sector (collective bargaining agreement) contributed to improving the working and living conditions of over 40,000 migrant workers in the sector and ushered in the development of a unified contract for migrant workers.
- In 2013, **Sri Lanka** published an *Operational Manual for Labour Sections of Sri Lankan Diplomatic Missions in Destination Countries*, aimed at ensuring the protection and welfare of migrant workers.
- In **Cambodia, Lao People's Democratic Republic, Malaysia, Myanmar, Thailand** and **Viet Nam**, through support to the establishment of migrant resource centres, a total of \$2 million in compensation was negotiated between 2010 and 2015 for migrant workers (see box 12). In addition, four countries of origin (**Cambodia, Lao People's Democratic Republic, Myanmar** and **Viet Nam**) developed pre-departure training materials for key migration corridors, highlighting rights-based messages and the risks encountered by men and women migrant workers.
- Between 2011 and 2015, in **Cambodia, Lao People's Democratic Republic, Myanmar** and **Viet Nam**, thousands of migrants received support services through the migrant resource centres, implemented by trade unions, CSOs and government job centres. The migrant resource centres also enabled access to justice through legal aid services and provided information and advice on safe migration and labour rights. A *Migrant Worker Resource Centre operations manual* for sending countries has been published by the ILO.

- Pre-departure orientation has also been strengthened in **Bangladesh, Nepal, Sri Lanka, Philippines, Papua New Guinea** and **Nauru**. Destination country-specific *Travel Smart – Work Smart* booklets have been prepared and disseminated for migrant workers from **India, Nepal** and **Pakistan**, and migrants to **Thailand** and **Malaysia** from **Cambodia, Lao People’s Democratic Republic** and **Myanmar**, to provide information to low- and semi-skilled migrant workers.
- In 2015, migrant resource centres were established in Islamabad and Lahore in **Pakistan**, providing a range of information services to prospective migrant workers and those in need of legal support.
- In **Nepal**, over the period 2014–15, the Ministry of Labour and Employment created a computerized complaints cell within its premises. By the end of 2015, more than 8,000 cases had been registered and received legal support.

Box 12

Supporting migrant resource centres in the Greater Mekong subregion

From 2010 to 2015, the ILO implemented the Tripartite Action to Protect Migrant Workers within and from the Greater Mekong Subregion from Labour Exploitation (GMS TRIANGLE project), funded by the Australian Government, to strengthen the formulation and implementation of recruitment and labour protection policies and practices and to ensure safer migration that results in decent work.

An important achievement of the GMS TRIANGLE project was the establishment of 23 migrant resource centres to provide drop-in support and guidance to migrant workers. An independent evaluation of the migrant resource centres showed that the centres were particularly effective in facilitating improved access to justice for migrant workers. Although, prior to the project, complainants in many countries of origin had been unable to access mechanisms to redress harm suffered during migration, over the life of the project some \$2 million was ordered to be paid as compensation for underpayment or accidents suffered in the workplace. Baseline and end line analyses showed clear improvements in migrants’ knowledge of, and access to, safe migration. Moreover, the cases handled and trends observed from the migrant resource centres feed into the ILO’s policy recommendations as well as capacity-building programmes.

Tools to monitor and self-regulate recruitment help to reduce risks for migrant workers

228. Migrants are commonly subjected to high recruitment costs and provided with substandard services by unethical recruitment agents. The ILO’s work in this area has contributed to the following positive outcomes:

- From 2011 to 2015, the **Viet Nam** Association of Manpower Supply institutionalized a code of conduct for recruitment agencies, providing ratings for 50 recruitment agencies based on their compliance with the code. This has contributed to improved recruitment standards in agencies responsible for sending more than half of all Vietnamese migrant workers deployed.
- In 2013, training in **Sri Lanka** on the Code of Ethical Recruitment led to its adoption by over 20 licensed recruitment agents. Similar training for private recruitment agencies on ethical recruitment was also conducted in **India** in 2014–15, where the ILO is supporting a national federation of recruitment associations as a representative body for dialogue with the Government.
- In 2014, **Malaysia** (through the Malaysian Employers’ Federation) drafted practical guidelines for employers on the recruitment, placement, employment and repatriation of foreign workers in **Malaysia**. The guidelines have been used as the basis for training over 200 employers across **Malaysia** and help to support employers’ awareness and compliance with the law.

- In 2015, **Pakistan** (through the Overseas Employment Promoters Association) produced an ethical code of conduct and an action plan for implementing the code.

Research and technical support to encourage changes in attitudes to migrants

229. Promoting more positive attitudes towards migrants in receiving countries is critical to ensuring fairer treatment and to providing migrants with the confidence to enforce their rights without discrimination. The ILO's support in this area has included the following:

- In **Thailand**, an ILO study on employment practices and working conditions in the fishing sector, published in February 2014, received extensive media and stakeholder attention, thus supporting the steps taken to improve recruitment regulation and working conditions.
- In **Malaysia, Republic of Korea, Singapore and Thailand**, a study published in June 2012 on public attitudes towards migrant workers has helped to establish a baseline for the way in which the public views migrant workers. The findings have helped to devise activities such as the *Saphan Siang* campaign in **Thailand** and to increase positive attitudes towards migrants, including through a "Youth Ambassador Programme", which has placed a total of 32 Thai university students in professional volunteer positions with organizations working to assist migrant workers.¹¹⁵
- In **Lebanon**, the Ministry of Labour has carried out a promotional campaign to increase awareness of the rights of migrant domestic workers.
- In **Jordan, Kuwait and Lebanon**, research on attitudes and perceptions of employers of domestic workers has been conducted to feed into awareness-raising initiatives on the rights of migrant domestic workers, and in **Lebanon** an evidence-based promotional campaign by the Ministry of Labour has led to increased awareness of the rights of migrant domestic workers.

Supporting closer cooperation between origin and destination countries to protect migrant workers

230. There have been promising developments in cooperation between governments and social partners in ensuring protection of migrant workers. Between governments, labour migration flows are largely regulated by bilateral agreements and MoUs signed between origin and destination countries. ILO research has helped to support a review, published in July 2015, of good practices in MoUs to guide countries developing or revising such agreements.

231. In addition, there has been increasing trade union cooperation between origin and destination countries. For example:

¹¹⁵ The *Saphan Siang* campaign and the Youth Ambassador Programme continue to be supported by the ILO, IOM, UNESCAP, MTV EXIT Foundation and World Vision International, with other partnerships being explored. A similar programme called "Migration Works" produced a public service announcement, held a series of exhibitions and organizes talks with youth groups and university students.

- In **Malaysia** and the **Republic of Korea**, the work of the Malaysian Trade Union Congress (MTUC) and the Korean Congress of Trade Unions provides a good example of destination country unions collaborating with origin country unions and reaching out to migrant workers. The MTUC has been proactive in this area, and signed an agreement of cooperation with the Viet Nam General Confederation of Labour in March 2015.
- In **Nepal**, the General Federation of Nepalese Trade Unions has extended partnerships and outreach to Nepalese migrant workers over a range of countries of destination including **Republic of Korea** (September 2010), **Kuwait** (January 2012), **Malaysia** (December 2011), **Qatar** (April 2012) and **United Arab Emirates** (September 2014).
- In 2008, the International Trade Union Confederation (ITUC), with the support of the ILO, developed a model bilateral agreement to assist negotiation between the trade unions of source and destination countries. This ITUC–ACTRAV (the ILO’s Bureau for Workers’ Activities) model has been used as a template in these agreements.

232. Support to social partners has also been successful, with the following outcomes recorded:

- In October 2014, the ASEAN Trade Union Council (ATUC) developed the ATUC Inter-union Cooperation Agreement among ASEAN unions as a strategy to promote decent work for migrant workers, and designed an information system to collect and monitor employment-related complaints from migrant workers in ASEAN member States.
- In August 2015, the South Asian Regional Trade Union Council, ATUC and the Arab Trade Union Confederation signed a joint MoU for the protection and well-being of migrant workers, specifying eight actions to be taken by the trade unions in these regions.¹¹⁶
- In 2013, ILO support for the ASEAN Confederation of Employers led to the adoption of a three-year action plan to support labour migration processes, strengthen its visibility among its members and other stakeholders and raise the level of institutional engagement among its members.

Facilitation of regional cooperation to promote standards and cooperation

233. ILO advisory support to regional institutions has helped to increase commitment to the protection of migrant workers and participation by social partners, for example:

- The ASEAN Forum on Migrant Labour has provided a platform for the review, discussion and exchange of best practices and ideas between governments, workers’ and employers’ organizations, and civil society stakeholders.
- In 2014, at the 18th SAARC Summit, the Heads of States and Governments endorsed the Kathmandu Declaration, including an agreement to collaborate and cooperate on safe, orderly and responsible management of labour migration from South Asia so as to ensure the safety, security and well-being of their migrant workers in destination countries outside the region. In order to realize and advance this commitment, a draft

¹¹⁶ The South Asian Regional Trade Union Council has also developed a policy statement on minimum conditions for migrant workers that it promotes in all SAARC countries.

action plan was developed and discussed during a SAARC meeting in Kathmandu in May 2016. At the end of the meeting, the SAARC Plan of Action for Cooperation on Labour Migration was adopted, and it will be tabled for endorsement at the SAARC Summit in Islamabad in November 2016.

- At its third ministerial meeting in **Kuwait**, the Abu Dhabi Dialogue adopted a declaration recognizing the agenda for fair migration, and further discussion of core issues relating to fair migration also took place at the fourth meeting of senior officials in May 2016.
- In 2014, the ILO facilitated an interregional experts' meeting in Kathmandu to deepen understanding of the key challenges and opportunities presented in realizing fair migration between Asia and the Arab States.

2.5. Extending social protection

234. Despite considerable efforts to extend social security coverage, levels of coverage continue to be limited worldwide. This is particularly so in the Asia and the Pacific region, where more than 1 billion workers are in vulnerable employment, including rural farmers, self-employed persons and those working in small enterprises with unstable status, for example under short-term contracts or in part-time jobs, and hence lacking necessary protections. Social insurance schemes rarely provide the full range of benefits: unemployment; maternity; medical care and sickness; employment injury; family; and old-age, survivor and invalidity. Employment injury insurance rates are especially low in Asia and the Pacific, and were estimated in 2015 to cover less than 30 per cent of the labour force and an even smaller percentage of women.¹¹⁷ In addition, migrant workers are excluded from coverage in most social security schemes.

ILO strategy

235. The ILO's strategy focuses on promoting and supporting member States in their establishment of comprehensive social security systems, including social protection floors. This has been done through a combination of initiatives including the provision of high-level policy advisory services, actuarial reviews, feasibility studies, technical policy notes, legal views and the drafting of social security legislation. Support has also been provided to develop coherent and gender-sensitive social protection strategies and social security legislation, as well as for scheme design and implementation in various technical areas: unemployment protection; employment protection; employment injury; social health protection and sickness benefits; maternity protection and family protection; pensions and long-term care; the promotion of ILO standards; and capacity building for tripartite constituents on topics related to social protection.

236. ILO support to member States has been channelled through activities implemented on the technical advice of regional and global social protection specialists, complemented by development cooperation projects. The strategy has also involved the establishment of partnerships at regional and country levels with other UN agencies and participation in UN Joint Programmes. An increasing number of countries have been willing to fund the ILO to deliver technical assistance in specific areas.

¹¹⁷ ILO: *World Social Protection Report 2014–15: Building economic recovery, inclusive development and social justice* (Geneva, 2014).

Key results

Supporting ratification of key Conventions

237. The ILO has actively promoted and briefed an increasing number of countries in the region on Recommendation No. 202, and provided continuous technical support and advisory services towards the promotion and ratification of relevant ILO Conventions, in particular Convention No. 102. This has led to the ratification of Convention No. 102 by **Jordan**, in 2014, and the commencement of discussion on ratification in countries including **China** and **Mongolia**.

Providing technical and actuarial assistance to facilitate evidence-based decision-making

238. The ILO has provided a wide range of high-level technical and policy advisory services to governments in the region. This has included actuarial services, social budgeting exercises and support for dialogue on fiscal issues. Support has also been provided through assessment-based national dialogue exercises to assess gaps and facilitate financially-costed policy options. These exercises focusing on general elements of national schemes have sometimes been complemented by the development of specific technical policy notes (such as the technical note on pensions for **Cambodia** and **Thailand**, or that on the costing of basic social protection benefits for **Jordan**, **Lebanon**, **Nepal** and **Occupied Palestinian Territory**), and by actuarial valuations, which have been an important input to pension policy reforms in the region. The ILO has directed its technical advisory services and support towards the development of a unique methodology and guidelines exercise called assessment-based national dialogue. Some of the impacts of the ILO's work include the following:

- In 2011, **China** introduced the First Social Insurance Law expanding social protection to better cover the rural population.
- In 2012, **Cambodia** established the National Social Protection Floor Strategy for the Poor and Vulnerable, following the development of a social protection expenditure review as well as the costing of the National Social Protection Strategy.
- In **Mongolia**, the ILO led the UN Country Team supporting the Government, employers, workers and other stakeholders in an assessment-based national dialogue on the social protection floor in 2013–15 to determine the affordability of a social protection floor appropriate to **Mongolia**. As a result, a definition of a “social protection floor” and a list of concrete recommendations, together with cost estimates, were submitted to, and endorsed by, all government agencies, social partners and civil society, together with an estimate of its cost.
- **Myanmar** has carried out an assessment-based national dialogue exercise leading to a national social protection strategic plan and the development of a national medium-term development plan that will bring 2.2 million informal economy workers into social security programmes in **Indonesia**.

Box 13
Extending social security in China

In 2011, **China** enacted the Social Insurance Law, drafted in cooperation with the ILO, the International Social Security Association and the World Bank.

The Government first launched pilots of a government-financed basic pension and an individual account pension scheme in 2009 and 2010. Apart from testing the non-contributory part of the new scheme, the pilots gave insights into the consequences of introducing state-funded operational costs rather than the former system in which counties charged administration fees. The new Social Insurance Law was then introduced with the aim of improving the portability of benefits (pensions and health) across **China**, establishing a national identification card system, covering foreign workers and establishing a national fund for basic pensions and provincial funds for other benefits. The scope of social security coverage has now expanded from urban to rural areas, from state-owned enterprises to all types of establishments and from salaried workers to the non-employed and people engaged in flexible types of employment.

Supporting development of expanded social security schemes

239. As well as the development of sound policies and legal frameworks, the ILO has also directed its efforts towards the design and implementation of new schemes in various branches for civil servants, and for formal and informal economy workers, including the poor and the vulnerable. The ILO has also assessed the schemes' feasibility, the design of procedures and tools, and the capacity building needed for social security staff. In the last decade, the ILO has been requested to provide technical support particularly in the following areas: (i) unemployment protection; (ii) employment injury; (iii) social health protection; (iv) long-term care; (v) pensions; and (vi) maternity protection. This has resulted in the following outcomes:

- In 2011, **Timor-Leste** passed a decree law to establish a transitional pension scheme for civil servants, supported through South–South cooperation with **Brazil**, and in 2016 approved a new regulation that launched a unified pension scheme including private sector workers and civil servants.
- In 2011, **Nepal** established the National Framework for Social Protection (2012–22), “to provide a minimum social protection floor for all citizens within the next ten years”, following technical support on the feasibility of broadening the old-age allowance and on the design of a pilot programme to provide emergency employment programmes in rural areas.¹¹⁸ The ILO also provided technical assistance for drafting the Unified Social Security Act, which includes unemployment benefit, maternity benefit, medical care, sickness benefit and employment injury benefits.
- In 2012, the **Lao People’s Democratic Republic** issued a prime ministerial decree establishing national health insurance. The Government issued its first social security law a year later and made arrangements to set up a new administrative body called the National Social Security Fund.
- In 2013, **Indonesia** developed a roadmap for the implementation of the new health-care insurance scheme, the *Badan Penyelenggara Jaminan Sosial Kesehatan*, and included social security coverage in the National Medium-Term Development Plan 2015–19. In 2015, **Indonesia** also launched a public pension scheme for private sector workers.

¹¹⁸ Draft National Framework for Social Protection (2012–22), p. 19.

- In 2013, **Saudi Arabia** approved its first unemployment insurance legislation, which provides unemployment benefits for a certain period to workers in the private sector upon loss of employment.
- In 2014, **Jordan** adopted Social Security Law No. 1 (2014) which extends social security coverage and includes the first maternity benefit scheme in the Arab States.
- In 2014, the Kurdistan Region of **Iraq** revised its social security law to include coverage for old age, disability and death and, in the event of employment injury, for casual and construction workers and their family members.
- In 2014, **Myanmar** adopted a national social protection strategic plan developed by an inter-ministerial working group including key line ministries.
- In 2014–15, **Thailand** reviewed and considered reform to health-care financing, improving on its successful universal basic health scheme.
- In 2015, **Cambodia** adopted the legal framework for a national health insurance scheme that includes maternity protection benefits, following the launch of the Employment Injury Insurance Scheme.
- In 2016, the **Occupied Palestinian Territory** introduced the first social security law for private sector workers and their families, which will provide coverage to 82,646 such workers in 2016, with the aim of reaching 336,440 workers by 2030.

Box 14

Establishment of the first social security system in the Occupied Palestinian Territory

The first social security law for private sector workers and their family members was adopted by the Palestinian Cabinet on 16 February 2016. The new social security system provides benefits for old age, disability and death, as well as employment injury and maternity. The framework of this new national social security system was developed in 2013 by the tripartite National Social Security Committee, based on an actuarial evaluation that assessed the system's parameters to ensure its sustainability in the long term. A participatory approach was promoted by the ILO, and the new social security system was established in consultation with workers' and employers' organizations, government officials and other stakeholders.

Creating a multiplier effect on the extension of social protection floors through partnerships

240. Policy support through the ILO in the ASEAN region and in the Arab States has led to a rights-based approach, a two-dimensional extension strategy and to the social protection floors concept being embedded in the ASEAN Declaration on Social Protection in 2014.

241. In South Asia, the ILO contributed to the Third Ministerial Meeting of the United Nations Educational, Scientific and Cultural Organization (UNESCO) Forum of Ministers in charge of Social Development from South Asia, on the subject of social protection policies in South Asia. Similarly, the ILO provided technical assistance to the South Asia Labour Conference (Lahore, April 2014). In the Declaration of the Conference, the delegates of seven South Asian countries vowed to work in close coordination and develop a regional

cooperation strategy with the aim, inter alia, to enhance the relevance, quality and outreach of social protection systems.¹¹⁹

242. Inter-agency cooperation has created an observable multiplier effect, with other organizations taking up the social protection floors concept and advancing rights-based approaches that refer explicitly to, or reflect the spirit of, Recommendation No. 202. The ILO and the World Bank, which co-lead the Social Protection Inter-agency Cooperation Board, have developed a set of social protection assessment tools for joint country advisory services, which were pilot tested in **Viet Nam** and the **Philippines**.

243. The Office has influenced the incorporation of social protection floors into the agendas of many UN agencies and multilateral organizations. Through the UN Chief Executives Board Social Protection Floor Initiative, UN Country Teams have been made aware of the need to support the implementation of Recommendation No. 202 in joint country work.

3. Development cooperation

244. In recognition of the fact that development is a long-term progression that can only be achieved through mutual and accountable partnerships, the concept of development cooperation is increasingly recognized to include broad goals of good governance, social justice, equality and capacity development, and to involve a multifaceted group of stakeholders including companies, academic institutions and multilateral financial institutions. Over the last decade, development cooperation and collaboration in the region have diversified to cover a plethora of arrangements, including technical assistance between developing countries, facilitated with assistance from the ILO (South–South and triangular cooperation), and joint activities with multilateral agencies, while traditional relationships with the UN family have also been strengthened. The number of partners has diversified, now including multilateral organizations, private sector institutions and foundations, universities, research and knowledge centres, and CSOs.

245. From the Busan Partnership for Effective Development Cooperation (2011) to the Addis Ababa Action Agenda on Financing for Development (2015), resourcing for development cooperation has continued to remain high on the agenda, and is a key foundation of the ILO’s ability to better deliver decent work outcomes in DWCPs. Current data, as shown in table 2 below, indicate that the largest voluntary donors to the Asia and the Pacific region over the last decade have been Australia, the United States and the European Commission, together providing a combined total of nearly 40 per cent of funding. In the Arab States, the main donors have been the United States, other UN organizations and the European Commission. While Arab donor countries and financial institutions responded favourably during the 2008 global economic and financial crisis, increased assistance from them to countries affected by the Arab Spring and those affected by the Syrian refugee crisis has been slower to materialize and is linked to the Decent Work Agenda.

¹¹⁹ Afghanistan, Bangladesh, India, Republic of Maldives, Nepal, Pakistan and Sri Lanka.

Table 2. Voluntary contributions by development partner (\$ thousands)

Major development partner	2005–09	2010–15	Total 2005–15
Australia	8 956	102 146	111 102
United States	47 216	54 677	101 893
European Commission	57 977	43 853	101 830
UN organizations and agencies	65 735	32 652	98 387
Netherlands	46 209	19 354	65 563
Canada	11 982	35 832	47 814
International financial institutions (banks)	15 397	31 257	46 654
Japan	10 283	25 076	35 359
United Kingdom	8 847	23 749	32 596
Switzerland	6 613	24 207	30 820
Norway	11 685	18 089	29 774
Sweden	10 378	17 768	28 146
Public–private partnerships	6 724	9 599	16 323
Domestic development funding	5 694	9 329	15 023

246. Different modalities have been used to frame the mechanisms for voluntary contributions, including formal multi-annual partnerships and portfolios of development cooperation projects sometimes formulated in response to calls for proposals. Some of these modalities are described below:

- **Australia** – One of the key partnerships between member States and the ILO has been that with the Government of Australia (through the Department of Foreign Affairs and Trade, formerly AusAid). The partnership, established in 2010, has provided support to initiatives across the Asia and the Pacific region. These initiatives relate to five key themes, namely: the ILO–IFC Better Work Programme in the garment sector; labour market governance and migration in the Pacific; Green Jobs in Asia; the Youth Employment Promotion Programme in **Timor-Leste**; and the Pacific Growth and Employment Project.
- **Republic of Korea** – In 2003, the Republic of Korea Ministry of Employment and Labour signed a MoU with the ILO to formalize their partnership for development. The ILO Korea Partnership Programme works in close collaboration with specialists in ILO offices throughout the region. An ILO/Korea team manages the programme and an annual executive committee meeting brings together the ILO/Korea team with specialists and officials from the Ministry of Employment and Labour and its partner institutions. They exchange experiences and lessons learned, review the status of their ongoing activities and agree on the forthcoming year's implementing plan. The programme's support focuses on the areas of: competitiveness, productivity and jobs; labour market governance and social protection; and labour migration management.¹²⁰

¹²⁰ *ILO Korea Partnership Programme: Working in partnership to realize the Asian Decent Work Decade goals*, at: http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_099682.pdf.

- **Japan** – The Government of Japan worked with the ILO Regional Office for Asia and the Pacific (ROAP) in Bangkok to establish the ILO/Japan Multi-bilateral Programme in 1974. This regional programme combines the technical expertise of the ILO with financial support from the Government of Japan and covers Asia and the Pacific countries in promoting decent work in the region through projects at community, national and regional levels, including such thematic areas as social dialogue, social protection, green business and OSH. The ILO/Japan Multi-bilateral Programme Desk – comprising a chief technical adviser, a programme officer and a programme assistant – is responsible for ensuring the smooth delivery of the projects to the beneficiaries in the region as well as the management of technical staff in ILO–ROAP, Decent Work Teams and Country Offices.¹²¹

Emerging trends in development cooperation

247. Although relationships with current funding partners remain robust, it is important to recognize the fast-changing nature of development cooperation, including downward pressures on official development assistance and the growing number of middle-income countries that are no longer eligible for official development assistance, as well as the increased competition among organizations for these funds, including at the UN level. At the same time there are new financial mechanisms emerging that may benefit ILO development cooperation, such as those around Aid for Trade or “green funding”, for instance the Green Climate Fund.¹²² In recognition of these forecast changes and the outcomes of internal and external dialogues, in October 2015 the Governing Body adopted a revised version of the Development Cooperation Strategy 2015–17 which takes into account the outcomes of the Third International Conference on Financing for Development (2015) and the 2030 Agenda for Sustainable Development, the Programme and Budget for 2016–17 and the evaluation of the development cooperation strategy for 2010–15. The revised Development Cooperation Strategy is built around the four pillars of: focus, effectiveness, capacity development and resource mobilization.

Focus

248. The process of developing DWCPs inherently ensures that activities focus on relevant national priorities in cohesion with country UNDAFs. However, it is also important, when developing initiatives, to have regard to overarching changes in development strategy and focus. Key among these is the adoption of the 2030 Agenda for Sustainable Development, and it is important to ensure that ILO activities are carefully constructed around, and respond to, specific SDGs. Decent work is, not surprisingly, prominently positioned across the 2030 Agenda for Sustainable Development, which emphasizes the need to “create conditions for sustainable, inclusive and sustained economic growth, shared prosperity and decent work for all”.

249. From a strategic perspective, it is also important to draw strength and resources to the ILO’s flagship programmes, which were identified in 2015 as: the Social Protection Floor; IPEC+; Jobs for Peace and Resilience; OSH Global Action for Prevention; and the Better Work Programme.

¹²¹ ILO/Japan Multi-bilateral Programme, at: http://www.ilo.org/asia/whatwedo/projects/WCMS_099193/lang--en/index.htm.

¹²² ILO: *Independent evaluation of the ILO’s strategy for technical cooperation 2010–15* (Geneva, Evaluation Office, Oct. 2015).

250. A renewed focus on the role and strategic relevance of employment and decent work in response to conflict and disaster, for the transition to peace and recovery, has become increasingly important. This was a topic covered at the 105th Session of the International Labour Conference in June 2016, where revision of the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71), was discussed. As the Asia and the Pacific region has been affected by numerous disasters and conflicts, the relevance of ILO initiatives in employment-intensive investment strategies, both in countries affected by crisis and those countries hosting people forced to move because of crisis, will continue to remain an area of strategic focus for the ILO.

251. Working with regional organizations is an important way to ensure that the ILO's strategic priorities are aligned with, and reflected in, development efforts in the Asia and the Pacific region. Over many decades, the ILO has formed close relationships with regional groupings including ASEAN, SAARC, the Pacific Island Forum, the League of Arab States, the Arab Labour Organization and the GCC, which have contributed to ensuring that tripartite dialogue and social justice remain a part of the discussion. Some of the key regional partnerships formed have included the following:

- **Association of Southeast Asian Nations (ASEAN)** – ASEAN and the ILO began their cooperation in the 1980s through the implementation of regional projects and other activities. Cooperation and relations between the two organizations have gained depth and quality over the last decade, especially after the signing of the Cooperation Agreement by the ASEAN Secretary-General and the ILO Director-General in March 2007 in Geneva. The ILO maintains a number of key avenues for providing support and policy advice, including ASEAN's annual meetings, the ASEAN Senior Labour Officials' Meeting, the Working Group on HIV/AIDS, the Working Group on Progressive Labour Practices to Enhance Competitiveness of ASEAN, and the ASEAN Forum on Migrant Labour. The ILO attended the annual Labour Ministers Meeting in 2015, and the joint ASEAN–ILO report was a notable achievement. As a contributor to the ASEAN Labour Ministers' Work Programme 2010–15, the ILO is one of the key collaborators of ASEAN in helping it implement its work programme and is embedded in the workplan of ASEAN, particularly through regular decent work seminars. These annual seminars have led to fruitful discussions regarding such initiatives as the establishment of a regional network of labour inspectors in the ASEAN region and the development of the ASEAN database on labour market information and progress of decent work using the ASEAN Scorecard and ILO decent work approach.
- **South Asian Association for Regional Cooperation (SAARC)** – The ILO has been working with SAARC (an economic and geopolitical organization of eight countries in South Asia) for a number of years, including through SAARC's South Asia Initiative to End Violence Against Children (SAIEVAC). In 2012, the SAIEVAC and the ILO signed an MoU on child labour, resulting in a number of collaborative activities such as a course, together with the Office of the Special Representative of the Secretary-General on Violence against Children, aimed at achieving synergy between reporting and action in the framework of the United Nations Convention on the Rights of the Child and the ILO child labour Conventions. In 2013–14, the ILO served as Chair of the South Asia Coordinating Group on Action against Violence against Children (SACG) – a multi-agency UN–INGO group with which the SAIEVAC Regional Secretariat signed a partnership agreement in 2012. As the SACG Chair, the ILO also served as a SAIEVAC Governing Board Member.

- **Pacific Island Forum (PIF)** – The ILO has collaborated with the Pacific Island Forum (an inter-governmental organization that aims to enhance cooperation between the 14 countries and territories of the Pacific Ocean) in relation to youth employment and disability, as well as more recently in the area of skilled labour migration. There has also been collaboration with the regional technical agency, the Secretariat for the Pacific Community, in areas such as labour law, statistics and youth employment frameworks.

Effectiveness

252. Continuously improving organizational effectiveness with a view to enhancing service delivery to constituents is a key objective of the ILO's reform efforts. This Report has consistently described the effectiveness of the ILO's work in achieving tangible results.

253. A key principle of effectiveness is ensuring that the ILO's work builds on that of other agencies and identifies possible synergies with other development partners. A particular feature has been joint research and coordination, which is important in ensuring that the ILO's work is implemented cohesively with other UN agencies. The ILO has a strong history of coordination with the UN family through the UNDAF processes in individual countries. Notable examples include the One Plan in Viet Nam and inter-agency agreements with UN agencies in **Pakistan**, the **Philippines** and the **Lao People's Democratic Republic**.

254. The ILO has also developed bilateral coordination mechanisms with specific agencies as well as arrangements with groupings of agencies working on the same thematic issues. Examples of such partnerships include:

- **UN Economic and Social Commission for Asia and the Pacific (ESCAP)** – ESCAP and the ILO signed an MoU in 2009 for the purpose of working together to mutually reinforce and strengthen the work programmes of the respective organizations, focusing primarily on social protection and public policy, promotion of social justice for a fair globalization, and inclusive development.¹²³ A new MoU signed in 2015 (until 2020) reaffirmed the agencies' commitment to collaboration and outlined the key areas of focus, including: youth employment, social protection, statistics, and macroeconomic, labour market and labour migration policies. The two agencies also collaborated on a joint project in the Pacific from 2013 to 2016.
- **Asian Development Bank (ADB)** – An MoU between the ILO and ADB was signed in 2002, focusing on: joint research, studies, organizing conferences and workshops in labour market analysis and statistics, social protection, skills development and inclusive job creation strategies/green jobs. In particular, as part of ADB's Strategy 2020, the ILO has participated in activities with the ADB through research and joint conferences, such as those on employment analysis in **Fiji** and employment policy in **Cambodia**, as well as publications on gender and the labour market. A joint ILO–ADB study on ASEAN Community 2015 was launched in Jakarta, with the ASEAN Secretary-General's participation, at the APEC Human Resources Development Working Group Leaders' Meeting (2014) and in a number of ASEAN member States (in 2014 and 2015). Although historically the partnership between the ILO and ADB

¹²³ Memorandum of Understanding between the United Nations Economic and Social Commission for Asia and the Pacific and the International Labour Organization, available at: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---jur/documents/genericdocument/wcms_458682.pdf.

has focused on coordination, more recently the partnership was strengthened through the first technical assistance agreement between the two organizations, which was signed in 2015, in order to improve the performance of labour markets in the Pacific Island countries (**Fiji, Palau and Papua New Guinea**).

255. Other coordination arrangements relate to specific thematic issues. For example, the UNDG Asia–Pacific Thematic Working Group on Social Protection, under the leadership of the ILO with support from UNICEF and other members of the working group, has developed a number of joint resources on social protection, influencing national initiatives around the region in areas such as cash transfers and universal health insurance. In addition, the establishment of a UNDG Arab States–MENA Thematic Working Group on Social Protection, to be co-chaired by the ILO and the United Nations Development Programme (UNDP), has recently been endorsed by the Regional UNDG for MENA–Arab States (RUNDG–AS/MENA).

256. The UNDG Asia–Pacific Thematic Working Group on Youth is chaired by the ILO and the United Nations Population Fund (UNFPA) and comprises representatives of ESCAP, the ADB, the Joint United Nations Programme on HIV/AIDS (UNAIDS), UNESCO, the United Nations Human Settlements Programme (UN–Habitat), the International Organization for Migration (IOM), UNICEF and UNDP. This has been instrumental in progressing certain key issues through publications such as *Switched on: Asia–Pacific youth at the heart of sustainable development*. An inter-agency task team on youth has been formed under the auspices of RUNDG–AS/MENA, co-chaired by UNICEF and UNFPA and containing representatives of a number of agencies including the ILO. There is also a Regional Coordination Mechanism (RCM), led by the United Nations Economic and Social Commission for Western Asia (ESCWA) in the Arab region and ESCAP in Asia and the Pacific. Within the framework of the RCM, an SDG working group will be formed with the ILO’s participation.

Capacity development

257. The ILO has continued with, and expanded implementation of, the South–South and triangular cooperation strategy, for which the outcomes endorsed and guidance provided by the Governing Body at its 313th and 316th Sessions (March and November 2012, respectively) remain valid. South–South cooperation arrangements in the ILO also include triangular cooperation (South–South–North exchanges) in the fields of child labour, forced labour and social protection.

258. One example of this area of work can be found in the ILO’s partnerships with **China**. The Ministry of Human Resources and Social Security is in partnership with the ILO to strengthen public employment services in the **Lao People’s Democratic Republic** and **Cambodia**. ILO–ACTRAV and the All-China Federation of Trade Unions (ACFTU) have signed an MoU to promote South–South cooperation among trade unions in the Asia–Pacific region. The agreement establishes joint priority-based cooperation between ILO–ACTRAV and the ACFTU with a view to strengthening the technical capacities of union leaders and activists in the Asia and the Pacific region to develop effective trade union policies and strategies for protecting and promoting the fundamental rights of their members. The agreement further underlines the need to enhance the capacities of trade unions to negotiate and bargain collectively, participate in national development efforts and acquire other related skills, and reinforces communication between the ACFTU and trade union organizations outside **China**.

259. Another example is collaboration between the Government of **Fiji** and the Department of Labour and Industrial Relations of **Papua New Guinea** (with ILO facilitation) to substantially update the existing legal framework on OSH in 2014–15. This has included joint workshops enabling stakeholders from both countries to discuss and identify measures to implement OSH law in **Papua New Guinea**, including actions that can be taken by representatives of employers' and workers' organizations to raise awareness among members of their rights, roles and responsibilities under a future legal framework.¹²⁴

260. A series of regional and interregional knowledge-sharing conferences was organized in 2014 to support key priorities in the region in the areas of labour migration, social protection and youth employment, within the overall framework of South–South and triangular cooperation.

Resource mobilization

261. As well as traditional donors, new partners are also making contributions to the ILO's work in the form of PPPs and direct trust funds (DTFs), or within the framework of South–South and triangular cooperation, thus increasing the diversification of the ILO's development cooperation portfolio.

262. PPPs provide a channel for influencing public and private sector investment, policies and practices, so promoting decent work more effectively. In 2015, the ILO had 178 active PPPs worldwide, which demonstrates the ongoing effort to diversify the forms of cooperation involved and the actors collaborating with the ILO in advancing the Decent Work Agenda. Twenty-two PPPs with a total budget of \$7.5 million were concluded in Asia between 2010 and 2015, the majority of them with private companies and foundations. Most allow the ILO to carry out project activities in the field of social dialogue, complementing in this way the funding provided by more traditional donor categories which focus mainly on employment creation. It should be noted that the scope and range of areas covered by the PPPs have widened, together with the range of partners, drawn from companies, foundations and other private entities, which are working with employers, workers and their organizations to tackle important global labour market issues, enhance supply chains and resolve specific world of work challenges.

Box 15

Public–private partnerships for decent work in the garment sector

Cooperation between the ILO and Hennes & Mauritz AB (H&M) dates back to 2001, when H&M joined the ILO's Better Factories Cambodia project. Between 2013 and 2016, cooperation has been expanded to address industrial relations and wages as well as skills training – as part of a more comprehensive and strategic partnership – in **Bangladesh, Cambodia, Ethiopia and Myanmar**. This decision stems from the realization that challenges in the RMG supply chain are systemic and require actions that can improve governance and develop effective frameworks and practices. The partnership particularly focuses on industrial relations and wages, and includes a component on skills development. In addition, all the country interventions benefit from the financial and technical support of the Swedish International Development Agency. The partnership has adopted a multi-pronged approach, implying that governments and the social partners are involved at the enterprise, national and global levels, thereby creating ownership and improvements that are sustainable in the longer term.

¹²⁴ ILO: *Implementation of the OSH Bill: Papua New Guinea*, available at: http://www.ilo.org/suva/WCMS_409967/lang--en/index.htm.

263. Increasingly, ILO member States commit resources from their own public budgets to partner with the ILO. While external development assistance (official development assistance) can provide an important boost and allow the ILO to provide significant development cooperation to a country, ultimately the commitment of ILO's constituents and the allocation of domestic financial resources are key to achieving national decent work goals. This is especially the case for countries that have moved to middle-income country status.

264. DTFs involve cooperation between the ILO and member States which entrust the ILO with financial resources to deliver technical assistance under mutually agreed conditions, over and above the regular support that the ILO can provide from its regular budget. While the contributions of DTFs to the ILO's activities remain modest (see table 2), there have been numerous successful examples. In Asia and the Pacific, DTFs have been concluded in **Bangladesh** (partnering with the Ministry of Finance, Economic Relations Division), **Cambodia** (Ministry of Commerce), **Malaysia** and **Brunei Darussalam**. In the Arab States, DTFs have been established in **Iraq** (with the Ministry of Labour and Social Affairs) and **Kuwait** (to support the Public Institution for Social Security), and more recently the **United Arab Emirates**.

Box 16

Direct trust fund projects in Malaysia and Brunei Darussalam

Several successful projects funded by the **Malaysian** and **Brunei Darussalam** Governments have been launched in recent years, including:

- support by the Government of **Malaysia** to explore the introduction of unemployment insurance. Commencing in December 2011, this involved research studies, tripartite meetings and a feasibility analysis to provide the Government with practical information to consider in its policy-making;
- support by the **Malaysian** Ministry of Human Resources, Ministry of Energy, Green Technology and Water and the social partners, to develop a clearer understanding of the prevalence of green jobs across the economy and sectors, promote an exchange of information and social dialogue on green jobs policies, and identify possible entry points for further green job creation. The ILO's support included constructing a dynamic social accounting matrix to compare the cost effectiveness and employment dimension of different technologies in infrastructure development, as well as piloting green skills standards development for key sectors; and
- support by the Government of **Brunei Darussalam** to improve labour market information and analysis through a revised labour force survey, establishment survey reports and a labour market information system framework.

265. Under the ILO Development Cooperation Strategy 2015–17 the constituents' involvement in the oversight of ILO development cooperation at the country level will be strengthened. At least 15 ILO member States will have substantial development cooperation portfolios (in terms of number of projects and total budget) to ensure that their decent work committees encompass oversight of ILO projects in their respective countries. In the region, **Bangladesh**, **Cambodia**, **Indonesia**, **Jordan** and **Pakistan** have been proposed for the implementation of a pilot exercise.

4. The future of development cooperation

266. The Asia-Pacific Decent Work Decade (2006–15) has brought many achievements, but significant challenges remain. These challenges include the need to create more quality jobs and address the socio-economic factors underpinning poverty, vulnerability and inequality, while sustaining the already significant gains and achievements. Building a future that successfully addresses these challenges is fully

embedded in the Goals of the 2030 Agenda for Sustainable Development (particularly Goal 8) and this is emerging as a central consideration under the ILO centenary initiatives, and in particular the future of work initiative. In taking up these issues a number of existing and emerging trends must be considered, including:

- *ILO's rights-based approach* – The rights-based elements of the 2008 Social Justice Declaration and the 2030 Agenda for Sustainable Development provide justification for focusing operations on the advancement of decent work. Now, more than ever, ILO development cooperation should promote the implementation of international labour standards at the national level, thereby improving people's working lives.
- *Decent Work Country Programmes* – This region is characterized by its enormous diversity. Each country has its own characteristics and realities and must draw up its own strategy. Across the region, DWCPs have proved to be the main vehicle for delivery of ILO development cooperation support. However, more can be done to ensure that they address in an integrated manner all the strategic objectives and cross-cutting issues contain measurable, realistic and achievable outcomes, and include tripartite engagement in their development and national ownership in their implementation.
- *Gender equality* – Across the region there are significant differences in labour market outcomes for women and men that pose opportunity costs for countries. Women are more likely to be concentrated in vulnerable forms of employment, particularly unpaid family employment. These disparities not only deprive individuals and groups of opportunities, they also represent an enormous untapped source of creativity and innovation and a potential loss of GDP. Additionally, achieving parity between women and men in leadership and decision-making will enable this enormous untapped source of creativity, innovation and job creation to be leveraged for the benefit of all.
- *Fair migration* – While labour migration in the region generates substantial benefits in terms of jobs, remittances and provision of skills and labour, abuses such as high fees during recruitment are all too common. During employment, many migrants are concentrated in sectors with inadequate labour legislation and enforcement, though regulation and services have improved over the past decade. New drivers for change have appeared in the form of trade and consumer pressures, and the media.
- *Leave no one behind* – The commitment to “leave no one behind” has been a key feature of all the discussions on the 2030 Agenda for Sustainable Development. Across the region, more than 1 billion workers are in vulnerable employment, often employed informally without access to social or legal protection. A disproportionate number of vulnerable workers live in rural areas. Furthermore, across the region a number of countries are trapped in a vicious cycle of conflicts, disaster and poverty. ILO development cooperation could be used to strengthen the capacity of individuals and communities to prevent and recover from conflicts and disasters, and to preserve peace and strengthen resilience.
- *Graduation to middle-income status* – Across the region, many countries have graduated to middle-income country status. There is a need to adjust the ILO's strategy in working with middle-income countries where priorities may be rapidly shifting away from traditional development cooperation needs. In these countries, future DWCPs will need to place greater emphasis on domestic funding (in cash or in kind, including cost-sharing arrangements) and on advisory services concerned with more efficient use of national resources, and to include as an option (or priority area) the role of the country as a provider of development assistance.

- *Capacity building* – Capacity development is critical for sustaining development cooperation operations, as it places constituents in a position to influence national policies. Dedicated capacity-building programmes simultaneously address technical, organizational and institutional competencies that enable constituents and other relevant players to translate the Decent Work Agenda into achievable national actions. It is also important to share policy experiences, which can be done through separate and combined modalities, such as capacity-development programmes, PPPs and South–South and triangular cooperation.
- *Financing for development* – A wide and growing array of public and private resources contribute to development. International development cooperation is important, especially in the least developed countries and fragile States, but it is not the only means to achieve the SDGs. For example, across the region, migrant remittances far outweigh official development assistance. In middle-income countries there are increasing opportunities for member States to provide DTFs to support DWCPs. This not only makes sense from a resource mobilization perspective but is also a good indicator of the level of national ownership, which further ensures sustainability of outcomes.
- *Partnerships for development, including enhanced collaboration within the UN system* – To achieve the scale and impact proposed by the 2030 Agenda for Sustainable Development, a strategy is needed to promote decent work through partnerships and policy coherence with organizations that have mandates in closely related fields. Collaboration with international and regional organizations and other actors can be improved so as to leverage their contribution to decent work. Translating high-level commitments effectively into policies and programmes at the regional and country levels continues to be a challenge.

267. Development cooperation will be central to realizing the goals of the 2030 Agenda for Sustainable Development and, more specifically, to making decent work a daily reality for all. The development challenge before us comprises: (a) building on the progress and lessons from the previous Asia–Pacific Decent Work Decade; (b) recognizing and adapting to the major processes transforming the world of work (technology, climate change, changing character of production and employment, demographics, etc.); and (c) through processes built on social dialogue and tripartism, adopting policies which ensure that the world of work in Asia and the Pacific is inclusive and decent for all women and men.